



**Department  
for Work &  
Pensions**



**European Union**  
European Structural  
and Investment Funds

## **2014 to 2020 European Structural and Investment Funds Growth Programme**

### **Call for Proposals European Social Fund**

### **Priority Axis 1: Inclusive Labour Markets**

### **Youth Employment Initiative (YEI)**

<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 1 : Inclusive Labour Markets</b>
<b>Investment Priority:</b>	<b>1.3 Sustainable Integration of Young People into the Labour Market</b>
<b>Call Reference:</b>	<b>Leicester Youth Employment Initiative OC21S16PO450</b>
<b>LEP Area:</b>	<b>Leicester and Leicestershire (Leicester City only)</b>
<b>Call Opens:</b>	<b>29 November 2016</b>
<b>Call Closes:</b>	<b>18 January 2017</b>

<b>Document Submission:</b>	<b>Completed Applications must be submitted to</b> ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK">2014- 2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK</a>
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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 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: 1.3 Sustainable integration into the labour market of young people (YEI)** 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 proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed by undertaking a ‘one stage’ applicant and 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

This priority axis aims to increase participation in the labour market and thereby improve social inclusion and mobility. The operational programme identifies the need to address high levels of youth unemployment in specific areas of England this will be delivered through the following Investment priority:

**Investment priority 1.3** Sustainable integration into the labour market of young people (YEI), 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.

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 support the rise in the participation age by providing additional traineeship and apprenticeship opportunities for 15-29 year old NEETs in YEI areas, with a particular focus on 15-19 year old NEETs.	<p>The additional support from this investment priority will help more young people aged 15-29 enter traineeships and apprenticeships. It will be focused on young people in YEI areas, with a particular focus on 15-19 year old NEETs. The additional support from this investment will support investment in traineeships and apprenticeships, including improvements to recruitment and assessment and engagement with employers.</p> <p>The main result will be that more young participants aged 15 to 29, male and female, who were NEET, are in traineeships or apprenticeships as a result of ESF interventions, and this will support movements into work.</p>
To engage marginalised 15-29 year old NEETs in YEI areas and support them to re-engage with education or training, with a particular focus on 15-19 year olds.	The additional support from this investment priority will help to find and engage young people in YEI areas, particularly those aged 15-19, who are disconnected from mainstream activity. Participants could, for example, be

	<p>members of gangs, care leavers, young lone parents, ex-offenders or young people with learning difficulties. They are likely to require more intensive and tailored interventions.</p> <p>The main result that will be achieved is that more participants will be engaged with education or training on leaving.</p>
<p>To address the basic skills needs of 15-29 year old NEETS in YEI areas so that they can compete effectively in the labour market.</p>	<p>The additional support from this investment priority will help 15-29 year old NEETs in YEI areas to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment.</p> <p>The main result that will be achieved is that more participants will have gained basic skills. There is an output target for participants without basic skills and a result target for participants gaining basic skills.</p>
<p>To provide additional work experience and pre-employment training opportunities to 15-29 year old NEETs in YEI areas, with a particular focus on those aged over 18.</p>	<p>The additional support from this investment priority will help unemployed 15-29 year olds and particularly those aged 18-29 in YEI areas to transition into training or sustainable employment (or self-employment).</p> <p>The main result that will be achieved is that more participants will enter traineeships, apprenticeships or sustainable employment (including self-employment) on leaving.</p>
<p>To support 15-29 year old lone parents who are NEET in YEI areas to overcome the barriers they face in participating in the labour market (including childcare).</p>	<p>The additional support from this investment priority will help 15-29 year old lone parents who are NEET in YEI areas to move closer to and into sustainable employment (including self-employment). Support will include assistance with childcare when this has not been covered by public provision, such as Universal Credit. It will also help participants to overcome other barriers, such as low basic skills or lack of confidence.</p> <p>The main result will be achieved is that more participants will move into sustainable employment (or self-employment). There is an output target for the number of lone parents.</p>

## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.3 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

### **Call outline**

The Leicester and Leicestershire Enterprise Partnership (LLEP) was established in May 2011 and serves the City of Leicester and the County of Leicestershire.

The LLEP's vision is to “***create a vibrant, distinctive and attractive place with highly skilled people making Leicester and Leicestershire the destination of choice for successful businesses.***”

By 2020, the LLEP aims to have:

- Created 45,000 new jobs
- Leveraged £2.5 billion of private sector investment
- Increased Gross Value Added (GVA) by £4 billion from £19 billion to £23 billion

Within its ESIF Strategy, the LLEP has identified a number of target groups where additional support is needed. These have been divided between young people aged 15 to 24 and those aged over 25.

#### *Young People Aged 15 to 24*

- Young people with no qualifications
- Those with learning difficulties and / or disabilities
- Those looked after / in care
- Carers – own child, parent, other children
- Care leavers
- Supervised by Youth Offending Team or Probation Service
- Ex-offenders
- Teenage pregnancies / mothers
- Substance misusers
- Participants in troubled families programmes
- People with English language needs
- Other vulnerable groups including BME groups

#### *Aged 25 and Over*

- People with no qualifications
- Women returners to the labour market
- Those with Learning Difficulties and / or Disabilities
- People with mental and / or physical health problems

- Carers – own child, parent, other children
- Ex-offenders
- Supervised by Probation Service
- People at risk of offending
- Substance misusers
- Participants in troubled families programmes
- People aged over 50
- Other vulnerable groups including BME groups

At the end of July 2016, there were 788 young people aged 16-19 (academic year 12 to 14) identified as NEET within Leicester City out of a measurement cohort of 12,476. This equated to 6.3% and was a reduction of 0.2% when compared to July 2015. In addition to the number of young people who were identified as NEET, there were also 579 young people whose situation could not be confirmed, giving an unknown level of 4.5%.<sup>1</sup>

Although NEET levels have fallen from a high of 10.2% in August 2011, there remains a core group of young people within Leicester City who require additional intensive support to access employment, education and training opportunities.

### **Local Priorities:**

The purpose of this call is to provide additional intensive support within Leicester City to young people aged 15 to 29 who are NEET.

Through its ESF programme, the LLEP has already developed and released a number of specifications aimed at supporting young people who are NEET. Applicants should therefore add capacity to and complement activity already being delivered within Leicester City and should avoid duplication with existing projects and programmes.

In line with Investment Priority 1.3 of the ESF Operational Programme, the LLEP wishes to procure a range of activity that contributes to each of the five specific objectives included within this strand and also address local issues of need and demand. This includes:

1. Providing additional traineeship and apprenticeship opportunities for 15 to 29 year-olds who are NEET.
2. Supporting marginalised 15 to 29 year-olds who are NEET to re-engage with education and training.
3. Supporting the basic skills needs of 15 to 29 year-olds who are NEET so that they can compete effectively within the local labour market.

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<sup>1</sup> Connexions Leicester City (July 2016).

4. Providing additional work experience and pre-employment training opportunities to unemployed 15 to 29 year-olds who are NEET.
5. Supporting 15 to 29 year-old lone parents who are NEET to overcome the barriers they face in participating in the labour market.

### **Apprenticeships and Traineeships**

The LLEP's Skills for the Future study has highlighted the need to increase the number and uptake of apprenticeship opportunities within Leicester City, in order to meet the number of job opportunities that are forecast to be created within the LLEP area through expansion and replacement demand in the period up to 2022.

#### **Key areas**

There is a need to meet the large level of replacement demand being forecast within:

- Manufacturing and Logistics due to an ageing workforce and
- Human Health and Social Work and Accommodation Food Service due to high levels of staff turnover.

Other issues hindering apprenticeship uptake within Leicester City include a poor awareness of apprenticeship opportunities and the need to increase apprenticeship participation rates among BME and vulnerable groups.

Applicants should propose interventions that will create and fill additional traineeship and apprenticeship opportunities within Leicester City with particular emphasis on:

- creating opportunities for young people who are NEET within sectors where a high level of expansion and replacement demand has been forecast within the LLEP area and
- increasing the uptake of unfilled apprenticeship vacancies.

### **Re-engaging with education and training**

Statistics show that Leicester City lags behind the rest of the LLEP area at all levels of educational attainment. Although NEET levels within Leicester City have fallen from a high of 10.2% in August 2011 to 6.3% in July 2016, there remains a core group of young people within Leicester City who require intensive support to move them into employment, education or training. Vulnerable groups, including looked after children, young people supervised by the Youth Offending Service, young people with special educational needs and disability (SEND) and teenage parents, also often have higher NEET rates than their peers and require additional support. The number of qualification starts at Levels 1 to 3 and in Basic Skills by Leicester and Leicestershire adults has also fallen significantly over the past four years.



Applicants should propose interventions that encourage young people who are NEET to re-engage with education and training opportunities, with a particular focus on vulnerable groups. Support should also be proposed for lone parents who are NEET to overcome the barriers preventing them from entering sustainable employment. This may include support with basic skills and assistance with childcare where this is not covered by public provision.

### **Work Readiness**

Recent consultation with employers through the Skills for the Future study has highlighted that only a third of the businesses contacted rated the work readiness of the young people they had recently interviewed and/or recruited as being 'excellent' or 'good'. Particular issues included:

- Communication/conversational skills
- Business/sector knowledge
- Unrealistic expectations
- Work ethic
- The ability not to give up when faced with challenges (i.e. resilience)
- Timekeeping

Employers also identified a number of skills areas that they expected to become more important over the next three years. These included:

- IT
- Leadership and management
- Communication
- Customer handling
- Planning

Applicants should propose interventions that improve the work readiness of young people who are NEET and provide them with the basic skills required by employers so that they are able to compete effectively within the local labour market.

Evidence shows that the greater the contact between young people and employers, the more likely they are to go on to secure better employment opportunities. They will also be significantly less likely to become unemployed and will earn more than their peers.

Applicants should propose interventions that will provide work experience and pre-employment training opportunities for young people who are NEET so that they are able to progress into traineeships, apprenticeships and sustainable employment.

This call has been published using an expected unit cost of c.£3000 per participant. Consideration will be given to applications which exceed this amount; however a robust case must be presented to indicate how these provide good value for money

Further background information can be found in the following documents:

- LLEP ESIF Strategy: <https://www.llep.org.uk/strategies-and-plans/esif/our-esif-strategy-2014-2020/>
- LLEP Strategic Economic Plan: <https://www.llep.org.uk/strategies-and-plans/our-strategic-economic-plan-sep/>
- LLEP Skills for the Future Study: <https://www.llep.org.uk/investing-in-our-people/skills-strategies/skills-for-the-future-study-2016/>
- LLEP Sector Growth Plans: <https://www.llep.org.uk/strategies-and-plans/sector-growth-plans/>

### 1.3 Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 1, **Investment Priority 1.3 Sustainable Integration of Young People (YEI) into the Labour Market** of the European Social Fund Operational Programme and responds to the local development need set out in the Leicester and Leicestershire 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>£ 800,000 ESF</b> and approximately <b>£800,000 YEI</b>.</p> <p>The Managing Authority reserves the right to increase or decrease the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.</p>
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<b>Minimum application level</b>	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>£50,000 of European Social Funding to any single project.</b>
<b>Duration of project approvals</b>	All YEI project activity must end by 31/7/2018
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the Leicester and Leicestershire 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 appraised 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 (if successful) to enter into funding agreements with projects which may 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 applications proof of match funding will need to be supplied as part of the appraisal.
<b>Operational completion</b>	Operations must be completed no later than 31 August 2018
<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 (delete if not appropriate)</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.
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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>1.3 Sustainable Integration Of Young People (YEI) Into The Labour Market</b>
<b>Specific Objectives</b>	Sustainable integration into the labour market of young people (YEI) 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.
<b>Indicative Actions</b>	<p>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.</p> <p>Examples:- Actions in this investment priority will</p> <ul style="list-style-type: none"> <li>• Help to re-engage marginalised young people NEET, including through innovative approaches, customised training and support and volunteering activities.</li> <li>• Activities may be focused on specific target groups such as: young lone parents: looked after children and care leavers: carers: ex-offenders: those involved in gangs: and young people with learning difficulties and disabilities.</li> <li>• Support traineeships – if it is not displacing already planned (and funded) provision and it adheres to the Traineeship Framework for Delivery. For Apprenticeships, any activity must comply with the apprenticeship legislation.</li> <li>• Will complement traineeships by enhancing or building on</li> </ul>

	<p>existing and planned traineeship provision through wrap-around activity.</p> <ul style="list-style-type: none"> <li>• Additional support for disadvantaged young people beyond the core elements of training (work preparation, English and Maths) and work experience.</li> <li>• Complement apprenticeships (but not provide direct funding of training or wage costs). This will include supporting improvements to recruitment, assessment and training.</li> <li>• Support for traineeships and apprenticeships may include increasing uptake through dedicated marketing or outreach work and supporting individuals to remain on the programme (for example mentoring and paying trainees costs, such as transport).</li> <li>• Enhance local careers guidance services for young people</li> <li>• Broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) – including through traineeships, apprenticeships, work experience, supported internships for young people with learning difficulties.</li> <li>• Support and information for employers to establish their requirements and encourage them to take on young people who are NEET.</li> </ul>
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<b>ID</b>	<b>Result Indicator</b>	<b>Target value for this call</b>
YEI – CR01	Unemployed participants who complete the YEI supported intervention	70%
YEI – CR02	Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	48%
YEI – CR03	Unemployed participants who are in education/training, gaining a qualification, or in employment, including self-employment, upon leaving	48%
YEI – CR04	Long-term unemployed participants who complete the YEI supported intervention	60%
YEI – CR05	Long-term unemployed participants who receive an offer of employment,	38%

	continued education, apprenticeship or traineeship upon leaving	
YEI – CR06	Long-term unemployed participants who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	38%
YEI – CR07	Inactive participants not in education or training who complete the YEI supported intervention	60%
YEI – CR08	Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	33%
YEI – CR09	Inactive participants not in education or training who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	32%
YEI – CR10	Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving	15%
YEI – CR11	Participants in employment six months after leaving	30%
YEI – CR12	Participants in self-employment six months after leaving	3%

<b>ID</b>	<b>Output Indicator</b>	<b>Total target value for this call</b>	<b>Men target value</b>	<b>Women target value</b>
YEI – O8	Participants (below 25 years of age) who are unemployed OR	591	312	279

	inactive (not in education or training)			
YEI – O3	Participants (aged 25-29) who are unemployed OR inactive (not in education or training)	197	-	-
YEI – O9	Unemployed (including long term unemployed) participants (YEI)	591	-	-
YEI – O10	Long-term unemployed participants (YEI)	197	-	-
YEI – O11	Inactive participants not in education or training (YEI)	197	-	-
O5	Participants from ethnic minorities	239	-	-
YEI – O12	Participants with disabilities (YEI)	66	-	-
YEI – O13	Participants who live in a single adult household with dependent children (YEI)	29	-	-

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 Leicester and Leicestershire 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 a Full 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 the funding used where no other funding can be obtained (the funder of last resort). The maximum ESF intervention rate for the operation is 66.66% (inclusive of the YEI allocation). This means ESF can contribute up to 66.66% of the total eligible project costs, subject to State Aid regulations. The remaining 33.34% or more must come from other eligible sources. Proof of match funding will need to be supplied as part of the application.

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 Full 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>2</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.

#### **4.6 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:

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<sup>2</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.

## 5. Application Process & Prioritisation Methodology

The YEI call is being assessed under a 'one stage' ESF application process; and applicants will need to complete the Full Application form. 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 may be subject to due financial diligence checks by the Managing Authority, when submitting 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. 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 Full applications must be sent to the email address provided in Section 9 – Document submission.

## 7. Key Documents

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

## 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.

- fully completed Full 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 Full 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.	29 November 2016
Deadline for submission of Full Application	18 January 2017

Full Application forms not received by the deadline will not be assessed.

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 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

### (2) 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

### (3) 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
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disadvantaged participants in employment, including self-employment, six months after leaving
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