



Department  
for Work &  
Pensions



**European Union**  
European  
Social Fund

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

### Call for Proposals European Social Fund

### Priority Axis 1: Inclusive Labour Markets

<b>Managing Authority</b>	<b>Department for Work and Pensions (DWP)</b>
<b>ESI Fund</b>	<b>European Social Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 1 : Inclusive Labour Markets</b>
<b>Investment Priority:</b>	<b>1.2 Sustainable Integration of Young People into the Labour Market</b>
<b>Call Reference:</b>	<b>NEET Programme – OC20S18P1047</b>
<b>LEP Area:</b>	<b>Leeds City Region</b>
<b>Call Opens:</b>	<b>26 March 2018</b>
<b>Call Closes:</b>	<b>21 May 2018</b>
<b>Document Submission</b>	<b>Completed Applications must be submitted to</b> ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK">2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK</a>

# Contents

1. Call Context
  - 1.1 National Context
  - 1.2 Local Development Need
  - 1.3 Scope of Activity
2. Call Requirements
3. Required Deliverables
4. General Information
  - 4.1 Compliance and Eligibility
  - 4.2 Intervention Rate & Match Funding
  - 4.3 Applicants
  - 4.4 Cross Cutting Themes
  - 4.5 State Aid
  - 4.6 Funding Agreement
  - 4.7 Procurement
  - 4.8 Retrospection
5. Application Process & Prioritisation Methodology
6. Support
7. Key Documents
8. Document Checklist
9. Document Submission
10. Timescales
11. Appendix A – Common output indicators

# 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 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: 1.2 Sustainable Integration into the Labour Market of Young People** as set out in the Operational Programme.

All applications will need to be eligible under the European Social Fund Operational Programme for England 2014 to 2020. The [ESF Operational Programme](#) is available for applicants to read.

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed as part of a two stage appraisal process and successful applicants will enter into a funding agreement with the DWP. Further information is given in sections 4 to 10.

All ESF applicants will need to be aware of the requirement to collect and report data on all participants as per Annex 1 (see Appendix A). This will be as well as the requirement of reporting on output and result indicators referred to in section 3 of the call for proposal.

## 1.1 National Context

This priority axis aims to increase participation in the labour market and thereby improve social inclusion and mobility. The Operational Programme identifies the need to address high levels of youth unemployment in specific areas of England this will be delivered through the following Investment priority:

**Investment priority 1.2** Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

ESF will not fund activity that duplicates or cuts across national policy on grants and loans for tuition for skills activities. Exemptions to this principle will be considered only where a local specific need and/or market failure has been demonstrated and where the activity falls within the scope of the Operational Programme.

Full details of what can and cannot be supported under this Investment Priority are set out in the Operational Programme. Details of the specific objectives have been reproduced below.

<b>Specific Objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities	The additional support from this investment priority will help more young people enter traineeships and apprenticeships (in areas that do not qualify for the Youth Employment Initiative up to 2018) It will improve the quality of what is offered to individuals by improving recruitment and assessment and engagement with employers. By helping more young participants aged 15 to 24, male and female, who were NEET or at risk of NEET, to take up traineeships or apprenticeships, we will improve movements into work.
To engage marginalised 15-18 year olds and support them to re-engage with education or training	The additional support from this investment priority will help to find and engage young people who are disconnected from mainstream activity in areas that do not qualify for the Youth Employment Initiative. Participants could, for example, be members of gangs, care leavers, young lone parents, ex-offenders or young people with learning difficulties. They are likely to require more intensive and tailored interventions. The main result that will be achieved is that more participants will be engaged with education or

	training on leaving, and this will be measured by the result target.
To address the basic skills needs of young NEETS so that they can compete effectively in the labour market;	The additional support from this investment priority will help young NEETs (in areas that do not qualify for the Youth Employment Initiative up to 2018) to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment. The main result that will be achieved is that more participants will have gained basic skills. There is an output target for participants without basic skills and a result target for participants gaining basic skills.
To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds	The additional support from this investment priority will help unemployed 18-24 year olds (in areas that do not qualify for the Youth Employment Initiative up to 2018) to transition into training or sustainable employment (or self-employment). The main result that will be achieved is that more participants will enter traineeships, apprenticeships or sustainable employment (including self-employment) on leaving.
To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).	The additional support from this investment priority will help young lone parents (in areas that do not qualify for the Youth Employment Initiative up to 2018) to move closer to and into sustainable employment (including self-employment). Support will include assistance with childcare when this has not been covered by public provision, such as Universal Credit. It will also help participants to overcome other barriers, such as low basic skills or lack of confidence. The main result that will be achieved is that more participants will move into sustainable employment (including self-employment). There is an output target for the number of lone parents.

## 1.2 Local Development Need

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

## **Call outline**

### **Local Priorities:**

The Services will be delivered within the Bradford, Leeds and Kirklees districts of the Leeds City Region Local Enterprise Partnership area.

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

Priority groups for each of local authority areas have been identified below. The activity to be delivered should focus on, but is not restricted to, these groups.

### **BRADFORD LOCAL AUTHORITY AREA**

Those participants aged 15-17 and who are at risk of becoming NEET and those already NEET, up to 21 years and up to 24 years for young people with learning difficulties and /or disabilities (LLDD) and who;

- have behavioural or mental health issues
- have had high levels of absence from, or disrupted engagement with, school
- are in a gang
- are teenage parents
- have a history of offending, or who have not offended but are receiving support from the Council's Youth Offending Team
- have no fixed abode/ are homeless
- are substance abusers
- are refugees
- are in care or are care leavers
- have a learning difficulty or disability
- elective home educated

### **KIRKLEES LOCAL AUTHORITY AREA**

The areas of Kirklees with the highest numbers of young people who are NEET include: Ashbrow, Batley East, Batley West, Crosland Moor, Newsome and Netherton, Dewsbury East, Dewsbury South, Dewsbury West, Heckmonwike, Liversedge and Gomersall. 61% of young people who are NEET in Kirklees live in these areas (August 2017). Priority groups which should be targeted include ;

#### **15-16 year olds at Risk of NEET**

- Young people attending Key Stage 4 Alternative Provision and Pupil Referral Units
- Young people with emotional, social and behavioural needs
- Looked after Children

The provision should meet the needs of young people aged 15-16 by supporting them into their post 16 destination and providing continued support to enable learners to sustain successful progression.

### **16-19 year olds**

Vulnerable young people who are NEET or at high risk of becoming NEET (up to age 18) and have multiple barriers to successfully sustaining education or employment, for example,

- looked after children and care leavers
- young people with a history of offending particularly those with a YOT order or those who have previously had a YOT order
- young people with emotional, social and behavioural needs
- young people with SEND
- young carers
- young people receiving benefits
- pupil Referral Unit and Key Stage 4 Alternative Provision leavers
- young people with a track record of low attendance
- young people with few or no qualifications
- young people who have a track record of being long term NEET or repeated periods of being NEET since leaving school
- young people who need specialised intervention and support before they can successfully access other mainstream provision.

### **19 – 24 year olds**

- young people with SEND
- care leavers up to the age of 21

## **LEEDS LOCAL AUTHORITY AREA**

Those participants who are;

### **15-16 year olds at Risk of NEET**

- participants who are persistent absentees from schools
- learners who speak English as a second or other language
- teenage parents (fathers and mothers – age 15 years plus)

### **16-19 year olds**

- teenage parents (fathers and mothers)
- young people with social, emotional and mental health needs (SEMH)
- young people with Autism/Asperger's
- young people with Learning Difficulties/Disabilities (up to the age of 24)
- care leavers
- young carers
- young offenders
- young people living Independently of their family
- young people who are homeless and those experiencing housing difficulties
- young people with low Literacy/Numeracy achievement

## General

All activities must complement and avoid duplication with other provision, thereby adding value to Department for Work and Pensions/Big Lottery, Education Skills Funding Agency, local authority, National Careers Service and the new Careers Enterprise Company funded provision.

- flexible and responsive in the areas where levels of NEET are highest and to the changing economic and political landscape and take into consideration that the approach and associated processes may change during the life of this contract and be able to change the delivery of the Services accordingly.
- need to understand the varied needs of young people and an ability to engage and work with them, especially those who are disengaged and vulnerable and have particular learning needs or barriers to learning, delivering high quality provision.
- should take into account the current and future social and economic indicators including labour market intelligence and in particular the specific factors affecting the area in which the Service is being delivered.
- should engage with each of the specified Local Authority's (LA) and will be expected to identify internal LA links across different departments.
- should be highly personalised to the needs of the individual and help learners gain a greater understanding of their own abilities, learning needs and the range of employment opportunities available in order to overcome personal barriers, some of which will be complex and of which there may be many, so that they can meaningfully make progress towards and into traineeships, apprenticeships, education and employment with training.
- should be delivered alongside other local providers including schools and specialist education provision and engage with and participate in existing local NEET, employment and skills structures. The Services should link closely to existing employment programmes running in Leeds City Region, providing a clear and additional skills component to support positive outcomes for participants.

The detailed delivery requirements are as follows:

- should be robust initial assessment and needs analysis for all young people, which will result in a high quality individual learning plan with progress reviews and an exit interview. Additional support needs must be identified and provided, particularly to support progression and include literacy and numeracy skills development where required.
- should meet the needs of young people in both rural and urban locations providing innovative ways to address mobility barriers to engagement especially in rural areas, for example difficulties with accessibility/transport and the requirement for provision for small groups in some areas.
- should include the effective use of enhanced and impartial, intensive and high quality personalised Information, Advice and Guidance (IAG) at all stages of a young person's learning programme -designed to help young people gain a greater understanding of their own abilities, learning needs and the range of opportunities available. IAG should be delivered as an integral element of the support and be delivered to Matrix standard.



- should provide individual and continuous mentor/key worker support. .
- should ensure that each young person is given the most appropriate level of support in line with their assessed needs. This must include a personalised transition or 'moving on' plan for every learner that will include a portfolio of activities and achievements whilst on the programme and aspirations for their own future. There must be an emphasis on building independent learning skills, employability skills, potential and resilience
- should be delivered in a range of settings and times, avoiding excessive levels of classroom-based activity and provide tuition support.
- a range of opportunities, which raise awareness of the world of work and development of employability skills potentially through a work pairing, work placement, volunteering programme, work tasters and enterprise.
- provide individualised wrap-around programmes of support focusing on English and Maths and skills programmes that are not funded through mainstream.
- provide vocational training linked directly to job opportunities and non-accredited and accredited learning up to Level 2.
- provide extra support on study programmes for 16-19 year olds at risk of becoming NEET and young people from vulnerable groups to progress into sustainable outcomes working with the wider provider network to ensure progression routes fit the needs of the learner and lead to clear entry routes to employment.
- support small and medium sized enterprises to build their capacity to take on young people from the NEET group and sustain their employment, including enhanced induction and ongoing mentoring.

Details of the local ESIF Strategy can be found at: <http://www.the-lep.com/LEP/media/New/ESIF%20docs/Leeds-City-Region-ESIF-STRATEGY-REFRESH-February-2016-FINAL.pdf>

### **Local Economic Context**

Leeds City Region is the biggest city region economy in the country, with an annual output of £64.6bn representing 5% of the English total. It hosts 126,000 businesses, 3 million residents and an employed workforce of 1.4m. Nine Higher Education institutions and 14 Further Education Colleges are based in the City Region, which is home to a student population of around 300,000. Despite the City Region's undoubted economic strengths and assets, it is not realising its full potential. The decline of heavy industry has left a legacy of pockets of serious deprivation and an economy that is less productive than those in many other parts of the country.

The revised vision for the City Region is to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone. This revised vision places a greater emphasis on "good growth", where a radical uplift in growth, productivity and business success goes hand in hand with quality jobs that connect all people and places to opportunity and improved quality of life. Achieving the vision will mean that the LEP economy becomes stronger, more dynamic and resilient, and will be on course to consistently improve performance compared to national averages and international competitors over time.

The original Leeds City Region Strategic Economic Plan (SEP) was agreed in 2014, and has been updated to reflect the new focus on good growth and to account for economic change since the initial publication. The following thematic priorities were set out in the revised SEP:

- PRIORITY 1: Growing Businesses
- PRIORITY 2: Skilled People, Better Jobs
- PRIORITY 3: Clean Energy and Environmental Resilience
- PRIORITY 4: Infrastructure for Growth

### **Local Challenges**

At the end of 2016 there was a total of 2,170 young people aged 17 and 18 who were NEET or whose activity was not known in the districts of Leeds, Bradford and Kirklees. They accounted for 5.6% of the total young people of this age who were known to their respective local authorities. At district level there were 470 NEETs / not knowns (4.7% of young people) in Kirklees; 870 (6.0%) in Leeds; and 830 in Bradford (6.0%). The average proportion of NEETs / not knowns in the three districts is slightly lower than the national average, which stands at 6.0 per cent. A slight majority (57%) of NEETs / not knowns across the three districts are male. The proportion of young people who are NEET is slightly higher among males at 6.4%, compared with 4.9% of females. Disadvantaged groups have a high likelihood of falling into this group, including young people who were eligible for free school meals and care leavers.

Source: NEET data by local authority, Department for Education, 2017.

<https://www.gov.uk/government/publications/neet-data-by-local-authority-2012-16-to-18-year-olds-not-in-education-employment-or-training>

Pupil destination data indicates that pupils who were eligible for free school meals (FSM) in the three districts are less likely to be in a sustained education or employment / training destination following Key Stage 4. For example, as the table shows, the proportion of FSM pupils in Leeds entering such a sustained destination is 13 percentage points lower than the proportion of non-FSM pupils.

**Table: Proportion of pupils in a sustained education or employment / training destination after completing key stage 4 by free school meal eligibility, state-funded schools (mainstream and special). 2015/16 destinations for the 2014/15 cohort**

	<b>FSM pupils</b>	<b>Non-FSM pupils</b>
Bradford	86	93
Kirklees	89	96
Leeds	80	93

Source: Department for Education

There were around 480 care leavers aged 17-18 and 1,290 care leavers aged 19-21 in the Leeds City Region, as of the end of March 2017 (figures include the whole of North Yorkshire LEA). For care leavers aged 17-18 the proportion in education, employment or training ranges from 71% in Bradford, to 56% in Kirklees and 46% in Leeds; this compares with a national average of 62%. (The low figure in Leeds partly reflects the availability of information for 36% of this care leaver group.) For care leavers aged 19-21 the proportion in education, employment or training ranged

from 57% in Bradford, to 45% in Kirklees and 38% in Leeds; this compares with a national average of 50%. (The low figure in Leeds partly reflects the availability of information for 19% of the care leaver group.)

Source: Children looked after in England including adoption: 2016 to 2017. Department for Education, 2017.

<https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2016-to-2017>

In addition the labour market prospects of the disadvantaged are hampered by relatively poor levels of attainment. For example, the Attainment 8 score for pupils eligible for free school meals are much lower in all three districts, as compared with those who are not eligible: Bradford 37.2 (FSM) vs 47.8 (non-FSM); Kirklees 38.2 vs 51.5; and Leeds 35.7 vs 50.8. Leeds scores lowest against this measure of the three districts and in all three cases the attainment 8 score for those eligible for free school meals is lower than the national average of 39.1. Attainment of looked after children in the three districts is particularly low relative to the overall average. For example, the Key Stage 4 average Attainment 8 scores for this group stand at 21.5, 26.3 and 17.9 for Bradford, Kirklees and Leeds respectively (based on 2016 data).

Revised GCSE and equivalent results in England: 2016 to 2017. Department for Education, 2018.

<https://www.gov.uk/government/statistics/revised-gcse-and-equivalent-results-in-england-2016-to-2017>

Source: Outcomes for children looked after by LAs: 31 March 2016.

<https://www.gov.uk/government/statistics/outcomes-for-children-looked-after-by-las-31-march-2016>

### 1.3 Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 1, **Investment Priority 1.2 Sustainable Integration of Young People into the Labour Market** of the European Social Fund Operational Programme and responds to the local development need set out in the ,Leeds City Region Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

This call aims to address the identified shortfalls listed in section 1.2 Local Development Need above.

## 2. Call Requirements

All applications are competitive

<b>Indicative Fund Allocation:</b>	Indicatively, through this call the Managing Authority expects to allocate approximately <b>£2,500,000 ESF</b> .  The Managing Authority reserves the right to increase or decrease the indicative allocation, or support more or
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	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>£1,000,000 –of European Social Funding to any single project.</b></p> <p><b>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected</b></p> <p>Preference will be given to a consortia project covering the Leeds City Region which is developed in partnership with others.</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 Leeds City Region Local Enterprise Partnership area.
<b>Specific call requirements</b>	This is a call for ESF activity.
<b>Call Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF.
<b>Eligible match funding</b>	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 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.
<b>Operational completion</b>	Operations must be completed no later than 3 years and 6 months after the proposed project start date.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.

<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law.
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity)</b>	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

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

### 3. Deliverables required under this Call:

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

<b>Investment Priority</b>	<b>1.2 Sustainable Integration Of Young People Into The Labour Market</b>
<b>Specific Objectives</b>	Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
<b>Indicative Actions</b>	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of actions for all young people who are NEET or at risk of becoming NEET include:</p> <ul style="list-style-type: none"> <li>• literacy, numeracy, ICT and employability provision to ensure that individuals have the basic skills needed in all jobs and to help them prepare for apprenticeships and progress through other routes to gaining higher skills;</li> <li>• support which complements other skills provision, such as crosscutting and 21<sup>st</sup> century skills, including team working, effective communication, problem solving, critical thinking and self-direction;</li> </ul>

	<ul style="list-style-type: none"> <li>• training and vocational qualifications to equip young people for specific jobs;</li> <li>• support for young women to enter non-traditional sectors (e.g. construction) which addresses barriers to entry e.g. to apply for apprenticeships;</li> <li>• community and informal learning to engage young people who have struggled at school and encourage them to access more formal learning;</li> <li>• intermediate labour market activity to provide a structured and supportive environment where young people can gain work experience;</li> <li>• using self-employment as a route out of worklessness, including providing advice and support for self-employment.</li> </ul>
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### Results Table –

ID	Result Indicator	Minimum Target value for this call
R3	Participants gaining basic skills	4%
R5	Participants (below 25 years of age) in employment, including self-employment, or education/ training upon leaving	43%
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34%

### ○ Outputs table

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O2	Participants (below 25 years of age) who are unemployed or inactive	3496	1923	1573
ESF –CO01	Unemployed, including long-term unemployed	2447	-	-
ESF – CO03	Inactive	1049	-	-
O5	Participants from ethnic minorities	419	-	-
ESF - CO16	Participants with disabilities	314	-	-
O6	Participants without basic skills	769		

ESF - CO14	Participants who live in a single adult household with dependent children	140	-	-
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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 Leeds City Region LEP area. All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

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

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

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.

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

## 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.

## 5. Application Process & Prioritisation Methodology

Guidance is available on the [European Growth Funding](#) website pages. 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 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 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 applications must be sent to the email address provided in Section 9 – Document submission.

## 7. Key Documents

- Full Application Form;
- Full 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.

Full Stage:

- fully completed Full Application; (Section 2.7 and 2.8 are not applicable as this is a "one stage" application process);
- 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 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.	26 March 2018
Deadline for submission of Application	21 May 2018

Application forms not received by the deadline will not be assessed. 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 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