



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>Specialist support for those furthest away from the labour market OC25S17P0810</b>
<b>LEP Area:</b>	<b>North East</b>
<b>Call Opens:</b>	<b>11th September 2017</b>
<b>Call Closes:</b>	<b>4<sup>th</sup> December 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 NELEP area has high levels of inactivity relative to other LEP areas, with social exclusion among some groups prevalent in areas and neighbourhoods with high levels of economic and social deprivation. A high number of lone parents, carers, women, social housing tenants and ex-offenders are disengaged from the labour market and have multiple barriers and complex support needs. Some individuals within these cohorts do not have access to mainstream support as they do not claim welfare benefits or claim benefits which are not eligible. The nature and range of barriers to the labour market they face can require specialist and integrated support.

Latest data for the NELEP area demonstrate:

- The area has 184,100 working age women who are economically inactive and 30,100 who are unemployed (Jul 2015 - Jun 2016).
- 71,720 women claim out-of-work benefits, including 43,500 Employment Support Allowance claimants (May 2016).
- There are 29,140 carers and 16,430 lone parents. 18,880 carers and 16,040 lone parents (98% of the total) are women (May 2016).
- The area has 137,600 workless households, 21.1% of all households, against a 15.3% GB average (Jan-Dec 2015).
- Over 33,000 housing tenants are not in employment and claim Housing Benefit, 27,000 in social housing (August 2016).

It is important to have well targeted and specialist interventions to address the multiple factors that contribute to social exclusion and deprivation, impacting economic growth.

The call is for projects to deliver one or more of three stands of activities:

- Employment support for those with Protected Characteristics
- Employment support for workless housing tenants
- Employment support for offenders and ex-offenders

## Local priorities

### Employment support for those with Protected Characteristics

People with protected characteristics often face a range of barriers to the labour market which can include physical and mental health conditions, low confidence, low skill levels (including poor digital literacy), financial exclusion, and caring responsibilities. Some may face an additional barrier of discrimination in the labour market.

While some common barriers can be identified among people with protected characteristics, they have very specific needs relating to their individual circumstances this requires a tailored approach to support.

This call will support those with protected characteristics who are facing multiple barriers to employment and economic inclusion. This should include women who are disadvantaged in the labour market, lone parents and those with caring responsibilities, people from BAME communities, those experiencing domestic violence, and members of workless households.

Proposals should demonstrate

- A detailed knowledge of the protected characteristics of the cohort as well as the local labour market.
- Flexibility in provision which demonstrates ability to respond to individual's circumstances and demands of local economies;
- Complementarity with mainstream funded activity and other interventions including:
  - Big Lottery Building Better Opportunities
  - Local Authority Troubled Families programmes
  - The ESF DWP Opt-In programme
  - North East Mental Health Trailblazer
  - Other ESF projects – including demonstrating complementarity at the full application stage with other projects selected at outline/EOI stage through this call.

Activities may include but are not limited to:

- Targeted and specialist provision to improve the well-being, confidence and skills of women, lone parents and carers who are at a distance from the labour market.
- Innovative support measures to give women, lone parents and carers access to employment support and move them closer to the labour market.
- Provision of support to access vocational and accredited training and skills with an emphasis on digital skills and IT access;

- Support to access provision to address the multiple and complex issues acting as a barrier to effective jobsearch, which may include health and lifestyle issues, housing support, family relationship and parenting skills, financial inclusion etc.

## **Employment support for workless housing tenants**

Research by the Centre for Social and Economic Inclusion for the National Housing Federation (July 2015) found that, on a range of measures, social housing tenants are more disadvantaged than those living in other tenures; they are less likely to be in work and more likely to be economically inactive than those in other tenures.

The numbers involved in the NELEP area is significant. Data for August 2016 show:

- There are 186,547 Housing Benefit claimants in total in the area, 135,538 in the social rented sector.
- Over 33,000 Housing Benefit claimants are not in employment, 27,000 in the social rented sector and 6,000 in the private rented sector.

It is critical therefore to understand these specific barriers and identify support that can better address them.

Registered Social Landlords (RSLs) and housing associations have a direct interest in supporting their tenancies and the communities they operate in and are therefore potential mechanisms to engage directly with their tenants who are workless.

- They have an established relationship with their tenants and often operate in areas with high levels of deprivation.
- Housing providers are also significant employers in their communities, have access to local supply chains and can use their own resources as well as leveraging in other investment

This activity invites approaches to directly support this cohort. It will seek to identify effective mechanisms for engagement, delivery of support, and improved job outcome rates.

Activities may include but are not limited to:

- Effective engagement and retention mechanisms to reach the cohort additional to mainstream provision.
- Integration of employment support and housing management.
- Delivery models tailored to meet the specific needs of the cohort which will result in an improvement in job outcome and retention rates.
- A place-based approach targeted to estates / neighbourhoods with support delivered on-site and using social community networks.
- Caseworker / personal advisor models with financial advice and counselling.

Proposals should demonstrate

- Analytical understanding of the barriers faced by out-of-work Housing Benefit claimants in the social and private rented sectors.
- Alignment with the DWP opt-in programme, Big Lottery Building Better Opportunities programmes, and other ESF labour market and inclusion interventions.

### **Employment support for offenders and ex-offenders**

4,045 ex-offenders were released from NE establishments between July 2015 to June 2016, and it is estimated that roughly one in three may be in a job a year after release. On release from prison, ex-offenders face significant challenges in establishing themselves in communities, particularly in relation to connecting with the labour market. Ministry of Justice (MoJ), DWP and HMRC data show 42% of ex-offenders claiming out-of-work benefits two years after release. Developing skills for the labour market and finding sustainable work are critical, as MOJ data show that being in employment significantly reduces reoffending as well as contributing to economic growth.

Ex-offenders face barriers typical of disadvantaged jobseekers such as poor basic skills, low self-esteem and health conditions. However, these can be compounded by a lack of recent work experience and negative employer perceptions. Ex-offenders generally experience greater health inequalities and social exclusion. This highlights the complexity of barriers to helping offenders find work and the importance of providing the right support to source sustainable employment and progression.

The call invites approaches to directly support ex-offenders into work. It will seek to identify effective mechanisms for engagement, delivery of support, and improved job outcome rates.

The project will be expected to work with Community Rehabilitation Company (CRC), National Probation Service (NPS), National Offender Management Service (NOMS) and other organisations, such as Nacro resettlement services, which support ex-offenders to identify those who are workless and require employment support.

Activities may include but are not limited to:

- Employment support, skills training, and support mechanisms to achieve job outcomes for ex-offenders.
- Effective engagement and retention mechanisms.

Proposals should demonstrate:

- Specialist knowledge of the barriers faced by ex-offenders to connect or re-connect with the labour market.
- Co-ordination with provision for the cohort, particularly the National Offender Management Service (NOMS) and Offender Learning and Skills Service (OLASS).
- Alignment with the DWP opt-in programme, Big Lottery Building Better Opportunities programmes, and other ESF labour market and inclusion interventions.

Details of the local ESIF Strategy can be found at:

<http://www.nelep.co.uk/funding/european-funding-2/>

### 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 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>£8,000,000 ESF</b></p> <p><b>Approximately 75% - £6,000,000 allocated to the More Developed Region</b>  <b>Approximately 25% - £2,000,000 allocated to the Transition 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 CoR 60% Transition Region &amp; 50% More Developed Region.</p>

	As North East LEP area spans two CoR, Transition and More Developed applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each CoR.
<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 North East Local Enterprise Partnership area.
<b>Specific Call requirements</b>	<p>This call is for projects to deliver ESF activity 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.</p> <p>Projects can either apply to support one or multiple areas of activity under this call; either as separate independent projects or as a package of activities under one project.</p> <p>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.</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>	<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 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 areas and 40% of match funding must be provided in the Transition areas.</p>
<b>Operational completion</b>	Operations must be completed no later than 30 <sup>th</sup> June 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 (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 outcomes 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>1.4 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% Transition
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% Transition
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	22% More Developed
R1	Unemployed participants into employment (including self-employment) on leaving	14% Transition
R1	Unemployed participants into employment (including self-employment) on leaving	14% More Developed
R2	Inactive participants into employment, or job search on leaving	27% Transition
R2	Inactive participants into employment, or job search on leaving	27% More Developed
R4	Participants with childcare needs receiving childcare support	36% Transition
R4	Participants with childcare needs receiving childcare support	36% More Developed

## Outputs Table – More Developed

ID	Output Indicator	Total minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	4329	2380	1949
ESF – CO01	Unemployed, including long-term unemployed	2380		
ESF – CO03	Inactive	1949		
O4	Participants over 50 years of age	865		-

O5	Participants from ethnic minorities	207		-
ESF - CO16	Participants with disabilities	1385		-

### Outputs Table – Transition

ID	Output Indicator	Total target value for this Call	Men target value	Women target value
O1	Participants	1252	689	563
ESF –CO01	Unemployed, including long-term unemployed	689		
ESF – CO03	Inactive	563		
O4	Participants over 50 years of age	212		
O5	Participants from ethnic minorities	70		
ESF - CO16	Participants with disabilities	338		

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 50% for the More Developed Category of Region and 60% for the Transition Category of region. This means ESF can contribute up to 50% of the total eligible project costs for the More Developed Category of Region and 60% for the Transition Category of Region, subject to State Aid regulations. The remaining 50% or more for the More Developed Category of Region or 40% or more for the Transition 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

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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

aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation. Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

#### **4.6 Funding Agreement**

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

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

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

#### **4.7 Procurement**

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

- consider value for money;
- maximise efficient use of public money; and

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undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.”

- 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.	11th September 2017
Deadline for submission of Outline Application	4th December 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