



European Union

European Structural
and Investment Funds

COMMUNITY LED LOCAL DEVELOPMENT – ELIGIBILITY GUIDANCE

Although not strictly classed as eligibility criteria the following list (with the exception of ERDF and ESF) shows the criteria that must be met in order for an application to be supported:

- Delivering against at least one of:
 - LDS Priorities (Section 2 of LDS eg. Supporting business and employment; Making sure people can access employment and training), and
 - LDS Objectives (see LDS Exec Summary), and
 - LDS Activities (see LDS Exec Summary)
- State Aid
- Outputs (see LDS or 'Outputs and Results List')
- Delivery timescale (by September 2022)
- No duplication of existing provision/mainstream
- Project must be delivered/benefit those in a Core or Functional area – priority given to projects delivered in a Core area
- There is no dual funding

Projects must also fulfil national ERDF and/or ESF eligibility criteria; detailed below.

ERDF

Eligibility of applicant

All sizes of business can apply ie. sole trader, micro business, small and medium-sized enterprise, or large business.

The following types of organisation are **eligible**:

- Local authorities
- Statutory and non-statutory public funded bodies
- Higher and further education
- Voluntary/community organisations
- Private sector companies
- Registered charities
- Not for profit organisations

The following may be **ineligible** for ERDF support;

- any business on the Isles of Scilly



- day nurseries
- retail facilities (except for projects that are not exclusively aimed at retail sector)
- fishery and aquaculture sectors
- primary production
- processing and marketing of primary agricultural products (Annex 1)
- coal, steel and shipbuilding sectors
- synthetic fibres sectors
- banking and insurance companies
- establishments providing generalised (school age) education.

Eligibility of costs

Eligible costs

Capital or revenue expenditure can be applied for.

- Mobile assets (includes laptops, vehicles etc) – eligible provided they are used exclusively in delivering the project (if not used exclusively a flat rate is applied – see guidance).
- Land acquisition – if not built upon cannot exceed 10% of total project costs
- Building acquisition – if necessary to deliver the project
- Building and construction – eligible; includes provision of services
- Plant and machinery – eligible if they provide a service for the project (hire purchase also eligible)
- Other equipment – eligible if directly related to the project; second hand equipment is eligible
- Fees – eligible but can't exceed 12.5% of total works costs and must relate to the project
- Site investigation and preparation – eligible if necessary to develop project
- Direct staff costs – eligible for personnel directly engaged on the project eg. Not for IT support, finance, reception etc.

Ineligible costs

- Working capital (stock purchases, wages and overhead contribution)
- Expenditure that could be classed as *business as usual* e.g. expenditure that is not over and above that which would be normally incurred in the day to day running of your business/organisation
- Retrospective investment (related project expenditure already completed and paid for)
- Satisfaction of a statutory legal requirement
- Debt substitution



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- Activity that could be supported by another programme
- Local social welfare facilities (eg. Nursing homes, sports facilities, parks, public libraries, child minding facilities when not directly related to objectives of the Operational Programme)
- Coastal protection, soil conservation and infrastructures (except green infrastructures)
- Land acquisition not directly linked to productive investment or investment in infrastructure
- Housing – except for energy efficiency and renewable energy operations
- Major infrastructure in private sector ports

ESF

Eligibility of applicant

The following organisations are eligible to apply to deliver training programmes for CLLD:

- Public, private or third sector.

Eligibility of participants

Individuals who are:

- Legally resident in the UK
- Have the Right to Work in the UK
- Aged 16 + (no upper age limit)
- Be economically inactive or unemployed

Eligibility of costs

Eligible costs

Actual expenditure (staff, participant and other costs; there is a distinction between direct and indirect costs):

- Direct costs are those costs which are directly related to the ESF supported activity e.g. salaries of staff (new project staff don't have to come from Core areas), participant costs (participants/trainees must come from Core areas) eg. allowances, childcare costs, stationery, consumables, premises costs and lease of buildings, depreciation of buildings and machinery where related solely to ESF project, equipment hire where for ESF use only and for operating lease only, fees, other revenue eg. marketing, sub-contracting;



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- Indirect costs are shared organisational costs and so cannot be connected directly to project activity and which are difficult to attribute to the project e.g. telephone costs, gas, electricity and water.
- Projects including indirect costs within their eligible costs must use the Simplified Cost Option, using a flat rate of 15%

Match funding is required for ESF projects

Match funding in kind – only volunteer time is eligible but projects should also have a minimum of 10% cash (which can include staff time) as match funding.

Ineligible costs

- In-kind contributions which comprise the provision of land, real estate, equipment
- Payments for activity of a political nature
- Purchase of furniture, vehicles and equipment (other than small items of equipment under £1,000)
- Purchase of second hand equipment
- Bank debit charges
- Legal fees
- Fines, financial penalties and expenses arising from litigation
- Purchase of land
- Purchase of real estate (i.e. buildings after construction and the land on which they are built)
- Expenditure relating to venture capital loan and guarantee funds
- Redundancy costs if people leave the employment of the organisation at the end of or during the life of the project

NB: This list is not exclusive

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