



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>1.4: Active Inclusion</b>
<b>Call Reference:</b>	<b>Active Inclusion: Work and Health Integrated Services - OC24S17P0820</b>
<b>LEP Area:</b>	<b>New Anglia</b>
<b>Call Opens:</b>	<b>27<sup>th</sup> July 2017</b>
<b>Call Closes:</b>	<b>27<sup>th</sup> October 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** 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. It will support activities through:

**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.

Specific Objective	Results that the Member States seek to achieve with Union support
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 1.4 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

## Call outline

The vision for New Anglia through this Call is to develop a locally integrated health, employment and skills system which improves health and life quality, raises skills at all levels, increases productivity and helps more people progress in work. Ultimately, this will unlock significant economic growth opportunities in the area for local people whilst at the same time improving their health and raising living standards and make progress in developing an integrated work and health system.

To deliver this vision, the ambition for New Anglia is to build a locally integrated employment service that tackles the deep seated barriers to work for all who need it, which makes best use of available resources, reduces duplication by integrating national and local health, employment and other support services, and enables people to access and stay in sustainable work.

This vision of integrated services has been clearly enounced in the New Anglia Skills Manifesto<sup>1</sup>:

*“Securing a better future for those furthest from the labour market is important to creating a fair and prosperous region and a higher pay, lower welfare society. We want to help remove barriers to work by providing local support for the long term unemployed which is approachable, efficient and effective. To achieve this we believe these services should be designed and delivered locally and in a way that integrates with other local services such as health, housing and training.”*

The New Anglia ESIF Strategy highlights local needs regarding unemployment:

*“Long-term unemployment has increased. In September 2013, 1.2 % of 16-64 year olds had been claiming unemployment benefit for over six months – up from 0.5 % five years ago, but slightly below the national average (1.5 %). And almost half of all claimants had been claiming unemployment benefit for over six months, compared to just over a quarter five years ago. Great Yarmouth and Norwich had the highest claimant count rates in New Anglia, at 4.8 % and 4.1 % respectively in September 2013. These were the only districts in the area that experienced a higher increase in their claimant rates than the England average over the last five years (1.2 and 0.9 percentage points respectively, compared to the England average of 0.8 percentage points). Ipswich and Waveney also had higher claimant count rates than the England average in September 2013.”*

More recent figures show that even if unemployment rate has decreased since 2013, there is still a significant number of people claiming Job Seekers Allowance (JSA), particularly under 2 years which will not be supported by the Work and Health Programme (WHP). Employment and Support Allowance (ESA) claimants are also a significant challenge for the New Anglia economy and figures show that 28.9% of people classified as inactive are willing to work, which is significantly higher than at

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<sup>1</sup> Available here: [http://www.newanglia.co.uk/wp-content/uploads/2016/05/NewAnglia\\_SkillsBrochure\\_201604.pdf](http://www.newanglia.co.uk/wp-content/uploads/2016/05/NewAnglia_SkillsBrochure_201604.pdf)  
ESIF Call Template  
ESIF-Form-2-001, Version 10.0  
Date published 27-07-2017

national level<sup>2</sup>. Norfolk and Suffolk's health profiles can be found here:  
[https://fingertips.phe.org.uk/profile/health-profiles/area-search-results/E12000006?search\\_type=list-child-areas&place\\_name=East](https://fingertips.phe.org.uk/profile/health-profiles/area-search-results/E12000006?search_type=list-child-areas&place_name=East)

### Benefit claimants - working age client group

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Date: February 2016

benefit	New Anglia					
	Total	up to 6 months	6 months up to 1 year	1 year and up to 2 years	2 years and up to 5 years	5 years and over
any benefits	101,990	16,050	7,950	11,510	18,880	47,600
carers allowance (CA) only	11,800	1,280	1,280	1,900	3,100	4,250
disability living allowance (DLA) only	8,010	~	20	50	840	7,110
incapacity benefit (IB) or ESA only	33,730	5,690	3,390	5,830	8,410	10,410
income support (IS)/pension credit (PC) only	8,020	1,810	1,260	1,850	2,490	610
job seekers allowance (JSA) only	10,160	6,590	1,260	920	850	530
severe disablement allowance (SDA) only	50	~	~	~	~	50
widows benefit (WB) only	400	~	~	~	~	390
DLA and SDA	240	~	~	~	~	240
IB/ESA and DLA	18,450	~	~	~	1,020	17,450
IS/PC and CA	5,200	250	350	700	1,520	2,380
IS/PC and IB/SDA	240	~	~	~	~	240
IS/PC, DLA and SDA	960	~	~	~	~	960
IS/PC, IB and DLA	150	~	~	~	~	150

~ These figures are nil or negligible.

DWP's future Work and Health Programme will target clients that fall in one of two categories:

- ESA Work Related Activity Group claimants
- JSA claimants unemployed for 2+ years

The ambition of this Call is to provide additional and complementary activity to those people who are not able to access the Work and Health Programme, but still need support to get themselves back in to employment. Unemployed and economically inactive people with (mental) health conditions and/or learning disabilities and/or difficulties must be part of the client groups of this Call. Reducing the employment rate gap for people affected by health condition(s) or disability is one of the government's priorities as highlighted in the recent "Improving Lives: The Work,

<sup>2</sup> Data from NOMIS

<https://www.nomisweb.co.uk/reports/imp/lep/1925185555/report.aspx?town=new%20anglia#>

Health and Disability Green Paper” available here<sup>3</sup>:

<https://www.gov.uk/government/consultations/work-health-and-disability-improving-lives>.

This Call is one of two complementary linked calls under the European Social Fund seeking projects in the New Anglia LEP area. The complementary ESF call linked to this one focuses on delivery of provision for participants who are closer to the labour market. Projects that seek to deliver integrated activity under both Investment Priorities will be of particular interest. The linked call is listed under Investment Priority 1.1 – Access to employment for jobseekers and inactive people.

### **Local priorities**

New Anglia LEPs ambition for Norfolk and Suffolk is to ensure young people and adults are equipped with the skills and support they will need to secure and sustain employment and thereby contribute to, and benefit from, economic growth across the area. This will be achieved through an integrated employment service offer across the New Anglia LEP area.

This Call for proposals is seeking projects which could deliver an employment based provision but also deliver, or work with providers who can deliver health related programmes and outcomes in order to reduce the number of people that are unemployed, in whole or in part, due to health condition(s), disability or social need. Applicants are expected to seek referrals through non-traditional routes such as working with local health and wellbeing providers, integrating services with and within healthcare and other relevant settings, such as, but not limited to, GP surgeries.

Applicants will be encouraged to work in collaboration with each other and form a consortium, or other governance option, that will help to deliver an integrated employment service across Norfolk and Suffolk and work to LEP and LGA employment priorities.

Applicants must demonstrate how they will work in partnership with Job Centre Plus (JCP) in the design and delivery of their activities and that referral routes into the programme ensure that JCP customers, particularly those not in WHP target group, would have access to this project which should add value to the core JCP offer.

Projects should seek to deliver all of the ESF outcomes described in Section 3 of this Call, as well as demonstrate a recognition of health related outcomes. Applicants should demonstrate how changes in health / health behaviours / condition management have been made in those clients for whom health was identified as a barrier to work.

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<sup>3</sup> A technical annex and a data pack are available here <https://www.gov.uk/government/statistics/work-health-and-disability-green-paper-data-pack>

Projects should target participants who are unemployed and claiming benefits with day one access but initially excluding those people who are on the current Work Programme or who would be on or be eligible for the new WHP. Under this Call, applicants are encouraged to prioritise people with complex and multiple barriers to work, who may be claiming any benefit and especially those furthest from the labour market, again not to compete with DWP provision, and also seek to prioritise entry to people with moderate to severe mental health issues, substance misuse, muscular skeletal problems and long term conditions.

Under Investment Priority 1.4, indicative activities that could be addressed through this Call are:

- Personalised one to one support and learning programmes (to include peer mentoring) delivering a range of activities – such as cultural or sporting activities developed for and with clients. This will help participants to develop emotional intelligence, soft skills and social capital and will be aimed at those furthest from the labour market.
- Improving the integration of marginalised individuals and families into the local employment market and combatting discriminations in local areas that are based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation.
- Reducing employment barriers linked to social and economic isolation, including such barriers in rural areas, for example by addressing health and transport issues and increasing access to information and sources of advice on issues such as debt and money management.
- Providing additional support to people with mental health issues and long term condition on how they can manage their conditions, increase their independent living and start looking for jobs.
- Immediate or long term activities relating to health outcomes might include participants in one or more than one of the following categories:
  - Accessing healthy lifestyle services
  - Receiving NHS health checks
  - Receiving a healthy lifestyle brief intervention
  - Receiving weight management / physical activity / smoking cessation / alcohol advice
  - Completed a healthy lifestyle programme (all as the above)
  - Accessing IAPT / Wellbeing Services
  - Receiving brief advice for mild to moderate mental health conditions
  - Receiving / completing treatment for mild to moderate mental health conditions

Successful projects will need to demonstrate how they complement and deliver added value to, and avoid duplication with, existing and planned delivery in New Anglia.



Such delivery may be mainstreamed statutory national or local provision, such as services offered by Job Centre Plus, local authorities and other public, private or charitable organisations, or indeed other ESF-funded provision such as activity funded through the Skills Funding Agency or Big Lottery Fund Building Better Opportunities (BBO) co-financed arrangements.

As part of avoiding duplication - as well as to create a more balanced, integrated and less confusing provision to end users, avoiding proliferation in the market place - all projects funded through this Call would be expected to explicitly undertake to working collaboratively with other local providers to minimise fragmentation in delivery and identify the best overall solution for participants.

The local preference is to support large projects fostering integration and covering a range of activities across both this Call and the complementary call issued under Investment Priority 1.1.

Details of the local ESIF Strategy can be found at: <http://www.newanglia.co.uk/wp-content/uploads/2013/11/2015-11-27-New-Anglia-LEP-EU-Investment-Strategy-version-Nov-2015-FOR-GOV.pdf>

The New Anglia LEP area has two ESF Facilitators to support any applicant in developing their applications. They can be contacted by emailing [esf.facilitators@norfolk.gov.uk](mailto:esf.facilitators@norfolk.gov.uk).

### 1.3 Scope of activity

This Call invites Outline Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.4 Active Inclusion** of the European Social Fund Operational Programme and responds to the local development need set out in the New Anglia 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>£4,700,000 ESF</b>  The Managing Authority reserves the right to decrease or
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	increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.
<b>Minimum application level</b>	<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>£500,000 of European Social Funding to any single project.</b></p> <p>It is important to ensure a range of activity is supported as detailed in the call and also the need for coherence, scale and integration to encourage partnership approach rather than ad hoc provision. Therefore the MA favours a small number of projects being delivered.</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>	All interventions should be focused on activity and beneficiaries within the New Anglia Local Enterprise Partnership area.
<b>Specific Call requirements</b>	This Call for ESF investment has been issued with complementary Calls under ESF Investment Priority(ies) 1.1. Priority will be given to applicants that submit linked proposals across the priorities. See 'Local Priorities' section for further information.
<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. At outline application stage 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.</p> <p>The intervention rate in the New Anglia LEP Area is 50% (More Developed), so 50% of match funding must be provided</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.

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>1.4 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> </ul>

	<ul style="list-style-type: none"> <li>• volunteering and training opportunities (as a pathway back to work) for marginalised individuals / groups / communities to help them access jobs in low carbon sectors or land drainage flood risk management or work that supports property level protection against flooding;</li> <li>• local ‘Community Grant’ type activity to support small scale voluntary sector activity which can be crucial to reaching out to these groups;</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> <li>• volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market.</li> </ul> <p>The investment priority may also encourage Social Investment models (e.g. social impact bonds) by providing outcome funding that enables payment by results programmes to be established to support the Government’s agenda on Social Justice and encourage innovative delivery models within local communities. The focus would be on disadvantaged individuals and families, e.g. in areas such as employment, training, drug addiction and other issues which are usually part of the cycle of deprivation.</p> <p>To complement other thematic objectives, the investment priority may support activities that are designed to promote social inclusion whilst also tackling environmental issues such as environmental protection, waste recycling, energy efficiency, and renewable energy. These activities are relevant across all types of territory.</p>
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## Results Table –

ID	Result Indicator	Minimum Target value for this call
ESF-CR02	Participants in education or training on leaving	17% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	22% More Developed
R1	Unemployed participants into employment (including self-employment) on	14% More Developed

	leaving	
R2	Inactive participants into employment, or job search on leaving	27% More Developed
R4	Participants with childcare needs receiving childcare support	36% More Developed

### Outputs table –

ID	Output Indicator	Total minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	2944	1619	1325
ESF –CO01	Unemployed, including long-term unemployed	1576	-	-
ESF – CO03	Inactive	1175	-	-
O4	Participants over 50 years of age	821	-	-
O5	Participants from ethnic minorities	120	-	-
ESF - CO16	Participants with disabilities	826	-	-

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 New Anglia 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 50%. This means ESF can contribute up to 50% of the total eligible project costs, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources. For all outline applications, 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>4</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

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<sup>4</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."

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

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

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

#### **4.6 Funding Agreement**

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

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

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

#### **4.7 Procurement**

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

- 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.

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.

## 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

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.

## 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.	27 July 2017
Deadline for submission of Outline Application	27 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.

## 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