



European Union

European Structural
and Investment Funds

**European Structural and Investment Funds
2014 - 2020**

Growth Programme for England

ESI Funds Growth Programme Board

ERDF and ESF Selection Criteria

Purpose:

Selection criteria for ERDF and ESF project applications were presented to the Growth Programme Board at its meeting on 24 September 2015. The Board agreed the criteria in principle, subject to Commission comments. Managing Authorities and the Commission have discussed amendments to the criteria. These are being re-presented to the Growth Programme Board today, for final agreement.

The ESF Scoring Methodology has been amended following discussion between the Managing Authority and the Commission. The revised methodology is being presented to the Board for agreement.

Recommendation(s):

That the Growth Programme Board

- agrees the ERDF and ESF Selection Criteria
- agrees the ESF Scoring Methodology

Summary:

ERDF and ESF Selection Criteria

There are no substantial changes to the selection criteria. Minor changes to drafting draws applicants' attention to the guiding principles for Priority Axes in each Operational Programme (para. 3); and that qualitative and quantitative assessment will be made with regard to published guidance (para. 10 and sections 1.2 and 2.2).

ESF Scoring Methodology

The ESF scoring methodology has been amended following questions raised at the GPB by the European Commission. The changes, and rationale for these, are as follows:

A minimum score is now required for all selection criteria.

Previously, minimum scores did not apply to all criteria. The Commission asked that they were given to criteria 1.1, 1.2, 3.1, 3.2, 3.3, and 5.3. The Managing Authority has reviewed its approach and, on balance, has decided to implement minimum scores for all the selection criteria thereby moving them closer towards a Gateway type approach.

Clarification has been provided on the score of 5 where a criterion is not applicable.

The Commission questioned whether this was in fact neutral and asked that it be reconsidered or better explained. The Managing Authority has improved the explanation here. The reason a 5 is given, where a criterion is not applicable, is that not to do so would suggest that the applicant did not meet the requirement, thereby disadvantaging the applicant. To give a score of 5 is therefore the nearest to a neutral score that we can achieve, neither advantaging nor disadvantaging the applicant. The Managing Authority considered reducing the available maximum score. However, to reduce the available maximum score for some applications within a call, but not all of them, potentially gives an advantage to those where all criteria apply, as by definition they will be able to score more. The Managing Authority has therefore altered the explanation for the score of 5 'where a criterion is not applicable'.

Under score rationale, the Managing Authority has introduced a level of flexibility into the selection process to take account of situations where it may not necessarily be appropriate to take forward only those applications with the highest scores. For example, the Managing Authority may receive a number of very similar applications which score highly and other applications which provide more diversity but score less highly (but are still acceptable).

Finally, the Managing Authority has separated out the two scores relating to Cross Cutting Themes, providing a Section 6 in the Scoring Framework. This aligns better with the separation of categories in the Selection Criteria document.

Richard Inman
Growth Programme Board Secretary, DCLG
10 March 2016

Selection Criteria

2014-2020 European Regional Development Fund and European Social Fund

24 September 2015

These Selection Criteria should be applied for applications made against any calls published from (insert date) onwards and replace any previously published Selection Criteria.

Selection of projects

1. The Managing Authorities will assess an application for funding against the programme selection criteria.
2. An operation/project will only be funded if it has successfully been appraised against both the gateway criteria and the core selection criteria. The core selection criteria can be summarised as:
 - Strategic fit;
 - Value for money;
 - Management and control;
 - Deliverability;
 - Compliance – procurement, State Aid, publicity requirements, eligibility rules;
 - Cross cutting themes;
 - Gender Equality and non-discrimination; and
 - Sustainable Development.
3. A set of "Guiding principles for selection" is included in each Priority Axis in the ERDF and ESF Operational Programmes. These explain specific criteria and conditions that will be taken into account when funding applications are assessed and appraised. Applicants should have regard to these where relevant to the activities they propose for funding under specific priority axes.
4. This note includes the full gateway and core selection criteria and some explanatory notes on how the Managing Authorities will apply the selection criteria.

Background notes

5. These are standard selection criteria that apply to the selection of all European Social Fund and European Regional Development Fund operations in the 2014-2020 European Social Fund and European Regional Development Fund Programmes in England. European Agricultural Fund for Rural Development has similar selection criteria.
6. The intention is for the Managing Authority to make decisions in a timely manner and to avoid asking applicants to produce work that is unnecessary. There is a two stage application process – Outline Application and Full Application. The Managing Authority will therefore assess the outline application against the Gateway Assessment Criteria, which set out the minimum eligibility requirements. Applications that fail to meet any aspect of the Gateway Criteria will be rejected and will not be considered against the Core Selection Criteria.
7. Outline applications that meet the gateway criteria will be assessed against the core selection criteria. The applicant is expected to provide sufficient information at outline stage for the

Managing Authority to form a judgement on the proposed activities but is not expected to provide all the detailed information. The requirements are set out in the relevant application forms.

8. The Managing Authority will invite applicants to submit a full application with complete details of the proposed operation. These details will form the basis of the funding agreement between the applicant and the Managing Authority and therefore needs to be a detailed application as set out in the full application form and the associated guidance. The Managing Authority will conduct a full, technical appraisal of all aspects of the applications, drawing in independent expert advice where required, for example professional and technical advisors, other Government Departments or partners as required.

Gateway criteria

9. These are the minimum eligibility requirements which must be met in order that any application is considered for European Regional Development Fund or European Social Fund support.
 - i. Project proposer must be eligible to apply for funding in accordance with the Common Provisions Regulations and the National Eligibility Rules for each Fund.
 - ii. The proposed activity and associated expenditure must be eligible for support under Regulation (European Union) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 and Regulation (European Union) No. 1301/2013 for European Regional Development Fund, and Regulation (European Union) No. 1304/2013 for European Social Fund and National European Regional Development Fund or European Social Fund Eligibility Rules.
 - iii. The project must present clear evidence that it contributes to the needs/opportunities identified in the Call for Proposals to which it is responding and the achievement of the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.

Core selection criteria

10. The Managing Authorities will use qualitative and quantitative approaches in assessing against the selection criteria. Qualitative and quantitative assessments will be made with reference to published output guidance.

Strategic Fit

- 1.1. The proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding.
- 1.2. The proposed operation represents an appropriate means of delivering the relevant specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme and fits the guiding principles for selection within each Priority Axis.
- 1.3. The proposed operation is aligned to the local growth needs set out in the local ESIF Strategies.
- 1.4. The proposed operation must add value to and not duplicate existing national provision and must not conflict with national policy.

Value for Money

- 2.1. Applications must demonstrate a clear case that the investment will deliver relevant activities, outputs and results that would not otherwise take place.
- 2.2. The operation must represent value for money. In assessing value for money, the Managing Authority will take account of published output guidance and will consider:
 - 2.2.1. Efficiency: the rate/unit costs at which the operation converts inputs to the Fund outputs.
 - 2.2.2. Economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
 - 2.2.3. Effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level.

Management and Control

- 3.1. The applicant must demonstrate:
 - 3.1.1. Appropriate expertise, capacity and capability to deliver the operation successfully
 - 3.1.2. The necessary management capacity, systems and processes in place to meet the requirements of the Fund
 - 3.1.3. Capability to meet the financial requirements and liabilities that flow from the receipt of European Regional Development Fund or European Social Fund support. Any non-

public sector organisation will be subject to a full due diligence assessment of the applicant organisation.

Deliverability

- 4.1. The Managing Authority will consider whether:
 - 4.1.1. The operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies.
 - 4.1.2. The operation has appropriate arrangements in place to secure the required level of match funding and at the point of formal approval has evidence that required match funding is in place.
 - 4.1.3. Evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place.

Compliance

- 5.1. In addition to the above management and control requirements the applicant must show that they have a full grasp of the compliance requirements for procurement, State Aid, European Union rules on publicity and the fund specific Eligibility Rules. Where relevant they must demonstrate that:

Procurement

- Any procurements already undertaken as part of the operation are compliant with the European Structural and Investment Funds procurement requirements.
- Any frameworks that they intend to use must be identified and compliant.

State Aid

- Any state aid would be lawful and that the applicant is eligible to receive grant aid at the requested level within the State Aid regulations, if applicable.
- Any aid granted through the project to third parties is permissible under and would be managed in accordance with State Aid regulations.

Publicity

- Publicity activities undertaken as part of the operation are compliant with the European Structural and Investment Funds publicity requirements. Any publicity already undertaken must be compliant if the applicant wishes to claim that as eligible expenditure

National Eligibility Rules

- Proposed activity and related expenditure is compliant with the fund specific National Eligibility Rules.

Cross Cutting Themes

- 6.1. The project takes account of and contributes to the Cross Cutting themes (horizontal principles) and meets the legal obligations of each:
 - 6.1.1. Gender Equality and non-discrimination
 - 6.1.2. Sustainable Development

European Social Fund Programme for England 2014-2020

ESF Scoring Framework

This Framework should be applied for applications made against any calls published from (insert date) onwards and replaces any previously published Scoring Framework.

2014-2020 European Social Fund Scoring Framework – minimum requirements and score rationale

Minimum scores

To ensure all applications are of an acceptable standard, they must achieve a minimum overall score of 56 (45%) at the Outline Application stage. In addition, a minimum score of 1 must be achieved for all the criteria contained in the table on pages 4 and 5. Failure to achieve this at Outline Application stage will result in the application being rejected.

At the Full Application stage, the minimum overall score of 56 (45%) also needs to be met. In addition, all of the criteria contained in the table are deemed to be critical. All successful applications must achieve a minimum score of 3 for each criterion by the end of the Full Application process. Failure to achieve this by the end of the full application process will result in the application being rejected. Where an application is successful and a Funding Agreement is issued, this will be conditional for cases where the final score for any criterion remains at 3.

Score rationale

Where a call indicates that scoring will be used, the framework in this document will apply. All applications will be scored in line with the ESF scoring criteria, but the MA reserves the right to invite projects which have passed the minimum scoring requirements to full application stage where they complement other activity or provide niche activity to target groups within the OP, even if they have scored less than other project applications. The methodology for 0-7 scoring is described below with the key indicators. A maximum score of 126 is possible using the scale on page 3.

Score where criterion is not applicable

Where a criterion is shown as not applicable in the call (e.g. procurement or state aid) then a score of '5' will be awarded. This is required to ensure no applicant is advantaged or disadvantaged where a criterion does not apply. Awarding '5' indicates that the requirement is met, thereby not disadvantaging the applicant.

2014-2020 European Social Fund Scoring Scale

7 Meets the requirement with additional assurance

The evidence provided is comprehensive, demonstrating that they completely meet the requirement. They have supplied clear and detailed information. Additional assurance is also provided that the service offered significantly exceeds the minimum service requirement.

5 Meets the requirement

The evidence provided is comprehensive, demonstrating that they completely meet the requirement. They have supplied clear and detailed information.

3 Mostly meets the requirement with minor weaknesses in certain areas

The evidence provided demonstrates reasonable ability, mostly meeting the requirement with minor weaknesses in certain areas. The evidence is fairly clear and convincing with only minor reservations.

1 Mostly fails the requirement with major weaknesses in certain areas

The evidence provided is unclear and, unconvincing and mostly fails to meet the requirement. Some risk to the delivery of service is identified or insufficient information is provided to give assurance that the minimum requirement will be met.

0 Fails to meet the requirement

The evidence provided fails to satisfy the stated requirement

2014-2020 European Social Fund Scoring Framework

| Selection criteria | Score |
|--|-------|
| 2. Strategic Fit (score out of 28) | |
| 1.1 The proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding. | 0 – 7 |
| 1.2 The proposed operation represents an appropriate means of delivering the relevant specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme and fits the guiding principles for selection within each Priority Axis. | 0 – 7 |
| 1.3 The proposed operation is aligned to the local growth needs set out in the local ESIF Strategies. | 0 – 7 |
| 1.4 The proposed operation must add value to and not duplicate existing national provision and must not conflict with national policy. | 0 – 7 |
| 3. Value for Money (score out of 14) | |
| 2.1 The application must demonstrate a clear case that the investment will deliver activities and impacts that would not otherwise take place; | 0 – 7 |
| 2.2 The operation must represent value for money. In assessing value for money, the Managing Authority will take account of published output guidance and will consider: <ul style="list-style-type: none"> - efficiency: the rate/unit costs at which the operation converts inputs to the Fund deliverables; - economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality; - effectiveness: the extent to which the operation contributes to the funding targets in terms of programme deliverables, results and/or significant strategic impact at the local level. | 0 – 7 |
| 4. Management and Control (score out of 21) | |
| 3.1 The applicant must demonstrate appropriate expertise, capacity and capability to deliver the operation successfully | 0 – 7 |
| 3.2 The applicant must demonstrate the necessary management capacity, systems and processes in place to meet the requirements of the Fund | 0 – 7 |
| 3.3 The applicant must demonstrate the capability to meet the financial requirements and liabilities that flow from the receipt of European Regional Development Fund or European Social Fund support. Any non-public sector organisation will be subject to a full due diligence assessment of the applicant organisation | 0 – 7 |
| 5. Deliverability (score out of 21) | |
| 4.1 The operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies. | 0 – 7 |

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|---|-------|
| | |
| 4.2 The operation has appropriate arrangements in place to secure the required level of match funding and at the point of formal approval has evidence that required match funding is in place | 0 – 7 |
| 4.3 Evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place. | 0 – 7 |
| 6. Compliance (score out of 28) | |
| 5.1 Procurement. Any procurements already undertaken as part of the operation are compliant with the European Structural and Investment Funds procurement requirements. Any frameworks that they intend to use must be identified and compliant. | 0 – 7 |
| 5.2 State Aid. Any state aid would be lawful and the applicant is eligible to receive grant aid at the requested level within the State Aid regulations, if applicable. Any aid granted through state is permissible under and would be managed in accordance with State Aid regulations. | 0 – 7 |
| 5.3 Publicity. Publicity activities undertaken as part of the operation are compliant with the European Structural and Investment Funds publicity requirements. Any publicity already undertaken must be compliant if the applicant wishes to claim that as eligible expenditure. | 0 – 7 |
| 5.4 Proposed activity and related expenditure is compliant with the fund specific National Eligibility Rules. | 0 – 7 |
| 6.Cross Cutting Themes (score out of 14) | |
| 6.1 Gender equality and non-discrimination. The project takes account of and contributes to the Cross Cutting theme (horizontal principle) of equal opportunities and meets the relevant legal obligations. | 0 – 7 |
| 6.2 Sustainable Development. Cross cutting themes – equal opportunities. The project takes account of and contributes to the Cross Cutting theme (horizontal principle) of sustainable development and meets the relevant legal obligations. | 0 – 7 |