



2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Regional Development Fund and European Social Fund

Priority Axis 9 & 3: Technical Assistance

Managing Authority:	Department for Communities and Local Government Department for Work and Pensions			
ESI Fund:	European Social Fund			
Priority Axis:	Priority Axis 9: Technical Assistance			
Call Reference:	Priority Axis 3: Technical Assistance OC00R18P 0778 (Priority Axis 9)			
LEP Area Indicative	OC00S18P 0779 (Priority Axis 3) £60,000,000			
Fund Allocation:	£30,000,000 ERDF / £30,000,000 ESF			
Call Open:	Friday 2 March 2018			
Call Closes:	23:59 on Friday 20 April 2018			

Contents

- 1. Introduction
- 2. Call Context
- 3. Scope of the Call
 - 3.1 Scope
- 4. Required Outputs (and results) under this call
- 5. Application Process & Prioritisation Methodology
- 6. General Information
 - 6.1 National Eligibility
 - 6.2 Eligible Applicants
 - 6.3 Contribution Rates & Match Funding
 - **6.4 Project Timescales**
 - 6.5 Project Extensions
 - 6.6 Cross Cutting Themes / Horizontal Principles
 - 6.7 Additionality, duplication and displacement
 - 6.8 State Aid & Revenue Generation
 - **6.9 Procurement**
- 7. Support
- 8. Key Documents
- 9. Document Checklist
- 10. Document Submission

Annex A – Output and Results Indicators

1. Introduction

The 2014 to 2020 European Structural and Investment Funds bring the European Regional Development Fund, European Social Fund and part of the European Agricultural Fund for Rural Development together into a single European Union Structural Investment Funds Growth Programme for England supporting the key growth priorities of innovation, research and development, support for small and medium enterprises, low carbon, skills, employment, and social inclusion.

The government has confirmed that it will guarantee EU funding for structural and investment fund projects signed before the UK's departure from the EU, even when these projects continue after we leave the EU.

The Funds are managed by the Department for Communities and Local Government for European Regional Development Fund, Department for Work and Pensions for European Social Fund and the Department for Environment, Food and Rural Affairs for European Agricultural Fund for Rural Development. These Departments are the managing authorities for each Fund. In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. In some other areas, Intermediate Bodies are being designated by the Department for Communities and Local Government and the Department for Work and Pensions to perform the following tasks:

- Input into project calls in respect of local development needs (with reference to ESI Funds strategies); and
- Assessment of applications against certain selection criteria in relation to fit with local priorities in respect of the European Regional Development Fund and European Social Fund.

The managing authorities and intermediate bodies work closely with local partners on ESI Funds sub-committees in each local enterprise partnership area. Partners on these sub-committees 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 (or intermediate bodies where designated) in the development of project calls that reflect operational programme and local development needs as well as match funding opportunities; and
- Advice on local economic growth conditions and opportunities within the context of the operational programme and the local European Structural and Investment Funds Strategy to aid the managing authorities' (or Intermediate bodies where designated) assessments at outline and full application stage.

This call is published by the Department for Communities and Local Government and invites outline applications in respect of the European Regional Development Fund and European Social Fund for England 2014 to 2020.

2. Call Context

On behalf of the national Growth Programme Board, the Departments for Communities and Local Government and Work and Pensions (the managing authorities) invite applications seeking European Regional Development and European Social Funds support under:

Priority Axes 9 & 3 Technical Assistance

There are no investment priorities within the Technical Assistance strand of the ERDF and ESF programmes.

The European Regional Development Fund and European Social Fund operational programmes for England 2014 to 2020 sets out how the funds support economic growth and job creation (ERDF) and increase labour market participation promote social inclusion and develop the skills of the potential and existing workforce (ESF). Priority Axes 9 & 3 of the operational programmes aim to ensure that activities which fall within the scope of the programme are delivered efficiently and effectively and facilitate access to the ERDF and ESF programmes.

Any application for funding will be required to clearly demonstrate that it provides good value for money and supports domestic strategic priorities. Applications must meet the requirement of, and make meaningful contribution to, the delivery of the relevant priority Axes of the ERDF and ESF Operational Programmes.

In addition, applications will be expected to meet identified local development needs, as expressed in the scope of this call and as set out in the local enterprise partnership areas European Structural and Investment Funds strategy.

Applicants are advised to familiarise themselves with the detail of the operational programme and the relevant LEP area European Structural Investment Funds strategy and the relevant documentation listed in sections 5 and 8 *prior to* submitting an outline application.

3. Scope of the Call

3.1 Scope

This call invites outline applications which support the delivery of Priority Axes 9 & 3 of the European Regional Development and European Social Fund programmes and respond to the local development need set out in the local enterprise partnership area, European Structural and Investment Funds strategy.

Indicative fund allocation:	Indicatively through this call the managing authorities expect to allocate up to £60,000,000 (£30,000,000 ERDF and £30,000,000 ESF).			
	The managing authorities reserve the right to invite to full application (and subsequently approve) projects that have a cumulative value that is higher or lower than this indicative allocation, subject to the volume and quality of proposals received.			
	Please note that a separate outline application will be required for each fund.			
Minimum application level	The minimum application value for this Technical Assistance Call is £50,000.			
Duration of project activity	Projects should plan to deliver activity for a maximum of three years. Managing authorities do however reserve the right to vary the maximum duration upwards or downwards.			
Geographical Scope	The England European Regional Development and European Social Funds operate on a national basis. All eligible European Regional Development Fund and European Social Fund expenditure must benefit the programmes in England.			
Specific Call Requirements	The objective of Technical Assistance is to support the efficient and compliant management and implementation of European Regional Development Fund and European Social Fund Programmes, as well as support robust governance, accountability and partnership engagement. This will help to ensure that the delivery of European Structural and Investment Funds projects, comply with applicable law.			
	The activity that is eligible for support is set out in the Technical Assistance Guidance .			
	The ERDF managing authority is also seeking applications for technical assistance projects which will provide additional specialist support at a regional level in the development of projects which support the Low Carbon Agenda. In particular:			
	Assist with the identification and prioritisation of projects that have been identified in LEP areas and can be supported through ERDF. In addition to other local and national sources of information on potential projects, the technical assistance projects are encouraged to make use of the energy strategies			

- being developed by the LEPs currently with funding from BEIS (publication expected summer 2018);
- Support the development of quality ERDF project applications;
- Develop enabling mechanisms to help facilitate access to match funding for the delivery of ERDF projects and alignment with existing strategic low carbon and energy initiatives being led by Government and other partners;
- Support the development and exploitation of tools that can facilitate efficient investment of ERDF, and encourage the use of tools funded by BEIS for use by local energy stakeholders including cost benefit analysis, carbon reporting and scenario building tools (publication expected summer 2018); and
- Gather and exploit the intelligence required to facilitate
 a collaborative and coordinated approach to ERDF
 investment across multiple LEP areas. Successful
 applicants will be expected to use the BEIS Local
 Energy Huddle online workspace as one of the
 mechanisms for collaboration and information sharing.

The five Local Energy Hubs, which are to be established in spring 2018 with BEIS funding, will be carrying out a number of these functions. All applicants will need to demonstrate how their technical assistance project will work with and alongside the activities of the Local Energy Hubs.

Any technical assistance activity at the regional level is expected to be complimentary to existing local technical assistance projects, rather than duplicating or replacing existing resource.

For further information on the work of Local Energy Hubs and other BEIS funded projects mentioned above, please contact <u>localenergy@beis.gov.uk</u>.

Please note: Value for Money and alignment with Domestic Priorities will form a key part of the assessment and appraisal of all applications. Therefore proposals should clearly articulate and demonstrate how activities align with domestic strategic priorities and offer

	good value for money.
Call deadlines	For this specific call, applications will be assessed after the close of the single deadline.
	Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.

4. Required Outputs under this Call

Applicants will need to be able to demonstrate how the eligible activity, funded by the European Regional Development and European Social Funds will achieve the programme – level outputs for Priority Axes 9 &3. See Annex for details.

The managing authorities expect the level of outputs proposed within outline applications to be realistic and achievable and to deliver good value for money. The application should clearly state the methodology used to determine the levels of outputs proposed.

Projects will only be supported if they demonstrate good value for money. An important consideration when assessing value for money is the level of European Regional Development Fund and European Social Fund outputs that the project would deliver.

The managing authorities have not set specific output targets for this call and do not publish average or expected unit costs.

Applicants will however need to explain how they will collect and record a fully evidenced audit trail for all contracted outputs.

5. Application Process & Prioritisation Methodology

There are two stages to the European Regional Development Fund and European Social Fund application process;

- (i) Outline Application and, if successful
- (ii) Full Application.

Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Regional Development Fund and European Social Fund grant.

Applicants must fully complete the <u>Outline Application</u> which will be assessed by the relevant managing authority against all of the national <u>Selection Criteria</u> expect where an intermediate body has been designated to assess against some of the PA 9 TA ESIF Call Template

ESIF-Form-2-007, Version 3 Date published 11 April 2016 selection criteria. Where an intermediate body has been designated to undertake delegated tasks, the intermediate body will undertake the assessment against the selection criteria in relation to fit with local priorities.

Outline Applications will be assessed in two stages, Gateway assessment and Core assessment.

The Gateway assessment is undertaken by the managing authorities and considers:

- Applicant eligibility;
- · Activity and expenditure eligibility; and
- Fit with the National Operational Programme and the local development need set out in section 2.

Applications that fail the Gateway assessment undertaken by the managing authority will be rejected. Applications which pass the Gateway assessment will then be assessed by the managing authority in relation to all Core assessment criteria.

In areas where an intermediate body has been designated, the following will apply:

The intermediate body will assess the application against the following Core assessment criteria:

Local Strategic Fit

The managing authority will assess the application against the following Core assessment criteria:

- National Strategic Fit
- Value for money
- Management and control
- Deliverability
- Compliance
 - Procurement
 - State Aid
 - Publicity requirements
- Cross cutting themes
 - Environmental sustainability
 - Equal Opportunities

The intermediate body will also provide advice to the managing authority to assist the managing authority to make its assessment against the following Core selection criteria:

- Value for money
- Deliverability

Having assessed projects against these criteria the relevant local enterprise partnership area European Structural and Investment Funds sub-committee will advise the managing authority or intermediate body as relevant on the contribution to local economic growth conditions and opportunities within the context of the Operational Programme and local European Structural and Investment Fund Strategy to aid the managing authority's assessments (at outline and full application stage).

Having concluded their assessments the managing authority and the intermediate body will prioritise the applications they wish to proceed based on their assessment against their respective selection criteria. Only projects that the managing authority and the intermediate body each agree should, proceed, based on their respective core selection criteria, will be invited to submit a full application. Subsequently only those full applications that the managing authority and the intermediate body each agree should proceed, based on their respective selection criteria, will be approved.

Please note that the managing authority's decision is final and there are no appeals. If you wish to complain about the calls and application process, please follow the procedure set out at https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/complaints-procedure

<u>Single Local Enterprise Partnership Area, Technical Assistance Applications</u> (<u>European Regional Development Fund and European Social Fund (non-Opt-In)</u>)

Individual Outline and Full Applications relating to a single Local Enterprise Partnership area will be assessed by the Managing Authority. The local European Structural and Investment Funds committee will be asked to provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local European Structural and Investment Funds Strategy to aid the Managing Authority's assessment at Outline and Full Application stage. The Managing Authorities will make the final decision and if successful a formal offer of grant will be made.

If the outline application covers more than one Local Enterprise Partnership area (but not the whole of England) a response across Local Enterprise Partnership area European Structural and Investment Funds committees will be coordinated by the Managing Authorities.

National Technical Assistance Applications (European Regional Development Fund and European Social Fund (non- Opt-In))

If the outline application is a national application (i.e. covers the whole of England) the Technical Assistance Advisory group will be asked to provide an opinion to aid its assessment. The Technical Assistance Advisory group will liaise with all of the Growth Delivery Teams and European Social Fund teams to ensure that the proposal is not

duplicating any existing activities and adds value. The relevant sub-committee of the Growth Programme Board (Programme Monitoring Committee) may also be asked for an opinion. If the Managing Authority decides to invite the Applicant to submit a full application, this will be formally appraised by the relevant Managing Authority and if successful a formal offer of grant will be made.

6. General Information

6.1 National Eligibility Rules

When developing an application, applicants should refer to National Eligibility Rules setting out the requirements of the 2014 to 2020 European Regional Development and European Social Fund programmes. It is the responsibility of the applicant to ensure that the National eligibility Rules are adhered to both at application stage and following approval. Failure to do so can lead to financial penalties leading to recovery of up to 100% of the grant value. If in doubt on any of the requirements, applicants are strongly advised to seek specialist advice.

European Regional Development Fund and European Social Fund eligibility rules apply to *all* project spend within the eligible costs, including match funding.

The European Regional Development and European Social Funds are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation, (section 8 Key Document refers) prior to submitting an outline application. If successful at full application stage applicants will enter into a Funding agreement and must abide by the standard terms and conditions contained therein. Once a Funding agreement has been issued it should be signed and returned within 30 days, unless otherwise agreed with the managing authority. Applicants are therefore strongly advised to read these terms and conditions to ensure that they are able to enter into such an agreement prior to responding to the call.

6. 2 Eligible applicants

Section 4 of the National Eligibility Rules sets out who is eligible to apply. Financial due Diligence checks will be undertaken on non-public sector applicants that are successful at outline application stage. Checks will be carried out following notification of a successful a outline application and may exclude applicants from further consideration. These checks will include assessment of the applicant's financial standing including the ability to deal with cost overruns, the ability to cash flow a project in arrears and absorb a financial irregularity. Applicants must be legally constituted at the point of signing a funding agreement. If the application is approved the applicant organisation will enter into a legally binding Funding agreement and therefore will carry the liability for ensuring that the terms and conditions of the funding agreement are met.

If there is more than one organisation applying for the funds, a lead organisation must be selected to become the applicant (and grant recipient) with the remaining organisation(s) acting as delivery. In this situation the applicant would be responsible and liable for the delivery partner(s) and ensuring the project is operating compliantly.

During the application process 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 have been identified, the managing authority will expect to see what steps have been taken to ensure that the risk of further irregularities in the future is mitigated. It is acknowledged that some organisations will be new to European Structural and Investment Funds funding and will not have a track record.

6.3 Contribution rate and match funding

European Regional Development Fund and European Social Fund investments must not be used to replace existing funding sources. European Regional Development Fund and European Social Fund investments must enable activity to take place that would not otherwise happen or to increase the scope, scale or intensity of activity. The level of European Regional Development and European Social Fund awarded will be the minimum in order for the project to proceed.

The maximum European Structural and Investment Funds intervention rate for the project is dependent on which category of region the project falls within i.e. less developed, more developed or transitional which means that the intervention rate can vary from between 50% to 80%. For projects operating on a national basis the average intervention rate to be used for ERDF is 50%. For ESF national projects the intervention rate has to be split by each category of region.

The remaining 20% -50% or more must come from other eligible sources as specified under section 6 of the National Eligibility Rules. During the application process applicants will need to satisfy the managing authority that they have, or are able to put in place eligible match funding for the balance of costs. Other EU funds cannot be used as a source of match funding.

European Regional Development and European Social Fund investments are limited by State Aid regulations and where the award of these funds would constitute State Aid the grant rate may fall below the 50-80% maximum.

European Regional Development and European Social Funds are paid quarterly in arrears and expenditure must be defrayed prior to the submission of any grant claims. Applicants may be asked to demonstrate how they are able to cash flow the operation. The funding for eligible staff costs can be included as match funding but only where the employing organisation is the Applicant or a delivery partner included in the funding agreement. The use of unpaid work or a valuation of staff time, as a contribution in kind is not allowed to count as match funding match funding for

European Regional Development Fund Technical Assistance projects. However for European Social Fund Technical Assistance projects volunteer time will be considered as match funding on an exceptional basis.

6.4 Project timescales

European Regional Development Fund and European Social Fund funding will normally be approved for three years; however the managing authority reserves the right to extend the contract term in exceptional circumstances.

Projects approved this call will normally be expected to:

- Submit a detailed and complete full application within three months of formal selection at outline stage. Projects which fail to meet this deadline may be deselected.
- Commence delivery (defraying European Regional Development and European Social Fund eligible costs) within three months of formal approval.
 Projects which fail to meet this deadline may be deselected; and
- Be financially closed by June 2023.

6.5 Project extensions

Existing grant recipients whose projects;

- Have a Technical Assistance funding agreement that ends/has a financial completion date during the period of this call or within 18 months of the closing date of this call: and
- 2. Addresses the priorities set out in section 2

May apply for a second phase of delivery – this will be expected to be in the same form as the current project (i.e. genuine continuation of activity) but may reflect improvement/some change to reflect experience of the first phase of the project. The application must be made using the standard outline application form. Where changes to the first phase of the project are significant, these should be presented in a new application. The relevant Growth Delivery or European Social Fund Team will apply judgement in considering the significance of any change. Projects may apply to be extended for up to 3 years.

Please note – extensions to existing projects will be assessed against the criteria set out in this call in the same way as "new" projects. There is no guarantee that extensions will be selected. Extension requests relating to projects that end more than 18 months after the closing date of the call or do not meet the requirements set out in this call will be rejected. The applicant's track record and the performance of existing contracts will be taken into account during the assessment process.

6.6 Cross Cutting Themes/Horizontal Principles

All applications received as a result of this call will be required to demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross Cutting Themes for European Regional Development Fund are 'equality and anti-discrimination' and 'sustainable development'. Further information is available in section 11 of the <u>European Regional Development Fund Operational Programme</u>.

Cross Cutting Themes for the European Social Fund programme are required to promote sustainable development, including the aim of preserving and improving the quality of the environment as well as the need to prepare for expected changes to the environment and climate and equal opportunities and non-discrimination. All delivery partners are required to:

- Help embed `due regard' to the Public Sector Equality Duty / Equality Act 2010 and meet EU structural fund regulations to promote gender equality and equal opportunities through delivery of their projects.

Further information is available in Section 11 of the <u>European Social Fund</u> Operational Programme.

6.7 Additionality, duplication and displacement

Additionality is a core principle of European Regional Development and European Social Fund funding. Applicants must be able to demonstrate that the activity paid for out of these funds adds value to new or existing activity.

European Regional Development and European Social Funds cannot support activities that duplicate existing provision/services.

Applications need to identify and evidence how the beneficiaries will use the service and demonstrate that the project does not displace other activity available in the market place.

6.8 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. 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 under the General Block Exemption Regulation (EU) 651/2014.

Only if this is not possible should Applicants use the De Minimis Regulation or "no aid". 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 programmes.

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.

6.9 Procurement

All costs delivered by the applicant (grant recipient and/or delivery partner(s)) must be recovered on an actual cost basis. Other costs must be procured in line with National (including <u>Public Procurement Regulation 2015</u>) and EU regulations.

Procurement will be subject to audit and verification and any irregularity will result in a financial penalty of up to 100% of the grant paid. 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 strongly recommended that applicants seek and follow their own legal advice in respect of procurement requirements. Procurement irregularities remain the most substantive cause of error and clawback of grants.

7 Support

Please note that this is a competitive call and to preserve impartiality the managing authorities and, where appropriate, the intermediate body are unable to enter into correspondence with applicants over their outline Application. Details of where guidance can be found are contained throughout this call document. In exceptional circumstances, if there are issues with accessing this guidance, please contact: Sharon.Shattock@communities.gsi.gov.uk.

Local Growth Team Delivery Teams contacts for the European Regional Development Fund and European Social Fund contacts covering Local Enterprise Partnership areas can be viewed in the Technical Assistance Guidance document.

8 Key Documents

- European Regional Development and European Social Fund operational programmes;
- Outline Application Form;
- Outline Application Form Guidance;

- Technical Assistance Guidance;
- Local Enterprise Partnership area's European Structural and Investment Funds Strategy;
- Eligibility Guidance;
- Target Definitions.

9 Document Checklist

Incomplete applications will be rejected. Please ensure the following information (documents) are submitted.

Outline Stage:

- Fully completed Outline Application (you will need to submit two separate applications if applying for both ERDF and ESF TA funds);
- Financial Tables which will need to be split by Category of Region if the project is covering more than one;
- Outputs, Results and Indicators Tables; and
- Three years financial accounts (if private or voluntary and community sector).

10 Document Submission

Completed Outline Applications must be submitted via **email** to the address in Section 7.

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 a Funding agreement.

Any changes related to the deadline for the submission of the outline application form will be notified on the <u>European Growth Funding</u>.

ANNEX

Technical Assistance Output and Result Indicators

Code	Indicator Description	Indicator Type	Fund	Applicable to MA/Applicant or Both
ER/T/O/01	Number of projects supported to submit an application.	Output	European Regional Development Fund	Applicant Only
ER/T/O/02	Number of training events held by the managing authority and or partners.	Output	European Regional Development Fund	Both
ER/T/O/03	Number of attendees at training events part funded by Technical Assistance.	Output	European Regional Development Fund	Both
ER/T/O/04	Number of dissemination events held.	Output	European Regional Development Fund	Both
ER/T/O/05	Number of attendees at dissemination events part funded by Technical Assistance.	Output	European Regional Development Fund	Both
ER/T/O/06	Number of evaluations undertaken by applicants.	Output	European Regional Development Fund	Applicant Only
ER/T/O/07	Number of evaluations carried out by Managing Authority	Output	European Regional Development Fund	MA Only
ER/T/O/08	Number of Managing Authority employees (FTE years) whose salaries are co-financed by Technical Assistance	Output	European Regional Development Fund	MA Only
ER/T/O/09	Percentage of annual expenditure checked through on the spot verifications	Output	European Regional Development Fund	MA Only
ER/T/O/10	Number of Programme Monitoring Committee and sub- committee meetings supported	Result	European Regional Development Fund	MA Only
ER/T/R/01	Number of Technical Assistance project supported applications that are approved.	Result	European Regional Development Fund	Applicant Only

ER/T/R/02	Number of evaluations where the results are used to inform future projects	Result	European Regional Development Fund	Both
ER/T/R/03	Number of attendees who found the training useful.	Result	European Regional Development Fund	Both
ER/T/R/04	Number of attendees who found the dissemination event useful.	Result	European Regional Development Fund	Both
ER/T/R/05	Percentage points the programme Error Rate is below the 2% threshold	Result	European Regional Development Fund	MA Only
ER/T/R/06	Number of evaluations where recommendations to modify policy or processes have been implemented	Result	European Regional Development Fund	MA Only
ES/T/O/01	Number of evaluations undertaken by applicants.	Output	European Social Fund	Applicants Only
ES/T/O/02	Number of publications produced and communication events held.	Output	European Social Fund	Both
ES/T/O/03	Number of Managing Authority staff part funded by Technical Assistance	Output	European Social Fund	MA Only
ES/T/R/01	Completion of evaluation strategy.	Result	European Social Fund	MA Only
ES/T/R/02	Completion of communications strategy.	Result	European Social Fund	MA Only

NB: Please note that European Social Fund will also monitor the number of projects supported to submit an application and the number of Technical Assistance project supported applications that are approved, though Contract Management processes.

For further guidance, see **European Structural and Investment Funds: technical assistance**.