



Department
for Work &
Pensions



European Union
European
Social Fund

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Social Fund

Priority Axis 1: Inclusive Labour Markets

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 1 : Inclusive Labour Markets
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1. Call Context

The 2014 to 2020 European Structural and Investment Funds (ESIF) bring the European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) together into a single European Union (EU) Structural Investment Funds (ESIF) Growth Programme for England supporting the key growth priorities of innovation, research and development, support for Small and Medium Enterprises (SME), low carbon, skills, employment, and social inclusion.

European Structural and Investment Funds are managed by the Department for Communities and Local Government (ERDF), Department for Work and Pensions (ESF) and the Department for Environment Food and Rural Affairs (EAFRD). In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. Unless stated otherwise, the term “Managing Authority” will apply to all these organisations. These Departments are the Managing Authorities for each Fund. The Managing Authorities work closely with local partners who provide:

- Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
- Local intelligence to the Managing Authorities in the development of project calls (decided by the Managing Authorities) that reflect Operational Programme and local development needs as well as match funding opportunities;
- Advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESIF Strategy to aid the Managing Authority’s assessments at outline and full application stage.

This call is issued by the Department for Work and Pensions (DWP) to commission ESF Funded projects that will support the **Priority Axis 1 of the Operational Programme: Inclusive Labour Markets** and **Investment Priority: 1.2 Sustainable integration into the labour market of young people** as set out in the Operational Programme.

All applications will need to be eligible under the Operational Programme. The latest draft is available for applicants to read. Although we do not expect much change, it is not yet finally agreed. Before funding agreements are signed, the Managing Authority will need to check eligibility against the agreed Operational Programme

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed as part of two stage appraisal process and successful applicants will enter into a funding agreement with the DWP. Further information is given in sections 4 to 10.

All ESF applicants will need to be aware of the requirement to collect and report data on all participants as per Annex 1 (see Appendix A). This will be as well as the requirement of reporting on output and result indicators referred to in section 3 of the call for proposal.

1.1 National Context

The operational programme identifies the need to address high levels of youth unemployment in specific areas of England through:

Investment priority 1.2 Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.

Specific objectives: (1) *To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities;* (2) *To engage marginalised 15-18 year olds and support them to re-engage with education or training;* (3) *To address the basic skills needs of young NEETS so that they can compete effectively in the labour market;* (4) *To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds and* (5) *To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).*

Tackling youth unemployment is a priority for the Government.

Most young people continue in education or training when they leave school, and make a successful transition to either further or higher education or employment. But there is still a group who either 'drop out' or struggle to make the transition to the labour market at age 18-19. As a result, the proportion of young people NEET in England rises sharply at age 18. 4.0% are NEET at age 16, 6.1% at age 17, and 12.5% at age 18¹

Unemployment can have a long-term scarring effect on young people, so this group remain a high priority as the recovery strengthens. A range of help is already available, but ESF will be used to support additional and complementary measures to increase the number of young people who are in education, employment and training, and to reduce the number who are NEET or at risk of being NEET. This investment priority will not support activities that duplicate or replace existing provision.

¹ DfE, *Statistical First Release 18/2014*, Participation in education, training and employment, age 16 to 18

1.2 Local Development Need

In Thames Valley Berkshire this investment priority will support additional provision that complements existing government programmes to tackle youth unemployment and reduce the number of young people who are unemployed, including those who are regularly moving between unemployment and short-term work.

Applicants will be expected to address the latest barriers, issues and challenges in their response to this call for proposals.

Despite a high performing economy, overall patterns of youth unemployment mirror national trends (i.e. overall headline claimant numbers reducing, but those over 13 weeks staying broadly static). More generally, Thames Valley Berkshire has not been sheltered from the impact of the recession. Youth unemployment (18-24 year olds) rose by approximately 90% between March 2008 and March 2013 and long-term (over 6 months) youth unemployment more than trebled over the same period. Over the last 12 months, both figures have dropped dramatically. The numbers of young people currently (March 2014) claiming unemployment benefit in the sub-region are now at their lowest since March 2008, whilst the numbers claiming unemployment benefits for more than 6 months are at their lowest since March 2009. However, young people remain nearly twice as likely to be unemployed than 25-64 year olds, and urgent action continues to be required to counter the cyclical nature of this challenge.

Across Thames Valley Berkshire, 5.2% of 16–18 year olds are not in education, employment or training (NEET) (DfE 2013); the figures are higher still in some of the key urban centres (for example 8.4% in Reading), despite these areas driving our economic success. This overall picture compares to a 'regional' average of 5.4%, but as the highest performing economy in the South East, Thames Valley Berkshire should be doing much better.

Whilst overall 16-18 year old NEET levels have been reducing, those at age 18 are more than double those at age 16. It is also important to acknowledge that under-25 unemployment has increased significantly, rising threefold during the recession. There is a clear issue with high numbers of post 19 underperforming in the labour market with limited access to support, to improve skills or earnings. This is reflected in higher levels of 16/17 year olds going into low skills employment from school and comparatively high numbers in jobs without training. This acts as a brake on growth in one of the most important sub-regional economies in the UK.

However, the area does have jobs and labour demand. Across the Thames Valley Berkshire area, there are over 5,000 unfilled job centre vacancies (JCP, November 2012). Evidence suggests that the majority of vacancies are not advertised through

the 'open jobs market', therefore limiting access. There is a clear mismatch between unemployed young people (whether aged 16-18 NEET or the additional numbers of inactive young people aged 19-24) and the number of employment vacancies either unfilled or in the pipeline. The latter should be the solution to the former. There is a need to resolve this mismatch in order for the labour market to work effectively and to support and sustain growth.

Better and earlier identification of needs alongside high quality information, advice and guidance will be critical to the delivery of more appropriate and effective interventions. Young person-centred assessment will need to take account of risk factors and personal circumstances.

Thames Valley Berkshire's population is characterised by extremes and in some cases there is a mismatch in skills, income and occupation between the workforce and resident population. This causes poor work-life balance and pressure on infrastructure, as employees travel further to work. The challenge is to narrow this skills gap to ensure that residents and businesses all benefit from local economic growth.

There is also a mismatch between the very specific employment and skills needs locally: the area has a strong business base, a wide diversity of employers and a culturally diverse labour market. However, some residents' levels of employment and qualifications are relatively low and they do not possess the skills required by employers.

This focus on skills and learning will be critical for improving access to opportunities for the most disadvantaged, as well as supporting the direction, strength and form of economic growth. This will be particularly important to those with low skills and attainment levels.

Therefore this call aims to support additional provision that complements existing government programmes to tackle youth unemployment and reduce the number of young people who are NEET. Applicants will be expected to address the latest barriers, issues and challenges in their response to this call for proposals. In particular we are looking for projects that will broker opportunities for young people and support local employers to take on young people who are not in employment, education or training (including those with complex barriers), including those who are regularly moving between unemployment and short-term work. These opportunities will include traineeships, apprenticeships, and work experience.

We are looking to

- create a new approach to provide a single access point to employment and skills opportunities for 16 to 24 year olds across Thames Valley Berkshire which will link directly to labour market intelligence and real time business needs, by bringing together local partners, better aligning services, reducing bureaucracy and duplication to deliver common skills and employment goals.
- deliver enhanced support and outcomes young people in TVB, focused on moving people into sustainable work – ensuring they do not meet repeat claims to Jobseeker’s Allowance and that their earnings increase in work;
- enhance existing schemes which support young people by creating additional work experience placements, additional apprenticeship placements and maximising the use of local wage subsidy schemes;

The key activities will include

- integrated information, advice and guidance, based on good local labour market intelligence, and making innovative use of technology;
- employment brokerage between employers and individuals, including using technology to improve the matching process;
- intensive caseworker support for those in most need e.g. care leavers, young offenders, and including targeted interventions for lone parents;
- innovative approaches for lone parents and other priority groups.

Details of the local ESIF Strategy can be found at

<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicEconomicPlan/EU%20SIF%20Strategy%2031%20May%202014.pdf>

1.3 Scope of activity

This call aims to address the shortfalls above.

Under this investment priority European Social Fund will support the Operational Programme objective of:

- Sustainable integration into the labour market of young people (**Investment Priority 1.2**)

2. Call Requirements

All applications are competitive.

- The total allocation for this call is up to £2,400,000 ESF grant.
- Proposals can only contain activities which are eligible for ESF.
- Applicants will need to have eligible match funding for the balance of costs which must be from a source other than the European Union. For all outline applications proof of match funding will need to be supplied as part of the assessment.
- The preference is to award a single funding agreement.
- Operations must be completed no later than **30th September 2018**.
- Operations should be capable of providing coverage of the whole of the Thames Valley and Berkshire LEP area.
- All procurement must be undertaken in line with EU regulations
- Applicants must demonstrate compliance with State Aid law; and
- All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.

ESF cannot be used to duplicate existing activities or activities that do not address market failure. ESF can only be used to achieve additional activity or bring forward activity more quickly. Applicants must be able to demonstrate that proposals are additional to activity that would have occurred anyway or enables activity to be brought forward and delivered more quickly than otherwise would be the case in response to opportunity or demand.

3. Deliverables required under this Call:

Operations will be expected to achieve the following Programme Deliverables. The definitions of which can be accessed at the [ESF Operational Programme](#).

ID	Result Indicator
	Participants gaining basic skills
	Participants (below 25 years of age) in employment, including self-employment or education/training upon leaving

ID	Output Indicator
	Male Participants (below 25 years of age) who are unemployed or inactive (not in education or training)
	Female Participants (below 25 years of age) who are unemployed or inactive (not in education or training)
	Unemployed, including long-term unemployed participants
	Inactive participants
	Participants from ethnic minorities
	Participants with disabilities.
	Participants who live a single adult household with dependent children

Applicants will be required to demonstrate how they will achieve the deliverables within their proposal along with any methodology that will be used to record achievement. Applicants will also need to ensure robust systems are in place, and be able to describe them, to capture and record the targets and to report quantitative and qualitative performance across the Thames Valley & Berkshire LEP area. All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

There must be a fully evidenced audit trail for all contracted deliverables.

4. General Information

Essential information to support the drafting of an application and delivery of a successful ESF funded project is available at the [European Growth Funding](#) website pages.

4.1 Compliance and Eligibility

When developing an application, Applicants should refer to [guidance](#) on eligible Applicants, activities and costs. These are for guidance only and Applicants should take their own specialist advice if in doubt. It is the responsibility of the Applicant to ensure that the rules and guidance are adhered to both at application stage and following approval.

ESIFs are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the 'key

documents' section prior to submitting an Outline application. If successful, Applicants will enter into the standard Funding Agreement and must abide by the standard terms and conditions contained therein. Applicants are therefore strongly advised to read these terms and conditions to ensure that they would be able to enter into such an agreement prior to responding to the call. Once a Funding Agreement has been issued it should be signed and returned within a short timescale.

4.2 Intervention Rate & Match Funding

ESF is funding used where no other funding can be obtained (the funder of last resort) and the maximum ESF intervention rate for the operation is 50%. This means ESF can contribute up to 50% of the total eligible project costs, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources. For all outline applications proof of match funding will need to be supplied as part of the assessment.

ESF is not paid in advance and expenditure must be defrayed prior to the submission of any claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

4.3 Applicants

Applicants must be legally constituted at the point of signing a Funding Agreement, and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract for ESF and therefore carries the liability for ensuring that the terms of the ESF Funding Agreement are met by them and to all delivery partners. If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.

The Managing Authority will consider the Applicant's track record, both positive and negative. If the Applicant has been involved in the delivery of previous European grants and any irregularities with this (these) grant(s) have been identified, the Managing Authority will look into these and expect to see how and what steps have been taken to ensure that these have been addressed to mitigate the risk of further irregularities in the future. It is acknowledged that some organisations will be new to ESIF funding and will not have a track record.

4.4 Cross Cutting Themes

All applications received under this Call should demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross cutting

themes for ESF are 'gender equality and equal opportunities' and 'sustainable development'.

For ESF, the project applicants will be required to deliver their services in-line with the Public Sector Equality Duty (as defined in the Equality Act 2010). All projects must have a gender and equal opportunities policy and implementation plan which will be submitted at full application stage and in-line with Managing Authority guidance. Project applicants will also be required to answer a number of ESF-specific equality questions which will be set out in both the full application form and the related guidance.

For ESF, all projects will also be required to submit a sustainable development policy and implementation plan (in-line with guidance produced by the Managing Authority).

The ESF programme particularly welcomes projects that have an environmental focus that can meet the strategic fit at local and programme level whilst also adding value by:

- supporting environmental sustainability; and/ or
- complementing the environmental thematic objectives of other programmes such as ERDF; and/or
- using the environment as a resource to help motivate disadvantaged people

Further information is available in the [ESF Operational Programme](#)

4.5 State Aid & Revenue Generation

Applicants are required, in the Outline Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid.² Grant funding to any economic undertaking which is state aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation. Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

The Managing Authority is not able to give legal advice on State Aid. It is the responsibility of the Applicant to ensure that the operation is State Aid compliant.

² Article 107(1) of the Treaty on the Functioning of the European Union provides that: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

Where the Applicant does not perceive that there is any State Aid, it should state whether or not it considers Articles 61 and 65(8) of regulation 1303/2013 to apply. This revenue should be taken into account in calculating eligible expenditure. Article 61 refers to monitoring revenues generated after completion of the project, and Article 65(8) how to deal with differences in the forecast and actual revenues at the end of the operation. The details of this will be tested at the full application stage.

4.6 Funding Agreement

The Funding Agreement is a standard, non-negotiable and legally binding document. Any successful Applicant will be subject to the terms and conditions contained within this agreement. Applicants are strongly advised to seek their own advice to ensure that they would be able to enter into and abide by the terms of the Funding Agreement.

Failure to meet any of the conditions of the agreement or the commitments within the application will result in claw back of funding.

Applicants should be aware that additional provisions and securities may be included within the Funding Agreement to protect the investment. These will be further discussed if relevant following the Full Application stage.

4.7 Procurement

All costs delivered by the Grant Recipient (the applicant) and/or delivery partners must be delivered on an actual cost basis. Other costs must be procured in line with EU regulations. The most common error identified during audit has been failure to comply with relevant procurement regulations and crucially to maintain a full audit trail to prove that they have complied with the relevant regulation. Robust and transparent procurement is required to ensure that Grant Recipients:

- consider value for money;
- maximise efficient use of public money; and
- maintain competitiveness and fairness across the European Union.

It is recommended that applicants seek their own legal advice pertaining to their procurement and requirements to publicise any tendering opportunities.

The Managing Authority is not able to give legal advice on procurement. It is the responsibility of the applicant to ensure the project is compliant in this respect.

4.8 Retrospection

There will be no retrospection for applications made against this call, other than in line with the general policy on retrospection which allows costs to be potentially eligible between outline and full application stage, but only where the full application is approved.

5. Application Process & Prioritisation Methodology

There are two stages to the ESF application process; Outline Application and if successful, Full Application. Applicants must fully complete the Outline Application via LOGASnet (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Applications will be subject to a Gateway Assessment undertaken by the Managing Authority under the following criteria:

- Applicant eligibility;
- Activity and expenditure eligibility; and
- The fit with the ESF OP and the call.

Proposals that pass the Gateway Assessment will move into the Core Assessment which consists of the following:

- Strategic fit;
- Value for money;
- Management & control;
- Deliverability;
- Procurement / tendering; and
- State Aid compliance.

The Managing Authority will seek advice from partners when considering applications to ensure its assessment is informed by local economic growth conditions and opportunities within the context of Operational Programmes and the local ESIF Strategy. This will include the relevant LEP Area ESIF Committee and other partners deemed relevant to the application.

The assessment and any prioritisation will be undertaken using only the information supplied as part of the application process. The Managing Authority cannot accept further detail outside this process.

Non-public sector Applicants who are successful at the Outline Application stage may be subject to due financial diligence checks by the Managing Authority, prior to submission of a Full Application. Applicants will be required to submit accounts, and to clarify financial or other organisational information. New Applicant organisations may be required to provide details of a guarantor.

6. Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Outline application. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

✉: ESF.2014-2020@dwp.gsi.gov.uk

7. Key Documents

- Outline Application Form;
- Outline Application Form Guidance;
- Local Enterprise Partnership area's ESIF strategy;
- Eligibility Guidance.

8. Document Checklist

Failure to provide the following documentation will result in the application being rejected

Outline Stage:

- fully completed Outline Application;
- financial tables;
- Outputs, Results and Indicators tables; and
- three years financial accounts (if private or voluntary and community sector).

9. Document Submission

Completed Outline Applications must be submitted via the [LOGASnet system](#).

Please note that Applicants will require a user ID and password in order to access the LOGASnet system. Details on how to register on the system can be found on the GOV.UK website [European Growth Funding](#) website pages.

Please allow up to 10 days to receive your login details.

10. Timescales

Launch of Call advertised on gov.uk.	31 March 2015
Deadline for submission of Outline Application	22 May 2015

Outline Application forms not received by the deadline will not be assessed. Outline Applications which are not fully completed will be excluded.

For this call applications will normally be required to **commence delivery/activity within three months** of the award of contract.

Any changes related to the deadline for the submission of the Outline Application form will be notified on the [European Growth Funding](#) website pages.

11. Formal Agreement of the ESF Operational Programme

The information and references in the call are based on the latest version of the [ESF Operational Programme](#) and are correct at the time of publishing. The Operational Programme may be subject to further amendment during its final negotiations with the European Commission, and subsequent calls will reflect any changes, to the extent that they may affect the terms of calls, that are made. In relation to the present call, the Managing Authority will take the possibility of relevant changes to the Programme into account when assessing outline and full applications, and where such changes occur will notify applicants of any issues that arise, and propose a method of dealing with them.

Appendix A – extract from Annex 1 of the ESF regulation

Common output and result indicators for ESF investments

(1) Common output indicators for participants

"Participants" refers to persons benefiting directly from an ESF intervention who can be identified and asked for their characteristics, and for whom specific expenditure is earmarked. Other persons shall not be classified as participants. **All data shall be broken down by gender.**

The common output indicators for participants are:

unemployed, including long-term unemployed
long-term unemployed
inactive
Inactive, not in education or training
employed, including self-employed
below 25 years of age
above 54 years of age
above 54 years of age who are unemployed, including long-term unemployed, or inactive not in education or training
with primary (ISCED 1) or lower secondary education (ISCED 2)
with upper secondary (ISCED 3) or post-secondary education (ISCED 4)
with tertiary education (ISCED 5 to 8)
participants who live in jobless households
participants who live in jobless households with dependent children
participants who live in a single adult household with dependent children
ethnic minorities
Participants with disabilities
other disadvantaged
homeless or affected by housing exclusion
from rural areas

(2) Common output indicators for entities are:

number of projects fully or partially implemented by social partners or non-governmental organisations
number of projects dedicated at sustainable participation and progress of women in employment
number of projects targeting public administrations or public services at national, regional or local level
number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)

(3) Common immediate result indicators for participants are:

inactive participants engaged in job searching upon leaving
participants in education/training upon leaving
participants gaining a qualification upon leaving
participants in employment, including self-employment, upon leaving
disadvantaged participants engaged in job searching, education/ training, gaining a qualification, in employment, including self-employment, upon leaving

(4) Common longer-term result indicators for participants are:

participants in employment, including self-employment, six months after leaving
participants with an improved labour market situation six months after leaving
participants above 54 years of age in employment, including self-employment, six months after leaving
disadvantaged participants in employment, including self-employment, six months after leaving

Notes

There may be a number of additional indicators to report on which have yet to be agreed with the European Commission.

The data for longer-term result indicators shall be collected via a cohort/leavers survey commissioned by the ESF Managing Authority based on a representative sample of participants within each investment priority. Internal validity of the sample shall be ensured in such a way that the data can be generalised at the level of investment priority.