



Scottish Natural Heritage  
Dualchas Nàdair na h-Alba

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European Regional Development Fund  
Investing in a Smart, Sustainable and Inclusive Future

# Natural and Cultural Heritage Fund

## Application Guidance

December 2018



## Disclaimer

Applicants should be aware that the Natural and Cultural Heritage Fund (NCHF) eligibility criteria, guidance and application process are reviewed periodically and therefore may be subject to change. Make sure that you refer to the most up to date guidance at the time of application. This is available on: <https://www.nature.scot/professional-advice/funding/natural-and-cultural-heritage-fund-nCHF>

The rules governing the European Structural and Investment Funds (ESIF) programme are set out within the [National Rules on Eligibility of Expenditure](http://www.gov.scot/publications/esif-eligibility-expenditure/) which can be found at [www.gov.scot/publications/esif-eligibility-expenditure/](http://www.gov.scot/publications/esif-eligibility-expenditure/)

The European Union and The Scottish Government reserve the right to amend these National Rules and SNH reserves the right to amend the published eligibility guidance in line with any changes during the period of the programme.

Decisions to fund projects will be based on the availability of funding, how well the project matches the NCHF priorities, the NCHF outcomes it will be achieve and our assessment of deliverability against the National Rules and NCHF timescales.

More information can be found at [www.nature.scot/professional-advice/funding/natural-and-cultural-heritage-fund-nCHF](http://www.nature.scot/professional-advice/funding/natural-and-cultural-heritage-fund-nCHF)

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## Section A:

### Applying to the Natural and Cultural Heritage Fund

The European Regional Development Fund (ERDF) programme is structured around specific themes known as Strategic Interventions, administered by Lead Partners. SNH has been selected as Lead Partner for the Natural and Cultural Heritage Fund Strategic Intervention. Our mechanism for delivering this is the Natural and Cultural Heritage Fund – a Challenge Fund which will distribute £5m of ERDF funding to projects in the Highlands and Islands of Scotland on a competitive basis. This investment priority is predominantly for projects which will benefit the more remote and rural areas of the region.

The [ERDF Operational Programme](#) for Scotland states that the Natural and Cultural Heritage Fund Strategic Intervention will invest in the Highlands and Islands of Scotland to: provide more and better quality opportunities for visitors to enjoy natural and cultural heritage assets; encourage people to visit some of the more remote and rural areas; and create and sustain jobs, businesses and services in local communities. The purpose of the Fund is to promote and develop the outstanding natural and cultural heritage of the Highlands and Islands (hereafter referred to as ‘heritage assets’) in a way that conserves and protects them.

Our definition of natural and cultural heritage is as follows: *“The natural heritage includes natural habitats and wildlife, geology and landscapes. Cultural heritage includes history, language, architecture, ancient monuments, historical sites and cultural landscapes and the sectors of theatre, arts and literature. There is a close link between these two and interests often overlap. They are important locally, and on a national and international scale. They provide opportunities for the cultural and creative industries, environmental and tourism sectors.”*

Further information about the Natural and Cultural Heritage Fund can be found on our website: <https://www.nature.scot/professional-advice/funding/natural-and-cultural-heritage-fund-nchf>

We can contribute up to 70% of the eligible costs of each project which we support. The balance of funding (usually referred to as match funding) must be found by applicants from other sources, which must not include any other EU funding. We will not contribute to projects which require less than 10% of the eligible costs from us.

To apply for funding you will need to complete the Natural and Cultural Heritage Fund Application Form. You can download a non-writeable version of the form on our [website](#) for information but if you want to apply you will need to request a writeable version by sending an email to: [NCHF@nature.scot](mailto:NCHF@nature.scot). We will then set that up for you. Before you do this, please read this guidance document thoroughly. Putting an application together takes time, so you should check that the Fund is appropriate for your project before you start.

The information you provide on the application form will be used to assess and score your application for funding. Your answers should tell us about your project and how it will contribute towards achieving the objectives of the Natural and Cultural Heritage Fund.

We will use the information you provide to assess the eligibility, contribution to outcomes, deliverability, financial robustness and overall quality of your application.

You are also asked to supply a list of supporting documents with your application form. Some of these documents are mandatory – if you do not enclose them your application may be deemed ineligible and may be rejected. If you believe that any of the documents requested are not applicable to your project or cannot be provided at this time, please tell us why when you submit your application. Please number your supporting documents and use the following naming convention to allow us to check and use these efficiently and easily during the assessment.

<NCHFAPP-[XXX-XX] – [applicant name] – [project name] – [document name] – [date]>

You can submit any other supporting documents which you consider necessary for us to assess your application but you should explain why you are sending them, use the naming convention and cross-reference to them from the appropriate part of the application form.

Your application must be submitted by midnight on **Monday 22 April 2019**. Any applications received after this deadline will be rejected. The form should be submitted by uploading it to our Objective Connect facility after which you should send us an email at [NCHF@nature.scot](mailto:NCHF@nature.scot) to confirm submission. Your NCHF Project and Funding Officer will be able to advise you on how to use the Objective Connect facility.

## General Data Protection Regulation (GDPR)

Information explaining how SNH uses and maintains personal data, can be found [here](#). For further information contact: [NCHF@nature.scot](mailto:NCHF@nature.scot) We can only use data about people if we also protect people's privacy and follow data protection law.

We will use the information you provide to us on the Natural and Cultural Heritage Fund Application form and supporting documents when we assess your application, and to keep accurate records of our work. To do this, we will need to discuss aspects of your application with the partners who help us assess applications and with our Performance Management Board who advise on the applications we should support. This will include the personal contact details provided by you on the application form.

## Eligibility

### Who can apply to the Natural and Cultural Heritage Fund?

The following types of organisations are eligible for Natural and Cultural Heritage Fund funding:

**Public Sector** - This group includes Central Government and Non-Departmental Public Bodies; local authorities; Scottish Enterprise; Highlands and Islands Enterprise; Visit Scotland; Historic Environment Scotland; Bòrd na Gàidhlig; Scottish Natural Heritage and further and higher education institutions.

**Voluntary or Charitable Organisations<sup>1</sup>** - This group includes: registered/recognised charities, trusts, co-operatives and "not for profit" organisations; organisations that directly or indirectly receive over 50% of core funding (excluding European Funds) from the public sector, or from levies raised by Industrial Training Organisations for training purposes.

The Natural and Cultural Heritage Fund is not suitable, however, for organisations entirely run by volunteers due to the stringent audit and compliance requirements of ERDF. This is because of the higher risk that there will be a lack of continuity and adherence to audit and record keeping requirements through to 2030, as required by the EU.

Private sector or commercial organisations cannot apply for ERDF funding so are not eligible for the Natural and Cultural Heritage Fund. In this context, private sector or commercial refers to organisations established and operating for profit where these profits accrue to shareholders, partners or sole traders. This definition includes companies acting in the public interest (e.g. privatised former public utilities, private companies such as Abellio and Network Rail).

Partnerships can apply provided they are legally constituted and there is no private sector or commercial involvement. The partnership must be capable of handling all transactions, payments and audit requirements. If your application will be coming from a partnership, please contact the Natural and Cultural Heritage Fund team to discuss eligibility at an early stage.

Before an application form is issued to an applicant organisation, the Natural and Cultural Heritage Fund team will check with the Scottish Government whether the organisation is registered as eligible to apply for ERDF funding. All local authorities are automatically eligible as applicants.

**Applicant organisations are responsible for all aspects of implementation, monitoring and reporting on projects**, including:

- submission of accurate information as part of the application;
- acceptance of grant, including any standard or special conditions;
- delivery of the approved project including cash-flow management, submission of claims, monitoring and reporting progress, monitoring and verification visits in line with the grant offer and any associated legal contract; and
- the retention of projects documentation for the prescribed period to 2030 - including records confirming that any procurement complied with the Regulations and maintaining a full audit trail vouching expenditure incurred and defrayed.

**Applicant organisations need to be able to demonstrate that they have sufficient capacity (skills, expertise and relevant experience) to deliver and manage the**

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<sup>1</sup> Please note that in certain circumstances, voluntary or charitable organisations may require a 'sponsor' to vouch for the applicant, accept contingent liability for the grant and to ensure proper implementation, reporting and accounting in line with the National Rules.

## **project and have sufficient cash flow to support any delay in receiving Natural and Cultural Heritage Fund payments.**

Applicant organisations need to:

- have a bank account
- be legally constituted
- have managed European funds successfully in the past OR be able to show in other ways that they have the capacity to manage the finances and complexity of large scale projects.

## **Eligible Projects**

Natural and Cultural Heritage Fund projects must demonstrate beneficial impacts such as creating and/or sustaining jobs, businesses and services for visitors in local communities. Projects must also demonstrate how they will improve the quality of visitor experience. Priority will be given to projects which benefit more remote and rural areas.

Projects must demonstrate how they will deliver the fund outcomes, how they add value and be new or innovative. Projects can take place on any type of publicly accessible land or digital platform. Private spaces such as privately managed estates, gardens or schools where access by the general public is restricted are not eligible for inclusion.

We expect to fund around 10 projects from within the Highlands and Islands transition area as defined by ERDF [http://ec.europa.eu/regional\\_policy/images/map/eligible2014/uk.pdf](http://ec.europa.eu/regional_policy/images/map/eligible2014/uk.pdf). A detailed map is available on our website.

With the exception of digital projects, applicant organisations must demonstrate that they have appropriate control over the land where the projects will take place. They will need to confirm that they either own the site or, if the land is not owned, demonstrate that they have a lease which gives the legal right to undertake the project and to manage and maintain it to 2030 (the auditable period of the Natural and Cultural Heritage Fund Strategic Intervention).

Land purchase is not eligible except in exceptional cases where the purchase is a small element of a wider natural and cultural heritage project and you can demonstrate that it is essential to the delivery of the project's outcomes. Please discuss any potential land purchase with your support officer before applying.

## **What is eligible for Natural and Cultural Heritage Funding?**

To be eligible for funding, projects must be able to show how they will improve the experience visitors have of the heritage assets of the region, how they will create and/or sustain jobs and how they will fully meet the requirements set out in the National Rules.

Increases in employment are an indicator for the Fund, and therefore for the projects we will support. This will be measured by jobs (full time equivalent posts) created and/or sustained directly and/or indirectly within tourism and related sectors. The Office of National Statistics Business Register and Employment Survey (BRES) publish employee

and employment estimates and are regarded as the official source of employee and employment estimates.

Projects funded under the Natural and Cultural Heritage Fund must:

- ensure the benefits are evident by describing the measurable short and long term impacts in section 3 of the application form - questions 3.4 and 3.6;
- demonstrate how they complement wider local and regional development plans and strategies in terms of environmental, economic, cultural and social impacts;
- contribute to a need identified through local and regional plans, policies and strategies; appropriate master plans, and/ or; community consultation; and
- demonstrate how they are new, add value and are additional.

Funding will support projects which demonstrate how well they deliver on at least one of the following outcomes. Projects which deliver more than one outcome are likely to have a higher chance of success.

**Outcome 1 : Heritage assets are more accessible and better promoted :** Awareness of the distinctive heritage assets of the region is increased, making them more accessible and better understood in ways which are consistent with their sensitive management and sustainable use.

**Outcome 2 : The quality of visitor experience to the heritage assets is enhanced :** The quality of the experience and products on offer to visitors to the region are enhanced through the provision of good quality, accessible facilities and/or information relating to heritage assets, in ways which fill gaps in provision, disperse benefits and encourage or attract visitors to discover and explore responsibly.

**Outcome 3 : New products, services and jobs based on heritage assets are sustained and/or created :** New products or services based on the region's natural and cultural assets are developed, creating and/or maintaining jobs, helping to sustain local populations and benefitting local communities. Projects should contribute to sustainable social and economic growth based on sustainable environmental management and productive economic use of natural and cultural heritage assets..

**Outcome 4 : There is co-ordinated promotion and interpretation of heritage assets across the region:** Aspects of the distinctive natural and/or cultural heritage of the region (such as Gaelic and the region's music or textiles) are promoted through innovative digital interpretation projects and interpretative media. This should be done in ways which protect the natural and/or cultural heritage assets being promoted, improve accessibility and information for visitors and expand visitor markets.

ERDF is outcomes orientated, and therefore it is not possible to be 100% specific about which activities will be eligible. However, **Appendix 1** sets out some examples of eligible and ineligible activities.

## Timescales for projects delivery

We expect projects to be approved for funding before the end of September 2019. At that stage we will issue an 'Intention to Award' letter setting out any issues identified during our assessment which need to be resolved before we issue a contract. We will meet with successful applicants to discuss these. Procured contracts can be awarded by applicants once the Intention to Award letter has been received, but any works undertaken prior to the contract with SNH being agreed and signed by both parties are at the applicant's risk.

Only works incurred and defrayed within the approved lifetime of the project can be claimed for.<sup>2</sup> Where a project is awarded funding, some pre-contract costs such as design costs may be eligible. Please note that costs for feasibility studies are not eligible.

The timescales for completion of projects are:

- Project works must be completed by no later than **30 June 2022**;
- All grants from us must be claimed by no later than **31 December 2022**;
- Annual reporting on outcomes and results will be required until at least 2023. Reporting requirements beyond this will be agreed with each individual project;
- The auditable period is until **2030** and grantees must keep detailed records, suitable for local, national and EU audits until then.

## Ineligible items

Only items eligible for ERDF will be funded by SNH. Where a project includes one or more ineligible item, this will be removed from the project costs and the grant award amended accordingly. If a grantee wishes to proceed with the ineligible items as part of their overall programme of work, these must be fully funded from elsewhere (i.e. with no ERDF contribution).

If significant levels (>10%) of ineligible expenditure are identified in an application, it is likely to be rejected.

## Scale of eligible projects

Individual projects should be of a scale and level of ambition to have a significant impact and achieve long term, transformational change. Our monitoring and reporting will look at projects over a longer timeframe after delivery (to 2030) to see how well the expected results have been delivered.

To ensure projects are of the required scale, SNH has determined the following minimum amounts we will award:

- a minimum ERDF grant of £250,000. As the maximum intervention rate is 70%, this means that total project eligible costs must be a minimum of £360,000.

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<sup>2</sup> National Rules Section 4.1.2

- The minimum intervention rate is 10% - i.e. we will not fund projects where our contribution is only a small proportion of the total.

The overall amount of funding available for this round is £5m of ERDF funding. There is an indicative maximum limit of grant for projects of £1million. If you think you may wish to seek a higher grant than this, please discuss with us at an early stage.

There is no minimum or maximum geographic size for a project. The Fund seeks to fund projects which will have a significant impact.

We will consider applications which cover more than one location, provided there is a clear rationale for how the project meets our criteria and delivers our outcomes.

## Project Costs and Match funding

ERDF funding is funding of last resort. The Natural and Cultural Heritage Fund is therefore a 'gap' fund. This means that if you reduce the size of your project once it is underway or if your costs reduce (e.g. after work is tendered), you may not be able to draw down the full amount of money we have awarded. Also, if after approval you receive additional funding from elsewhere for the activities supported by ERDF this could lead to a corresponding reduction in the ERDF contribution. We would recommend that any additional funding applied for post-ERDF approval should be associated with an increase in total budget (and therefore an increase in outcomes) or for activities separate from those supported by ERDF.

The intervention rate for Natural and Cultural Heritage Fund funding is up to 70%. The Natural and Cultural Heritage Fund contribution should be the minimum amount required to allow your project to proceed.

The following sources of match funding are NOT eligible:

- European Funding of any kind;
- Corporate, commercial and private sector match funding (i.e. contributions from companies that have shareholders who are paid out dividends etc. on profits or receive direct personal benefits);
- In-kind contributions; and
- Other SNH funding.

Amongst others, your organisation's own funds, Lottery funding and the Scottish Government's Rural Tourism Infrastructure Fund are acceptable as match funding. Advice regarding other potential funding sources can be found on the SNH website [www.nature.scot](http://www.nature.scot)

At the stage of submitting an application, the likely source of match funding must be identified but does not need to be confirmed. However, applications with confirmed match funding or who can show they have match funding in place or there is a high likelihood of match funding being awarded will score more highly for that element of our assessment. It should be noted that overly complex match funding packages will be treated with caution. If your application is successful, formal confirmation of match funding must be provided before our contract with you is signed.

It is of course acceptable for applicant organisations to provide match funding themselves. However if there is a shortfall in the funding package at application stage, it is not acceptable for the applicant organisation to say that they will underwrite this in the event that other funding to plug the gap cannot be found. This is because if your organisation has the means to underwrite the shortfall, the case for ERDF funding being funding of last resort for the project is weakened and the applicant would risk the ERDF contribution towards to the project being reduced by the amount the applicant organisation were able to underwrite

Any revenue funding generated by the project will be deducted from the projects eligible costs and the grant reduced accordingly. The timeframe for this is for the duration of the project.

## Eligible Cost Models

Full details of ERDF cost models can be found in the [National Rules](#). (See Section 2 and 3 for full details of these cost models and their practical application). Please note that for the Natural and Cultural Heritage Fund only two cost models may be used:

1. Direct Staff Cost + 15% Flat Rate;
2. Procurement.

Projects can use one of, or a combination of, these two cost models.

Only works incurred and defrayed within the approved lifetime of the project will be eligible.<sup>3</sup>

Grant payments are paid quarterly in arrears following submission of the quarterly grant claim form and supporting reporting documents. Applicants must be able to demonstrate that they will be able to manage cash flow in the period between money being spent and a claim being submitted, processed and paid.

### *Direct Staff Cost + 15% Flat Rate*

The Fund can support the costs of staff directly involved in delivery of the project, provided that they spend 40% or more of their contracted time on the project in each period for which a claim for a post is made. Time spent on the project will need to be evidenced by using timesheets supplied to us by the Scottish Government, with the exception of staff who spend 100% of their contracted time on the project for whom timesheets are not required. This is explained in the National Rules.

Staff costs attract an additional 15% Flat Rate as a contribution to Indirect Costs generated by the project (see examples below). This is over and above Direct Costs (Salary, Superannuation, National Insurance).

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3 National Rules, Section 4.1.2

*Example:*

<b>Heading</b>	<b>£'s</b>
Eligible Staff Costs	20,000
15% Flat Rate	3,000
<b>Total</b>	<b>23,000</b>
<b>H&amp;I Grant (70%) =</b>	<b>16,100</b>

Examples of Indirect Costs which the 15% Flat Rate is intended to contribute towards include:

- Administrative Expenses;
- Premises Costs;
- Management Costs;
- Recruitment Expenses;
- Cleaning;
- Utilities;
- Mobile Phones;
- Volunteer Expenses;
- Staff Travel & Subsistence.

When you submit a claim for Staff costs you will be required to submit the following as evidence with your claim form:

- Finance System Report showing payroll transactions costed to the assigned project code;
- Payroll Record for the post concerned;
- Payslip;
- Payroll BACS Report which contains the staff member's Net Pay for that period;
- Bank Statement which show the Total of the Payroll BACS leaving the Grantee's bank account;
- Timesheets (supplied to us by the Scottish Government and available for download on our Grantee Resources webpage).

## **Procurement**

Information regarding procurement can be found in the [National Rules](#), Section 1.8.

All items purchased for use in the project must be procured following the applicant's own procurement policy and should be supported with a full audit trail for the appropriate procedure.

When submitting a claim for items purchased through procurement you will need to supply the following as evidence with your claim form:

- Finance System Report showing procured transactions costed to the assigned project code;
- Supplier Record from the Payables Ledger;

- Copy of all procurement records relating to the transaction – should align to the Application. Please use the Scottish Government’s Procurement Checklist if applicable;
- An Invoice showing Net, VAT and Total, Invoice Dates etc and Description of Goods / Services provided;
- Supplier BACS Report which contains the particular Supplier being paid;
- Bank Statement which show the Total of the Supplier BACS leaving the Grantee’s bank account;
- A completed Managing Authority Procurement Checklist.

Grantees must ensure they comply with the requirements of ERDF funding, meeting the European Union Directives, Scottish public sector legislation and the regulatory framework and any internal procedures and policy regarding procurement in force at the time of tender. As such, they are required to follow procurement principles (Open or Restricted tender or suitable Framework Agreement) for all elements of the work including the provision of works, materials and/or services. Procured contracts below the EU thresholds must adhere to the principles of the Treaty of Rome, ensuring that they are advertised and are fairly and equally treated.

Using another public body to do the work is acceptable as long as the competition was held in a fair and open manner. Similarly, delivery of elements by the grantee is acceptable as long as all work is again tendered in a fair and open manner using fully costed market rates. However, please note that internal invoicing is not acceptable.

Please refer to the Scottish Government websites for further guidance on procurement:

1. [Public Procurement Guidance for Practitioners](#)
2. [Public Procurement Scotland](#)
3. [Procurement Journey Routes](#)

## Eligibility Assessment

The following checklist is used to assess the eligibility of proposed projects. For an application to be successful it must score positively for each of these eligibility questions. Applications scoring full marks for eligibility will then go on to be scored for quality.

We strongly recommend that you ensure you can answer **YES** to all of the questions below before completing the rest of the application form.

1	Is the grant requested greater than £250,000?
2	Is the intervention rate requested greater than 10% and no more than 70% of eligible costs?
3	Is the project new and can you confirm that delivery of it will not have started before an offer of funding?
4	Will all project activities be complete by 30 June 2022?

5	Does the application benefit one or more communities in the Highlands and Islands transition area?
6	Is there evidence of local demand for the project?
7	Does your project improve visitor experiences and/ or create or sustain jobs, businesses or services?
8	Can you demonstrate the added value of your project - the additional benefits it will provide for local people and visitors.
9	Can you demonstrate that you have the necessary skills and sufficient administrative and financial capacity to carry out the proposed project?
10	Can you confirm that all staff for whom you wish to claim costs will be committed to spending at least <b>40%</b> of their time on the project?
11	Are all the activities and costs (including staff costs and procured costs) for which you are requesting funding eligible?
12	Can you demonstrate that the Fund's monitoring and evaluation requirements will be complied with?
13	Can you demonstrate that the Fund's branding and publicity requirements will be complied with?
14	Can you demonstrate that all other funding options have been explored and convince us that the project cannot and will not proceed without the funding requested from us?
15	Are all match funding sources eligible? (i.e. do not include other EU or in-kind contributions or private/commercial funding)
16	Is the match funding for the project either confirmed already or identified and expected to be confirmed before the project is due to start?
17	Is the project based on heritage assets and, where appropriate, able to demonstrate taking Gaelic language into account?

For an application to pass the Eligibility assessment and proceed to be assessed for Quality, it must:

- Receive an answer of 'yes' to all the Eligibility assessment questions;
- Include sufficiently detailed costings;
- Include detailed plans for any of the capital works you plan to deliver;
- Include detailed plans for non-designed elements, such as interpretation or digital outputs; and
- Include detailed plans for any other elements you plan to deliver.

## Changes to Eligibility Guidance

Please note that the European Union and The Scottish Government reserve the right to amend the National Rules and SNH reserves the right to amend the published eligibility guidelines during the period of the programme.

Decisions to fund projects will be based on the availability of funding, how well the project matches the Natural and Cultural Heritage Fund priorities and its contribution to outcomes as part of the overall Natural and Cultural Heritage Strategic Intervention.

## Key Dates

The key dates for this funding round are:

- **14 January 2019** is the date on which the funding round opens.
- **22 April 2019** is the final date for submission of applications. Applications submitted after midnight on this date will not be considered.
- **May-June 2019** is the period during which individual applications will be assessed.
- **July-August 2019** is the period during which decisions on which projects to fund will be made by SNH's CEO, drawing on advice from our Performance Management Board.
- **September 2019** is the period in which applicants will be informed of the outcome of their application through receipt of 'Intention to award' and 'Rejection' letters.
- **October - December 2019 is the period in which we will hold** implementation meetings with successful applicants to resolve any issues identified during assessment and agree the timescale for finalising contracts..
- **30 June 2022** is the final date by which works on projects must have been completed.
- All grant monies must be claimed and paid by **31 December 2022**.
- Annual reporting on outcomes and results will be required until at least **2023**. In most cases annual reporting will be required beyond 2023 in order to demonstrate fully that outcomes have been achieved.
- Grantees must be able to keep detailed records, suitable for local, national and EU audits up to **31 December 2030** or as otherwise directed.

## Grantee responsibilities

- Ensure that all targets are realistic and appropriate;
- Monitor and evaluate the performance of the Project;
- Complete our quarterly reporting and claim forms promptly;
- Put processes in place to ensure all reported outcomes are accurate and can be evidenced appropriately;
- Establish systems for the retention of all appropriate documentation;
- Monitor, report and audit financial information;
- Maintain either a separate accounting system or an adequate accounting code for all transactions relating to a Project;

- Verify and provide clear evidence for actual expenditure i.e. Direct Staff costs or Procurement models;
- Establish reliable systems for the retention and retrieval of all appropriate documentation, for the auditable life of the Project.

## Section B:

### Completing the Application Form

The following guidance will help you fill in each section of the Application Form. A non-writeable version of the form can be downloaded for reference, but if you want to apply you must ask the Natural and Cultural Heritage Fund team to set a form up specifically for your application via [NCHF@nature.scot](mailto:NCHF@nature.scot). This will be emailed to you as soon as we've confirmed that your organisation is eligible to apply. Your unique application number will be added to your form by our administrator before the form is sent to you.

All answers should be 250 words or less unless otherwise indicated on the form.

#### 1. Your Organisation

##### *1.1 Details of you and your organisation*

Please complete this section providing contact details of the person responsible for submitting the application and other details about your organisation. Page 4 of this guidance provides details of how we will handle this information to comply with the General Data Protection Regulation (GDPR).

Please confirm that your organisation is eligible to apply for NCHF funding (see the *Eligible Organisations* section of this guidance) before continuing with the application by ticking the box at the end of this section. If you are not sure, please discuss this with your NCHF Project and Funding Officer.

##### *1.2 Brief description of your organisation and what it does*

Please tell us about your organisation, outlining areas of expertise and including examples of other relevant projects you have delivered.

#### 2. Your Project

##### *2.1 Project name*

Please enter a short name for your project which makes it easily identifiable. The name might contain its location and/or something to describe the type of project or indicate the form it takes.

##### *2.2 Project summary*

Please provide a short summary of what your project sets out to do and what it will achieve using the headings provided in the form. This section should be written in layman's terms and suitable for publication. If your application is successful, we will use this text to tell people about your project, e.g. on our website. *Use the following headings to provide a succinct summary of your project:*

- What we are going to do
- Where the idea for the project came from

- How we will support the development and promotion of significant natural and cultural heritage assets
- How local economic and social benefits will be created such as job creation, directly and within supply chains and other related sectors.
- How the community has helped us develop our ideas
- How our project fits into the bigger picture in relation local, regional or other development plans
- How our project will make a difference to promote and enhance heritage assets and enhance visitor experiences in the long-term

### *2.3 Within which local authority area(s) will your project be delivered?*

This information helps us confirm that your project is in the Highlands & Islands transition area and allows us to record the geographic coverage of our funding.

### *2.4 Total eligible project costs*

Please enter here the total of **all** the eligible costs for your project. We ask about the ERDF grant you are seeking towards this in the next question.

### *2.5 Natural & Cultural Heritage Fund ERDF Grant requested (£) and intervention rate (%)*

Enter the amount of NCHF grant that you are requesting (in £'s) and the percentage (%) of the overall project costs that this represents. The maximum intervention rate is 70%. The minimum intervention rate is 10%.

### *2.6 Planned Project Start Date*

Please enter the planned start date of your project, should funding be granted. Please make sure that this is realistic, based on the dates provided by the NCHF team for when 'Intention to Award' letters will be issued (by end of September 2019).

You can start your project at your own risk once your 'Intention to Award' letter has been issued but, if you wish to wait until contracts have been signed, you should take this into account when planning your project start date. A contract can only be signed by us once all match funding is confirmed and any planning or other permissions required for the project have been obtained.

### *2.7 Planned Project End Date*

Enter the estimated date of completion for your project. This must be no later than 30 June 2022.

## 3 About Your Project

### *3.1. What will your project do?*

Please summarise the main **outputs** of your project (you will be asked about **outcomes and long and short term measurable impacts** later). You should provide further detail in your Activity Plan using either the template provided or your own preferred format.

In this section please summarise the main outputs from your project. This should include any physical infrastructure that your project will create to promote heritage assets, outputs to improve or enhance visitor experiences and any other activities you will deliver such as digital platforms or events to engage visitors with heritage assets. This should correspond directly with the Activity Plan that you submit as a supporting document.

### *3.2 What is innovative about your project?*

Innovation can be widely interpreted and doesn't just apply to the physical visitor infrastructure that you create or improve. It may include doing something entirely new, trying a new approach in a different form or context, implementing a tested approach on a larger scale, testing new approaches or working with new target groups etc.

### *3.3 Tell us about the added value of the project quantifying it as precisely as possible.*

The NCHF investment is focussed on adding value to heritage assets, promoting them effectively in a sustainable way. Tell us about the enhancement of heritage assets, improved visitor experiences, improved visitor perceptions, employment generated and any other added value to be created by the project. Quantify the added value, as precisely as possible.

The additionality (in terms of new or additional activity) of your project should be described in this section. The following key areas must be addressed:

- differences between the baseline/core activity figures and the additional activity that will be delivered with ERDF support;
- clear, tangible evidence of added value e.g. increases in jobs, additional outputs, increased number of visitors, overall improvements to the quality of provision, activity and experiences, reduction to delivery timescales, extended visitor season;
- enhancing and/or complementing linked local, regional, national and EU policies and strategies;
- innovative activity or approaches;
- evidence of synergies with other EU funds or other Strategic Interventions / Projects;
- a description of improvements to the Project locality e.g. providing community services.

If there are links with other EU funded initiatives you will need to demonstrate that there is no double-funding.

### *3.4. What will the legacy of your project be?*

Tell us how are you going to ensure that the benefits of your project persist to the end of the auditable period in 2030 and beyond? Please tell us how you will ensure that the work you carry out will continue to have a positive impact beyond the lifetime of the ERDF grant, and how you will be able to show this.

### *3.5. Please tell us about the area that your project will benefit. Describe the area's geographical, economic and social characteristics.*

Tell us about the location of your project here, including population size and any issues/gaps in provision that make it suitable for your project. Your answer to this question should help set a context for your project in terms of the local area. NCHF investment is predominantly focussed on the more remote and rural areas within the Highlands and Islands. Projects should ensure that the benefits are evident and complement wider local and regional development plans in terms of environmental, economic and social impact.

*3.6. Please indicate the measurable economic and social impacts your project will create*

Our funding prioritises more remote and rural areas within the Highlands and Islands transition area. Your project does not necessarily need to be located in a remote or rural area but if it does not you will need to present a convincing case for how it will benefit people from these areas.

Employment generation is an important measure and a key indicator of success. Indicate how your project will contribute to economic growth and social sustainability of the region. Please consider including an impact assessment estimating both short and long term impacts and how these will be measured.

Measurable impacts your project will create may include :

- the visitor experiences and visitor perceptions you will improve or influence,
- the number, range and quality of jobs created during project delivery and then after your project is complete,
- the extent to which your project will extend the tourist season, expand markets, increase footfall or length of stay,
- the extent to which your project will offer new products or increase the availability of services to meet customer needs, demands or expectations,
- the extent to which your project will provide increased opportunity to spend, see and stay, and
- how will your project benefit the people who live in your project's area.

*3.7. Who owns the land where your project will take place? If your organisation does not own it, do you have a legal right to undertake the works and ongoing maintenance of the project outputs?*

Your organisation does not necessarily need to own the land where your project will take place but you do need to be able to demonstrate that you have legal permission to undertake the work, maintain it and for the site to be used for the approved purposes of the project for at least 10 years after the work has been carried out. If successful, you will be asked to provide written proof before a contract for the work is signed, or you can supply it at the time of application as a supporting document.

*3.8. What are your plans for the ongoing management and maintenance of the natural and cultural heritage fund project you will create?*

Please use this question to explain to us how you will ensure that the infrastructure or services you improve or create through your project will be looked after into the future so

that it continues to perform its intended function and provide the benefits envisaged at the time of application. This may be through, for example, being integrated into the maintenance schedule of a local authority or other organisation, or through establishing a 'Friends of...' group or similar. Remember that maintenance costs are not eligible for NCHF funding so you will need to tell us how maintenance will be paid for.

*3.9. How will you ensure that the project outcomes continue to be delivered until at least 2030?*

It is an ERDF requirement that the project continues to deliver the purposes stated in your application until at least 2030. This is to ensure there is adequate time for the benefits from the project to be realised and monitored. If, for example, part of the project site changes use during this time or a facility we have funded is closed down, you may be required to pay back all or part of your ERDF grant.

*3.10. What statutory permissions will be required for your project to be carried out? Have these been confirmed? If not, when do you expect them to be confirmed?*

Please provide details of any statutory permissions, such as planning permission, that will be required before your project can proceed. These do not have to be confirmed at the time of application but please tell us how long you think it will take for permission to be received and make sure you take this into account when planning the start date for your project.

## 4 Evidence of Need

*4.1 What are the issues, problems and/or gaps in visitor provision, products or services that your project will address?*

Please tell us how you know there is a need for your project using relevant and up to date evidence. This may include reference to relevant strategies, plans or policies, or other data you have collected such as consultation with the community or visitors. If you are supplying copies of any of the documents you mention as supporting documents, please refer clearly to them. Tell us about the issues, problems and gaps in outcomes that your project activities will address.

*4.2 What evidence do you have of strategic support for your project?*

Please give details of support for your project at strategic level. This may include evidence of support from politicians, local councillors, public bodies or details of how your project fits with the wider strategic landscape and how you have worked in partnership with other key actors/initiatives to ensure complementary and cumulative impact at a scale beyond your project alone.

*4.3 What evidence do you have for community demand and support for your project?*

Use the answer to this question to tell us the extent to which communities have been involved or consulted in the development of your project idea and how this has been done. Tell us about any consultations or similar you have carried out with local

communities and about any support you have secured for your project from local authorities and other organisations representing or advocating the needs of local communities.

*4.4 ERDF is a fund of last resort. Please explain why grant assistance is needed for your project to proceed. Include details of other funding sources you have considered or applied to, including those where you have been unsuccessful or ineligible.*

Please clearly explain why you need our grant for the project to proceed. Evidence must be provided to demonstrate that:

- All other possible sources of finance have been explored and exhausted;
- Clear gaps in funding exist (in terms of other funders);
- The principle of 'gap funding' has been fully considered and applied - i.e. that the amount applied for is the minimum grant necessary to enable the Project to proceed once all other sources of funding have been taken into account;
- The NCHF is the most appropriate funding source to plug this gap.

## 5 Outcomes

The Natural and Cultural Heritage Fund Strategic Intervention has four **Outcomes** which we want to achieve. Funding will support projects which demonstrate how well they deliver on at least one of the following outcomes. Projects which deliver more than one outcome will have a higher chance of success.

We recognise that not all projects will be able to contribute to all the Outcomes but please do highlight your project's delivery towards relevant outcomes in as much detail as possible in your application as this will be considered in detail during assessment.

*5.1. Heritage assets are more accessible and better promoted: Awareness of the distinctive heritage assets of the region is increased, making them more accessible and better understood in ways which are consistent with their sensitive management and sustainable use.*

Please tell us how your project will better promote distinctive or significant heritage assets making them more accessible. How will your project raise awareness of the heritage assets of the region? How will your project make heritage assets more accessible and better understood in ways which are consistent with their sensitive management and sustainable use?

Some further questions to consider around this outcome include:

- How well will the project increase people's awareness of the value of the heritage assets and the steps they can take to conserve and use it sustainably?
- What involvement will local people have in your promotion of heritage assets to visitors?

- Does your project directly involve people in any heritage conservation activity e.g. citizen science or cultural heritage guardianship?

*5.2 Quality of visitor experience to the heritage assets is enhanced: The quality of the experience and products on offer to visitors to the region are enhanced through the provision of good quality, accessible facilities and/or information relating to heritage assets, in ways which fill gaps in provision, disperse benefits and encourage or attract visitors to discover and explore responsibly.*

Please tell us about how your project will improve the quality of the experience and products on offer to visitors to the region. Explain how experiences are enhanced through the provision of good quality outdoor access, accessible facilities and/or information relating to heritage assets, in ways which fill gaps in provision, disperse benefits and encourage or attract visitors to discover and explore responsibly.

Please indicate the audiences you will target, how you will engage with them and how they will benefit from your project.

Use this section to tell us about the visitor segments, local community and other communities of interest which will benefit from your project, your plans for directly engaging them, how they've been involved so far and how you expect them to benefit from their participation in the project, and what the results of the project will be.

Applications which show a clear understanding of the target audiences and close relationship with the communities they will be working with will score highly. Applications should clearly demonstrate how they will engage with the different audiences within their communities of interest.

Some questions to consider when thinking about this outcome:

Who is your target audience?

- What visitor perceptions are known and what target audience research have you collected about their expectations?
- Has the community had the opportunity to influence, inform or lead the planning and design of the project so that it delivers what the community wants and needs?
- How does your project show commitment to on-going engagement with the local community?
- Does your project increase opportunities for cultural events and activities?
- Does your project address interpretation of place and space e.g. through guided tours, walks, digital platforms such as a website, interpretation and/or communications?
- Does your project respect, promote and develop local culture e.g. through events and local festivals that provide opportunities to learn about and

celebrate natural heritage, cultural heritage and/or common interests e.g. music?

- Does your project address anti-social behaviour or exclusion from heritage assets e.g. through targeted efforts to encourage groups normally excluded to visit and explore or learn about heritage assets and to make return visits?
- How does your project seek to empower communities?
- Will your project increase user confidence in and ownership of heritage assets?

*5.3 New products, services and jobs based on heritage assets are created: New products or services based on the region's natural and cultural assets are developed, creating and/or maintaining jobs, helping to sustain local populations and benefitting local communities. Projects should contribute to sustainable social and economic growth based on sustainable environmental management and productive economic use of natural and cultural heritage assets.*

Please tell us how your project will create or develop new products or services based on the region's natural and cultural assets. How will the project create and/or sustain jobs, help to sustain local populations and benefit local communities? Tell us what the project will contribute to sustainable social and economic growth through sustainable environmental management and productive economic use of natural and cultural heritage assets.

- How does your project build in, maintain and increase opportunities for job creation such as extending the tourism season?
- How will the project contribute directly to creating or sustaining local jobs, businesses and services?
- How will the project based on heritage assets conserve and protect these heritage assets through sensitive management or activities?
- Will the project make a tangible difference to a community's capacity to welcome visitors and gain from an increase in visits or expand markets?

*5.4 There is co-ordinated promotion and interpretation of heritage assets across the region: Aspects of the distinctive natural and/or cultural heritage of the region (such as Gaelic and the region's music or textiles) are promoted through innovative digital interpretation projects and interpretative media. This should be done in ways which protect the natural and/or cultural heritage assets being promoted, improve accessibility and information for visitors and expand visitor markets.*

Please tell us how your project will increase connections across the region with co-ordinated promotion and interpretation of heritage assets.

Tell us more about the distinctive natural and/or cultural heritage of the region (such as Gaelic language, music and textiles) which will be promoted and outline the methods you will use such as innovative digital interpretation projects and interpretative media.

This should be done in ways which protect the natural and/or cultural heritage assets being promoted, improve accessibility and information for visitors and expand visitor markets.

- Are any other organisations (including third sector) engaged in the development and delivery of your project from across the region?
- How is your project helping local non-environmental organisations to build capacity and use heritage assets to benefit more remote and rural areas?

## 6 Horizontal Themes

Horizontal Themes have been set for the entire ERDF programme and all projects receiving ERDF funding must show how they will support each of the Themes.

The **Horizontal Themes** are:

- Sustainable Development
- Equal opportunities and non-discrimination
- Equality between men and women

Please use these questions to tell us how you will address each of the horizontal themes throughout the delivery of your project.

### *6.1 Sustainable development*

Sustainable development is described by the European Commission as “*specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management*”. Please tell us about the impact that your project may have on these, and identify potential mitigating actions which will be undertaken during the delivery of the project.

- How will your application demonstrate best practice in relevant aspects of environmental sustainability e.g. sustainable sourcing of materials?
- How have you fully considered the potential impact of your project, and what steps have you taken to minimise any potential negative impacts?

### *6.2 Equal Opportunities and Non-Discrimination*

The European Commission describes Equal Opportunities and Non-Discrimination as taking “*appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes*”.

In answering this question, please consider the following:

- How will your project address particular social problems, and in particular how will delivery of the Project help tackle potential inequalities?
- Does your project have a particular focus on one or more of the nine protected characteristics: (i) age, (ii) disability, (iii) gender, (iv) sexual orientation, (v) transgender, (vi) race and ethnicity, (vii) religion and beliefs, (viii) marriage and civil partnership, (ix) pregnancy and maternity?
- What target groups do you aim to benefit through your project? How will you address the needs of protected characteristics and those who are currently marginalised or excluded within the community and what difference will your project make to them? How many people in each of the groups will be impacted by your project?
- What potential barriers to access and participation have you identified, how have these been identified and how does your project intend to overcome them?
- Will the project create opportunities for people to meet and interact socially?
- How does your project aim to reduce inequalities between the least advantaged communities and the rest of society?
- Do you have a clear plan of how all your target groups will benefit from the project's activities?
- How will you engage harder to reach and excluded groups, and ensure that you take account of particular needs of target groups within the community?
- Have you considered how possible discrimination (including unconscious discrimination) will be addressed?
- Does your project address how to engage disabled and older people?
- How have you considered ways of making sure that opportunities provided by your project will be open to all?
- Does your project involve representatives from different racial or religious groups in the local area, to ensure that project activities help to break down barriers between communities and offer opportunities to reflect local cultures?
- Does your project offer young people opportunities to engage?

### ***6.3 Equality between men and women***

The principle of Equality between Men and Women is outlined by the European Commission as ensuring that “...*equality between men and women and the integration of gender perspective are taken into account and promoted throughout the preparation and implementation of programmes, including in relation to monitoring, reporting and evaluation.*”

- Will the project reduce gender stereotyping?
- Does your project fully consider how to engage female participants in activities?

More detail about both the NCHF outcomes and the ERDF Horizontal themes can be found at our website: <https://www.nature.scot/professional-advice/funding/natural-and-cultural-heritage-fund-nCHF>

## 7 Project Management and Deliverability

### 7.1 Key Project Milestones

Please specify the high level milestones that will mark the completion of key stages and activities in your Project. Tell us what they are and when you expect them to occur. Further details of these should be provided in your Activity Plan, and should cross-reference to the milestones entered in your Financial Annex. These milestones will help both us and you to monitor the progress of your Project. Examples of key milestones include:

- Recruitment of a Staff Post
- A Successful Tender Process
- Completion of an External Evaluation
- Start of Community Engagement Work
- Key Stages or Phases of the Project
- Key communications
- Monitoring and Evaluation

We can offer you a template to use for this but if you prefer to use your own format or one produced for another funder, please discuss this with your NCHF Project and Funding Officer.

### *7.2 Please demonstrate that your organisation has the necessary skills and sufficient administrative and financial capacity to carry out the proposed project.*

In this section we would like you to tell us why and how your organisation is well placed to deliver your project and meet ERDF audit and compliance requirements. This could include details of:

- A track record in the management and delivery of large funds and projects (EU funded or otherwise). Previous experience of EU funding would be advantageous;
- Examples of clearly planned projects with realistic targets and timescales - both in terms of activities and timescales;
- Evidence that you are aware of and understand EU audit and compliance requirements and have the capability to meet them.
- If you have managed Structural Funds projects before, were error rates reported and if so, how has the cause of these been addressed so that it will not reoccur?

Applicants are responsible for all aspects of implementation, monitoring and reporting on projects, including:

- Submission of accurate information as part of your application;
- Acceptance of grant, including any standard and special conditions;
- Implementation of the approved project including cash-flow management, submission of claims, monitoring and reporting progress, monitoring and verification visits in line with the grant offer and any associated legal contract;
- Retention of project documentation for the prescribed period to 2030 – including records confirming that any procurement complied with the ERDF Regulations procurement guidance and maintaining a full audit trail vouching expenditure incurred and defrayed.

Reclaim for any defrayed costs of ineligible activities would be made against the applicant organisation not SNH.

Such responsibilities can be onerous; applicants therefore need to demonstrate significant and sufficient administrative and financial capacity to comply with these requirements.

This includes demonstrating that you have sufficient capacity (skills, expertise and relevant experience) to implement and manage the project and have sufficient cash flow to support any delay in recovering NCHF income, and that a robust and coherent management and reporting structure is in place.

### *7.3 How will your project be managed, and what is your organisation's staffing structure?*

Please explain your plans for the effective management of your project and where it will sit within the existing structure of your organisation, including any new staff and where they fit into your staffing structure.

Explain the proposed management structure including:

- A description of both the day-to day management arrangements and the overall organisational management structures;
- Clear evidence of the capacity and expertise your organisation has to manage the Project effectively;
- An outline of the proposed reporting hierarchy.

Applicants must include an organisational chart (diagram showing the management structure of your organisation) as a supporting document. In addition, the roles and responsibilities of all Project delivery staff should be clearly defined. Any new staff should also be included.

### *7.4 Please tell us how you will manage risk. Highlight key risks areas here, and include further details of your project's key risks in your Risk Register.*

#### Risk Area Examples:

Risks will fall into five categories: organisational, participation, reputational, environmental, and partnership/funding risks. Examples may include:

- Project Delivery Timescales - Slippage
- Procurement Compliance & Value for Money
- Contractor(s) Management & Experience
- Project Governance
- ERDF Claim Evidence & Eligibility
- Match Funding
- Cash flow
- Project or Project Sub-Component Eligibility
- Skills & Experience Gaps
- Sufficient Staff Resources
- Stakeholder Support
- Health & Safety

*7.5 Please summarise how you will monitor and evaluate the success of your project.*

Use this section to tell us what methods you will be using and what data you will be collecting to help you demonstrate how well your project is delivering in relation to your milestones. If your project is successful you will be required to provide a detailed Monitoring and Evaluation Plan before your project can proceed. Please refer to the Natural and Cultural Heritage Fund Monitoring and Evaluation Guidance to help you answer this question and include details of your plans for Monitoring and Evaluation in your Activity Plan for the project. Further information is provided by the European Commission ([EC Guidance for Monitoring and Evaluation - ERDF](#)).

We will work with you to harmonise, as far as reasonable, our reporting requirements with those of your organisation and other funders. All grantees are required to report against a selection of the measures and indicators, however grantees are free to design their own measures in addition to our selection and are asked to provide justification for data and metrics chosen.

Some key points should be borne in mind when considering developing monitoring in relation to communities:

- Where possible, get the target audience involved in planning the reporting and get them involved in gathering evidence;
- Get creative and make it fun – think about what will be compelling when we tell the story of the NCHF;
- Telling us what doesn't work as well as what does can be good information for policy direction and for other organisations considering similar projects in the future.

When applying for funding, you will need to demonstrate how you will monitor the implementation of your project, and evaluate and report on the predicted outputs and results. We will assess the robustness of your project's framework for reporting the process, outputs and results and impact of the project.

*7.6 Please summarise your communication plans for the project.*

Include details of this in the Activity Plan to show how your communications activity will work alongside the rest of your project activities. Please outline your plans for publicity and branding, and the communications and marketing strategies you will use to ensure the success of the Project. We need to see evidence that you have clear plans for how you will communicate about and publicise your project and our funding, and that you will follow EU requirements. Please refer to the [Publicity section of the ERDF Programme Guidance](http://www.gov.scot/Resource/0050/00509530.pdf) (<http://www.gov.scot/Resource/0050/00509530.pdf>) and the NCHF Communications Toolkit for further details of all publicity requirements.

## 8 Project Costs

### *8.1 Why do you need this grant?*

Please tell us why your project will not be able to proceed without ERDF funding, including details of other sources of funding you have explored.

### *8.2 Will your project be employing staff and claiming expenditure under the Direct Staff + 15% model?*

Use this section to tell us about the staff (if any) you will be employing to deliver your project and what they will be doing. For further information on Staff costs please see [Section A](#) of this guidance above.

### *8.3 Will any of your costs be procured?*

Please specify any elements of your project which will be procured and outline the process that you will use. Please see further details regarding the Procurement Cost Model in [Section A](#) of this guidance above.

### *8.4 Match Funding*

Before you apply to us, you will need to have identified your sources of match funding, even if pending approval.

You will also need to demonstrate that match funding is eligible as match for ERDF funding. The following sources of match funding are NOT eligible:

- European funding of any kind including funding that has originated from a European source;
- Corporate and private sector match funding (i.e. contributions from companies that have shareholders who are paid out dividends etc. on profits or receive direct personal benefits);
- In-kind contributions.

The intervention rate for the NCHF is up to a maximum of 70% for the Highlands and Islands (H&I) area.

As the NCHF is a 'gap' fund, the NCHF contribution should be the minimum amount required to allow your project to proceed.

At the stage of submitting an application, likely sources of match funding must be identified but do not need to be confirmed. Applications with confirmed match funding will,

however, score more highly. Overly complex match funding packages will be treated with caution.

If there is a shortfall in the funding package at application stage, it is not acceptable for the applicant organisation to say that they will underwrite this in the event that other funding to plug the gap cannot be found. This is because if your organisation has the means to underwrite the shortfall, the case for ERDF funding being funding of last resort for the project is weakened.

Any letters you have confirming funding and the purpose of the funding should be provided as a supporting document.

Match funding for successful applications will need to be confirmed before a contract is signed by us. It should be noted that additional funding sourced for the activities supported by ERDF after approval will reduce the ERDF contribution proportionately, so additional funding needs to be associated with an increase in budget or allocated to something not supported by ERDF for your grant to stay at the level initially awarded.

Similarly, if you reduce the size of your project, you are unlikely to be able to draw down the full amount awarded.

In addition, any revenue funding generated by the project during the delivery phase will be deducted from the projects eligible costs and the grant reduced accordingly. Further information on this is provided in the National Rules in section 1.12 relating to Project Income and Revenue Generation.

## 9 Audit & Compliance

### *9.1 State Aid*

It is the applicant's responsibility to ensure that the project adheres to State Aid rules.

State Aid is a European Commission (EC) term which refers to forms of public assistance given on a discretionary basis which have the potential to distort competition and affect trade between Member States of the European Union. It is important to establish, at the earliest possible stage, whether your project or policy proposal constitutes State Aid. The European Commission (EC) allows state aid in specific circumstances, but generally it considers state aid to be incompatible with the common market, and to have a damaging effect on competition and trade across the European Union. Projects must minimise the risk of state aid being present.

We ask all applicants to carefully consider whether there is a risk of their project breaching State Aid rules, as this carries a risk of applicants being required to repay all or part of their ERDF funding. This can be done by checking the aims of the project against the four key State Aid tests. There is guidance at <https://www.gov.scot/publications/state-aid-guidance/pages/determining-whether-it-is-state-aid/> which will help you do this. We will also be considering if there is any risk of breaching State Aid rules when we assess your project.

*9.2 Please tell us how the project will meet the regulatory obligations on: a) Publicity and b) Data Retention Requirements, as specified in the National Rules 1.14.*

Referring to the National Rules sections 1.11 as well as 1.14 and 4.1.9 please explain how you will ensure the above regulatory obligations will be met. Support must be acknowledged on all project related documentation through use of the appropriate logos and wording. Please refer to the National Rules and the further Publicity Guidance available at <https://beta.gov.scot/publications/esif-publicity-requirements-2014-2020/>

## 10 Declarations

Please check the boxes to confirm that you agree to adhere to the specified rules and requirements.

### *Declaration and Date*

The declaration should be signed and dated by your Chief Executive or equivalent (i.e. someone with the authority to commit your organisation to seek our funding) – if it is not, your application may be rejected.

## 11 Supporting Documents

We ask you to submit a number of supporting documents to supplement the information you supply in the application form. Many of these are designed to be working documents and we hope they will be useful to you as you go on to deliver the project.

### *Naming convention for Supporting Documents*

Please use the following standard naming convention for all your supporting documents:

NCHF-APP-XXX- <Activity Plan> – <date e.g 20 March 2018>

### *Your Activity Plan*

Your Activity Plan should include Milestones, Monitoring and Evaluation, Communications setting out the proposed activities that your project will undertake and deadlines for their delivery. It should also specify measurable milestones for these activities, monitoring and evaluation details, and relevant communications activities. Please use the template provided with your application form to create your Activity Plan. If you would prefer to use a different format e.g. to comply with your own organisation's requirements please discuss this with your NCHF Project and Funding Officer.

Your project activities should be within the scope of the National Rules on Eligibility of Expenditure and the NCHF Eligibility criteria set out earlier in this guidance. For examples of potentially eligible activities please see **Appendix 1**.

### *Risk Register*

Please use the template provided to create a Risk Register for your project. If you would prefer to use a different format, please discuss this with your NCHF Project and Funding Officer.

## *Financial Annex*

Applicants must ensure that the Financial Annex is fully completed to show an overview of the project costs, income/revenue and match funding. Failure to do this is likely to lead to your application being rejected. Full instructions and user guidance on completion is included in the Financial Summary itself. Input tabs should be populated with expenditure workings which will automatically populate the Summary Tab needed to complete the Summary of Section 5.

The Structural Funds grant request is calculated on the basis of gap funding as the Total Costs minus projected Income (Net Revenue) and Match Funding. The Intervention Rate is calculated from the Structural Funds grant requested as a proportion of the Net Eligible Project Costs.

Only eligible activity and expenditure should be included in applications and claims. While every effort has been made to produce clear guidance on eligibility, there remains an onus on applicant organisations to apply for a grant responsibly and reasonably and to ensure compliance. If you are in any doubt about the eligibility of any of your proposed activities or expenditure, please discuss this with your NCHF Project and Funding Officer. Refer to the National Rules on Eligibility of Expenditure and check the Scottish Government website for updates.

You can access the EC Regulations governing the overall use of European Structural Funds for the 2014-2020 programmes here:

[http://ec.europa.eu/regional\\_policy/information/legislation/index\\_en.cfm](http://ec.europa.eu/regional_policy/information/legislation/index_en.cfm)

### **Flat Rates**

The Financial Annex will calculate the Flat Rate which is triggered by the inclusion of Direct Staff Costs. The Flat Rate is 15% for the NCHF.

### **Income-Revenue**

Please discuss with your NCHF Project and Funding Officer if the project is to include Income or Revenue.

### **Detailed Costings**

The Detailed Costings worksheet should list your costings and clearly reference the appropriate ERDF expenditure heading. Please provide a clear breakdown of the work you are planning to do, the materials you are planning to use and should be supported by clear evidence e.g. Bill of Quantities, quotes from suppliers. Estimates based on previous projects may also be used if appropriate e.g. costs for events or similar.

Further definitions and explanations of financial related terms used in the Financial Annex are as follows:

- **Intervention Rate** – the maximum intervention rate is 70% for the Highlands and Islands. The minimum rate is 10%.
- **Match Funding** will be calculated automatically within the Financial Annex as a total value. This must then be listed by individual funder within Section 4 of the Application Form;

- **Defrayed Eligible Expenditure** – expenditure must have been **paid** i.e. left your organisation’s bank account in order to claim. The profile within the Financial Annex must be based upon this;
- **ERDF Expenditure Headings** – these are listed in the National Rules and is how the Financial Annex is presented for efficient assessment;
- **ERDF Cost Models** – two of the ERDF costs models can be used - Procurement; Direct Staff Time + 15% Flat Rate; or both;
- **Profiled Expenditure** – Timing of the defrayed expenditure;
- **Expenditure Milestones** – Expenditure must be linked to Project Milestones so that overall project progress can be monitored.

Please refer to the User Guidance Notes within the Financial Annex.

*Map(s) of project area*

Please provide a map at an appropriate scale showing the location of the community/communities you will be working with and the areas your project is associated with.

*Recruitment Policy*

Please include this if your application includes Direct Staff Costs.

*Job descriptions for any staff posts*

Please include these if your application includes Direct Staff Costs, for all posts for which funding is being sought.

*Briefs for any commissioned works*

Please include briefing documents if your application includes any commissioned works if these are available.

*Procurement Policy*

Please provide us with your organisation’s procurement policy, including your policies in relation to tendering. Only include this if your project will be purchasing goods or services through procurement.

*Contract Information Sheet*

This sheet will be provided along with your application form – please complete one for each contract to be let.

*Organisational chart*

An organogram, or similar, showing the structure of your organisation and how your proposed project fits in including any proposed staff members.

*VAT status letter*

Please provide a letter from HMRC confirming whether you are VAT registered or not.

## Optional supporting documents

The following documents are not mandatory, but if your organisation has produced them and you consider them relevant to your application, please enclose them with your application and refer to them in the relevant section of the application form.

### *Letters from confirmed match funders*

If these are available at the time of application, please provide copies. If you are successful, you will need to provide evidence that all match funding has been confirmed before we can issue any 'Approval to Start'.

### *Letters of Support*

If you wish, you can provide letters of support for your project from key stakeholders e.g. community groups

### *Photographs*

If you wish, you can include photographs of the area your project is associated with, or anything else you feel would be relevant for us to see.

### *Equalities Impact Assessment and Equalities Action Plan*

If you wish, you can tell us more about the impact you expect your project to have on equalities and the steps you will be taking to ensure the benefits your project creates are open to all. You can refer to your organisation's Equalities policies, but this document should be specific to the project you are applying for. If your application is successful, we will ask you to complete an EqIA and Action Plan before your project starts.

### *Equal Opportunities / Environmental Sustainability Policy / Equalities Policy / Social Inclusion Policy / Protected and Vulnerable Groups Policy*

If your organisation has any of the above policies, or any others that are relevant to the ERDF Horizontal Themes, please enclose copies.

### *Other*

Please list and clearly reference any other documents that you submit.

## Appendix 1 – Potentially eligible activities

ERDF is outcomes led so there is no definitive list of activities which are or are not eligible. We've outlined below the types of projects and activities that are considered potentially eligible and ineligible for funding under the NCHF.

Note that eligibility will be context specific and based on contribution to outcomes and therefore it is only possible to provide comprehensive guidance. These lists should therefore not be seen as exhaustive.

Activities and actions that **are eligible** include the following examples :

- Investment in infrastructure supporting the sustainable use of natural and cultural heritage assets such as visitor centres, interpretative facilities and improved accessibility.
- Digital interpretation projects and interpretive media that promote and protect the natural and cultural heritage and provide local economic and social benefits. This could include augmented reality and virtual reality digital applications for mobile devices, games and other innovative approaches which provoke interest and motivate visitors to discover and explore more.
- Improving the accessibility, interpretation and quality of sustainable development opportunities based on the region's heritage such as improved physical access, on-site signage or facilities and installations that will improve visitors experience and their awareness or understanding of nature and/or culture.
- Promoting and developing the unique and distinctive natural and cultural heritage (such as Gaelic and the region's musical heritage) and resources of the region. These activities should not be generic marketing campaigns but focussed clearly on natural and/or cultural heritage to encourage new visitors and expand markets; such as improved virtual or digital pre visit information about unique and distinctive assets as well as on the ground physical hubs
- Projects to develop new products or services to groups of enterprises and sectors based on the region's heritage assets, particularly for the tourism sector such as awareness raising, skills development as part of a scheme to connect like for like businesses with better insight to local nature and culture to improve host skills and co-ordinate an improvement to the visitor's host offering. This could be with a particular focus on local stories, music, language and traditions as well as physical geography and information about unique and distinctive assets on the ground or in local tradition.

### Activities we will **not** fund

- Staff posts that are less than 40% dedicated to ERDF programmes;
- Any commercial activities or private business development projects
- Formal sports
- Maintenance of existing buildings
- Activities unrelated to the natural or cultural heritage of the region
- Projects that displace existing business

- Dedicated promotion of a single private individual business over or groups of related businesses
- Generic marketing campaigns or generic regional marketing campaigns
- Applicants that don't have the right to do the projects such as without landowner's permission or lack of other consents
- Routine maintenance of existing facilities
- Projects on Scheduled Ancient Monuments without permission from Historic Environment Scotland
- Projects on protected sites without prior approval of relevant organisations
- Projects which are the statutory duty or responsibility of other organisations
- Foreign travel and conferences for skills development or generic promotional campaigns
- Feasibility research studies or the gathering of evidence to understand the need for the project
- Promotions not based on natural or cultural heritage
- Academic research
- Habitat monitoring
- General motorised transport projects
- Costs relating to Community Asset Transfers (other eligible project costs out with the community asset transfer will still be eligible.)
- Festivals

### General Costs

The following costs may be eligible as part of the delivery costs for the project:

- Procured services and consultancy fees which are essential to the project, including community engagement specialists. These will need to be selected competitively. We are keen to see applications that work in tandem with the third sector and/or encourage volunteering or skills development;
- Staff costs of people who are at least 40% dedicated to delivering eligible activity funded by the NCHF. Full or part time is acceptable. Staff costs include:
  - gross pay;
  - employer's National Insurance;
  - superannuation contributions;
- Non-recoverable VAT;
- Signage and interpretation – relevant sign and interpretation including those acknowledging the ERDF's contribution;
- Specific marketing related to the project
- Design costs or similar incurred prior to the project being awarded funding so long as they were incurred after 1 January 2014.

The following projects and activities are **not eligible** for funding under the Natural and Cultural Fund:

- Projects in based in urban areas targeting visitors to towns and cities;
- Project costs which are eligible for EU funding from other programmes;
- Anything previously funded by the EU or currently receiving EU funding;
- Although the employment of staff who are at least 40% dedicated to the NCHF programme is eligible, the following elements are not:

- Statutory sick leave
- Maternity, paternity, adoption and parental leave
- Staff training
- Redundancy payments
- Unfunded pensions
- First aid or key holder allowances
- Bonus or commission payments
- Subscriptions or memberships of trade or professional organisations
- Any expenditure defrayed outwith the eligible programme period<sup>4</sup>
- Recoverable VAT
- In-kind costs
- Gifts
- Accounting costs and year-end auditing
- Commercial activities
- Works that are a condition of planning consent, planning obligations / gain or Section 75 Agreement
- Legal or statutory responsibilities
- Legal expenses
- Bank charges
- Project feasibility studies
- Purchase of vehicles (cars, boats and other moveable equipment (e.g. forklift)), equipment or furniture (NB As a grantee you can't buy and own anything afterwards)
- Purchase of IT equipment e.g. laptops, mobile phones
- CCTV

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<sup>4</sup> If the overall project contains ineligible work, the applicant can choose to phase projects to distinguish eligible and ineligible works.

## Appendix 2 - List of supplementary guidance and templates

The following supplementary guidance will be available to potential applicants during the funding round:

Category	Document
Non-Finance	Activity plan template (Question 3.1)
	Application form annex - contract information sheet ( See Section 11 Supporting Documents)
	Audit and Compliance guidance (Section 9)
	Communications toolkit (Question 7.6)
	EqIA template (If your application is successful, we will ask you to complete an EqIA and Action Plan before your project starts.)
	Monitoring and Evaluation Guidance (Question 7.5)
	Risk Management guidance (Question 7.4)
	Risk register template (Question 7.4)
Category	Document
Finance	Claims guidance (not yet required)
	Financial annex (Question 7.1)

## Glossary

Approved Terminology	Definition
Added Value	The clear, tangible increase or improvement in conditions as a result of the investment e.g. additional activity or outputs, increased number of participants, overall improvements to the quality of activity, innovation, synergy with other EU funds etc.
Additional	Work that would not have been done otherwise
Activities	Work that will be funded and undertaken to deliver the agreed outputs and outcomes.
Applicant	Body submitting an application to the Fund, up to the point that their application is approved.
Application	Applicant organisation's project application submitted to the Fund comprising application form and the requested supporting documents.
Approved Purposes	What we award the funding for i.e. the activities and outputs that are approved for funding.
Assessment	The scoring exercise carried out independently by groups of three assessors.
Assessment Panel	A panel made up of three assessors who assess and score applications independently, prior to moderation.
Capital Expenditure	Eligible expenditure as per the headings in the National Rules.
Challenge Fund	A method of delivering funding support via a competitive application process. The NCHF Strategic Intervention funding is delivered in this way.
Clean funding	Match Funding that has not originated in any way from a European source or any other ineligible source.
Cost Model	A model for claiming and managing ERDF eligible expenditure. Procurement and Direct Staff + 15% flat rate cost models are the 2 models that will be used for the NCHF Fund.
Data	Numbers, words or images that have yet to be organised or analysed to answer a specific question.
Defrayed	Expenditure that has actually been paid and can be evidenced by bank statements.
Ecosystem Services	The processes by which the environment produces resources used by humans such as clean air, water, food and materials.
Eligible Activities	Activities which are allowed and may be funded under the NCHF.
Eligible Costs	Costs associated with eligible activities that may be funded under the NCHF. These will be either capital or revenue costs.
Evaluation	Assessment of the success of the Strategic Intervention and each project based on the agreed monitoring measures.
Gap Funding	The ERDF funding must be the minimum grant necessary to enable the Project to proceed once all other sources of funding have been taken into account.
Natural and Cultural Heritage Fund (NCHF)	A Challenge Fund for capital projects over £360k in value which will create or improve visitor experiences to the more remote and rural areas of the Highlands and Islands, based on the region's heritage assets. It is the external mechanism by which we will allocate funding through the NCHFSI. It is an open, competitive fund.
Natural and Cultural Heritage Strategic Intervention (NCHFSI)	SNH has been appointed by the Scottish Government as the Lead Partner for the Strategic Intervention, which is one of several that make up their European Regional Development Fund Programme.
NCHF Team	The team delivering the Strategic Intervention and managing the Challenge Fund.
Horizontal Themes	The three European Structural and Investment Fund cross-cutting principles of sustainable development, equal opportunities and social inclusion.

Information Management	The processes by which we create, capture, use and store information.
Lead Partner	Scottish Natural Heritage (SNH) is the Lead Partner for the NCHF Strategic Intervention. The Lead Partner is responsible for delivering and managing the SI, allocating the funding to projects, coordinating claims to the Managing Authority and ensuring delivery of outputs and outcomes and monitoring and reporting of results.
Legacy	The lasting difference that the project will create for the local area and target groups.
Managing Authority	In Scotland, the Managing Authority for the 2014-2020 ERDF programme is the Scottish Government (SG) [Business Directorate, Structural Funds Division].
Match Funding	The funding required and secured from other sources in order to deliver projects. For NCHF, this will be at least 30% of eligible costs.
Metadata	Descriptive information about data.
Moderation	A step in the Selection process when assessment scores are moderated by the Assessment Panel. The Audit and Compliance Officer will collate all the moderated assessments and scores for inclusion in the paper sent to the Scrutiny Panel by the Head of Structural Funds to assist them in recommending which projects should be allocated funding from an application round.
National Rules	The rules, published by Scotland's ERDF Managing Authority, which govern the use of ERDF funding in Scotland.
Objectives	The high level description of what will be achieved by the NCHF Strategic Intervention.
Operations	Each of the ERDF Strategic Interventions is made up of one or more Operations which describe the mechanism by which funding will be dispersed, and the outcomes to be achieved. For example, a Challenge Fund such as the NCHF is an Operation.
Outcomes	Outcomes are detailed descriptions of what we want to achieve as a result of the delivery of the Projects. They are derived from the Strategic Intervention objectives and have been defined and described in detail in the Blueprint.
Output and Result Measures	The high level measures that look at delivery of the objectives across the Strategic Intervention.
Outputs	The new infrastructure (both physical and human) that arises from undertaking the activities.
Physical End Date	The date by which all activities must be complete and outputs achieved.
PMB	The Performance Management Board (PMB) meet to agree which applications will be recommended for funding. They assure due process has been followed and look at the strategic fit of applications across the Outcomes and added value within the Challenge Fund budget.
Process Measures	The measures used to track how well the Strategic Intervention and the Projects are being managed and delivered.
Result Indicators	The headline indicators (number of Projects delivering new/improved visitor infrastructure; increase in number, range and quality of sustainable tourism jobs, increases in visitor numbers ; % visitors perceptions satisfied with provision and their experience based on heritage assets).
Results	The measurable change in outcomes resulting from the implementation of the Projects.
Revenue Expenditure	Eligible expenditure as per the headings in the National Rules. Examples being staff costs.
Selection	The entire process from receipt of a valid application to acceptance by the Managing Authority through which proposed Projects are selected to be part of the NCHF and are awarded contracts.
Year	Anticipated calendar year that the cost will be incurred and defrayed.

Further information is available on our [website](#).



Scottish Natural Heritage  
Dualchas Nàdair na h-Alba

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