



**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:	Young Opportunities OC16S18P1151
LEP Area:	Heart of the South West
Call Opens:	16 August 2018
Call Closes:	8 November 2018
Document Submission	Completed Outline 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 Ministry of Housing, Communities and Local 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: 1.2 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.

<p>To address the basic skills needs of young NEETS so that they can compete effectively in the labour market;</p>	<p>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.</p>
<p>To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds</p>	<p>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.</p>
<p>To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).</p>	<p>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.</p>

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

This call is relevant to the following priority areas within the Heart of the South West ESIF Strategy:

- Addressing Social Economic Exclusion

- Supporting those Furthest from the Labour Market - Targeting those furthest away from the market, who have been unemployed for the longest and those who have been unsuccessful in the work programme / other relevant programmes.
- Supported Approach for Young People - Support for young people to advance and avoid NEET status, through supplementary support programmes, coaching or other mechanisms.
- Tackling in Work Poverty - Providing support for those facing in work poverty (60% of the median national household income) to increase their earning potential. Projects with a focus on training and learning, careers advice and guidance, job search support and the extending opportunity to all.

These priorities are also relevant to those within the Heart of the South West's [Strategic Economic Plan](#) and [Productivity Strategy](#)

Steady progress has been made amongst the Heart of the South West's young people on the level of those not in education, employment and training ('NEET') since 2013, with the overall NEET rate amongst year 12-14 students across the peninsula falling to 4.3% in May 2018. This compares extremely favourably with the rest of the UK, where the rate was recorded at 11.2% during the same period, up 0.3% on the year before.

However, the agglomerated data for NEETs within the HotSW area continues to underplay a range of differentiated challenges amongst the 16-24 cohort, in particular amongst those with a protected characteristic. For example, the NEET rate amongst those leaving care in May 2018 was roughly 6 times higher than the local average, and twice the national average, whilst the rate amongst those with a learning difficulty was roughly 3 times the local average. Too often, those with a barrier to learning or work in May 2018 were still failing to fulfil their potential and found themselves outside of either work or the learning environment.

Despite recent progress, data also suggested that those at risk of becoming NEET continued to be high within the HotSW, with 10% of the student population still identified as in higher risk groups within recent survey data. As such, whilst NEET levels have dropped, uncertainty remained a key risk across the peninsula, with the potential for rapid backtracking if efforts were not sustained.

In many ways however, NEET performance within the HotSW alone has been overtaken by broader issues around aspiration and in work poverty / progression. Recent data suggest that whilst more young people are in employment, education or training than ever before, the types of training and work involved are often poorly paid, have limited forward progression options or are in areas of the economy considered less attractive in a national context. This was particularly pertinent in rural and less accessible coastal areas, where wage levels amongst the 16-24 age group were amongst the lowest in the county (notably within West Somerset, Torridge and Northern Devon, and the Torbay area). A lack of coherent and embedded careers, information, advice and guidance; support for work experience and in education mentoring / support; targeted support for higher value sectors and opportunities amongst young people; and a lack of outreach to communities either physically or economically (i.e. our most deprived urban wards in Plymouth, Exeter and

Bridgwater/ Taunton) furthest from the labour market all exacerbated existing risks and trends around young people's decision making and ultimate economic trajectories.

The focus of the activity in this call therefore seeks to meet this need, facilitating both a range of additional activity to meet the needs of those most at risk of becoming NEET (in particular amongst with a recognised barrier to learning or employment) and those already NEET but wishing to reengage. In addition, this call is seeking projects which can build on wider aspiration and encourage in work progression and positive career choices amongst young people, with a focus on increasing the uptake of good quality work, creating a culture of learning and higher value employment, and highlighting the complete range of opportunities available to those entering the employment market for the first time.

Local Priorities:

This call focuses upon supporting young people to access good quality careers and employment, avoiding NEET status and providing them with both the support and advice and guidance they need to progress within the world of work. This call is particularly keen to support young people furthest from opportunity or those already struggling with progression, by providing the support and tools needed to successfully move from education into higher value learning or well-paid work. In particular, this call is seeking to reach areas not fully catered for by existing calls, but identified through both the HotSW Productivity Strategy and the area's ESIF Strategy as being priorities, including:

- Activity which supports enhanced CIAG provision across the educational landscape, building on the Gatsby benchmarks to provide every student with a strong understanding of the opportunities and options open to them. Ideally this would focus on the district / authority areas of Torridge, Sedgemoor, Mid Devon, West Devon, Plymouth, Torbay, Mendip, South Somerset and North Devon, where progression is demonstrably slower than in the rest of the HotSW. Activity which focus on provision within rural and coastal areas in particular would be welcome.
- Activity which supports an increased uptake of apprenticeship and traineeship opportunities within the HotSW, seeking to build on our proactive business community and employer led opportunities to link young people to good careers.
- Activity which supports those 15-24 year olds within a marginalised group / with a protected characterises to access opportunities and reengage with education, training and employment. These including those emerging from care, with a disability or learning disability, from a BAME community, or those from a deprived community / challenging socio-economic background.
- Activity which supports the individual needs of NEETs seeking to re-join the labour market, including mentoring, work coaching , literacy, numeracy and digital literacy support and wider support for adjustments from employers.

- Activity to provide additional work experience and pre-employment training opportunities for 16-24 year olds, assisting with the transition and requirements of the world of work.
- Activity which supports younger lone parents to overcome the specific challenges they face in joining // progressing within the labour market.

Applicants should note that this list is neither finite, nor prescriptive, but provides an overview of the core shape of the applications sought.

Whilst this call is not limited to specific sectors, applicants should note the following sectors have been identified by the Heart of the South West in either the HotSW SIP or Productivity Strategy as having particular importance or growth potential for the area:

- Advanced Manufacturing and Engineering (incorporating Marine, Nuclear and Aerospace)
- Agri-Tech (including Food and Drink);
- Digital Technologies
- Electronics (including Photonics)
- Environmental Future;
- High Value Tourism; and
- Construction

Applicants are therefore encouraged to consider how proposals could support delivery of Heart of the South West's ambitions for these sectors, as expressed through its primary strategy documents.

Applications are encouraged from small consortia or other similar types of partnership arrangements. In each such case the application must be submitted by a lead organisation on behalf of the partnership/consortia and the lead applicant must have the financial capacity to meet the required Due Diligence criteria.

In developing projects, applicants are encouraged to fully consider how proposals will add value to existing mainstream and ESF funded support. Applicants will be expected to demonstrate how proposals respond to current and emerging shortages and opportunities in the Heart of the South West, as well as make best use of existing provision to avoid duplication or overprovision within individual areas or disciplines.

Successful applicants must also demonstrate how the new provision seeks to build and extend existing best practise. They must provide evidence that the provision is transformational (e.g. different to existing provision, enabling a demonstrable change in performance and an offer not currently available to an individual), sustainable (e.g. able to be delivered and maintained throughout the lifetime of the project), and primarily aimed at those in employment or those with a demonstrable ability to return to employment if in a target group (e.g. women returners, older people). The applicant must also clearly demonstrate that ESF is required for the activity, including evidence that wider mainstream funding is unavailable.

Applicants should note that complementary calls have been issued alongside this current under Priority 2.2, improving the labour market relevance of education and

training systems, and Priority 2.1, Enhancing Equal Access to Lifelong Learning. Applicants are encouraged, if appropriate, to consider opportunities for integration of activity.

Details of the local ESIF Strategy can be found at: https://heartofswlep.co.uk/wp-content/uploads/2016/09/May-2016-HotSW-ESIF-Strategy_0.pdf

1.3 Scope of activity

This call invites Outline 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 Heart of the South West Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

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

2. Call Requirements

All applications are competitive

<p>Indicative Fund Allocation:</p>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately £1,980,000 ESF.</p> <p>If applicable:</p> <p>Approximately 51% - £1,000,000 allocated to the Transition Region</p> <p>Approximately 49%- £980,000 allocated to the More Developed Region</p> <p>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.</p>
<p>Minimum application level</p>	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than £200,000 (figure can be higher but not less than £200,000) 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>For calls covering two Categories of Region the following needs to be included:</p> <p>The minimum project size for both ESF & match funding, is dependent on the intervention rate determined by CoR; 60% Transition Region & 50% More Developed Region.</p> <p>As Heart of the South West LEP area spans two CoR, Transition and More Developed applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each CoR.</p>
Duration of project	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 Heart of the South West 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	<p>Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. At outline application stage the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.</p> <p>The intervention rate in the Heart of the South West LEP Area is 50% in the More Developed areas and 60% in the Transition areas, so 50% of match funding must be provided in the More Developed areas and 40% of match funding must be provided in the Transition areas.</p>
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.

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 who are NEET or at risk of becoming NEET 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;

	<ul style="list-style-type: none"> • 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; • intermediate labour market activity to provide a structured and supportive environment where young people can gain work experience; • using self-employment as a route out of worklessness, including providing advice and support for self-employment.
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More Developed

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% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% More Developed

Transition

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% Transition
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% Transition

More Developed

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	1310	708	602
ESF –CO01	Unemployed, including long-term unemployed	905		-
ESF – CO03	Inactive	405	-	-
O5	Participants from ethnic minorities	29	-	-
ESF - CO16	Participants with disabilities	144	-	-
O6	Participants without basic skills	230		
ESF - CO14	Participants who live in a single adult household with dependent children	37	-	-

Transition

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	1150	720	430
ESF –CO01	Unemployed, including long-term unemployed	780	-	-
ESF – CO03	Inactive	370	-	-

O5	Participants from ethnic minorities	31	-	-
ESF - CO16	Participants with disabilities	109	-	-
O6	Participants without basic skills	190		
ESF - CO14	Participants who live in a single adult household with dependent children	43	-	-

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

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."

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.

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

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.

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

10. Timescales

Launch of Call advertised on GOV.UK	16 th August 2018
Deadline for submission of Outline Application	8 th November 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