



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

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 1 : Inclusive Labour Markets
Investment Priority:	1.2 Sustainable Integration of Young People into the Labour Market
Call Reference:	Routeways : Developing Young People – OC20S18P1048
LEP Area:	Leeds City Region
Call Opens:	26 March 2018
Call Closes:	21 May 2018
Document Submission	Completed Applications must be submitted to ✉: 2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK

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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 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.

Specific Objective	Results that the Member States seek to achieve with Union support
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 provide additional work experience and pre-employment	The additional support from this investment priority will help unemployed 18-24 year olds

training opportunities to 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 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 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

Challenges and opportunities in Leeds City Region

Leeds City Region has undertaken targeted and relevant research to establish the requirements within the city region as detailed below. This programme of activity aims to address the challenges set out in Leeds City Region ESIF Strategy and the Leeds City Region Employment and Skills Plan, published in June 2016, which sets out a priority to build workforce skills and attract talent;

- Skill levels have improved over time but less quickly than the England average. The Leeds City Region has too many people with no qualifications, and not enough people with higher level skills, and too many employers do not invest in enough training.
- Current skills and training provision could be better aligned to the needs of employers and the areas growth sectors and for the replacement workers that will be needed as existing employees retire.

By establishing clear links between education and business, and promoting apprenticeships in schools as a positive career progression, this programme aims to increase student contact with, and understanding of, business – in schools and Further Education resulting in more young people entering and staying in the labour market. This will also have a positive impact on attainment, contributing to the Leeds City Region Employment and Skills Plan ambition that all young people should have an entitlement to planned and progressive careers and to the right education opportunities.

In addition by contributing to the City Region's Employment and Skills ambition for "More and Better Apprenticeships", local apprenticeship brokerage services and a central coordination function will play a key role in ensuring businesses have the right skills needed to grow, and individuals are able to enhance their skills and access to the right opportunities through an impartial brokerage service. This will ensure local skills gaps are addressed by aligning opportunities with the city region's needs.

The city region is therefore keen to play its part in achieving the Government's ambition to create 3 million new Apprenticeship opportunities within the lifetime of this Parliament. Currently only 20% of businesses have or offer apprenticeships (Employer Perspectives Survey 2016). The LCR wants to see an increase in the number of SMEs offering apprenticeships and the number of young people starting and completing their apprenticeship. In 2015/16, 69.9% of 16-18 year olds and 69.5% of 19-23 year olds completed their apprenticeship in the Leeds City Region. Source: National achievement rates tables 2015 to 2016, Department for Education, 2017.

<https://www.gov.uk/government/statistics/national-achievement-rates-tables-2015-to-2016>

This needs to increase to ensure sustainability of skills and employment with companies and a strong higher and degree apprenticeship offer is therefore crucial to achieving this ambition.

Whilst all business sectors are within scope, provision should reflect the LEP skills priorities in particular in the following areas:

- gearing up to deliver major capital/infrastructure schemes
- digital skills across sectors
- replacement demand in engineering and manufacturing

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

The Employment and Skills Plan can be found at: <http://www.the-lep.com/LEP/media/New/Jobs%20intel%20docs/Leeds-City-Region-Employment-and-Skills-Plan-2016-2020-FINAL.pdf>

Local Priorities:

The following young people are eligible for this activity:

- Participants aged 15-24 who are NEET or at risk of NEET
- Unemployed participants aged 16-24
- Inactive participants aged 16-24 working closely with district level NEET providers to avoid duplication

By promoting an enterprise culture, especially amongst young people, including: work on promoting better business engagement in schools; extending the better informed choices activity; and implementing the innovation theme from the LEP's Innovation Strategy the proposed activities aim to address the significant longer term cultural challenges which need to be removed in order to shift the levels of entrepreneurship, innovation and educational and employment aspiration beyond the national average. This Call will also be pivotal in supporting the increase in the number of unemployed individuals moving in to apprenticeships at all levels across the Leeds City Region LEP area and employer participation in apprenticeships by raising awareness and providing support to employers.

The programme of activity should provide a holistic package of support covering the following four key areas.

1. Enhanced support for disadvantaged students/young people to engage with employers

- The programme will play an important role in inclusive growth by ensuring that opportunities are open to all and that disadvantaged groups are targeted.
- Share good practice regarding careers and employer engagement within clusters of schools and colleges.
- Produce materials that Enterprise Advisers can use to inform young people, their families and teachers. This can include video clips, support from business and other resources, to encourage and inspire young people into employment.
- Foster connections with enterprise and innovation links such as incubation facilities, networks of entrepreneurs and professional bodies.
- Promote the IAG offer through established main points of contacts e.g. Enterprise Advisers, National Careers Service, JCP - many of who have regular contact with those more disadvantaged to ensure no duplication.

2. A centrally coordinated careers and enterprise service and CPD (Continuing Professional Development) for teachers to develop their knowledge of jobs in key sectors including the;

- potential and possible career options available, particularly with regard to Key Priority Sectors in Leeds City Region, informed by labour market intelligence with regard to skills gaps and / or sector growth to Matrix standard.
- enhancement of links between business and education, and support apprenticeship networks to increase the uptake of apprenticeships and enterprise and innovation activities
- build the capacity in schools by developing curriculum content, other materials and developing networks
- equip and support young people to navigate their way through the range of options, systems and agencies tasked with supporting them so that they can find their way to the best and most appropriate support to meet their needs
- support the young people to better recognise, articulate and promote their skills and achievements with validation from employers, schools, colleges, coaches, clubs etc.

3. Make strategic connections between businesses and schools to create employer encounters in schools and colleges through activities that promote employability skills.

- Establish a network of enterprise and innovator leads in schools across the region that can learn from each other and develop effective approaches, including a number of geographic or sector-based careers clusters that aim to improve the labour market relevance of education and training.
- Work alongside the LEP's Enterprise Advisers to provide bespoke support to schools to develop their links with businesses to expand their offer of work experience, work inspiration opportunities for Young People to link with employers and the self-employed.
- Create work inspiration activity by developing links with schools and businesses. This will help young people to have a better understanding of the

career opportunities available in the City Region growth sectors, including Apprenticeships.

- Support the existing Young Apprenticeship Ambassadors in their role and increase the number of Ambassadors in established networks.
- Run Young Enterprise and Young Innovator competitions to inspire and recognise talent, and contribute to developing a culture of creativity, problem-solving, enterprise and innovation in schools, colleges and universities.

4. Independent apprenticeship brokerage to support businesses to offer and individuals to access apprenticeships.

- The Service, through a partnership approach, should build upon the best practice of the Apprenticeship Hubs programme implemented across the Leeds City Region (LCR) as part of City Deal Wave 1. The offer should include ;
- locally tailored solutions and flexible delivery to meet the skills and Apprenticeship priorities of employers and employees at a local authority district level within the Leeds City Region.
- target business (small to medium size employers with 249 or fewer employees and large companies) who have not previously offered an Apprenticeship opportunity, offering brokerage support to ensure a successful recruitment outcome. This support may also extend to helping employers introduce new apprenticeship frameworks in to the work place.
- Provision should offer employers a single point of contact providing free one-to-one, impartial and independent advice on apprenticeships including apprenticeship reforms, funding models, finding a provider and registration of businesses on the national online management system (from April 2019 for non-levy paying businesses).
- provision should offer a centrally co-ordinated matching service that will identify employer training needs and will match apprenticeship training opportunities to business needs.
- provision should provide intensive application support to individuals to increase the number of quality applications submitted to employers. Provision should support individuals to complete high quality and robust applications for apprenticeship opportunities and provide interview and recruitment coaching as required.
- the delivery of provision in conjunction with employers and key local education and training stakeholders to design and deliver innovative mechanisms and interventions that will lift barriers to individuals and employers participating in apprenticeships.

Applicants should explain how they will ensure a balance of activities between up-skilling professionals and supporting young people.

A mid programme review of the Leeds City Region Apprenticeship Hub model was undertaken in May 2015 together with an end of programme evaluation which along with an executive summary is also on LEP website. The findings can be accessed at

<http://www.the-lep.com/LEP/media/New/Research%20and%20publications/LEP-City-Deal-Apprenticeship-Programme.pdf>

<http://www.the-lep.com/LEP/media/New/Research%20and%20publications/App-Hub-Eval-report-FINAL.pdf>

Candidates should work in partnership, at both LEP level and local authority level, align activity with the LCR Business Growth and Skills and Enterprise Services and other ESIF and LEP funded programmes – in particular working closely with the district level NEET providers to avoid duplication and ensure added value and to ensure provision is complementary. This will help facilitate a ‘one stop’ approach in relation to advice, guidance and support on Apprenticeships and other local career paths. It should offer independent and impartial advice and guidance to businesses on the most current Apprenticeship process on behalf of providers, thus avoiding the plethora of agencies ‘selling’ Apprenticeships to SMEs. Providers are asked to deliver a range of services which make engagement with young people and the world of work as simple as possible, including supporting businesses with implementation of the national online apprenticeship management system which all businesses will have to use from April 2019. In addition promotion activity should increase understanding of Apprenticeships as a valuable career route and as an alternative option to 6th form and University provision.

All activities should also complement and avoid duplication with other provision, thereby adding value to Department for Work and Pensions/Big Lottery, Education and Skills Funding Agency, local authority, National Careers Service and Careers Enterprise Company funded provision. Successful candidates will be required to ensure that ESF provision will clearly add value and not duplicate any provision that can be arranged locally through existing mainstream institutions.

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

Indicative Fund Allocation:	Indicatively, through this call the Managing Authority expects to allocate approximately £4,500,000 ESF . The Managing Authority reserves the right to increase or decrease the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.
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Minimum application level	<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 £3,000,000 – of European Social Funding to any single project.</p> <p>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected</p> <p>Preference will be given to a consortia project covering the Leeds City Region which is developed in partnership with others to deliver a centrally coordinated careers and enterprise service for young people.</p>
Duration of project approvals	Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.
Geographical Scope	All interventions should be focused on activity and beneficiaries within the Leeds City Region Local Enterprise Partnership area.
Specific call requirements	This is a call for ESF activity.
Call Deadlines	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.
Application selection	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.
Applicant proposals	These can only contain activities which are eligible for ESF.
Eligible match funding	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.
Operational completion	Operations must be completed no later than 3 years and 6 months after the proposed project start date
Procurement	All procurement must be undertaken in line with EU regulations.
State Aid law	Applicants must demonstrate compliance with State Aid law.
Audit/ Compliance	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.

Calls listing multiple activity	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.
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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](#).

Investment Priority	1.2 Sustainable Integration Of Young People Into The Labour Market
Specific Objectives	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
Indicative Actions	<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 include:</p> <ul style="list-style-type: none"> • 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; • support which complements other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction; • training and vocational qualifications to equip young people for specific jobs; • support for young women to enter non-traditional sectors (e.g. construction) which addresses barriers to entry e.g. to apply for apprenticeships; • community and informal learning to engage young people who have struggled at school and encourage them to access more formal learning.

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	6294	3462	2832
ESF –CO01	Unemployed, including long-term unemployed	4406	-	-
ESF – CO03	Inactive	1888	-	-
O5	Participants from ethnic minorities	755	-	-
ESF - CO16	Participants with disabilities	566	-	-
O6	Participants without basic skills	1384		
ESF - CO14	Participants who live in a single adult household with dependent children	252	-	-

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.¹ 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.

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.

¹ 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."

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 call's document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

✉: 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.

Outline 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

10. Timescales

Launch of Call advertised on gov.uk.	26 March 2018
Deadline for submission of Full 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