

C4.1 Main Grant Appraisal Form Guidance

BACKGROUND

The Local Action Group requires two separate Appraisals of all projects seeking funding. This is to ensure that the project is given a fair assessment. The two Appraisers are encouraged to work independently but compare their completed appraisals before submitting them to the LAG. If there are significant differences between the two, or Appraisers are unable to agree on a recommendation then this should be discussed with the LAG team.

INTRODUCTION

The priority for the Appraiser should be to ensure that the appraisal undertaken is accurate, consistent, complete and relevant to the project being examined.

The Appraisal should be **evidence based** and supported by sufficient commentary. Through it, the LAG is confirming that:

- The project is fully developed, designed or defined
- The full costs and funding have been identified and confirmed
- The net outputs targets have been confirmed
- The impact on the community and wider area has been verified
- The contribution to the Local Development Strategy (and any other relevant strategies) have been affirmed
- A realistic implementation programme has been set
- Appropriate partnerships have been established to support the implementation and operations of the project
- Implementation options have been fully explored
- Effective project management systems are in place
- Effective monitoring and evaluation regimes have been established
- The contribution to the sustainability agenda has been maximised
- A forward (or exit) strategy has been defined
- Risks to the LAG have been assessed, quantified and addressed

The Appraisal should be based on the information contained in the Application Form, and not the personal knowledge of the Appraiser. If you feel you may have a financial or non-financial interest in a Project you MUST discuss this with the LAG team prior to completing the Appraisal.

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APPRAISAL FORM

The following table provides guidance to some basic questions which need to be asked in the Appraisal.

Q	SUBJECT	ISSUES
	Project Name	Is this the same as shown in the Basic Eligibility Check?
	Issues raised at Basic Eligibility Check	Have these issues been addressed in the Application Form? If there are fundamental issues that have not been resolved please notify the LAG team and do not continue the appraisal without further advice.
1	Target area	Are the geographical details given clear and appropriate? Could and / or should it cover a different / wider area? If it proposes to cover a wide area are you confident that the project can effectively deliver across the whole of this area? If the project aims to run outside or across LAG area(s), has apportionment of funding and outputs been highlighted?
2	Timescale	Is the overall timescale realistic? Does the timescale allow for matters such as planning permission or securing other funding to be resolved?
3,4	Project purpose	Are the aims of the project clear? Are they inline with the aims of the Local Development Strategy? Does it provide sufficient detail to give an uninformed reader a basic understanding of the project?
5	Evidence of need	This section is for the applicant to identify why their particular project will achieve the aims set out above. It should also justify any limitations that have been placed on the project; for example if a project seeks to provide financial training to hotel owners only, it should explain why the particular target group has been selected. Note: There is no need to evidence the underlying priority as this was carried out as part of the Local Development Strategy. Has the applicant provided statistical as well as anecdotal evidence? The experience and awareness of the applicant is not enough to justify funding. Letters of support may assist if they offer real information about the context of the application. If other strategies or similar documents are referred to then the applicant should quote the actual reference that support the application – e.g. an application on disabled business assistance may cite the DEFRA Rural Strategy 2004’s Social Inclusion mandate. However they would have to find the references within the strategy that related to business assistance under that banner.

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		The assessor must exercise their judgement on whether the evidence provided is appropriate. If you are unconvinced, and don't know where to suggest to look for evidence, you should recommend additional analysis / study before the project is approved.
6	Effects and impacts	Are the proposed effects and impacts reasonable and attributable to the project? Have all possible effects and impacts been considered? Could the project do more if it were adjusted slightly?
7	Match onto objectives	Note: You will need to familiarise yourself with the strategy in order to assess this appropriately. The latest documents on this can be obtained from the relevant LAG team(s). Has the applicant indicated appropriate priorities? Are you convinced that it will deliver against that part of the strategy?
8	Options	Note: The appraisal should consider the listed options from the point of view of the LAG and its objectives. The Applicant should set out at least four options, including a "do nothing" option. The options needs to cover a reasonable set of alternatives by which the project aims could be achieved, including different scale of project, different nature of delivery, different organisation, etc. It is important that this is a balanced summary of the advantages and disadvantages of all options. There are no circumstances where a project can realistically claim no disadvantages to their selected option. Has all relevant delivery options have been considered? Have the output, impact and costs to the LAG of different options been identified and reviewed? Has the impact of a "Do Nothing" option been reviewed? Has the preferred option been fully justified?
9	Project Management Experience	Has the applicant organisation ever carried out anything similar? Do they fully understand the complexity and scale of the undertaking? Are they a suitable organisation to take on this work? Have they identified any weaknesses or misgivings, and if so, how to address them? If you have any suggestions regarding sources of support (financial, practical advice, etc) that might be useful to the applicant, please record them here.
10	Additionality	As the Local Action funds are competitive, consideration should be given to whether the proposed project could, and would, go ahead without using the LAG funds. Could they carry out the project without funding from the LAG? If so,

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		what does the additional funding add to the project's delivery? Has the Applicant provided reasonable justification if they suggest that "nothing" will happen without LAG funding?
11	Project Beneficiaries	<p>Effective project development needs to involve potential beneficiaries to ensure that the project design meets their needs and will achieve the desired aims.</p> <p>To what degree have the target applicants been involved in the formation of this project? Have they spoken to others that may be able to help design the best possible project? If not, who do you recommend they talk to about it?</p> <p>Such consultation often results in an adjustment to the way the project is set out. Is there any evidence that the project has been adjusted to ensure it meets the beneficiaries' needs?</p> <p>A Project should always consult and involve beneficiaries in its development. If this has not happened ask yourself why?</p>
12	Consultation and Partnership	<p>Has the Applicant commented on the extent to which the project is supported by parties other than the applicant?</p> <p>Has the Applicant identified whether any specific consultations have contributed to development of the project?</p> <p>Has, or will, a formal or informal partnership been involved in the development and delivery of this project? Has comment been made on the effectiveness and role of the partnership?</p>
13	Linkages	<p>The Applicant should identify and comment on the effectiveness and strength of the links with other projects in the area (whether or not they are funded by the LAG). Has it done this? Are these linkages real and appropriate?</p> <p>Has the project demonstrated that their activities will be additional to current activities in the area, and not duplicating anything that is already in existence?</p> <p>Are there any other activities that you can think of that are similar to this proposal? Should this project link to them?</p>
14	Project Management	<p>Effective project management is the one factor that is most likely to determine the success of a project. The larger and more complex the project, the more experience and skills the person is likely to need.</p> <p>Bearing in mind the nature of this project, are you satisfied that the proposed project manager is suitably skilled to run this project? Have they successfully carried out similar projects previously? Do they have the right skills that they can apply to this project?</p>

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		If the post is to be advertised, a job description should be provided and reviewed to see if the specification and salary are suitable to attract a candidate of the right calibre.
15	Project Delivery	<p>Are you clear about how the project will be run on a day-to-day basis? Is the description comprehensive?</p> <p>Do you feel this is the best way to run this project? Can you offer any reasonable suggestions that might improve the project delivery?</p>
16	Innovation	<p>The Local Action programmes provide an opportunity to try out new ideas and to develop different ways of doing things. A good project should demonstrate that it is creative in some way. For example, this may be by in terms of what it sets out to achieve, the way in which it is run, or that it takes a newly developed product / service / idea and implements it. It is important that projects do not simply continue existing activity.</p> <p>Can you clearly see how this project is new and innovative? Are you satisfied that the project is trying something new rather than simply repeating any previous project activity?</p>
17	Planning permission	<p>IF PLANNING PERMISSION IS NOT APPLICABLE YOU SHOULD SCORE 4 ON THIS QUESTION.</p> <p>Is the applicant realistic on their timescales bearing in mind the scale of the project and the length of time needed to secure permission?</p>
18	Sustainability	<p>The key features of the South West Sustainable Development Framework are:</p> <ul style="list-style-type: none"> • Having a long-term perspective • Providing economic opportunities • Offering fair, unrestricted work opportunities • Delivering training that incorporates sustainability principles • Meeting people's basic needs for food, water, shelter and heat • Promoting and supporting mental and physical well-being • Contributing to a safer environment • Providing new recreation opportunities • Involving all of the local community in decision making <p>All projects must work within this ethos, and should take any appropriate opportunities to deliver these features.</p> <p>Note: The framework also includes environmental features, but a full environmental appraisal will also be carried out so you need not consider them in detail here.</p> <p>Has the project clearly stated how it contributes to the strategy? Given the nature of this project, is this contribution reasonable? Is there more that could be done?</p>

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19	Equal Opportunities	<p>There are specific legal requirements with regard to equal opportunities in employment and the avoidance of discrimination. Further to this, organisations should think about the practical things that they can do to make sure that their project is equally open to everyone, and that all people involved will be treated with the same respect. For capital projects, this may include physical building design, whilst for revenue projects it may be related to enabling all members of the community to participate.</p> <p>For this to be effective, an organisation should be clear about:</p> <ul style="list-style-type: none"> • Their values on equality and diversity and how they will be put into practice • That they are serious about fairness and equality • What behaviour they expect, what is unacceptable and what people can expect of them <p>This may be set out in an equal opportunities policy.</p> <p>Are you confident that the project operates within the legal requirements of equal opportunities? Are you satisfied that the applicant has made their project as accessible as is reasonably possible? What more could they do within the available budget?</p>
20	Milestones	<p>If this applicant is successful in obtaining Local Action funding, the milestones given here will form part of their contract. The purpose of this is to enable effective tracking of project progress and for early identification of delays and delivery issues. The milestones should be the key targets in the projects delivery, each dated with a month and year.</p> <p>Has the applicant defined suitable and relevant milestones to enable effective progress tracking? Given the nature of the project, have all the milestones you would expect to see been included? In your view, is the proposed timescale realistic and achievable?</p>
21	Monitoring and Evaluation	<p>Has the application outlined how it will be monitor the progress of the project including:</p> <ul style="list-style-type: none"> • Who will be responsible for monitoring and evaluation (an individual or a steering group typically)? • When / how often will progress be reviewed? • What will be measured / reported? • How will any issues be dealt with? • How will they ensure that accurate quarterly reports will be provided to the LAG(s)? <p>At the end of the project have they indicated a suitable way of measuring its overall success and impact? Is the overall monitoring and evaluation process relevant and adequate for this type of project?</p>
22	Risk	<p>Note: The appraiser should primarily consider the risks in relation to the LAG(s).</p>

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		<p>This section should show that the applicant has given thought to any major issues that could go wrong that would jeopardise some or all of the delivery of the project. The larger and more complex a project is, the more thorough the risk analysis needs to be.</p> <p>Has the applicant made reference to all relevant significant risks to effective implementation? Has the level and impact of those risks to the LAG(s) been identified and reviewed? Have the necessary mitigation or management measures been identified and / or put into effect?</p>
23	Cashflow	<p>Payments to projects are usually made quarterly in arrears. It is at the discretion of the LAG accountable body to offer alternative payment mechanisms, but it is likely that this would only apply in exceptional circumstances.</p> <p>Has the applicant made appropriate arrangements to cashflow the Project? Are there any unusual circumstances that should be considered by the accountable body in deciding whether alternative arrangements could be offered to this project?</p>
24	Forward Strategy	<p>Has the applicant fully examined the long term future of the project? Does it explain what will happen after the support given by the LAG is concluded?</p> <p>Even if this project aims to achieve a specific task that will be complete at project end, there is still a requirement to consider the future effect of the investment, for example a community building project should have a plan for the future use of that building.</p> <p>Has the project defined an exit route? Is it time limited? Will it generate sufficient income to cover its running costs?</p> <p>Major capital build projects should provide a cash-flow forecast to demonstrate the long term financial viability of the building. This should be scrutinised to ensure it is realistic.</p>
25	Project costs	<p>Do project costs appear reasonable? Have they been substantiated?</p> <p>Is there a management fee shown? If this is higher than 10% of the project cost has the applicant justified the reasons for this?</p> <p>Are all the project costs eligible? Please refer to document 24 'Guidance on Project Costs' of the LAG Scheme Guidance Manual.</p> <p>A definitive list of ineligible items is awaited from the SWRDA. In the meantime, the following items are ineligible for other European funding streams and are likely to apply to this programme.</p> <ul style="list-style-type: none"> • Any expenditure that does not clearly directly relate to the activity of the project

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		<ul style="list-style-type: none"> • Any expenditure that is not supported by auditable evidence • Expenditure prior to agreement of the Delivery Plan and the issue of a funding agreement letter by the SWRDA • Expenditure that receives financial support from other sources to the extent that combined LAG investment and other support total more than 100% of the project or scheme costs • Notional expenditure including overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant • Payments for activity of a political nature • Payments for activity of an exclusively religious nature • Costs relating to primary production of agricultural products • Payments for redundancy to staff employed on fixed term contracts signed after June 1996, where this arises in respect of the expiry of that term without it being renewed • Depreciation or impairment of assets purchased with LAG funds • Provisions • Contingencies and contingent liabilities • Dividends • Interest or service charges arising on finance leases, hire purchase and credit arrangements • Costs resulting from the deferral of payments to creditors • Costs involved in winding up a company • Payments for unfair dismissal • Compensation for loss of office • Bad debts arising from loans to employees, proprietors, partners directors, guarantors or shareholders • Payments for gifts and donations • Entertainments • Statutory fines and penalties • Criminal fines and damages • Legal expenses in respect of litigation • Profit made by the applicant • Costs incurred by individuals in setting up and contributing towards private pension schemes, or the setting up of such schemes by organisations in receipt of LAF funds; payments into private pension schemes • Payments for unfunded pensions • VAT incurred that can be recovered <p>This list is not exhaustive. If there is any doubt over eligibility of costs, please contact the LAG team.</p>
26	Funding	<p>Is the funding package realistic? Is it in place? If it is not yet secured, are the plans to meet the shortfall realistic?</p> <p>Is the LAG's contribution reasonable given the overall project total? Is it shown to be the minimum necessary to bring the project forward?</p>

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27	In kind	<p>If the in-kind funding shown exceeds 10% then the Appraiser should challenge whether this is reasonable and auditable, and whether the in-kind contribution represents a legitimate cost to the project.</p> <p>Have in kind contributions been shown as both a cost and a funding source, otherwise the project won't balance?</p>
28	Applicants own funds	Where an applicant has identified they will be making a contribution is the source of this funding clear? It may have come from a public sector funding source and be held by the applicant.
29	Outputs	<p>Are the outputs given realistic, achievable and relevant. Do they adhere to the definitions? Are the methods of calculation plausible?</p> <p>Is the proposed method of output monitoring realistic?</p>
30	Value for Money	Does the proposed project represent value for money? Does the planned impact justify the investment from the LAG? Are you convinced that this area of need has an importance related to the project cost and amount requested from the LAG?

The Appraisal template will give an automatic recommendation. **The Appraiser is under no obligation to accept this recommendation.**

If the Appraiser has missed a question then the total score will read "incomplete".

The Appraiser should select whether to recommend the project for rejection or approval, but if a decision cannot be made due to a lack of information, the appraisers should state what information is required.

The Appraiser should add comments or issues to be resolved: If your decision is to **reject** the application, please **explain your reasons** why. If you have **deferred** (postponed) your decision, please explain **what further information you would need** to be able to make a decision. Please also indicate the funding conditions that you would suggest if that information was to be provided satisfactorily. If you have decided to **approve** the project, what **funding conditions** would you recommend?

Any recommendation and condition attached is subject to change by the Local Action Group panel.



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The European Agricultural Fund for Rural Development: Europe investing in rural areas

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