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EUROPE & SCOTLAND

European Social Fund

Investing in a Smart, Sustainable and Inclusive Future

European Social Fund Social Economy Growth Fund

GUIDANCE NOTE



Scottish Government
Riaghaltas na h-Alba
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PURPOSE

The Social Economy Growth Fund will support and grow the capacity of Scotland's third sector/social economy to increase and improve services for people experiencing poverty and disadvantage. The social economy or third sector includes voluntary organisations, charities and social enterprises. The Fund is aimed at established organisations whose primary social purpose is to tackle disadvantage, poverty and social exclusion.

The Fund aims to enhance the social economy's ability and capability to make a positive and lasting change to disadvantaged people in Scotland – those who live in poverty. We hope it will help individuals and families to move out of poverty by:

- supporting people to move into better paid employment
- increasing their income
- improving their skills
- enabling them to shape the solutions to poverty themselves

The Social Economy Growth Fund is supported by the European Social Fund (ESF) and the Scottish Government. The Scottish Government will provide match funding for the Fund 'at source'. It is delivered by Equality, Human Rights & Third Sector Division, Scottish Government as Lead Partner for the 2014-2020 ESF Programme.

ELIGIBILITY

All applicants must meet the following eligibility criteria:

- be a formally constituted organisation
- operate on a non-profit-distributing basis or have a governance structure which primarily does not allow for profit distribution
- have strong social as well as business objectives stated in their governing documents
- be independent from national and local government
- have a base and beneficiaries in Scotland
- have at least three people on the Board of Directors or equivalent
- have a bank account in the name of the organisation requiring at least two unrelated signatories
- not be insolvent, facing insolvency or be unable to trade or operate

In addition, [ESF Operational Programme](#) & [ESF National Rules](#) require applicants to:

- work with key client groups of homeless, workless, low income and/or single parent households
- demonstrate that the proposed project or activity is additional and complementary to the core/statutory services provided by the organisation
- ensure all costs applied for are eligible and any member of staff supported by the Fund is employed for 100% of their contracted hours on the project
- complete all activities by 31 December 2018 – this may be extended to 31 March 2019, subject to approval by the Managing Authority

We will not accept applications from:

- individuals/sole traders
- profit making organisations
- organisations based outside the UK
- non-departmental public bodies
- applications made by one organisation on behalf of another

Following the guiding principles of the ESF Operational Programme, we will give priority to organisations with a proven and positive track record of working with homeless people and/or workless, low income and/or single parent households. Many people in these 'target groups' are likely to face additional barriers to finding work and improving their life chances eg they may have a disability, long term physical and/or mental health condition, low literacy/numeracy skills.

We expect the financial support from the Fund will contribute to growing and/or developing organisations. This will help organisations to:

- increase/improve their services
- create more jobs
- support more individuals into work
- increase/maximise household incomes

We expect successful applicants to demonstrate the positive impacts of the funding and tell us how the project activity contributes towards the ESF Operational Programme principles and indicators. It is essential that applicants retain baseline data to evidence the impact and additionality of ESF to measure and report success.

COSTS

Grants of between £100,000 and £250,000 are available to support **actual costs of delivery** and will require a **full and verifiable audit trail**.

Prior to completing the application form you must read and understand the [ESF Programme Guidance](#). Detailed explanations of ESF cost headings can be found in the [National Rules](#).

Please note - that **Direct Staff Costs** are eligible for personnel directly engaged in the project for 100% of their contracted hours, whether full or part-time. Direct staff do not need to be in place for the full duration of a project - as long as their role is justified and they are working 100% on the project for the period they are required (minimum one month) their salary costs will be eligible.

SUPPORT FOR APPLICANTS

[Details of organisations](#) that can help and support the third sector/social economy are available on our website.

If you require clarification on a technical issue about the Fund, please send an email to our mailbox info@growingthesocialeconomy.gov.scot.

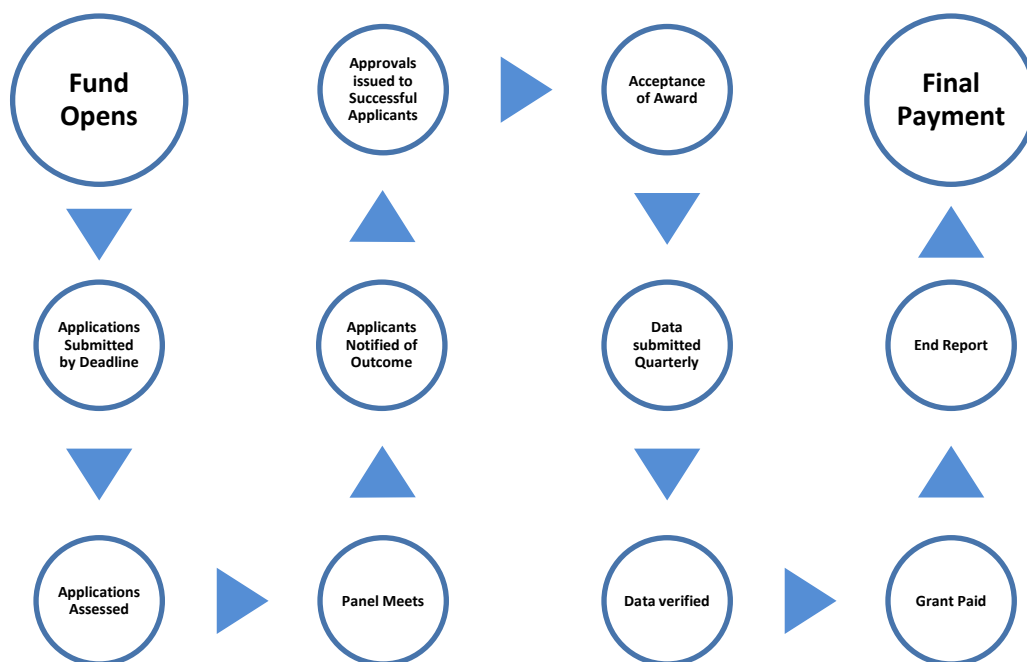
As this is a new Fund we welcome your feedback and encourage you to send any comments to the mailbox. This will help us to review our processes and guidance, and make improvements

APPLICATION PROCESS

We intend to run two funding rounds with details of opening and closing dates published in advance on our website. We may run further funding rounds depending on level of demand, number of awards made and availability of funds.

Electronic applications and supporting evidence must be submitted by 5pm on the closing date to ApplicationsGrowingtheSocialEconomy@gov.scot. Two original certified hard copies of your application should be received no later than 3 working days after the closing date.

The diagram below shows the stages of the application and approval process:



We will check all applications submitted to ensure they are fully completed and meet Fund criteria and eligibility. Incomplete applications or those that do not meet the eligibility criteria will automatically be rejected and the applicant will be notified.

All eligible applications will be assessed by an independent panel. The panel will include representatives from the Third Sector, Local Authorities, Enterprise Agencies and the Scottish Government. All panel decisions are final. Unsuccessful applicants will receive feedback and may be able to reapply.

PAYMENTS AND REPORTING

We will include detailed information on how and when to claim in your grant offer letter. Payments will be made quarterly in arrears subject to financial checks and satisfactory progress and performance against project aims and objectives. Incomplete, incorrect or late claims and evidence will result in delays in processing payments. Claims must be submitted timeously to enable us to collect and collate all data and report overall programme progress, performance and spend to the Managing Authority.

Before payment, all claims will be subject to 100% compliance checks against approved project budget costs. We may undertake additional project monitoring before we make final payment. If we have concerns about project performance or progress, we may suggest performance improvement measures. If performance continues to be a concern, we may have to withdraw grant support.

Examples of the financial evidence we require to support your claims include:

- Invoices and purchase orders
- claim/expenses forms
- receipts
- payroll/wage slips
- BACs
- bank statements of organisation **and** end beneficiary

In addition, you should keep the following evidence associated with the project:

- approved application form
- grant award letter
- policies to support costs e.g. staff travel and procurement
- claim forms and financial supporting evidence by quarter
- correspondence with Scottish Government
- job adverts and descriptions
- contracts of employment
- paperwork related to the project such as minutes of meetings, baseline data etc

At the end of your project we will ask you to send us an end-of-project report with your final grant claim. We will ask you to tell us about:

- the difference your project has made, and the outcomes achieved
- any lessons learned, what has worked well and what could have been done differently
- what you are going to do as a result of the project

We may contact you for more information after the project is complete and the final claim has been paid. For example, we may ask you to contribute to case studies and participate/provide information for promotional and publicity events.

PUBLICITY

As a Lead Partner, we have a Communications Plan to ensure the information about our programmes reaches our target audiences, including potential applicants. All publicity materials must comply with [ESF Publicity Guidance](#) to acknowledge ESF support and we will retain a portfolio for audit purposes.

If your application is successful, you will need to ensure any marketing or publicity about your project follows this guidance. You must use the correct [ESF logos](#) on all marketing, publicity materials and any publications associated with the project. Evidence of publicity will be required as part of our project monitoring.

The list is not exhaustive, promotional and marketing include:

- job adverts and descriptions and all project related documentation
- press releases on websites, newspapers and social media
- newsletters and reports
- events and presentations

You should also acknowledge the Scottish Government and any other funders in all associated project materials.

STATE AID

We will assess each application against the 4 [test questions](#) to ensure compliance with State Aid rules.

We will ask you to declare all de minimis aid your organisation has received in the last 3 fiscal years prior to your application. If you have received de minimis aid before, it will be highlighted in all grant offer letters from your funder.

We will look for the most suitable route to support approved projects to ensure State Aid requirements are met - thresholds may be applied if necessary. More information is available on state aid for [Inclusive Growth](#).

DOCUMENT RETENTION

The European Commission requires successful applicants to retain all evidence associated with their project securely. Evidence should be checked for completeness and be accessible for audit as per [Document Retention Guidance](#).

We recommend that you retain all your records beyond the 3 years **from final Programme payment**. To comply with this we will formally notify applicants of the date records can be destroyed.

DATA PROTECTION, FREEDOM OF INFORMATION & THE ENVIRONMENTAL INFORMATION REGULATIONS

You should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004 and the Data Protection Act 1998.

Please therefore note that information provided, including personal information, will be held, published and disclosed in accordance with this legislation. When submitting an application, please let us know if there are any parts of it which would prejudice your commercial or other interests if they were made public. However, given our obligations, please note we cannot guarantee confidentiality.

EQUALITY & ENVIRONMENTAL LEGISLATION

All organisations submitting an application to the Social Economy Growth Fund must satisfy themselves that they are compliant with relevant equalities and environmental legislation, including the requirement for Strategic Environmental Assessments (SEA) under the Environmental Assessment (Scotland) Act 2005.

Further information on equalities legislation can be obtained from the [Equalities and Human Rights Commission](#) and guidance on relevant [environmental legislation](#) from the Scottish Government.

We may require proof from you that you have considered your obligations as required under legislation.

APPLICATION SUBMISSION

There will be no extensions to the closing date. Applications received after the deadline will automatically be rejected.

Please save the application as the **Project Title** and email by 5pm on the deadline to ApplicationsGrowingtheSocialEconomy@gov.scot along with a copy of your most recent annual accounts and business plan. The **Project Title** should be in the subject heading of the email also. We will acknowledge your email submission.

Please send two hard copies of your original certified application form, preferably signed in blue ink, no later than 3 working days after the deadline to:

**The Scottish Government
DG Communities
EHRTS Division
Longman House
28 Longman Road
INVERNESS
IV1 1RY**

APPLICATION FORM – HELP NOTES

Please complete the application form accurately following these NOTES. Any errors or missing information may lead to delays in processing your application and submission to the assessment panel. Guidance on completion of the form:

- do not alter the application form length, text boxes are a guide to the level of information required
- answers should be drafted in a Word document to ensure the text does not exceed the stated maximum word count and spell checked
- use Arial and minimum font size 11
- yes/no boxes to be double clicked, then in pop up box under Default Value select “checked” then OK.

Insert the **Organisation Name** and a brief **Project Title** on page 1.

Section 1: Applicant Details

Name of organisation

Please provide the full name of your organisation

Applicant Legal Status

Please provide details of legal status. This is required for purposes of diligence and verification before any funding award can be made.

Incorporated Body

Please state Yes or No. If NO is ticked the application cannot proceed.

Organisation Type

Please complete with details e.g. Scottish Charitable Incorporated Organisation, Private Company Limited by Guarantee, Community Interest Company.

Registered Company Number

Please confirm your number.

Registered Scottish Charity Number

Please confirm your number.

If your organisation is a subsidiary of or affiliated to a parent company, please provide details?

Please insert Yes or No. If YES please provide details of the parent company.

Establishment date of your organisation.

Please confirm the month and year the organisation was established.

Organisation has UK bank account, published accounts and control over expenditure

Please confirm Yes or No.

VAT Registration Number

Please provide your VAT Registration Number.

Is your organisation able to reclaim VAT

Please state Yes or No. Organisations that cannot reclaim VAT can include the VAT element within their eligible project costs. Non-recoverable VAT is eligible ESF expenditure and we will require evidence from HMRC or your accountant regarding your VAT status to comply with ESF rules.

Contact details for correspondence

Please complete this section ensuring the contact details are entered correctly. These details must remain active and up to date during the application process in order that we can contact the correct personnel.

Section 2: About your Organisation

Please describe the current activities delivered by your organisation and how these are supported. (max 500 words)

Please provide information about your organisation and the activities that you currently provide. Include:

- aims and objectives of your organisation highlighting achievements, purpose and mission
- services/projects you currently deliver and the location of the services and/or geographical coverage of support available
- how the activities are currently supported/funded
- the people/beneficiaries/target groups you work with
- any Scottish Government awards/grants you have received in the last 3 years
- any other European Funding your organisation receives – for example from another ESF programme, ERDF or Leader

Please describe how you will ensure there are robust systems and suitably experienced staff in place to manage the project and comply with ESF requirements. (max 500 words)

We must ensure that the organisation is able to manage the project and has capacity to comply with all the requirements of the grant award. Insert information relating to:

- track record and experience of delivering similar services, support and/or products to beneficiaries/target groups
- the systems/staff/processes you have in place to ensure robust performance and financial monitoring to report accurately and on time
- any previous experience of delivering/managing an ESF project

How many staff do you employ?

Please insert the number of staff currently employed in your organisation. Split this into those full-time, part-time and volunteers.

Does your organisation have an Equality & Diversity Policy?

Please tick the appropriate box.

Does your organisation have an Environmental Policy?

Please tick the appropriate box.

Section 3 – Project description and objectives

Please state the proposed start and end dates of your project

Insert the start date of the project. This should not be earlier than **1 April 2017**. Please note that any expenditure incurred prior to the start date of the project is ineligible and cannot be claimed. The end date of the proposed activity can be no later than **31 December 2018**.

In which Local Authority area(s) will your project take place?

Please tick all those which apply.

Please tell us about your proposal and all planned activity. (max 800 words)

Please complete this section outlining:

- what you plan to do and why, explaining how your project will be staffed and deliver improved outcomes for people who experience poverty and disadvantage
- evidence and data to justify the need for the project – for example how have target groups been identified, what barriers do they experience, what evidence and data have you used, what discussions have you had with local people/beneficiaries
- how will the project and activities enable you to grow your organisation, and improve and/or increase services or products for beneficiaries
- where will you be delivering activity or services supported by your proposal

Please describe your project rationale and strategic fit. (max 500 words)

Please describe how your project will fit with the strategic aims of the ESF Growing the Social Economy programme and ESF Operational Programme. In addition please include:

- how your project will contribute towards tackling poverty and inequality and promote social inclusion
- how your project contributes towards national policies such as Fairer Scotland Action Plan, Shifting the Curve etc
- any local plans and priorities that the project will work towards achieving

How will you ensure your project addresses the Horizontal Themes of Equal Opportunities, Environmental Sustainability and Social Inclusion? (max 500 words)

The three ESF Horizontal Themes – Equal Opportunities, Environmental Sustainability and Social Inclusion – are at the centre of EU, UK and Scottish Government policy priorities. Applicants must demonstrate how they have considered and integrated these themes into their proposal.

Monitoring Horizontal Themes to ensure they have been considered and embedded within supported projects is a European Social Fund requirement. Successful projects may also be used as case studies to comply with European Commission requirements. Please tell us:

- how you promote each of the Horizontal Themes in your organisation
- how you will ensure each Horizontal Theme is considered in the design and delivery of your project
- how you will take account of the [Protected Characteristics](#)

Examples of Horizontal Themes are:

Equal Opportunities	Equal Opportunities policies, staff training on Equal Opportunity issues, providing staff with childcare vouchers, supporting and encouraging flexible working arrangements, ensuring premises are accessible, providing adapted equipment, ensuring publication materials are available in different formats, demonstrating there is no discrimination (protected characteristics).
Environmental Sustainability	Environmental policies, sourcing goods and services locally, reducing waste, recycling, using public transport where possible, promoting walking/cycling initiatives, ensuring where possible premises are energy efficient, maximising technology i.e. video conferencing/online materials/electronic filing.
Social Inclusion	Accessibility - organisation's services or location is in high area of deprivation or providing services to remote rural areas, use of community/friendly premises, support and services are inclusive irrespective of barriers, activities recognise the needs of and are tailored to individuals/target group/area needs, providing information in different languages/formats, communication is clear and appropriate for the audience.

Please tell us about your project's objectives and outcomes. (max 500 words)

We expect investment from this fund will help to create sustainable jobs. Describe the difference your project will make and how will you know if it has been successful:

- how the activities supported will contribute towards achieving [ESF targets](#), including job creation
- number of new staff recruited to fill new posts and the activities they will deliver and support
- the impact of the project activity in developing and improving services and support to the target groups
- the potential transformational changes your project will have on individuals/target groups and the community
- key milestones and expected timescale for achieving them
- how progress and success will be measured against anticipated outcomes

Please describe the ‘added value’ of your project, and explain why ESF grant assistance is needed to enable it to proceed. (max 500 words)

You should provide evidence to address the following:

- that other sources of finance have been explored
- the amount applied for is the minimum grant necessary to enable the project to proceed
- how the project is additional to your current activity and aligned with/or complementary to other ESF projects
- how it will add value to existing services available in a locality or place e.g. increased number of services, new activities, jobs created and people supported

Please state how European Social Fund and Scottish Government support will be acknowledged. (max 250 words)

Applicants will be required to acknowledge the funding support received for the project in line with [ESF Publicity Guidance](#). Please detail your action plan to maximise awareness of ESF and SG support to:

- those within your organisation, board and other stakeholders
- to those that will benefit from the project
- the wider community and public locally

Please explain how the project activity will be sustained beyond the end of the funding period. (max 250 words)

Applicants should have an appropriate exit strategy in place to ensure the sustainability of their project. This should include resourcing and options for continued funding and project development to ensure there is a legacy from ESF grant award.

Section 4 – Financial Information

You must read and be familiar with [ESF National Rules](#) before you complete your application. The Managing Authority updates documents regularly, please make sure that you are referring to the latest version published before submitting your application.

Please note - the Scottish Government will provide match funding at source up to (50% Highlands & Islands and 60% Lowlands & Uplands) of the total eligible costs of all successful applications. This means that applicants do not need to identify match funding in order to apply.

However, we can only support ESF eligible costs that are directly related to your project activity. There may be other non-eligible costs associated with your project that are funded by someone else, so we will ask you to tell us about any other funders.

Please complete the tables below detailing the financial information

In the **Expenditure Table** please provide the following details for each calendar year:

- a) **total eligible cost of the project** – this is the amount of grant funding you are applying for from the Social Economy Growth Fund
- b) **total ineligible costs** – this is all the other costs that are related to the project but are not eligible under ESF rules
- c) **total project cost** – this is the total value of the project, eligible project costs + non-eligible costs

Please profile budget headings and amounts

Insert the year that the planned expenditure relates to. Detailed explanations of all ESF cost headings can be found in the [National Rules](#), and includes:

- Direct Staff Salaries
- Staff Travel & Subsistence
- Consultancy & Contractor Fees
- Premises
- Marketing (must acknowledge ESF)
- Purchase of Equipment
- Leasing
- Non-recoverable VAT
- Other Eligible Costs e.g. consumables

Under Description insert what the cost is for such as job title of the staff post, project travel necessary, the equipment required, number of venue hires etc

For staff costs please insert the annual gross salary plus NI and pension contributions only under the Total Cost Column. No other additional payments should be included. Please double check that the total figure against each year and the overall total matches the Total Column figures in the Expenditure table above.

Please ensure that the figures add up correctly across the headings to the Total Cost Column. The figures under the Total Column must match the breakdown of costs headings in the Expenditure table for each year.

Please provide details of all other funding providers for your project

If applicable please detail all other sources of funding for your project including your own organisation and the non-eligible costs this will support. Insert the relevant year(s), value of the contribution, the name of the funder and the date funding was confirmed.

Have you received de minimis aid in the last 3 fiscal years?

Please tick the appropriate box.

If Yes, please provide details

If Yes please provide details of the funding and the value received over the last 3 fiscal years. The Regulation allows aid of up to €200,000 to an individual recipient from all public sources awarded under the de minimis rule.

If you have received de minimis aid this will be notified clearly in your grant offer letter from the public body. Aid under an approved scheme does not affect de minimis aid if it is granted for different activities/support. It is the responsibility of the applicant to check and declare any aid received ensuring it does not exceed the maximum aid level.

Please provide figures from your latest approved annual accounts.

Complete the table with information required. We also require you to provide a copy of your most recent audited/approved annual accounts with your application.

Section 5 - Declaration

Please complete the declaration fully by double clicking the grey boxes to edit. The designated signatory must be at Chief Executive/Director level or equivalent that has the authority to certify a grant funding application of this value.