



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>Supporting Nottingham's Young People into the Labour Market - OC08S17P0553</b>
<b>LEP Area:</b>	<b>This call relates to Nottingham City only</b>  <b>Nottingham City is within the Derby, Derbyshire, Nottingham and Nottinghamshire LEP</b>
<b>Call Opens:</b>	<b>16 January 2017</b>
<b>Call Closes:</b>	<b>12 March 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 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.	<p>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 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>
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>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</p>

	without basic skills and a result target for participants gaining basic skills.
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>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>

## 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.

The D2N2 Strategic Economic Plan (SEP) sets out proposals for raising skills growth rates in the D2N2 area, creating increased prosperity and higher levels of employment. The following D2N2 Skills for Growth Strategy objectives are particularly relevant to this Call, within YEI:

- Promote and develop apprenticeships and traineeships to achieve higher level skills and improve social mobility.
- Raise the visibility of and access to career insights and specialist careers support for young people and adults to raise aspirations, participation, retention and achievement in learning and work.

Within the D2N2 LEP area, Nottingham has a significantly higher rate of youth unemployment. The activity to be funded through this call is limited to residents of Nottingham City only.

### Local Priorities:

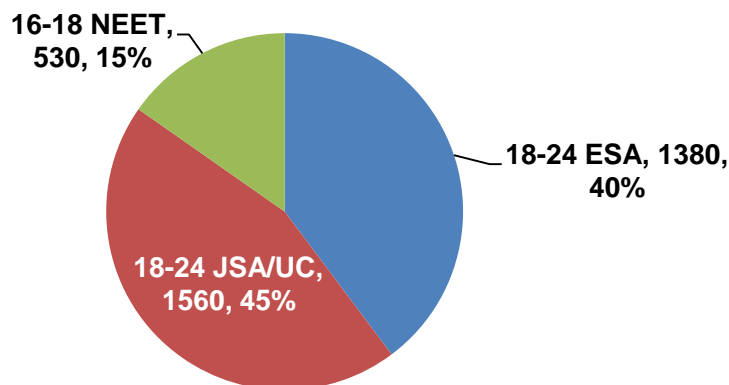
Nottingham has a high rate of youth unemployment. Within the local authority boundaries there are just under 3,500 citizens aged 16 to 24 who are NEET or in receipt of benefits related to worklessness:

- 580 NEETs and Not Knowns aged 16-18<sup>1</sup>
- 1,560 Job Seekers Allowance (JSA) or Universal Credit (UC) claimants aged 18 to 24<sup>2</sup>

<sup>1</sup> [DfE 2015 local authority NEET figures](#), downloaded 05 December 2016

- 1,380 Employment and Support Allowance (ESA) Claimants aged 18 to 24<sup>3</sup>

### 16 to 24 year olds not in employment, education or training



The majority of this group reside in the City wards identified by the Indices of Deprivation (2010 Census) as amongst the most deprived in England, including Aspley, Bulwell, Bilborough and Berridge (all ranked in the bottom 250 wards). There is a higher prevalence of NEETs and Not Knowns in the wards above plus some of the inner city wards such as Bridge.

### Health barriers

One in five working age people have a common mental health condition and in 2015 the Department of Health report Future in Mind highlighted that 75% of mental health problems in adult life start by the age of 18, but less than 35% of those with a diagnosable mental health condition access support.<sup>4</sup> The Government published the Work, Health and Disability Green Paper<sup>5</sup> in October 2016, and within this it highlights that “young people who are out of work and begin to claim Employment and Support Allowance or Universal Credit early in their lives can face scarring effects of long-term unemployment if they do not move in to work”.

The primary health reason for 60% of 18 to 24 year olds in receipt of Employment and Support Allowance is “mental and behavioural disorders”<sup>6</sup> and this is an underlying health barrier for other claimant groups too. The most common diagnostic mental health categories amongst adolescents are conduct disorders, anxiety, depression and hyperkinetic disorders.

<sup>2</sup> [NOMIS JSA and UC Combined rates as at October 2016](#), Claimant Count section, downloaded 05 December 16

<sup>3</sup> [NOMIS ESA rates as at May 2016](#), DWP Benefits section, downloaded 05 December 2016

<sup>4</sup> [Future in Mind, NHS England](#), pp. 13-14, downloaded 05 December 2016

<sup>5</sup> [Improving Lives; The Work, Health and Disability Green Paper](#), HM Government, October 2016, p.34, downloaded 05 December 2016

<sup>6</sup> [NOMIS ESA rates as at May 2016](#), DWP Benefits section, downloaded 05 December 2016

Employment rates for young people with a learning disability or autism are also significantly lower than for their peers who do not have a long-term diagnosed disability. Of all working age adults who received long-term support with a primary support reason of learning disability support, just 0.3% are in employment in the City compared to a national average of 5.8%.<sup>7</sup>

## **Barriers for Black and Minority Ethnic (BAME) Communities**

Nottingham has a higher rate of citizens from BAME communities represented within unemployment statistics when compared to the national average.<sup>8</sup>

Within Nottingham:

- Of all JSA-only claimants aged 18 to 24 (1,180), 26% (310) are from an ethnic minority community. Claimants are most likely to be mixed white and black Caribbean, black or black British Caribbean, black or black British African, or Asian or Asian British Pakistani<sup>9</sup>
- Of all ESA claimants aged 18 to 24 (1,380), 9% (130) are from an ethnic minority community. Claimants are most likely to be mixed white and black Caribbean<sup>10</sup>

Nottingham has also seen an increase in the number of people who are refugees or are seeking asylum in the UK and where their first language is not English. These young people present with language barriers, do not have experience of navigating the skills and employment market in the UK and often present with emotional and health difficulties. Flexible ESOL provision, and basic life skills & employability guidance interventions are needed to support this group.

## **Supporting the hardest to engage**

Overall levels of youth unemployment have increased and increasingly programmes are targeting those who are the hardest to engage. Existing programmes have seen higher than average drop-out rates, up to 50% in some cases. Furthermore there are estimated to be thousands of young people in the City who are not in employment, education or training and who are not in receipt of benefits relating to worklessness. They are not engaging or accessing employment and skills programmes and may be classified as economically inactive and so hidden from unemployment rates.

New and innovative approaches to engaging young people in employability programmes, including through the use of financial incentives and new technologies is needed.

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<sup>7</sup> [NHS Digital ASCOF Data 2014-15](#), downloaded 05 December 2016

<sup>8</sup> It should be noted that there is a high number of individuals whose ethnic group is listed as “unknown” or “prefer not to say” across both claimant groups

<sup>9</sup> [NOMIS JSA rates as at May 2016](#), downloaded 05 December 2016

<sup>10</sup> [NOMIS ESA rates as at May 2016](#), downloaded 05 December 2016

## **Existing provision**

Across Nottingham City there is considerable existing mainstream local provision to support young people between and responses to this Call will need to evidence how it will avoid duplication and effectively integrate with existing provision. This includes Job Centre directly funded support, the adult skills budget and full-time education opportunities.

Other commissioned programmes already underway include:

### *Step into Work*

This three year programme which began in April 2014 and is due to end in April 2017 will engage 3,000 18-24 year olds who are long term unemployed (13-39 weeks)), progress 2,100 (70%) into learning and skills development and 1,200 (40%) into employment. Participants must be Nottingham City residents and interventions are delivered in the community by local community providers.

### *Talent Match*

For 18 to 24 year who are furthest from the jobs market, including those who are completely outside of the benefits, work and training system and facing severe barriers to gaining the skills they need to get into work. This will run until 2017.

### *Work Programme*

Young people aged 18 to 29 become eligible for Work Programme support at varying times in their benefit claim. The Work Programme in Nottingham City is delivered by A4E and Ingeus until March 2017. This will be replaced by the Work and Health Programme which will be commissioned from autumn 2017.

### *2015 YEI Programme*

An initial phase of YEI funding in Nottingham City was awarded in 2015. This builds upon existing SFA and DWP programmes, existing Nottingham City Council provision, mainstream school and FE offer to tackle those who are furthest away and experiencing more complex barriers to employment. It includes:

- 8 to 12 week programme including preparation for employment and “have a go” activities for 15 to 29 year olds who are NEET. This is delivered by Derby Business College Training
- Nottingham Enterprise Works programme to support 18 to 29 year olds in to self-employment. This is delivered by NBV Enterprise Solutions
- Nottingham Gets to Work programme, overcoming travel barriers for 16 to 29 year olds. This is delivered by Sustrans
- Nottingham Works which is made up of several targeted programmes and delivered by Nottingham City Council and community partners
  - Step in to Work Plus, an 18-29 unemployment support programme



- Nottingham Jobs Fund Plus, a support programme for 18-24 year olds with specialised needs such as mental health counselling
- Intensive Careers Support, a dedicated mentoring & support including funding for 16-18 year old NEETs
- Nottingham Traineeships, grants for 16 and 17 year olds NEETs to undertake a traineeship
- Nottingham North Traineeships, grants for 18 to 24 year olds unemployed residents in Nottingham North
- Nottingham Apprenticeship Grant, for employers who take on a 16 to 24 year old unemployed or economically inactive resident as an apprentice

**Therefore this call aims to address these shortfalls and is seeking applications which include but need not be limited to the following activities:**

1. Raise aspirations and support 18 to 29 year olds in to employment, who are currently out of work due to health problems and are claiming Employment and Support Allowance, Job Seekers Allowance or Universal Credit. Innovative approaches including the use of digital technologies should be applied to promote engagement, improve health outcomes and support participants to gain/re-gain and sustain employment. This should include a focus on integrating health, social, welfare and employment services to provide a holistic package of case managed support that meets individual needs and will aid recovery, encourage self-care and management of long term mental and physical health problems. The programme should embed clinically recognised methods to measure and report on participants' self-esteem and self-reported work readiness.
2. An agile model that results in overcoming barriers relating to citizens whose first language is not English and includes basic life skills and employability preparation aimed at 16 to 29 year olds who would benefit from this support, including young people from refugee communities and eligible young asylum seekers. This could include work placements, financial subsidies, mentoring, a training allowance for participants and flexible ESOL provision.
3. Targeted employability models that are located and delivered in BAME communities to engage and support 16 to 29 year old ethnic minorities who are currently not in employment, education or training including young people from refugee communities. The programme should include close working with existing BAME community and support organisations groups and a tailored engagement strategy to build trust and ensure that the programme is tailored to specific needs
4. Innovative models, including the use of new technologies, to engage and sustain 16 to 29 year old Neets in to employment support programmes, education and employment

5. Models to incentivise employers to create meaningful work experience opportunities and sustained employment for the groups identified above

Details of the local ESIF Strategy can be found at:

<http://www.d2n2lep.org/write/Documents/ESIF/D2N2-ESIF-Strategy-June-2016.pdf>

### 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 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.

<b>Indicative Fund Allocation</b>	Indicatively, through this call the Managing Authority expects to allocate approximately <b>£258,000 ESF</b> and approximately <b>£258,000 YEI</b> .  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.
<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>£75,000 of European Social Funding to any single project</b> . (This will mean that the minimum contract value will be £150,000 (ESF+YEI).)  In order to ensure that a range of activity is supported, it is envisaged that multiple projects will be funded.
<b>Duration of project approvals</b>	All YEI project activity must end by 31/7/18
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the Nottingham City local authority boundaries of the D2N2 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 (£258,000), 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.

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 include:</p> <ul style="list-style-type: none"> <li>• New and innovative models to engage young people in employment and skills programmes</li> <li>• Help to re-engage marginalised young people NEET, including through innovative approaches, customised training and support and volunteering activities.</li> <li>• Additional support for disadvantaged young people beyond the core elements of training (work preparation, English and Maths) and work experience.</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>

## Results Table

ID	Result Indicator	Target value for this call
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, continued education, apprenticeship or traineeship upon leaving	38%
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	32%
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 inactive (not in education or training)	194	103	91
YEI – O3	Participants (aged 25-29) who are unemployed OR inactive (not in education or training)	64	34	30
YEI – O9	Unemployed (including long term unemployed) participants (YEI)	194		
YEI – O10	Long-term unemployed participants (YEI)	64		
YEI – O11	Inactive participants not in education or training (YEI)	64		
O5	Participants from ethnic minorities	55		
YEI – O12	Participants with disabilities (YEI)	44		
YEI – O13	Participants who live in a single adult household with dependent children (YEI)	10		

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 Nottingham City local authority boundaries, within 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 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>11</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

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<sup>11</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."

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.

## 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 (Section 2.7 and 2.8 are not applicable as this is a “one stage” application process);
- 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.	16 January 2017
Deadline for submission of Full Application	12 March 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
disadvantaged participants in employment, including self-employment, six months after leaving