



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 2: Skills for Growth

<b>Managing Authority</b>	<b>Department for Work and Pensions (DWP)</b>
<b>ESI Fund</b>	<b>European Social Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 2 : Skills for Growth</b>
<b>Investment Priority</b>	<b>2.1: Enhancing equal access to lifelong learning</b>
<b>Call Reference:</b>	<b>Skills support in the workforce to drive economic growth OC12S16P 0392</b>
<b>LEP Area:</b>	<b>Greater Birmingham and Solihull</b>
<b>Call Opens:</b>	<b>25 October 2016</b>
<b>Call Closes:</b>	<b>20 December 2016</b>
<b>Document Submission</b>	<b>Completed Outline Applications must be submitted to ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK">2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK</a></b>

# Contents

1. Call Context
  - 1.1 National Context
  - 1.2 Local Development Need
  - 1.3 Scope of Activity
2. Call Requirements
3. Required Deliverables
4. General Information
  - 4.1 Compliance and Eligibility
  - 4.2 Intervention Rate & Match Funding
  - 4.3 Applicants
  - 4.4 Cross Cutting Themes
  - 4.5 State Aid
  - 4.6 Funding Agreement
  - 4.7 Procurement
  - 4.8 Retrospection
5. Application Process & Prioritisation Methodology
6. Support
7. Key Documents
8. Document Checklist
9. Document Submission
10. Timescales
11. Appendix A – Common output indicators

# 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 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 2 of the Operational Programme: Skills for Growth** and **Investment Priority: 2.1 Enhancing equal access to lifelong learning** as set out in the Operational Programme.

All applications will need to be eligible under the European Social Fund Operational Programme for England 2014 to 2020. The [ESF Operational Programme](#) is available for applicants to read.

This call for proposals sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed as part of a 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.

Applicants are advised to familiarise themselves with the detail of the Operational Programme, local European Structural and Investment Funds Strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting an Outline Application.

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**

This priority axis aims to support skills for growth. It will support activities through:

**Investment priority: 2.1** - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

ESF will not fund activity that duplicates or cuts across national policy on grants and loans for tuition for skills activities. Exemptions to this principle will be considered only where a local specific need and/or market failure has been demonstrated and where the activity falls within the scope of the Operational Programme.

Full details of what can and cannot be supported under this Investment Priority are set out in the Operational Programme. Details of the specific objectives have been reproduced below.

<b>Specific Objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
To address the basic skills needs of employed people, particularly in SMEs and micro businesses.	The additional support from this investment priority will help employed people to gain basic skills. It will also improve the capacity of SMEs and micro businesses and support business growth. We have set an output target for the number of participants without basic skills and a result target for participants gaining basic skills.
To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.	The additional support from this investment priority will help employed people to progress at work through achieving higher skills, and it will drive growth in their organisation by improving productivity. We have set result targets for participants gaining qualifications or units – separate targets for level 2 and level 3.
To increase the skills levels of employed women to encourage progression in employment and help address the gender employment and wage gap.	The additional support from this investment priority will support women in raising the level of their skills, helping them to progress in employment or self-employment and achieve higher earnings. There is a result target about progression in work. This investment priority will also contribute to supporting business growth through the development of a more highly skilled workforce.

## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 2, Investment Priority 2.1 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

Greater Birmingham and Solihull LEP (GBSLEP) is committed to ensuring residents can ascend a 'ladder of skills progression'. Placing an emphasis on the skills supply side to respond to the demand generated within the priority growth sectors and seek to ensure the demand for skilled employees is met. Our ambition is to ensure residents are equipped with the skills they will need to secure and sustain employment and thereby contribute to, and benefit from economic growth.

GBS LEP want to ensure the employment skills needs are demand led, and have been identified following consultation with local employers and that the provider community can demonstrate the capability and capacity to respond flexibly and quickly to the local skills needs generated, for example, by:

- Planned economic investment and economic development initiatives of strategic importance to GBS LEP, including , but not restricted to: HS2, Birmingham City Enterprise Zone, the Enterprise belt and UK Central;
- The Priority Growth Sectors identified in our Strategic Economic Plan: Advanced Manufacturing & Engineering; Digital and Creative Industries, Life and Health Sciences, Low Carbon and Environmental Technologies and Services, Business, Professional and Financial services;
- Sectors where there is significant job replacement demand or are key to our business needs: Health and Social Care, particularly adult care ; Transport and logistics, Retail; Hospitality and Tourism; Construction and Infrastructure, Digital and Tech; Food and Drink; Emerging Technologies;
- Businesses that are new to the GBSLEP area and those that are planning direct foreign investments;

### Local Situation

Under this priority the LEP must address a range of skills challenges which impact substantively across the whole of the LEP area. The table below highlights that in comparison to the core city LEP and UK has proportionally more working age residents with no qualifications or low skills (maximum NVQ level 1).



<b>Table 7 Resident qualifications (numbers and proportions) of the 16-64 population GBSLEP</b>				
<i>Source: Annual Population Survey 2014</i>				
<b>Qualification level</b>	<b>Number</b>	<b>% GBSLEP</b>	<b>% Core City LEP average</b>	<b>% UK</b>
NVQ4+	357,900	29.1	30.6	36.8
NVQ3+	607,700	49.4	52.5	56.5
NVQ2+	814,400	66.2	70.6	73.1
NVQ1+	968,600	78.8	83.5	84.8
No qualifications (NVQ)	167,700	13.6	10.4	9.0
Other qualifications (NVQ)	93,100	7.6	6.1	6.2
Trade Apprenticeships	32,100	2.6	3.6	3.5
NVQ3 only	217,700	17.7	18.3	17.2
NVQ2 only	206,700	16.8	18.1	16.6
NVQ1 only	154,100	12.5	12.9	11.7

The number of individuals with no qualifications would need to reduce by 57,000 to match the England average and by nearly 40,000 to match the core City average.

GBSLEP also has an above Core City average proportion of working age residents with no qualifications. The proportion fell between 2010 and 2014, but the gap with the core cities average widened.

- In terms of improving our no qualification rate, GBSLEP was amongst the weaker performing LEP core cities, having the 3rd lowest rate of improvement;
- For GBSLEP to have the same no qualifications rate as the LEP core cities a further 39,250 LEP residents would need to gain an NVQ level qualification. This would require a 23.4% reduction in the number of working age LEP residents with no qualifications;
- The percentage of working age people possessing no qualifications (13.6%) is equally of concern, well above the UK average of 9.0%. Rates are highest in East Staffordshire (18.8%) and Cannock Chase (16.6%). But Birmingham's rate (15.7%) is of particular concern due to the total number of people that represents.
- The fall in working age residents with no qualifications in the area was almost entirely the result of a strong decrease in unqualified female residents;
- Despite having the highest proportion of residents with no qualifications (16.8%) the 40+ age group saw the biggest decline in no qualification rates in the area.

At a sector level the proportion qualified to a maximum of NVQ level 1 ranges from 43% in transport & storage to 12% in education, while the proportion qualified to NVQ4+ ranges from 61% in professional, scientific & technical activities to just 15% in transport & storage and accommodation & Food Services activities.

The proportion of GBSLEP residents in employment qualified to a maximum of NVQ level 1 is above the England average for all sectors apart from agriculture, energy & water, public administration, education and human health & social work. Similarly the proportion with NVQ level 4+ qualifications is below average for all sectors apart from agriculture, energy & water and human health & social work.

	Max NVQ Level 1		NVQ Level 4+	
	GBSLEP	England	GBSLEP	England
All in Employment	27%	24%	33%	35%
Agriculture, energy & water	29%	31%	31%	26%
Manufacturing	38%	31%	21%	24%
Construction	31%	29%	17%	18%
Wholesale & retail	37%	35%	17%	19%
Transport & storage	43%	40%	15%	17%
Accommodation & food service	35%	32%	15%	16%
Information & communication	15%	11%	51%	57%
Financial & insurance	18%	15%	41%	49%
Real estate	22%	21%	38%	39%
Professional, scientific & technical	13%	11%	61%	64%
Business Admin & support services	38%	35%	20%	23%
Public administration	17%	17%	41%	42%
Education	12%	12%	59%	61%
Human health & social work	14%	15%	48%	48%
Other Services	24%	21%	28%	33%

### Call Outline:

The Greater Birmingham and Solihull LEP area is made up of: Cannock Chase, Lichfield, Tamworth and East Staffordshire (Transition Region) and Birmingham, Solihull, Redditch, Bromsgrove and Wyre Forest (More Developed region).

The preference is to award funding agreements covering a range of activities. Project proposals are encouraged which demonstrate a genuine commitment to collaboration between providers in order to achieve cost effective operational synergies and avoid duplication, whether or not funded through ESI funds.

It is therefore important that applicants can show that they have discussed their proposals with other providers, and in particular demonstrate in their proposal how they will support the current service offer in the [GBSLEP Growth Hub](#) in the instance of providing on-going support to businesses and mainstream providers in respect of skills and employability services.

### Increasing general skills, enterprise skills and entrepreneurship.

We wish to address the basic and low skills gap (particularly reducing no qualifications and increasing level 1 and level 2 qualifications) by providing support for and development of skills for our residents (in line with the eligibility requirements of the ESF Operational Programme) to meet local employer needs, especially in our priority sectors across the GBS LEP area.

We also encourage activities and skills support that improves employability, entrepreneurial and sector specific skills that will enable residents to enter self-employment or to launch new business start-ups.

### **Increasing skills in the workforce**

We wish to address the no qualifications, basic and low skills gap for residents who are currently employed or under-employed or self-employed by increasing their skills levels from the existing level to the next level up / up-skill in order to enable them to progress in the workplace or self-employment. Develop and deliver training to support our LEP area priority sector areas where evidenced skills gaps remain:

- Activities which address skills shortages or needs in a particular economic sector or local area which are not currently being addressed by employers or providers;
- Address the no skills or basic skills needs of employed people, particularly in SMEs and Micro businesses;
- Training and support for people at all levels focusing in particular on the needs of those disadvantaged groups in the workplace;
- Access to learning information and brokerage of opportunities between learners and employers;
- Addressing lack of skills at practical and technical levels, particularly within our prioritised sectors;
- Increase levels of Literacy and Numeracy and ICT within the workplace;
- Raising employer awareness of workforce training and the support opportunities available and engage employer in meeting employees skills needs;
- The call is targeted at addressing the needs of employed individual who require support with improving their basic skills (level 3 and below)

**The GBSLEP Strategic Economic Plan** sets out our bold plan that addresses the challenges and opportunities unique to the LEP area.

We wish to encourage proposals that:

- Place primary emphasis on the capability and capacity of the skills supply side to respond to the demand generated within the above priority growth sectors and seek to ensure the demand for skilled employees is met;



- Focus on priority growth sectors, with an emphasis on entry as well as intermediate skills
- Ensure the supply side can facilitate a ‘ladder of skills progression’ from basic skills and employability through to higher level skills;
- Support the co-ordination, promotion and signposting of existing activity via a network of virtual and physical access points across the LEP;
- Work with employers to develop career development pathways (including flexible opportunities for new target groups and those with childcare responsibilities) and using work based skills as a career progression tool;
- Focus on a range of digital skills
- Tackle skills gaps at all levels (backed up with evidence on the scale and types of current gaps and employer satisfaction measures);
- Use data and information to create the intelligence to anticipate and match skills to future demand in the LEP area;

Details of the local ESIF Strategy can be found at [http://centreofenterprise.com/wp-content/uploads/2013/10/GBSLEP\\_A4\\_070214\\_v8.pdf](http://centreofenterprise.com/wp-content/uploads/2013/10/GBSLEP_A4_070214_v8.pdf).

### 1.3 Scope of activity

This call invites Outline Applications which support the delivery of Priority Axis 2, **Investment Priority 2.1 Enhancing equal access to lifelong learning** of the European Social Fund Operational Programme and responds to the local development need set out in the GBS Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

This call aims to address the identified shortfalls listed in section 1.2 Local Development Need above.

## 2. Call Requirements

All applications are competitive.

<p><b>Indicative Fund Allocation:</b></p>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately <b>£10.5m ESF</b></p> <p><b>Approximately 21.43% - £2.25m allocated to the Transition Region</b></p> <p><b>Approximately 78.57%- £8.25m allocated to the More Developed Region</b></p> <p>The Managing Authority reserves the right to decrease or increase the indicative allocation, or support more or fewer projects subject to the volume and quality of</p>
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	proposals received.
<b>Minimum application level</b>	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than <b>£500,000 of European Social Funding to any single project.</b></p> <p>The minimum project size for both ESF &amp; match funding, is dependent on the intervention rate determined by CoR 60% Transition Region &amp; 50% More Developed Region. As GBS LEP area spans two CoR, Transition and More Developed applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each CoR.</p>
<b>Duration of project approvals</b>	Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the Greater Birmingham and Solihull Local Enterprise Partnership Area.
<b>Specific call requirements</b>	This is a call for ESF activity.
<b>Call Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF
<b>Eligible match funding</b>	<p>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.</p> <p>The intervention rate in the GBS LEP Area is 50% in the More Developed areas and 60% in the Transition areas,</p>

	so 50% of match funding must be provided in the More Developed areas and 40% of match funding must be provided in the Transition areas.
<b>Operational completion</b>	Operations must be completed no later than 16 <sup>th</sup> of June 2020
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity</b>	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

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:

Applications will be expected to achieve the minimum indicative level of Programme Deliverables by contributing to the following Investment Priority. The definitions of which can be accessed at the [ESF Operational Programme](#).

<b>Investment Priority</b>	<b>2.1 Enhancing equal access to lifelong learning</b>
<b>Specific Objectives</b>	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<b>Indicative Actions</b>	ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.  Under this investment priority indicative actions to be supported by

	<p>the European Social Fund may include:</p> <ul style="list-style-type: none"> <li>• skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals;</li> <li>• training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace;</li> <li>• access to learning; information about learning and skills;</li> </ul>
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## Results Table

ID	Result Indicator	Target value for this call
R3	Participants gaining basic skills	11%
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills)	25%
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	8%
R8	Employed females gaining improved labour market status	35%

## Outputs table

### More Developed Region

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	6140	3008	3132
O4	Participants over 50 years of age	1182	-	-
O5	Participants from ethnic minorities	1722	-	-
ESF - CO16	Participants with disabilities	523	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	350	-	-

O6	Participants without basic skills	1081	-	-
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## Outputs table

### Transition Region

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	1172	573	599
O4	Participants over 50 years of age	204	-	-
O5	Participants from ethnic minorities	311	-	-
ESF - CO16	Participants with disabilities	84	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	68	-	-
O6	Participants without basic skills	205	-	-

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 GBS 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) **50% for More-Developed Categories of Region** and **60% for Transition Categories of Region**. This means:

ESF can contribute up to **50% of the total eligible project costs in the More Developed region (Birmingham, Solihull, Redditch, Bromsgrove and Wyre Forest)**, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources;

ESF can contribute up to **60% of the total eligible project costs in the Transition region (Cannock Chase, Lichfield, Tamworth and East Staffordshire)**, subject to State Aid regulations. The remaining 40% 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.<sup>1</sup> 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.

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.

#### **4.5 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.

#### **4.6 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:

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<sup>1</sup> 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."



- 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.

#### **4.7 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 Form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Social Fund grant. 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](mailto:ESF.2014-2020@dwp.gsi.gov.uk)

No applications are to be sent to this email address. Completed Outline applications must be sent to the email address provided in Section 9 – Document submission.

## 7. Key Documents

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

## 8. Document Checklist

The assessment will be undertaken on the basis of documentation received at the point of closure of the call. Applicants should provide the following documentation.

Outline Stage:

- fully completed Outline Application;
- financial tables (if the application is against more than one Category of Region, a financial table for each Category of Region);

- Outputs, Results and Indicators tables (if the application is against more than one Category of Region, a Outputs, Results and Indicators table for each Category of Region); and
- three years financial accounts (if private or voluntary and community sector).

Failure to provide the above documentation could result in the application being rejected.

## 9. Document Submission

Completed Outline Applications must be submitted to

✉: [2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK](mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK)

## 10. Timescales

Launch of Call advertised on gov.uk.	25 October 2016
Deadline for submission of Outline Application	20 December 2016

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. Appendix A – Common output indicators

### 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:

**ESIF Call Template**  
 ESIF-Form-2-001, Version 6.0  
 Date published 25/10/2016

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

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

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