



**Department  
for Work &  
Pensions**



**European Union**  
European  
Social Fund

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

### **Call for Proposals European Social Fund**

### **Priority Axis 1: Inclusive Labour Markets**

<b>Managing Authority</b>	<b>Department for Work and Pensions (DWP)</b>
<b>ESI Fund</b>	<b>European Social Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 1 : Inclusive Labour Markets</b>
<b>Investment Priority:</b>	<b>1.1 Access to Employment for Jobseekers and Inactive People</b>
<b>Call Reference:</b>	<b>Helping unemployed and inactive people into work in D2N2 OC08S18P1168</b>
<b>LEP Area:</b>	<b>D2N2 LEP</b>
<b>Call Opens:</b>	<b>18 October 2018</b>
<b>Call Closes:</b>	<b>28 December 2018</b>
<b>Document Submission:</b>	<b>Completed Full Applications must be submitted to</b> ✉: <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 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 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 one 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

The D2N2 area covers the cities of Derby and Nottingham and the counties of Derbyshire and Nottinghamshire. It is one of the largest LEP areas in the country, with a population of 2.2 million, GVA of £45bn, a stock of some 72,000 businesses, and a workforce of almost 1 million people residing in a rich mix of urban and rural communities across 19 local authority areas.

D2N2 is one of the most important local economies in the country. One of 38 LEP areas, it has in absolute terms the 4th largest population and the 5th largest workforce outside London. However, D2N2 has only the 9th largest economy. This means that too many of our businesses just aren't productive enough.

Much of the area's GVA is generated in and around the two cities, which are also the main centres of population and employment, although a significant proportion (34%) of the area's economic value comes from outside the 2 cities. However, there is a marked gap between the most prosperous parts of the D2N2 area and those facing the biggest economic challenges which has built up over many years because of uneven patterns of economic growth and industrial restructuring.

While the employment rate is relatively high, many of the jobs in the economy are low-skilled and low-paid. We don't have enough jobs in higher paid occupations. We also recognise that some parts of D2N2 are starting from a much lower base than others - workplace earnings range from 118% of the England average in Derby, to 65% in Mansfield.

Employment is distributed across D2N2 but there is a concentration of employment in and around Nottingham and Derby which account for 37% of total employment<sup>1</sup>, compared to 22% of total population<sup>2</sup>.

The number of unemployed stood at 39,400 for those aged 16 or over (20,400 males and 19,000 females), which equated to 3.8% of the total number of economically active across the D2N2 area<sup>3</sup>.

The total number of economically inactive stood at 310,600, which equated to 22.9% of the working age population. The claimant count<sup>4</sup> totalled 26,750 (16,820 males and 9,830 females)<sup>5</sup>. The age breakdown of claimant's show that 5,630 people aged 16-24, 14,525 aged 25-49, and 6,590 aged over 50 claimed out-of-work benefits.

In terms of the make-up of the income support claimants 13,920 were lone parents, 6,620 received Carer's Allowance, 130 claimed incapacity benefits, and 780 received other income related benefits<sup>6</sup>.

**The State of the Nation 2017: Social Mobility in Great Britain** assesses the education, employability and housing prospects of people living in England's 324 LA's. The index highlights where people from disadvantaged backgrounds are most and least likely to make social progress

The East Midlands is the worst region of the country for social mobility with half the local authority areas in the region are social mobility cold spots. D2N2 has a high

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<sup>1</sup> NOMIS, Business Register and Employment Survey, 2016

<sup>2</sup> ONS, Mid-year Population Estimates, 2016

<sup>3</sup> NOMIS, Annual Population Survey, March 2018

<sup>4</sup> This experimental series counts the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work and replaces the number of people claiming Jobseeker's Allowance as the headline indicator of the number of people claiming benefits principally for the reason of being unemployed.

<sup>5</sup> NOMIS, Claimant count by sex and age, June 2018

<sup>6</sup> NOMIS, Work and Pensions Longitudinal Study, November 2017

proportion of cold spots where social mobility is deemed an issue and the report identified the following areas as being social mobility priority areas across D2N2.

- Ashfield and Mansfield
- North East Derbyshire, Bolsover and Chesterfield
- Derby and Nottingham
- Erewash and South Derbyshire
- Newark and Sherwood

## **D2N2 Core Delivery Principles**

The D2N2 ESIF subcommittee have agreed a set of Core Delivery Principles that structure advice given to the Managing Authority on assessing the local strategic fit of applications.

- Impact and Scale
- Delivery Readiness
- Added Value
- Local Value
- Quality, Performance and Efficiency
- Strategic Partnerships and Co-ordination of Market Engagement
- Flexibility and Responsiveness

Applicants must be able to demonstrate how they will operate effectively and respond to changing and emerging needs to deliver the D2N2 economic strategy.

## **Technical Assistance**

D2N2 Local Enterprise Partnership and partners can offer advisory support to potential applicants to inform their bids, including awareness raising events and sharing of good practice.

For further background information and research see the below:

**D2N2 LEP: EU Structural and Investment Fund Strategy 2014-2020 and D2N2 Core Delivery Principles:** <http://www.d2n2ta.org/european-structural-and-investment-funds/d2n2-esif-strategy-core-delivery-principles/>

## **State of the Nation; Social Mobility Report 2017**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/662744/State\\_of\\_the\\_Nation\\_2017\\_-\\_Social\\_Mobility\\_in\\_Great\\_Britain.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/662744/State_of_the_Nation_2017_-_Social_Mobility_in_Great_Britain.pdf)

## **D2N2 Technical Assistance**

<http://www.d2n2ta.org/>

## **Local priorities**

Applications are encouraged from 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.

Partnerships/ consortia should be able to deliver holistic packages of support which will identify and address the barriers individuals face in moving into work (e.g. confidence, lack of recent work experience, basic skills, job related skills, job seeking skills or other material barriers such as childcare, language or debt).

In D2N2, the working age population will rise by just 1% between 2014 and 2039 and the current employment rate is relatively high. So, there won't be a lot of new labour coming into the economy. The employment service will therefore need to find innovative ways to positively engage with those who are unemployed and hardest to reach to maximise their potential within the future workforce.

This means we need to move towards a more individually focussed model that seeks to engage hard to help individuals by having a visible presence in local areas of deprivation (including community delivery) and ensures effective coverage for people in rural areas.

Employers are beginning to experience real recruitment challenges across D2N2. According to the latest Quarterly Economic Survey undertaken by the East Midlands Chamber employers are experiencing difficulties in recruiting at all skills levels but particularly in skilled manual/technical positions and professional/managerial posts. The employment service will need to work innovatively with employers to develop ways of working which overcome these recruitment challenges.

The D2N2 employment service will adopt a more targeted approach which engages those individuals that are further away from the labour market, while providing a coherent and simplified service to employers to meet their recruitment needs. It will have a focussed approach in helping individuals secure sustained employment by working with employers to provide long term in work support and mentoring to ensure individual barriers to sustained employment continue to be addressed whilst in work.

## **D2N2 Employment Programme - Tailored support to individuals**

It is envisaged that providers of the employment service will provide tailored individual support in the following ways

- Support individuals by providing them with informed Careers Information Advice and Guidance, which does not duplicate existing funded services such as NCS
- Providing mentoring and wrap around services appropriate to individual need to help participants realise their careers and skills aspirations
- Support out of work individuals to access the universal credit system with the aim of becoming more employable, particularly by developing their digital skills.



(The digital skills support must bring added value and not duplicate provision provided by either DWP or the Local Authorities)

- Develop training pathways to increase the number of graduates employed in graduate level jobs
- Support individuals in rural areas to address access to work issues
- Provide ongoing in work mentoring to support sustained employment
- Provide skills training to increase individual prospects of employability including:
  - self-employment as an alternate option to employment
  - supported work experience
  - Maths, English and communications skills
  - Basic skills and English for speakers of other languages, and functional English to support migrants

### **Links to other Employer Support Services – The D2N2 Growth Hub**

The employment service will work closely with employers and employer facing services particularly the D2N2 Growth Hub to prevent duplication and offer an integrated service to employers.

The employment programme will therefore provide a range of added value services that support employers in a variety of ways including;

- Address recruitment challenges by developing a supply of work ready candidates able to enter the labour market at appropriate levels
- Promote Apprenticeships and Traineeships as solutions to skills and recruitment challenges
- Create jobs for disabled individuals and put in place tailored support to ensure sustainability in employment
- Provide advice to develop flexible HR and employment practices to provide solutions to recruitment issues

The employment service will also provide support to increase the number, quality and sustainability of business start-ups, working closely with the D2N2 Growth Hub and other publicly funded projects.

### **1.3 Scope of activity**

This call invites Full 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 D2N2 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><b>Indicative Fund Allocation:</b></p>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately <b>£8,100,000 ESF</b></p> <p><b>Approximately £8,100,000 is allocated to the More Developed Region.</b></p> <p>The Managing Authority reserves the right to decrease or increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.</p>
<p><b>Minimum application level</b></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 <b>£2m of European Social Funding to any single project.</b></p> <p>D2N2 LEP need to ensure that all areas of the region are supported by the programme. Applications will need to show how all areas of D2N2 can benefit from employment services delivered under this call. Therefore, D2N2 favour a small number of projects being delivered that can give a coherent service across the region.</p> <p><b>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected.</b></p>
<p><b>Duration of project</b></p>	<p>Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>
<p><b>Geographical Scope</b></p>	<p>All interventions should be focused on activity and beneficiaries within the D2N2 Local Enterprise Partnership area.</p>
<p><b>Specific call requirements</b></p>	<p>This is a call for ESF activity only</p>
<p><b>Call Deadlines</b></p>	<p>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.</p>
<p><b>Application selection</b></p>	<p>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.</p>
<p><b>Applicant proposals</b></p>	<p>These can only contain activities which are eligible for ESF.</p>

<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.
<b>Operational completion</b>	Operations must be completed no later than 3 years and 6 months after the proposed project start date.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law.
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity</b>	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

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

### 3. Deliverables required under this Call:

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

<b>Investment Priority</b>	<b>1.1 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> </ul>

	<ul style="list-style-type: none"> <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>
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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% More Developed
R2	Inactive participants into employment, or job search on leaving	33% More Developed
R3	Participants gaining basic skills	4% More Developed
R4	Participants with childcare needs receiving childcare support	36% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% More Developed

## Outputs table

<b>ID</b>	<b>Output Indicator</b>	<b>Total minimum target value for this call</b>	<b>Men minimum target value</b>	<b>Women minimum target value</b>
O1	Participants	10,679	<b>5,853</b>	<b>4,826</b>
ESF –CO01	Unemployed, including long-term unemployed	<b>7,262</b>		
ESF – CO03	Inactive	<b>3,417</b>		
O4	Participants over 50 years of age	<b>2,456</b>		
O5	Participants from ethnic minorities	<b>1,045</b>		
ESF - CO16	Participants with disabilities	<b>3,234</b>		
O6	Participants without basic skills	<b>2,136</b>		
ESF - CO14	Participants who live in a single adult household with dependent children	<b>1,223</b>		

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 D2N2 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.

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

## **4.3 Applicants**

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

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

## **4.4 Cross Cutting Themes**

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

For ESF, the project applicants will be required to deliver their services in-line with the Public Sector Equality Duty (as defined in the Equality Act 2010). All projects

must have a gender and equal opportunities policy and implementation plan which will be submitted at full application stage and in-line with Managing Authority guidance. Project applicants will also be required to answer a number of ESF-specific equality questions which will be set out in both the full application form and the related guidance.

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

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

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

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

## 4.5 State Aid & Revenue Generation

Applicants are required, in the Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid.<sup>7</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.

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<sup>7</sup> Article 107(1) of the Treaty on the Functioning of the European Union provides that: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

## 4.6 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.

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.

# 5. Application Process & Prioritisation Methodology

This is a one stage process, Full Application. Guidance is available on the [European Growth Funding](#) website pages. Acceptance of a full application 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 may be subject to due financial diligence checks by the Managing Authority. 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 Full Application stage or for failing to satisfy the MA's Financial Due Diligence checks.

## 6. Support

Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

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

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

## 7. Key Documents

- Full Application Form
- 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.

- Fully completed Full 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 Full 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.	18th of October 2018
Deadline for submission of Full Application	28 <sup>th</sup> of December 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
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Common longer-term result indicators for participants are:

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