



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>	Department for Work and Pensions (DWP)
<b>ESI Fund</b>	European Social Fund
<b>Priority Axis:</b>	Priority Axis 1 : Inclusive Labour Markets
<b>Investment Priority:</b>	1.1: Access to Employment for Jobseekers and Inactive People.
<b>Call Reference:</b>	Health and Wellbeing Programme – (OC20S18P1113)
<b>LEP Area:</b>	Leeds City Region
<b>Call Opens:</b>	7 June 2018
<b>Call Closes:</b>	30 August 2018
<b>Document Submission:</b>	Completed Outline Applications must be submitted to ✉: <a href="mailto:2014-2020.esfapplications@dwp.gsi.gov.uk">2014-2020.esfapplications@dwp.gsi.gov.uk</a>

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# 1. Call Context

The 2014 to 2020 European Structural and Investment Funds (ESIF) bring the European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) together into a single European Union (EU) Structural Investment Funds (ESIF) Growth Programme for England supporting the key growth priorities of innovation, research and development, support for Small and Medium Enterprises (SME), low carbon, skills, employment, and social inclusion.

European Structural and Investment Funds are managed by the Department for Communities and Government (ERDF), Department for Work and Pensions (ESF) and the Department for Environment Food and Rural Affairs (EAFRD). In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. Unless stated otherwise, the term “Managing Authority” will apply to all these organisations. These Departments are the Managing Authorities for each Fund. The Managing Authorities work closely with local partners who provide:

- Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
- Local intelligence to the Managing Authorities in the development of project calls (decided by the Managing Authorities) that reflect Operational Programme and local development needs as well as match funding opportunities;
- Advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESIF Strategy to aid the Managing Authority’s assessments at outline and full application stage.

This call is issued by the Department for Work and Pensions (DWP) to commission ESF Funded projects that will support the **Priority Axis 1 of the Operational Programme: Inclusive Labour Markets** and **Investment Priority: 1.1 Access to Employment for Jobseekers and Inactive 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. It will support activities through:

**Investment priority: 1.1** - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

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 improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.	This specific objective is focused on those who are long-term unemployed and who are less likely to move back into work than people who have been unemployed for less time. The additional support from this investment priority will help long-term unemployed people to tackle their barriers to work and move into sustainable employment. The main result target focuses on moving participants into employment (including self-employment) on leaving. There will be a quantified result target set for this result indicator in each category of region.
To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.	This objective is focused on those who are unemployed but have more than one major barrier to progressing into employment (including self-employment) and sustaining employment. This client group will be more challenging to help and will often require intensive ongoing support to address complex barriers, which will be reflected in the targets. Support will be tailored to individual needs. Participants will include individuals who are over 50, lone parents, disabled or have health problems, from ethnic minorities or who lack basic skills. The main result targets focus on moving participants into employment or into education/training or getting them involved in active jobsearch. Output targets will ensure we are reaching appropriate numbers of participants from these groups.
To encourage inactive people to participate in the labour market and to improve their employability.	This objective is focused on individuals who are distant from the labour market and who need additional support to give them the skills and/or confidence to enable them to move towards employment (including self-employment). Participants will include individuals who are lone parents, disabled or who have health problems, are

	<p>over 50 or who are from ethnic minorities. The priority will be on those who are receiving inactive benefits. The main result that will be achieved is that inactive participants will engage more in the labour market. A specific output target will ensure we are targeting inactive people, and we have result targets to measure movement into work and increases in activity.</p>
<p>To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.</p>	<p>This objective is focused on individuals who lack the basic skills required by employers, such as IT, literacy and numeracy. Participants will have the opportunity to gain basic skills relevant to labour market needs or to enable them to progress towards gaining further skills. The main result will be that those without basic skills will be helped to gain them. This will enable them to play a fuller part in the labour market. There is an output target for participants without basic skills and a result target for participants gaining basic skills.</p>
<p>To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.</p>	<p>The additional support from this investment priority will help more unemployed and inactive women to complete effectively in the labour market. It will be focused on engaging and providing additional support to women who have barriers to entering the labour market, including language, skills, age and caring responsibilities. Participants could include older women wishing to return to work after caring for children, lone parents or women from ethnic minorities who have never worked. The main result that will be achieved is that more participants will be in sustainable employment (including self-employment) or engaged in active job search on leaving. There is a stretching output target for female participation and a result target for participants with childcare needs receiving childcare support.</p>

## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.1 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 a 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 our 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**

Disabled people are a sizeable group and are much less likely to be in the labour market or in employment. Around a fifth of the working age population in the City Region have a disability (390,000 people). Barely half of disabled people are in a job. The likelihood of being in employment for this group is almost 30 percentage points lower than for people without a disability.

Just over half of disabled people in the City Region (56%) are economically active and 52% are in employment. In contrast, more than 80% of people without a disability are economically active and 79% are in employment. This means that around 170,000 disabled people of working age are economically inactive and 17,000 unemployed (on the ILO definition) in the City Region, compared with 205,000 disabled people in employment.

The data indicates that the employment rate for disabled people also varies at district level, although it should be noted that there are wide confidence intervals associated with the estimates at this spatial level. Bradford (36%) has particularly low rates while the North Yorkshire districts all have employment rates in excess of 60% for example.

The national picture for disabled people is only slightly better than the City Region, with the economic activity rate two percentage points higher and the employment

rate one point higher than the equivalent figures for the City Region. The disability employment rate gap (the difference between the rate for disabled people and the overall employment rate) is the same for England and Leeds City Region at 22%.

The employment rate for disabled people in the City Region improved by 5 percentage points between 2012/13 and 2016/17 but the employment rate gap fell by only 1 percentage point (compared with a fall of 2 points at national level).

The figures (May 2017) indicate that 108,900 people are claiming Employment and Support Allowance (ESA) in the eligible parts of Leeds City Region.

- ESA claimants account for around 6.2% of the working age population in the City Region. The highest prevalence of ESA claimants is found in Wakefield (7.9%) and Bradford (7.1%).
- Only 15% of ESA claimants fall within the Work Related Activity Group, with 14% in the Assessment Phase and the majority (68%) in the Support Group.
- 69% of ESA claimants have been on the benefit for 2 years or more and 19% for 5 years or more. The proportion on ESA for 2 years or more increases to 82% for claimants in the Support Group.
- 45% of claimants are aged 50 and over.
- 50% of claimants of ESA face mental and behavioural disorders. Other conditions affecting large numbers of claimants include diseases of the musculoskeletal system and connective tissue (12% of claimants), and diseases of the nervous system (7%).

In addition to ESA, 1,600 people across the City Region claim Incapacity Benefit whilst 1,954 fall into the No Work Related Requirements Group of Universal Credit (which includes those who would previously been in the ESA Support Group) and 305 people are in the Preparing for Work group (would have previously been in the Work Related Activity Group on ESA). As of November 2017, there were 3,900 people in the City Region who had claimed Jobseeker's Allowance for more than two years.

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>

## **Local priorities**

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.1 of the Operational Programme, and which meets the local development need expressed in the text and table below.

Growing the local economy is fundamental to creating a more prosperous City Region. But growth alone is not sufficient to create an economy that works for everyone and which addresses entrenched problems of poverty and deprivation.

The Leeds City Region aims to create an employment and skills system which can benefit everyone in the City Region, raise skills at all levels, increase productivity, help more people to access and progress in work and improve health and quality of life for all. Ultimately, this will unlock significant economic growth opportunities in the

area for local people whilst at the same time improving their health and raising living standards and contributing to the development of an integrated work and health system.

This Call seeks projects to build a locally integrated employment service that: tackles the deep seated barriers to work for all who need it; makes best use of available resources; reduces duplication by integrating national and local health, employment and other support services; and enables people to access sustainable work and progress.

DWP's future Work and Health Programme (WHP) will target clients that fall in one of three key target groups:-

- Those who have a health or disability and are likely to be helped into employment within the next 12 months.
- Those claiming JSA or Universal Credit All Work Requirements Group for over 2 years.
- Early access disadvantaged groups (carers, ex-carers, homeless, former Armed Forces, drug and alcohol dependants, care leavers and refugees)

The ambition of this Call is to provide additional and complementary activity to those people who are not able to access the Work and Health Programme, but still need support to get themselves back in to employment. In LCR the WHP programme will only support a small number of individuals – this provision will provide additional capacity to meet the unmet demand for this type of support. Unemployed and economically inactive people with (mental) health conditions and/or learning disabilities and/or difficulties must be part of the client groups of this Call (NB participants can have diagnosed or undiagnosed conditions). Reducing the employment rate gap for people affected by health condition(s) or disability is one of the government's priorities as highlighted in the recent "Improving Lives: The Work, Health and Disability Green Paper" available here:

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

This Call is for activities under ESF Investment Priority 1.1 and should include;

- Delivery of an employment based provision that includes, or works alongside, health and wellbeing related programmes and outcomes in order to address individuals' barriers to work and ultimately reduce the number of people that are unemployed, in whole or in part, due to health condition(s), disability or social need.
- Referrals through non-traditional routes, such as local health and wellbeing providers, integrating services with and within healthcare and other relevant settings, such as, but not limited to, GP surgeries.
- Collaboration with other providers already working with the target group to add value and not duplicate provision.
- Partnership working with Jobcentre Plus (JCP) to design and deliver activities to ensure they add value to the JCP core offer and develop referral routes onto the programme to ensure that JCP customers, particularly those not part of the WHP, have access to this project.



- Delivery of the ESF outputs and results described in **Section 3** of this Call, as well as demonstrate a recognition of health related outcomes. Applicants should demonstrate how changes in health / health behaviours / condition management have been made in those clients for whom health was identified as a barrier to work.

Projects should target participants who are unemployed and claiming benefits with day one access but excluding those people who are on the current national Work Programme or the Work and Health Programme. Under this Call, applicants are encouraged to prioritise people with complex and multiple barriers to work who may or may not be claiming benefit and especially those furthest from the labour market. The project should not compete with DWP provision, and should prioritise entry to people with moderate to severe mental health issues, learning difficulties, autism, dyslexia, substance misuse, muscular skeletal problems and long term health conditions.

**Interventions** must be flexible and responsive to address individual needs and should address some or all of the following;

Personalised one to one support and learning programmes (to include peer mentoring) delivering a range of activities – such as cultural or sporting activities developed for and with clients. This will help participants to develop emotional intelligence, soft skills and social capital and will be aimed at those furthest from the labour market.

- Reducing employment barriers linked to social and economic isolation, including such barriers in rural areas, for example by addressing health and transport issues and increasing access to information and sources of advice on issues such as debt and money management.
- Providing additional support to people with mental health issues and long term health conditions on how they can manage their conditions, increase their independent living and start looking for jobs.
- Immediate or long term activities relating to health outcomes might include participants in one or more than one of the following categories:
  - Accessing healthy lifestyle services
  - Receiving NHS health checks
  - Receiving a healthy lifestyle brief intervention
  - Receiving weight management / physical activity / smoking cessation / alcohol advice
  - Completed a healthy lifestyle programme (all as the above)
  - Accessing Wellbeing Services
  - Receiving brief advice for mild to moderate mental health conditions
  - Receiving / completing treatment for mild to moderate mental health conditions
  - Successful projects will need to demonstrate how they complement and deliver added value to, and avoid duplication with, existing and planned delivery in Leeds City Region.

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

new 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.

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

**Additional requirements:**

Successful providers should:

- Demonstrate a strong track record of working with the target group, understanding their needs, reducing barriers to employment and supporting individuals with complex barriers into employment
- Demonstrate strong knowledge of the Leeds City Region labour market and the (current and future) needs of local businesses, particularly in priority growth sectors.
- Work in conjunction with other LEP and ESIF ESF programmes and activity to reduce the number of repeat approaches to participants
- Ensure the programme maximises mainstream provision and provides by working in partnership with other new and/or existing providers.
- Demonstrate excellent partnerships and referral mechanisms with other skills, training and specialist providers (including colleges, universities and private/VCS training providers, health professionals).

**1.3 Scope of activity**

This call invites Outline Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.1 Access to employment for jobseekers and inactive people** 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>£7,000,000 ESF</b>  The Managing Authority reserves the right to decrease or increase 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>£500,000 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>In order to ensure that a range of activity is supported, it is envisaged that multiple projects will be funded.</p>
<b>Duration of project</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 outline application stage the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.
<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.

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>1.1 Access to employment for jobseekers and inactive people</b>
<b>Specific Objectives</b>	To help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work, and enter and sustain employment.
<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 which may be supported for all unemployed and inactive people include:</p> <ul style="list-style-type: none"> <li>• additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including preparation for apprenticeships;</li> <li>• support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step.</li> <li>• training for those who need to upgrade their skills or learn new skills (including basic skills and English for non-speakers) to compete in the local labour market and adapt to changes in the economy;</li> <li>• helping people access or benefit from apprenticeships, including support for women to enter non-traditional sectors which addresses barriers to entry (e.g. construction);</li> <li>• providing access to transport where this is a barrier to taking up a job;</li> <li>• providing advice, guidance and support by plugging gaps in national provision where appropriate, in order to help people make better informed choices, and in particular to take account of the jobs available in the local area;</li> <li>• specific careers advice for women, to help them make informed career choices;</li> <li>• using self-employment as a route out of worklessness, including providing advice and support for self-employment (an attractive option where an individual is struggling to find work with an employer, either because they lack experience or because they face discrimination).</li> </ul>

	The investment priority will focus on providing extra support for long-term unemployed people, including those who have completed the Work Programme. When a person is still unemployed after many efforts to help them, innovative solutions are required, including new approaches to work experience and training, intermediate labour market activity and volunteering opportunities.
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## Results Table

ID	Result Indicator	Minimum Target value for this call
R1	Unemployed participants into employment (including self-employment) on leaving	22%
R2	Inactive participants into employment, or job search on leaving	33%
R3	Participants gaining basic skills	4%
R4	Participants with childcare needs receiving childcare support	36%
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
O1	Participants	10487	5768	4719
ESF –CO01	Unemployed, including long-term unemployed	7341	-	-
ESF – CO03	Inactive	3146	-	-
O4	Participants over 50 years of age	2412	-	-
O5	Participants from ethnic minorities	1573	-	-
ESF - CO16	Participants with disabilities	3146	-	-
O6	Participants without basic skills	2097		

ESF - CO14	Participants who live in a single adult household with dependent children	1573	-	-
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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 Outline application. If successful, Applicants will enter into the standard Funding Agreement and must abide by the standard terms and conditions contained therein. Applicants are therefore strongly advised to read these terms and conditions to ensure that they would be able to enter into such an agreement prior to responding to the call. Once a Funding Agreement has been issued it should be signed and returned within a short timescale.

### 4.2 Intervention Rate & Match Funding

ESF is funding used where no other funding can be obtained (the funder of last resort) and the maximum ESF intervention rate for the operation is 50%. This means ESF can contribute up to 50% of the total eligible project costs, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources. For all outline applications, the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.

ESF is not paid in advance and expenditure must be defrayed prior to the submission of any claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

### **4.3 Applicants**

Applicants must be legally constituted at the point of signing a Funding Agreement, and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract for ESF and therefore carries the liability for ensuring that the terms of the ESF Funding Agreement are met by them and to all delivery partners. If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.

The Managing Authority will consider the Applicant's track record, both positive and negative. If the Applicant has been involved in the delivery of previous European grants and any irregularities with this (these) grant(s) have been identified, the Managing Authority will look into these and expect to see how and what steps have been taken to ensure that these have been addressed to mitigate the risk of further irregularities in the future. It is acknowledged that some organisations will be new to ESIF funding and will not have a track record.

### **4.4 Cross Cutting Themes**

All applications received under this Call should demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross cutting themes for ESF are 'gender equality and equal opportunities' and 'sustainable development'.

For ESF, the project applicants will be required to deliver their services in-line with the Public Sector Equality Duty (as defined in the Equality Act 2010). All projects must have a gender and equal opportunities policy and implementation plan which will be submitted at full application stage and in-line with Managing Authority guidance. Project applicants will also be required to answer a number of ESF-specific equality questions which will be set out in both the full application form and the related guidance.

For ESF, all projects will also be required to submit a sustainable development policy and implementation plan (in-line with guidance produced by the Managing Authority).

The ESF programme particularly welcomes projects that have an environmental focus that can meet the strategic fit at local and programme level whilst also adding value by:

- supporting environmental sustainability; and/ or
- complementing the environmental thematic objectives of other programmes such as ERDF; and/or
- using the environment as a resource to help motivate disadvantaged people

Further information is available in the [ESF Operational Programme](#).

#### **4.5 State Aid & Revenue Generation**

Applicants are required, in the Outline Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid.<sup>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.

#### **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

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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."



comply with relevant procurement regulations and crucially to maintain a full audit trail to prove that they have complied with the relevant regulation. Robust and transparent procurement is required to ensure that Grant Recipients:

- consider value for money;
- maximise efficient use of public money; and
- maintain competitiveness and fairness across the European Union.

It is recommended that applicants seek their own legal advice pertaining to their procurement and requirements to publicise any tendering opportunities.

The Managing Authority is not able to give legal advice on procurement. It is the responsibility of the applicant to ensure the project is compliant in this respect.

#### **4.8 Retrospection**

There will be no retrospection for applications made against this call, other than in line with the general policy on retrospection which allows costs to be potentially eligible between outline and full application stage, but only where the full application is approved.

## **5. Application Process & Prioritisation Methodology**

There are two stages to the ESF application process; Outline Application and if successful, Full Application. Applicants must fully complete the Outline Application Form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Social Fund grant. Applications will be subject to a Gateway Assessment undertaken by the Managing Authority under the following criteria:

- Applicant eligibility;
- Activity and expenditure eligibility; and
- The fit with the ESF OP and the call.

Proposals that pass the Gateway Assessment will move into the Core Assessment which consists of the following:

- Strategic fit;
- Value for money;
- Management & control;
- Deliverability;
- Procurement / tendering; and
- State Aid compliance.

The Managing Authority will seek advice from partners when considering applications to ensure its assessment is informed by local economic growth conditions and opportunities within the context of Operational Programmes and the

local ESIF Strategy. This will include the relevant LEP Area ESIF Committee and other partners deemed relevant to the application.

The assessment and any prioritisation will be undertaken using only the information supplied as part of the application process. The Managing Authority cannot accept further detail outside this process.

Non-public sector Applicants who are successful at the Outline Application stage may be subject to due financial diligence checks by the Managing Authority, prior to submission of a Full Application. Applicants will be required to submit accounts, and to clarify financial or other organisational information. New Applicant organisations may be required to provide details of a guarantor.

There is no appeal process for applicants whose Applications are rejected at Outline Application stage, Full Application stage or for failing to satisfy the MA's Financial Due Diligence checks.

## 6. Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Outline application. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

✉: [esf.2014-2020@dwp.gsi.gov.uk](mailto:esf.2014-2020@dwp.gsi.gov.uk)

No applications are to be sent to this email address. Completed Outline applications must be sent to the email address provided in Section 9 – Document submission.

## 7. Key Documents

- Outline Application Form
- Outline Application Form Guidance
- Financial Annex
- Indicator Annex
- 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.

Delete as appropriate.

Outline Stage:

- fully completed Outline Application

- financial tables (if the application is against more than one Category of Region, a financial table for each Category of Region);
- Outputs, Results and Indicators tables (if the application is against more than one Category of Region, a Outputs, Results and Indicators table for each Category of Region);
- Visual representation of the customer journey is required (this could be a flow chart); and

To enable the Managing Authority to complete the required Financial Due Diligence checks (if private or voluntary and community sector), applicant to provide:

- three years financial accounts
- Proof of existence - Certificate of Incorporation, Charities Registration , VAT Registration Certificate or alternate form of incorporation documentation;
- Proof of trading - Financial Accounts/Statements for the most recent two years of trading including, as a minimum, Profit and Loss Account and Balance Sheets;
- Completed Financial Viability and Risk Assessment Applicant Template (for applications requesting annualised funding of greater than £1m).

Failure to provide the above documentation could result in the application being rejected.

## 9. Document Submission

Completed Outline Applications must be submitted to

✉: [2014-2020.esfapplications@dwp.gsi.gov.uk](mailto:2014-2020.esfapplications@dwp.gsi.gov.uk)

## 10. Timescales

Launch of Call advertised on GOV.UK.	7 June 2018
Deadline for submission of Outline Application	30 August 2018

Outline Application forms not received by the deadline will not be assessed. Outline Applications which are not fully completed will be excluded.

For this call applications will normally be required to **commence delivery/activity within three months** of the award of contract.

Any changes related to the deadline for the submission of the Outline Application form will be notified on the [European Growth Funding](#) website pages.

## 11. Appendix A – Common output indicators

### Appendix A – extract from Annex 1 of the ESF regulation

Common output and result indicators for ESF investments

#### (1) Common output indicators for participants

"Participants" refers to persons benefiting directly from an ESF intervention who can be identified and asked for their characteristics, and for whom specific expenditure is earmarked. Other persons shall not be classified as participants. **All data shall be broken down by gender.**

The common output indicators for participants are:

unemployed, including long-term unemployed
long-term unemployed
inactive
Inactive, not in education or training
employed, including self-employed
below 25 years of age
above 54 years of age
above 54 years of age who are unemployed, including long-term unemployed, or inactive not in education or training
with primary (ISCED 1) or lower secondary education (ISCED 2)
with upper secondary (ISCED 3) or post-secondary education (ISCED 4)
with tertiary education (ISCED 5 to 8)
participants who live in jobless households
participants who live in jobless households with dependent children
participants who live in a single adult household with dependent children
ethnic minorities
Participants with disabilities
other disadvantaged
homeless or affected by housing exclusion
from rural areas

Common immediate result indicators for participants are:

inactive participants engaged in job searching upon leaving
participants in education/training upon leaving
participants gaining a qualification upon leaving
participants in employment, including self-employment, upon leaving
disadvantaged participants engaged in job searching, education/ training, gaining a qualification, in employment, including self-employment, upon leaving

Common longer-term result indicators for participants are:

participants in employment, including self-employment, six months after leaving
participants with an improved labour market situation six months after leaving
participants above 54 years of age in employment, including self-employment, six months after leaving
disadvantaged participants in employment, including self-employment, six months after leaving