



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>1.1 Access to Employment for Jobseekers and Inactive People - Specialist support for the Unemployed and Inactive:</b> <ul style="list-style-type: none"><li>• <b>Activity 1: Health and Employment Specialist Support</b></li><li>• <b>Activity 2: Specialist Employment Support for 50+</b></li></ul>
<b>Call Reference:</b>	<b>OC25S17P0599</b>
<b>LEP Area:</b>	<b>North East</b>
<b>Call Opens:</b>	<b>27<sup>th</sup> July 2017</b>
<b>Call Closes:</b>	<b>23<sup>rd</sup> October 2017</b>
<b>Document Submission:</b>	<b>Completed Outline Applications must be submitted to</b> <input type="checkbox"/> : <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 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** and **Investment Priority: 1.1 Access to Employment for Jobseekers and Inactive People** 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. It will support activities through:

**Investment priority: 1.1-** Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.

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.

Specific Objective	Results that the Member States seek to achieve with Union support
To improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.	This specific objective is focused on those who are long-term unemployed and who are less likely to move back into work than people who have been unemployed for less time. The additional support from this investment priority will help long-term unemployed people to tackle their barriers to work and move into sustainable employment. The main result target focuses on moving participants into employment (including self-employment) on leaving. There will be a quantified result target set for this result indicator in each category of region.
To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.	This objective is focused on those who are unemployed but have more than one major barrier to progressing into employment (including self-employment) and sustaining employment. This client group will be more challenging to help and will often require intensive ongoing support to address complex barriers, which will be reflected in the targets. Support will be tailored to individual needs. Participants will include individuals who are over 50, lone parents, disabled or have health problems, from ethnic minorities or who lack basic skills. The main result targets focus on moving participants into employment or into education/training or getting them involved in active job search. Output targets will ensure we are reaching appropriate numbers of participants from

	these groups.
To encourage inactive people to participate in the labour market and to improve their employability.	This objective is focused on individuals who are distant from the labour market and who need additional support to give them the skills and/or confidence to enable them to move towards employment (including self-employment). Participants will include individuals who are lone parents, disabled or who have health problems, are over 50 or who are from ethnic minorities. The priority will be on those who are receiving inactive benefits. The main result that will be achieved is that inactive participants will engage more in the labour market. A specific output target will ensure we are targeting inactive people, and we have result targets to measure movement into work and increases in activity.
To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.	This objective is focused on individuals who lack the basic skills required by employers, such as IT, literacy and numeracy. Participants will have the opportunity to gain basic skills relevant to labour market needs or to enable them to progress towards gaining further skills. The main result will be that those without basic skills will be helped to gain them. This will enable them to play a fuller part in the labour market. There is an output target for participants without basic skills and a result target for participants gaining basic skills.
To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.	The additional support from this investment priority will help more unemployed and inactive women to complete effectively in the labour market. It will be focused on engaging and providing additional support to women who have barriers to entering the labour market, including language, skills, age and caring responsibilities. Participants could include older women wishing to return to work after caring for children, lone parents or women from ethnic minorities who have never worked. The main result that will be achieved is that more participants will be in sustainable employment (including self-employment) or engaged in active job search on leaving. There is a stretching output target for female participation and a result target for participants with childcare needs receiving childcare support.

## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.1 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

### Call outline

Through this call the ESF Managing Authority is seeking projects which will support participants in overcoming barriers to employment by tackling deprivation and addressing the multiple factors that contribute to social exclusion and deprivation.

This call is primarily focused on activities which support unemployed and inactive residents with health conditions, with an additional focus on unemployed and inactive residents aged 50+ who have health conditions and/or other barriers preventing them from entering the labour market.

The North East Commission for Health and Social Care Integration identified economic inactivity due to ill health as a significant impediment to economic growth. Good work has a positive impact on health, and supporting residents who experience ill health to return to work, and retain work, is an essential element of the commission.

This call is for projects in the North East LEP area across both the More Developed and Transition categories of region. Proposals are invited to cover either the entire area or sub-regions within it'.

Good value for money and alignment with domestic strategic priorities will form a key part of the assessment and appraisal of all applications. Projects should therefore ensure that these two conditions are fully and robustly demonstrated.

### Local priorities

The North East LEP Area [ESIF Strategy](#) notes that employment is the key route to combating poverty and exclusion. Despite an improving picture in recent years the area has relatively high levels of unemployment and inactivity compared to other areas across the country. Older workers also face additional skills challenges against a backdrop of longer working lives and ill health.

In particular, in the North East LEP Area:

- health barriers to work are prevalent, with Employment Support Allowance (ESA) claim rates at 7.9% against a GB average of 6.2%.
- local research shows that cohorts of the working age population in the area that achieve poorer job outcomes are those aged 50+, have a health condition or disability, live in a deprived area and/or are long- term unemployed.

- 94,800 ESA claimants in total. This has shown a gradual increase over the past two years and over 60,500 have claimed the benefit for over two years (ONS, May 2016).
- 46,040 claim for a mental or behavioural disorder, and 13,320 for diseases of the musculoskeletal system. (Over 20,000 are in the Work Related Activity and Assessment Phase categories and expected to take part on activities to find work) (ONS, May 2016).
- 7,990 JSA/UC claimants are aged 50+, and it is expected that the cohort is more likely to a health condition acting as a barrier to work than younger age cohorts and could benefit from more specialist support (ONS, May 2016).

The North East LEP area also has a high incidence of long term unemployment among residents aged 50 and over, often claimants of health-related benefits.

Older people who are out of work typically face significant barriers to labour market participation. They tend to have longer periods of unemployment than younger age cohort and are more likely to claim benefits for a health condition or disability. They are more likely to have caring responsibilities, low levels of qualifications and skills, often outdated skills, and low confidence and motivation as a consequence of long term unemployment. This is impacted by demands to be economically active for longer as a result of the raising of the state pension age.

**The challenge is to maximise employment opportunities for all.**

Details of the local ESIF Strategy can be found at: <http://www.nelep.co.uk/wp-content/uploads/2014/10/NE-LEP-ESIF-Strategy-Full-23-June-2016.pdf>

### **1.3 Scope of activity**

ESF investment through this call will be targeted to projects which will:

1. Provide intensive support to unemployed and inactive residents with health conditions acting as barriers to labour market participation through provision of tailored and integrated health and work support.
2. Provide additional intensive support to unemployed and inactive residents aged 50+ who have health conditions and/or other barriers preventing them from entering the labour market.

Projects can either apply for one or both of the proposed areas of activity under this call; either as separate independent projects or as a package of activities under one project.

Projects should deliver specialist and integrated employment and health support to ESA claimants or JSA/ UC claimants with similar health conditions. This may include support for people with musculoskeletal or related conditions.

***Activities may include but are not limited to:***

- In-depth and holistic assessment of need
- Impartial careers advice and guidance, job search and case management
- Facilitating greater referrals from health services to employment support
- In work employment support and condition management to support job retention and progression
- Effective engagement with employers
- Access to specialist health interventions or programmes

***Proposals should also demonstrate the following:***

- cross sector partnership integration and collaboration at a regional level;
- a specialist, innovative and targeted approach to meet identified local need;
- complementarity with mainstream funded activity and other existing activity currently funded by the European Social Fund for the same target groups, including (but not exclusive to):
  1. The ESF DWP CFO programme
  2. Big Lottery initiatives
  3. North East Mental Health Trailblazer Project
  4. Durham Works YEI Project if delivering in County Durham
  5. Other ESF projects – including demonstrating complementarity at the full application stage with other projects selected at outline/EOI stage through this call
  6. Fuller Working Lives Initiative
- Significant knowledge and experience of the local labour market; in particular:
  - o specialist experience in effectively overcoming barriers to employment due to health related issues;
  - o specialist experience in effectively supporting people over 50 unemployed, claiming JSA, UC or ESA;
- flexibility in provision and ability to respond to individual's circumstances and the changing needs of the local economy;
- effective integration with health services which includes facilitation of cross-referral across services;
- effective engagement with local employers and the North East Growth Hub;
- alignment to the ESIF priorities.

**PLEASE NOTE:** The North East Technical Assistance Partnership is available to provide support to potential applicants. To access support please refer to the contact in your area. These can be found on the LEP website:

<http://www.nelep.co.uk/funding/european-funding/>



This call invites Outline Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.1 Access to employment for jobseekers and inactive people** of the European Social Fund Operational Programme and responds to the local development need set out in the North East 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>£6,000,000 ESF</b></p> <p><b>Approximately 25% - £1,500,000 allocated to the Transition Region</b>  <b>Approximately 75% - £4,500,000 allocated to the More Developed Region</b></p> <p>The Managing Authority reserves the right to decrease or increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.</p>
<p><b>Minimum application level</b></p>	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than <b>£150,000 of European Social Funding to any single project.</b></p> <p>The minimum project size for both ESF &amp; match funding is dependent on the intervention rate determined by Category of Region which is 60% ESF funding &amp; 40% match-funding for the Transition Region &amp; 50% ESF funding and 50% match-funding for the More Developed Region.</p> <p><b>As North East 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.</b></p>
<p><b>Duration of project approvals</b></p>	<p>Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>

<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the North East Local Enterprise Partnership area.
<b>Specific call requirements</b>	<p>This is a call for ESF activity.</p> <p>This call is for projects in the North East LEP area across both More Developed and Transition category of region. Projects should clearly identify by category of region and reflect the relevant local context including specific delivery issues on County Durham.</p> <p>The European Social Fund is expected to be allocated to projects across the following two elements:</p> <ol style="list-style-type: none"> <li>1. Provide <b>intensive support to unemployed and inactive residents with health conditions</b> which are acting as barriers to labour market participation. Successful projects should support participants through the provision of tailored and integrated health and work support.</li> <li>2. Provide specific, specialist <b>intensive support to unemployed and inactive residents aged 50+ who have health conditions <u>and/or</u> other barriers</b> preventing them from entering the labour market.</li> </ol> <p>Projects can either apply for one or both of the proposed areas of activity under this call; either as separate independent projects or as a package of activities under one project.</p> <p>Good <b>value for money</b> and <b>alignment with domestic strategic priorities</b> will form a key part of the assessment and appraisal of all applications. Projects should therefore ensure that these two conditions are fully and robustly demonstrated.</p>
<b>Call Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF
<b>Eligible match funding</b>	Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than

	<p>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 North East 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 Developed area and 40% of match funding must be provided in the Transition area.</p>
<b>Operational completion</b>	Operations must be completed no later than 30 <sup>th</sup> April 2021.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity</b>	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

ESF cannot be used to duplicate existing activities or activities that do not address market failure. ESF can only be used to achieve additional activity or bring forward activity more quickly. Applicants must be able to demonstrate that proposals are additional to activity that would have occurred anyway or enables activity to be brought forward and delivered more quickly than otherwise would be the case in response to opportunity or demand.

### 3. Deliverables required under this Call:

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

<b>Investment Priority</b>	<b>1.1 Access to employment for jobseekers and inactive people</b>
<b>Specific Objectives</b>	To help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work, and enter and sustain employment.

<p><b>Indicative Actions</b></p>	<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 which may be supported for all unemployed and inactive people include:</p> <ul style="list-style-type: none"> <li>• additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including 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>• training for those who need to upgrade their skills or learn new skills (including basic skills and English for non-speakers) to compete in the local labour market and adapt to changes in the economy;</li> <li>• helping people access or benefit from apprenticeships, including support for women to enter non-traditional sectors which addresses barriers to entry (e.g. construction);</li> <li>• providing access to transport where this is a barrier to taking up a job;</li> <li>• providing advice, guidance and support by plugging gaps in national provision where appropriate, in order to help people make better informed choices, and in particular to take account of the jobs available in the local area;</li> <li>• specific careers advice for women, to help them make informed career choices;</li> <li>• using self-employment as a route out of workless-ness, including providing advice and support for self-employment (an attractive option where an individual is struggling to find work with an employer, either because they lack experience or because they face discrimination).</li> </ul> <p>The investment priority will focus on providing extra support for long-term unemployed people, including those who have completed the Work Programme. When a person is still unemployed after many efforts to help them, innovative solutions are required, including new approaches to work experience and training, intermediate labour market activity and volunteering opportunities.</p>
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## Results Table

ID	Result Indicator	Minimum Target value for this call
R1	Unemployed participants into employment (including self-	22% Transition

	employment) on leaving	
R1	Unemployed participants into employment (including self-employment) on leaving	22% More Developed
R2	Inactive participants into employment, or job search on leaving	33% Transition
R2	Inactive participants into employment, or job search on leaving	33% More Developed
R3	Participants gaining basic skills	4% Transition
R3	Participants gaining basic skills	4% More Developed
R4	Participants with childcare needs receiving childcare support	36% Transition
R4	Participants with childcare needs receiving childcare support	36% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% Transition
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% More Developed

### Outputs table – More Developed

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	6747	3711	3036
ESF – CO01	Unemployed, including long-term unemployed	5060	-	-
ESF – CO03	Inactive	1686	-	-
O4	Participants over 50 years of age	1552	-	-
O5	Participants from ethnic minorities	337	-	-
ESF - CO16	Participants with disabilities	2294	-	-
O6	Participants without basic skills	1214		
ESF - CO14	Participants who live in a single adult household with	877	-	-

	dependent children			
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### Outputs table – Transition

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	1491	820	671
ESF – CO01	Unemployed, including long-term unemployed	1118	-	-
ESF – CO03	Inactive	373	-	-
O4	Participants over 50 years of age	343	-	-
O5	Participants from ethnic minorities	74	-	-
ESF - CO16	Participants with disabilities	507	-	-
O6	Participants without basic skills	268		
ESF - CO14	Participants who live in a single adult household with dependent children	39	-	-

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 North East 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.

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 60% in the Transition category of region and 50% in the More Developed category of region. This means ESF can contribute up to 60% of the total eligible project costs in Transition category of region and up to 50% in More Developed category of region, subject to State Aid regulations. The remaining 40% or more in Transition category of region or the remaining 50% in More Developed category of region must come from other eligible sources. For all outline applications, the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.

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

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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."



State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

#### **4.5 Funding Agreement**

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

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

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

#### **4.6 Procurement**

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

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

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

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

## 4.7 Retrospection

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

## 4. 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.

There is no appeal process for applicants whose Applications are rejected at Outline Application stage, Full Application stage or for failing to satisfy the MA's Financial Due Diligence checks.

## 5. 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.

## 6. Key Documents

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

## 7. 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

To enable the Managing Authority to complete the required Financial Due Diligence checks (if private or voluntary and community sector), applicant to provide:

- three years financial accounts
- Proof of existence - Certificate of Incorporation, Charities Registration , VAT Registration Certificate or alternate form of incorporation documentation;
- Proof of trading - Financial Accounts/Statements for the most recent two years of trading including, as a minimum, Profit and Loss Account and Balance Sheets;
- Completed Financial Viability and Risk Assessment Applicant Template (for applications requesting annualised funding of greater than £1m)

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

## 8. Document Submission

Completed Outline Applications must be submitted to

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

## 9. Timescales

Launch of Call advertised on gov.uk.	27 <sup>th</sup> July 2017
Deadline for submission of Outline Application	23 <sup>th</sup> October 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.

## 10. 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