

# An introduction to ERDF project management



EUROPEAN UNION  
Investing in Your Future

European Regional  
Development Fund 2007-13

# **An introduction to ERDF project management for:**

- People new to ERDF
- Those considering applying to ERDF
- Those who have recently embarked on ERDF

## Sources of information

All relevant information can be obtained on the Department for Communities and Local Government (DCLG) site at <https://www.gov.uk/erdf-national-guidance>

The site provides all the forms that are needed to apply for and manage the delivery of European Regional Development Fund (ERDF) supported projects.

## Application forms

- [Outline application form](#) [MS Word Document, 176KB]
- [Outline application deliverables, costs and funding annex](#) [MS Excel Spreadsheet, 154KB]
- [Full application form](#) [MS Word Document, 240KB]
- [Full application indicators, costs and funding annex](#) [MS Excel Spreadsheet, 2.49MB]
- [Full application checklist](#) [MS Word Document, 133KB]
- [MCIS external user request form](#) [MS Word Document, 100KB]

# Guidance forms

- [Full application form guidance](#) [MS Word Document, 732KB]
- [Outline application form guidance](#) [MS Word Document, 528KB]
- [MCIS procurement screen](#) [PDF, 118KB, 7 pages]
- [MCIS assets screen](#) [PDF, 252KB, 7 pages]
- [National eligibility rules](#) [PDF, 108KB, 18 pages]
- [National procurement requirements](#) [MS Word Document, 289KB]
- [National publicity requirements](#) [PDF, 3.64MB, 18 pages]
- [ERDF logos](#) [ZIP, 2.08MB]

# National ERDF handbook

The national ERDF handbook provides an overview to the ERDF programme and project life cycle, and also information and guidance for applicants, grant recipients and DCLG on how to apply for ERDF funding and develop and manage compliant-supported projects.

This needs to be used in conjunction with the detailed rules and regulations against which projects are audited.

[National ERDF handbook](#) [PDF, 598KB, 137 pages]

# East Midlands guidelines

- [ERDF East Midlands output and result indicators](#) [PDF, 191KB, 20 pages]
- [ERDF East Midlands business support guide version 1](#) [PDF, 262KB, 66 pages]
- [ERDF East Midlands business support guide searchable database version 1](#) [MS Excel Spreadsheet, 593KB]

# State Aid Law

- State aid is an area of competition law which applies to public funding within the European Union.
- The Department for Business, Innovation and Skills (BIS) state aid branch has lead responsibility within UK government for co-ordination and development of [state aid policy](#).
- [State aid guidance](#) [PDF, 1.26MB, 22 pages]



# National publicity requirements

There are strict guidelines regarding the use and display of ERDF logos on all publicity materials

The guidelines are to be found at <https://www.gov.uk/erdf-national-guidance> Sub section - ERDF logos

The logos are available in:

- black and white
- small and large sizes
- landscape and portrait
- low and high resolution

# National publicity requirements

## Black and white version (small, landscape)



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## Colour version



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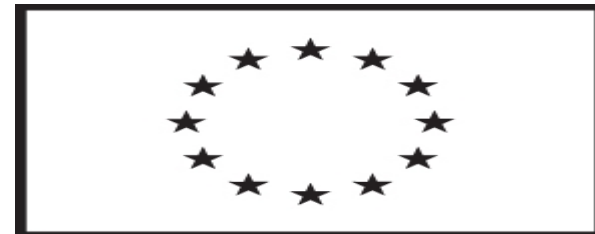
# National publicity requirements

If lacking space use the smaller version rather than re-sizing the larger version



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# Getting started - planning your project

Don't do anything until you have read the guidelines!

Decide what your project is going to achieve. Establish your beneficiaries and your stakeholders

Plan to deliver activities that lead to results - a truism but necessary.

The project's objectives should be **SMART:**

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**ime-bound

You will be asked to re-write the objectives if they do not fit SMART criteria

# About the project

Briefly explain what the project will do, why ERDF is required and what you will spend the funding on.

- Where and when will the project be delivered?
- How will it be delivered and operate?
- What assets, if any, are being purchased through the project?

## **Describe how the project will link to and deliver against the requirements of:**

- The ERDF 2007-13 Operational Programme
- The Prospectus, call or theme to which the proposal is responding
- Other relevant local economic strategies, regional or national plans and / or strategies

## **Support for ERDF themes**

### **Environmental and sustainability theme**

How does the project maximise positive environmental impacts or mitigate potential negative impacts?

### **Support for the equality and diversity theme**

How have equality and diversity issues and opportunities been taken into account in this project?

## **Rationale and Additionality**

- Explain why the project is needed and provide/refer to relevant evidence to demonstrate this need.
- Explain who wants this project and provide/refer to evidence to demonstrate this demand.
- What evidence of market failure is available and why is there a need for public sector funding?

### **Additionality**

- Why should the project be funded by ERDF i.e. how will the project meet additionality requirements?



# Outputs, Results and Impacts

## Costs and Funding

- How will the outputs and results support the delivery of the project's objectives and address the issues that you have identified? Do the outputs match Programme requirements?
- Ensure that outputs and results are achievable. Do not be tempted to over-inflate the outputs as a device to obtain the funding.
- Gross Value Added (GVA) - remember that you can only claim GVA from year 2 onwards
- How have you costed the project? Is it realistic?
- How much will each output cost? How does this compare to local and national norms?

# Project Management, Capacity and Risk

- Be aware that partnerships are not necessarily made in heaven. Partners may be chosen for you - you may be asked to work together to maximise resources and improve outputs. You may need to build new relationships.
- What resources, knowledge, expertise and skills do you and any delivery partners have to deliver the project? Have you run an ERDF project before? How will you apply your skills to running the project? What is the role of each partner?
- Explain how you have analysed risks to the project's success. How will you mitigate these risks? What are your strategies?

# State Aid

At application stage projects should briefly assess the state aid implications for themselves as applicants as well as for other beneficiaries and outline how they expect the project to be state aid compliant.

State Aid applies to financial support given to any entity that is engaged in economic activity. Economic activities are those that involve the placing of goods or service on a given market.

It is not necessary for the service to be provided at a profit for it to be deemed an economic undertaking - a benefit to an undertaking granted free or on non commercial terms could be said to be state aid. This includes the direct transfer of resources such as grants and soft loans, and also indirect assistance - for example relief from charges that an undertaking normally has to bear, such as tax exemptions or the provision of services or loans at a favourable rate.

## Understanding project risks

- **Cash flow.** ERDF is paid three months in arrears. How will you manage the initial four to six months? How will you maintain cash flow? Where can you obtain cash to fund the process?
- **Match funding.** Upfront or defrayal? What are the implications?
- **Delay.** ERDF project start times are often delayed. What are the implications for your project should the project be delayed? Will this have implications for match funding e.g. if supplied from time limited funds. What are your strategies for dealing with delay?

# Getting ready to run your ERDF project

**Develop clearly delineated roles and responsibilities for:**

- Partners
- Staff within the project

**Use the project implementation period to:**

- Develop relationships (partners, signposting organisations, clients etc)
- Get used to acronyms!
- Review the project and make changes as necessary
- Prepare templates. Familiarise yourself with the MCIS system and reporting formats
- Plan for the Project Engagement visit (PEV). The PEV looks at your systems and is a set-up review meeting.

## Running your ERDF project

- ERDF is driven by paperwork - ensure that you keep on top of it. Complete all paperwork - do not fall behind as you will never catch up!
- Ensure that you capture all evidence and outputs
- Do not double count
- You need to deliver and you need to demonstrate that you deliver. No use if clients are really happy with you but your project is not delivering outputs

# **Audit trail and financial management**

## **Multiple income streams**

Will you need to manage multiple income streams? If so do you have systems in place to do so? Need not be complicated - Excel with different department codes will suffice

## **Defrayal**

No receipts = no money! Have to demonstrate that the payment has left the bank before you are able to claim.

Can only claim for what is in your budget. So cannot claim for training course related to your project if you did not include a training budget head in your submission

The receipts must be for viable and agreed expenditure

## **Audit trail and financial management**

- Calculate and allocate the share of overheads to each funding pot. The calculation is based on floor space as a percentage cost of each full time or part time worker. DCLG guidance shows you how to work out the percentage rate on a number of different scenarios
- Watch out for double accounting - counting costs twice, especially salaries across different ERDF projects or elsewhere
- Ensure that you claim for all relevant project costs



## **Audit trail and financial management**

All payments must be verified as a correct record and must be stamped and signed to say that this is the case. There is an ERDF standard. DCLG do not provide a stamp but supply the wording and requirements. Stamp can be ordered from stationers such as Stamp Direct

Submit claims on time and ensure that all sections are completed. Use MCIS system - will be explained to you by DCLG at the PEV meeting.

## Tips and lessons that CASE has learnt from managing ERDF projects

- Aim for maximum outputs
- Develop strong partnership. Ensure that all partners are on board with the project message. Ensure that all partners are able to deliver to project standards
- SEW lost outputs by delivering 3 hour workshops. WISE only delivers 6 hour workshops
- Lost potential delivery time by delivering excess hours to beneficiaries
- Didn't realise that could count certain beneficiaries in two categories so lost outputs
- Poor communication between partners lead to loss of outputs (had delivered work but had not co-ordinated and lead to outputs not being recorded)

## **Tips and lessons that CASE has learnt from managing ERDF projects**

- Establish a strong Memorandum of Understanding (MOU). Make reference to it if necessary
- If you are the lead partner pull rank if needed. Ultimately the responsibility for the project lies with you so ensure that delivery targets are met even if it makes you unpopular
- Be prepared for the unexpected. TRAC system was abolished. Played havoc with University of Leicester's reporting procedure. Took months to sort.
- Work to inspection standards at all time - it makes life easier