



Department  
for Work &  
Pensions



**European Union**  
European  
Social Fund

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

### Call for Proposals European Social Fund

### Priority Axis 1: Inclusive Labour Markets

<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>1.2 Sustainable Integration of Young People into the Labour Market and 1.4: Active Inclusion</b>
<b>Call Reference:</b>	<b>Pathways to Progression – Call Reference OC28S17P0733</b>
<b>LEP Area:</b>	<b>Sheffield City Region</b>
<b>Call Opens:</b>	<b>21 April 2017</b>
<b>Call Closes:</b>	<b>30 June 2017</b>
<b>Document Submission</b>	<b>Completed Outline Applications must be submitted to ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK">2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK</a></b>

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

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

This call is issued by the Department for Work and Pensions (DWP) to commission ESF Funded projects that will support the **Priority Axis 1 of the Operational Programme: Inclusive Labour Markets, Investment Priority: 1.2 Sustainable Integration into the Labour Market of Young People and Investment Priority 1.4 Active Inclusion** 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 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.

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 priorities:

**Investment priority 1.2** Sustainable integration into the labour market of young people (ESF), 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

**Investment Priority: 1.4** - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

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>1.2 Specific Objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
To engage marginalised 15-24 year olds and support them to re-engage with education or training	The additional support from this investment priority will help to find and engage young people who are disconnected from mainstream activity in areas that do not qualify for the Youth Employment Initiative. 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. The main result that will be achieved is that more participants will be engaged with education or training on leaving, and this will be measured by the result target.
To address the basic skills needs of young NEETS so that they can compete effectively in the labour market;	The additional support from this investment priority will help young NEETs (in areas that do not qualify for the Youth Employment Initiative up to 2018) to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment. 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.
To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).	The additional support from this investment priority will help young lone parents (in areas that do not qualify for the Youth Employment Initiative up to 2018) 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. The main result that will be achieved is that more participants will move into sustainable employment (including self-employment). There is an output target for the number of lone parents.

<b>1.4 Specific Objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.	<p>The additional support for this investment priority will help people who are distant from the labour market and require intensive support in addressing their multiple, profound and complex barriers to participation in the labour market.</p> <p>The main result will be that people address their complex needs and therefore are better able to engage in labour market activity. There are output targets for disadvantaged sub-groups and result targets for movement into work and increased labour market activity.</p>
To engage marginalised individuals and support them to re-engage with education, training, or in employment.	<p>The additional support from this investment priority will help participants to move into employment, education or training. They will have a range of barriers and will be distant from the labour market or education/training. They will require intensive, tailored support.</p> <p>The main result that will be achieved is that more participants will be in education, training or employment upon leaving.</p>

## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.2 and Priority Axis 1, Investment Priority 1.4 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

## Call outline

The ESF Managing Authority is seeking proposals from projects to support for people furthest from, or disengaged with, the labour/education market in the Sheffield City Region (SCR).

The Organisation for Economic and Development (OECD) predicts that young people aged 16-18 who are not in employment, education or training (NEET) in the UK are at risk of being left behind in the job market. Although similar to the national trend, of a reduction in NEETs over the last 5 years from 6.75% to 4.2% it is estimated that there are approx. 2,742\* 16-18 year old classified as NEET in SCR at the end of 2015, this is in addition to the 'Not Known' figure (source Department for Education)

\*please note this figure includes Derbyshire and Nottinghamshire and is not possible to aggregate down into component districts of the Sheffield City Region

As this group move into DWP classifications for Economically Inactive, the percentage in the Sheffield City Region rises above the national average by 2.1% to 22.1% (NOMIS April 2015-March 2016), with the number of long term and temporary sick also above national figures. However, numbers of economically inactive who 'want a job' are above the national average by 1.4% at 26.0%, which indicates there is an appetite to engage with appropriate support.

This call is for activities under the ESF Investment Priorities 1.2 and 1.4, each of which has distinct target groups. In the Sheffield City Region, both of these target groups face very similar barriers to active progression in an employment and skills environment.

The target groups for this call are:-

### Investment Priority 1.2:

- 15-18 year old NEETS and those at risk of becoming NEET

### Investment Priority 1.4:

Individuals aged 18+ who have multiple and complex barriers which need additional support in order to move them into or closer to employment.

- People from marginalised communities
- People disconnected from mainstream activity including:
  - Lone parents
  - Looked after children
  - Care leavers
  - Carers
  - Ex-offenders
  - Traveller Communities
  - Long term NEET/Unemployed

- BME groups
- Women
- Those without basic skills

Project proposals can cover one or both of these Investment Priorities. Applicants should make it clear in their proposal which Investment Priorities and target groups they are intending to support. Please note that applicants will need to provide separate details for e.g. outputs, results, financial tables if covering both Investment Priorities.

### **Local Priorities:**

The focus of projects should be on delivering activities which provide a mechanism for raising aspirations and engagement and positively contributing to an increase among the target groups into education, employment or training.

Projects should seek to address actual and perceived barriers individuals may face, for example confidence, housing, skills, debt and substance misuse, through a mix of direct support and the utilisation of existing specialist support either within their own organisation or by working with other projects/organisations. Levels of support should be tailored depending on the 'need' of individual participants.

Projects should complement existing education and employment provision by creating clear progression routes for people into either:

- 1) Education/Training
- 2) Employment
- 3) Self Employment

Project activities could include tailored packages of support for individuals who are currently not in employment, education or training (NEET), focussing on these three routeways, depending on the needs of the individual.

Engagement activities for 15-18 year olds which increase their awareness of options open to them and ensure more are actively engaged in provision that raises their ambition and motivates them to progress, reducing the risk of this age group becoming NEET or Economically Inactive.

Details of the local ESIF Strategy can be found at [here](#)

### **1.3 Scope of activity**

This call invites Outline Applications which support the delivery of Priority Axis 1, **Investment Priority 1.2 Sustainable Integration of Young People into the Labour Market and Investment Priority 1.4 Social Inclusion** of the European Social Fund Operational Programme and responds to the local development need

set out in the Sheffield City Region 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 1.2 &amp; 1.4:</b></p>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately <b>£ 2,235,000 ESF from Priority 1.2</b></p> <p><b>Approximately 85% - £1,890,000 allocated to the Transition Region</b></p> <p><b>Approximately 15% - £345,000 allocated to the More Developed Region</b></p> <p>Indicatively, through this call the Managing Authority expects to allocate approximately <b>£2,412,000 ESF from Priority 1.4</b></p> <p><b>Approximately 85% - £2,052,000 allocated to the Transition Region</b></p> <p><b>Approximately 15% - £360,000 allocated to the More Developed Region</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>
<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. European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The Managing Authority does not intend to allocate less than £500,000 of European Social Funding to any single project in the Transition area and/or £100,000 to any single project in the More Developed area.</p> <p>It is important to ensure a coherent range of activity is delivered as detailed in the call. Therefore the MA favours</p>



	<p>a small number of projects being delivered which cover both Investment Priority 1.2 and 1.4 in their proposed activities.</p> <p>The minimum project size for both ESF &amp; match funding, is dependent on the intervention rate determined by Category of Region (CoR); 60% Transition Region &amp; 50% More Developed Region.</p> <p>As Sheffield City Region LEP area spans two Categories of Region - Transition and More Developed - applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each Category of Region.</p>
<b>Duration of project approvals</b>	Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.
<b>Geographical Scope</b>	<p>All interventions should be focused on activity and beneficiaries within the Sheffield City Region Local Enterprise Partnership area.</p> <p>Preference may be given to projects that provide full geographical coverage across the Sheffield City Region.</p>
<b>Specific call requirements</b>	This is a call for ESF activity.
<b>Call Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF.
<b>Eligible match funding</b>	<p>Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. For all outline applications proof of match funding will need to be supplied as part of the assessment.</p> <p>The intervention rate in the SCR LEP Area is 50% in the More Developed areas and 60% in the Transition areas, so 50% of match funding must be provided in the More</p>

	Developed areas and 40% of match funding must be provided in the Transition areas.
<b>Operational completion</b>	Operations must be completed no later than 31 December 2020.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law.
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity (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>1.2 Sustainable Integration Of Young People Into The Labour Market</b>
<b>Specific Objectives</b>	Sustainable integration into the labour market of young people (ESF), 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 of actions for all young people who are NEET or at risk of becoming NEET include:</p> <ul style="list-style-type: none"> <li>• literacy, numeracy, ICT and employability provision to ensure that individuals have the basic skills needed in all</li> </ul>

	<p>jobs and to help them prepare for apprenticeships and progress through other routes to gaining higher skills;</p> <ul style="list-style-type: none"> <li>• support which complements other skills provision, such as crosscutting and 21<sup>st</sup> century skills, including team working, effective communication, problem solving, critical thinking and self-direction;</li> <li>• training and vocational qualifications to equip young people for specific jobs;</li> <li>• community and informal learning to engage young people who have struggled at school and encourage them to access more formal learning;</li> <li>• using self-employment as a route out of worklessness, including providing advice and support for self-employment.</li> </ul>
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<b>Investment Priority</b>	<b>1.4 Active Inclusion.</b>
<b>Specific Objectives</b>	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<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 of activities that may be supported include:</p> <ul style="list-style-type: none"> <li>• basic skills and ESOL training, including additional support with basic skills in preparation for apprenticeships;</li> <li>• support for those who need pre-traineeship and pre-Work Programme assistance, to prepare them for the next step;</li> <li>• support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction;</li> <li>• money management support and advice and financial literacy programmes in order to address deep seated debt issues which make moving from benefit into work more challenging;</li> <li>• digital and internet literacy courses to aid job searching, access to benefits and progress in work;</li> <li>• first contact engagement activities (for example, arranging events in places that people feel comfortable to visit);</li> <li>• local networks and groups to support people to get a job or access learning (for example, Job Clubs or Learning Champion type activity) to provide people with a safe environment and peer support;</li> <li>• softer skills development (for example, assertiveness, anger management and motivation);</li> </ul>

## Results Table – Investment Priority 1.2 Sustainable Integration Of Young People Into The Labour Market - Transition

ID	Result Indicator	Target value for this call
R3	Participants gaining basic skills	8%
R5	Participants (below 24 years of age) in employment, including self-employment, or education/ training upon leaving	43%
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34%

## Outputs table – Investment Priority 1.2 Sustainable Integration Of Young People Into The Labour Market – Transition

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O2	Participants (below 18 years of age) who are unemployed or inactive	<b>2006</b>	<b>1033</b>	<b>973</b>
ESF –CO01	Unemployed, including long-term unemployed	<b>1474</b>	-	-
ESF – CO03	Inactive	<b>532</b>	-	-
O5	Participants from ethnic minorities	<b>220</b>	-	-
ESF - CO16	Participants with disabilities	<b>180</b>	-	-
O6	Participants without basic skills	<b>360</b>		
ESF - CO14	Participants who live in a single adult household with dependent children	<b>120</b>	-	-

**Results Table – Investment Priority 1.2 Sustainable Integration Of Young People Into The Labour Market – More Developed**

<b>ID</b>	<b>Result Indicator</b>	<b>Target value for this call</b>
R3	Participants gaining basic skills	<b>8%</b>
R5	Participants (below 24 years of age) in employment, including self-employment, or education/ training upon leaving	<b>43%</b>
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	<b>34%</b>

**Outputs table – Investment Priority 1.2 Sustainable Integration Of Young People Into The Labour Market - More Developed**

<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>
O2	Participants (below 18 years of age) who are unemployed or inactive	<b>445</b>	<b>240</b>	<b>205</b>
ESF –CO01	Unemployed, including long-term unemployed	<b>327</b>	-	-
ESF – CO03	Inactive	<b>118</b>	-	-
O5	Participants from ethnic minorities	<b>38</b>	-	-
ESF - CO16	Participants with disabilities	<b>44</b>	-	-
O6	Participants without basic skills	<b>79</b>		
ESF - CO14	Participants who live in a single adult household with dependent children	<b>18</b>	-	-

## Results Table – Investment Priority 1.4: Social Inclusion - Transition

ID	Result Indicator	Target value for this Call
ESF-CR02	Participants in education or training on leaving	<b>17%</b>
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	<b>22%</b>
R1	Unemployed participants into employment (including self-employment) on leaving	<b>14%</b>
R2	Inactive participants into employment, or job search on leaving	<b>27%</b>

## Outputs Table - Investment Priority 1.4: Social Inclusion – Transition

ID	Output Indicator	Total target value for this Call	Men target value	Women target value
O1	Participants	<b>1210</b>	<b>660</b>	<b>550</b>
ESF –CO01	Unemployed, including long-term unemployed	<b>675</b>	-	-
ESF – CO03	Inactive	<b>535</b>	-	-
O4	Participants over 50 years of age	<b>192</b>	-	-
O5	Participants from ethnic minorities	<b>120</b>	-	-
ESF - CO16	Participants with disabilities	<b>312</b>	-	-

## Results Table - Investment Priority 1.4: Social Inclusion – More Developed

ID	Result Indicator	Target value for this Call
ESF-CR02	Participants in education or training on leaving	<b>17%</b>
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	<b>22%</b>
R1	Unemployed participants into employment (including self-employment) on leaving	<b>14%</b>
R2	Inactive participants into employment, or job search on leaving	<b>27%</b>

## Outputs Table - Investment Priority 1.4: Social Inclusion – More Developed

ID	Output Indicator	Total target value for this Call	Men target value	Women target value
O1	Participants	<b>213</b>	<b>110</b>	<b>103</b>
ESF –CO01	Unemployed, including long-term unemployed	<b>120</b>	-	-
ESF – CO03	Inactive	<b>93</b>	-	-
O4	Participants over 50 years of age	<b>38</b>	-	-
O5	Participants from ethnic minorities	<b>15</b>	-	-
ESF - CO16	Participants with disabilities	<b>65</b>	-	-

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 Sheffield City Region 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 outputs and results.

## 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.

European Structural Investment Funds (ESIF) 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% in the More Developed area, 60% in the Transition area. This means ESF can contribute up to 50% of the total eligible project costs in the More Developed area, 60% in the Transition area, subject to State Aid regulations. The remaining 50% or more in the More Developed area/40% in the Transition area must come from other eligible sources. For all outline applications proof of match funding will need to be supplied as part of the assessment.

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

## **4.3 Applicants**

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

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

## **4.4 Cross Cutting Themes**

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



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

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

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

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

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

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

#### **4.5 State Aid & Revenue Generation**

Applicants are required, in the Outline Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid.<sup>1</sup> Grant funding to any economic undertaking which is state aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation. Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

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

#### **4.6 Funding Agreement**

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

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

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

#### **4.7 Procurement**

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

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

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

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

#### **4.8 Retrospection**

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

## 5. Application Process & Prioritisation Methodology

There are two stages to the ESF application process; Outline Application and if successful, Full Application. Applicants must fully complete the Outline Application 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
- National 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.	21 April 2017
Deadline for submission of Outline Application	30 June 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