



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>Develop Sector Growth – OCO8S16P0485</b>
<b>LEP Area:</b>	<b>D2N2</b>
<b>Call Opens:</b>	<b>22 November 2016</b>
<b>Call Closes:</b>	<b>15 January 2017</b>
<b>Document Submission</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>

# 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 number of people with technical and job specific skills, particularly at level 3 and	The main result that will be achieved is that more participants will have gained a qualification or a unit of qualification.

above and into higher and advanced level apprenticeships, to support business growth.	This investment priority will also support business growth through the development of a more highly skilled workforce. We have set a result target for participants gaining qualifications or units at level 3 or above.
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.

### Call outline

The D2N2 LEP have identified a distinct need for provision across the D2N2 area to be demand-led, and for employers and sectors to lead on the skills and employment agenda to provide skills solutions to enable job creation. Innovative projects will be procured which are aligned to the Skills for Growth Strategy, which will complement the D2N2 offer to meet the Needs of Key Sectors, and in particular Micro businesses and SMEs.

The D2N2 Local Enterprise Partnership area covers Derby, Derbyshire, Nottingham and Nottinghamshire. It is one of the largest LEP areas within England, with a population of more than 2m people and an economic output of nearly £40bn. The economy comprises a mixture of rural and urban areas across 19 local authority areas.

Employment is distributed across D2N2 but there is a concentration of employment in and around the area's two largest centres – the Core City of Nottingham and the key city of Derby – with the two cities combined accounting for 36% of total employment, compared to 26% of total population. Alongside the two cities there is also a distinct urban conurbation in Ashfield / Mansfield and there are a number of smaller centres that serve rural hinterlands across the D2N2 area. In terms of transport links, D2N2 has a central location in England, well served by key north-south transport links such as the M1, A1, Midland Main Line and East Coast Main Line.

Entrepreneurial areas have higher levels of both business growth as well as demise in businesses, which are below the national average in the D2N2 area. The D2N2 Strategic Economic Plan (SEP) sets out proposals for raising growth rates in the D2N2 area, creating increased prosperity and higher levels of employment. Applicants will need to demonstrate innovative or established methods of delivering provision, in order to meet the aspirations of the D2N2 Strategic Economic Plan (SEP) and requirements of this Call. Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) remains a dynamic and diverse economy with enduring excellence in cutting-edge manufacturing and engineering, particularly transport, life sciences and construction.

The Vision is that D2N2 will become a **more prosperous, better connected, and increasingly competitive and resilient economy, by supporting the creation of an additional 55,000 private sector employee jobs in D2N2 by 2023**. It will look to build on its strengths to create well paid and rewarding jobs for local people in the key growth sectors and develop innovation ecosystems to accelerate economic growth. The LEP will also work with local partners to support programmes to develop more start up activity, in particular focusing on raising awareness, generating ideas and promoting enterprise thinking.

Details of the local ESIF Strategy can be found at: [D2N2 LEP](#)

## Local priorities

Employment and skills is a cornerstone of D2N2's SEP and the LEP is committed to increasing the number of jobs within the economy and ensuring that local businesses can access the skilled workers they need, both now and in the future. Ambitious coordinated action at strategic, local and individual levels is needed to ensure that everyone, irrespective of where they live or their background, is socially included and those experiencing poverty can access support to exit it. Paid employment and the pathways to it are recognised to be the primary route to achieving this.

To achieve the ambitions of the D2N2 SEP there is a need to put in place the infrastructure and conditions that will support business and employment growth, including a fit-for-purpose skills and training system which ensures young people are properly prepared for work, employers have access to the skilled workers they need and there is support to local people, including the most disadvantaged individuals, to develop their skills and employability to gain, retain and enhance employment and earnings.

D2N2 has set out a programme of complimentary ESF calls for programmes of activity which interlink to form a strategic gateway and pathway approach. The D2N2 ESIF Programme Board have agreed a set of Core Delivery Principles that define how it considers a good ESIF project should operate and they crystallise the

preferred approach articulated in the D2N2 ESIF Strategy. The Principles are for all provision to evidence and deliver Impact and Scale; Delivery Readiness; Added Value; Local Value; Quality, Performance and Efficiency; Strategic Partnerships and Co-ordination of Market Engagement; and Flexibility and Responsiveness.

The D2N2 Skills Priorities from the Skills for Growth Strategy are to Develop sector growth agreements; Improve business leadership, management and skills; Promote and develop apprenticeships and traineeships; Foster enterprise and the characteristics of entrepreneurial behaviour; Raise the visibility of careers support and Promote graduate recruitment.

D2N2 will achieve these priorities through activity which will ensure education and training systems reflect employer requirements; engage new start businesses and SMEs in the education and skills agenda; equip the workforce with the skills and competencies required by local employers, both at present and in the future; extend and deepen engagement between business sectors and training providers; encourage better matching of skills supply with employer need to address recruitment difficulties and unemployment; and develop employer-led, added value, flexible provision.

Stimulating economic development, increasing productivity to support jobs, skills and growth is a key focus for the D2N2 LEP. As set out in the D2N2 SEP sectoral growth opportunities necessitate a strong focus initially on key areas such as Transport Equipment Manufacturing; Medicine and Bioscience; Construction; Food and Drink Manufacturing; Visitor Economy; Low Carbon Goods and Services, Creative Industries; and Transport and Logistics.

In addition to the D2N2 key priority sectors, growth employment sectors for focus are Health & Social Care and Information Technology across the D2N2 area; Engineering (Civil Engineering) in Derby and Derbyshire and Professional Services and Retail in Nottingham and Nottinghamshire. The D2N2 programmes, based on evidence and levels of need, we wish provision to be able to respond to new and emerging and niche sectors which may become increasingly important.

Details of the local ESIF Strategy can be found at: [D2N2 ESIF STRATEGY](#)

**Activity must demonstrate a highly innovative and effective approach to tackling local and specific employment and skills gaps, demonstrate additionality and ultimately promote and stimulate growth across the D2N2 area.**

**This call for ESF investment has been issued with a complementary call under ESF Investment 1.1 (Access to employment for jobseekers and inactive people – OCO8S16P0483). The intention is to invite and encourage applicants to demonstrate how they can deliver the required performance outcomes across**

**both calls leading to more and better outcomes through a range of specific activities.** We envisage the funding and output split across the IPs as 1.1 at 41% and 2.1 at 59% (refer to the D2N2 LEP Strategic Overview for Develop Sector Growth which can be found at [D2N2 STRATEGIC OVERVIEW](#)).

**Target groups:** disadvantaged groups including (over 50's, lone parents, disabled or with health problems, ethnic minorities, those without basic skills (IT, numeracy, literacy), women at disadvantage in the labour market.

**The programme will achieve added value by:**

- Encouraging and delivering successful employer led partnerships which will be instrumental in bringing about new jobs, skills and growth.
- Creating employment and skills solutions to deal with skills shortages and job creation.
- Boosting enterprise, entrepreneurship and business growth, including leadership and management.
- Supporting employers to take a lead on shaping investment in demand-led provision and supply-side goods within their localities and sectors, to enhance SKILLS Local<sup>1</sup>.
- Enabling employment training to be guided by employers rather than providers and the training provision to be linked directly to the needs of the sector, to enhance EMPLOY Local<sup>2</sup>.
- Creating more affordable delivery focused on business needs with a greater alignment to strategy and investment.
- Providing solutions in light of the Apprenticeship Reforms, to assist small businesses of the key priority sectors, to enhance the SKILLS Local offer.

**The programme will provide:**

- Employer and sector led initiatives which will harness and enable a cultural change to the skill system across the D2N2 area.
- Enable employers of the D2N2 key priority sectors to own and develop a demand-led skills system.
- Solutions to meet the requirements of the D2N2 key priority sectors, employment growth sectors, and emerging sectors based on evidence of need.
- Promoting role models either through employers or individuals, reflecting the need to help, promote or inspire young people into various sectors, especially key sectors.

---

<sup>1</sup> [SKILLS Local](#): D2N2 ESF Programme Supporting workforce development and business growth

<sup>2</sup> [EMPLOY Local](#): D2N2 ESF Programme Creating opportunities and matching people to jobs, apprenticeships and graduate jobs



In addition, as listed in the ESF Operational Programme 2014-2020, examples of activities that will be supported for Investment Priority 2.1 can be delivered through the Develop Sector Growth Programme where evidence is provided by the Applicant that the activity will meet the D2N2 ESIF and Skills Strategy.

Details of the local ESIF Strategy can be found at: [D2N2 ESIF STRATEGY](#)

### 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 D2N2 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>£653,019 ESF</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 proposals received.</p>
<p><b>Minimum application level</b></p>	<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>£100,000 of European Social Funding to any single project.</b></p> <p>It is envisaged that multiple projects will be funded to ensure a range of activity is supported as detailed in the call and to provide good coverage across sectors. There is a need for coherence.</p>
<p><b>Duration of project approvals</b></p>	<p>Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>

<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the D2N2 Local Enterprise Partnership area.
<b>Specific call requirements</b>	This call for ESF investment has been issued with a complementary call under ESF Investment Priority 1.1. Priority will be given to applicants that submit linked proposals across the priorities. See ‘Local Priorities’ section for further information. Successful candidates will be required to ensure that ESF provision will clearly add value and not duplicate provision that can be arranged locally through existing mainstream institutions. Applicants will be required to work in partnership with other organisations delivering education and training in the area to ensure their programme of activities are complementary to and not in competition with other funded provision. The provision must be able to respond to changing local needs and opportunities, as well as policy changes. Applicants will be required to establish linkages with and have an understanding of, local stakeholder needs and develop strong links with the key stakeholders. There is an expectation of the D2N2 LEP for Applicants to engage with other ESF funded providers as part of the D2N2 governance structure to assist with client referral, sharing of good practice and performance management of all projects, and to work with organisations undertaking similar and complementary support and delivery activities to reduce duplication, share good practice, ensure added value and contribute to a seamless and integrated delivery infrastructure.
<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>	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.
<b>Operational completion</b>	Operations must be completed no later than 31 December 2019.
<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

	<p>additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported 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>• leadership and management training in Small and Medium size Enterprises (up to 250 employees);</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> <li>• brokerage of opportunities between learners and employers.</li> </ul>
--	--

### 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

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	486	238	248
O4	Participants over 50 years of age	102	-	-
O5	Participants from ethnic minorities	48	-	-
ESF - CO16	Participants with disabilities	43	-	-
ESF - CO14	Participants who	23	-	-

	live in a single adult household with dependent children			
O6	Participants without basic skills	86	-	-

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 D2N2 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.<sup>3</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

---

<sup>3</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."

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 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.	22 November 2016
Deadline for submission of Outline Application	15 January 2017

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:

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