



**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 2: Skills for Growth

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 2 : Skills for Growth
Investment Priority	2.1: Enhancing equal access to lifelong learning
Call Reference:	Digital Skills for the Employed – (OC20S18P1226)
LEP Area:	Leeds City Region
Call Opens:	20 November 2018
Call Closes:	12 February 2019
Document Submission	Completed Full 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 appraisal 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 2 of the Operational Programme: Skills for Growth and Investment Priority: 2.1 Enhancing equal access to lifelong learning 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 proposals sets out the requirements for any applicants to consider before applying. Applications against this call will be appraised 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.

Applicants are advised to familiarise themselves with the detail of the Operational Programme, local European Structural and Investment Funds Strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting a Full Application.

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 support skills for growth. It will support activities through:

Investment priority: 2.1 - Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

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 address the basic skills needs of employed people, particularly in SMEs and micro businesses.	The additional support from this investment priority will help employed people to gain basic skills. It will also improve the capacity of SMEs and micro businesses and support business growth. We have set an output target for the number of participants without basic skills and a result target for participants gaining basic skills.
To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.	The additional support from this investment priority will help employed people to progress at work through achieving higher skills, and it will drive growth in their organisation by improving productivity. We have set result targets for participants gaining qualifications or units – separate targets for level 2 and level 3.
To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.	The main result that will be achieved is that more participants will have gained a qualification or a unit of qualification. This investment priority will also support business growth through the development of a more highly skilled workforce. We have set a result target for participants gaining qualifications or units at level 3 or above.
To increase the skills levels of employed women to encourage progression in employment and help address the gender employment and wage gap.	The additional support from this investment priority will support women in raising the level of their skills, helping them to progress in employment or self-employment and achieve higher earnings. There is a result target about progression in work. This investment priority will also contribute to supporting business growth

	through the development of a more highly skilled workforce.
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1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 2, Investment Priority 2.1 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

Call outline

Leeds City Region is the biggest city region economy in the country, with an annual output of £66.5bn 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 Leeds City Region, which is home to a student population of around 230,000.

Despite Leeds City Region's 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 Leeds 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:

The Leeds City Region Strategic Economic Plan and ESIF strategy both include a focus on supporting and developing the digital economy.

The emerging Leeds City Region Digital Framework identifies 5 priority outcomes to achieve this:

- Digital opportunities for all businesses
- Digital skills for all
- The Digital Sector to serve the rest
- World class infrastructure
- Tech for good

The 'Digital Skills for all' strand aims to ensure everyone in the Leeds City Region has the opportunity to develop the digital skills they need to flourish in the new digital economy. Activities within this priority will ensure a joined up pipeline for digital skills to meet the needs of businesses and citizens across the breadth of digital skills:

- Basic skills- ensuring everyone has basic digital capability so that no one is excluded from opportunities because of a lack of skills and can operate in the digital society and economy.
- General – ensuring outcomes are improved for individuals who have basic digital skills but lack the confidence and knowledge to make the most of the digital economy, whether at work or beyond.
- Advanced – ensure Leeds City Region develops, attracts and retains the talent needed for higher skilled roles.

There is strong evidence to show that the Leeds City Region faces issues with regard to all three stages of the digital skills pipeline. A significant proportion of the population do not possess the full range of basic digital skills needed for daily life.

According to Lloyds UK Consumer Digital Index 2018, 13% of the working population in Y&H are without full basic digital skills, higher than the national average of 10%. General IT user skills are an increasingly important requirement for workers across the economy but many employees face a lack of proficiency in this area.

During 2017/18 there were more than 20,000 online job postings in the Leeds City Region which stipulated a need for skills relating to Microsoft Office and digital productivity tools more generally. This was in addition to those asking for more advanced digital skills.

Skills gaps, where staff lack the skills to meet business objectives fully, is a key challenge for the Leeds City Region, with 14% of employers reporting one or more gaps and an estimated level of more than 50,000 skills gaps. More than one-third (36%) of these gaps are due to a deficit of digital skills.

A shortage of advanced skills needed by digital professionals and other high skilled workers also presents a major challenge.

The demand for these skills is growing strongly:

- In the last five years the level of employment for digital professionals has increased three times as quickly across Yorkshire and the Humber as the average rate of growth for all jobs;
- Digital jobs account for four out of the top 10 jobs in the Leeds City Region, ranked according to the number of job postings advertised online between August 2017 and July 2018, with software development roles ranked at number one overall.

There were 38,000 job postings for digital roles in the year to July 2018. In addition, to software developers, other in-demand roles included web developers, computer support technicians, systems analysts and IT project managers. The skills in greatest demand primarily relate to software development languages such as SQL, javascript, Microsoft C# and .NET.

As demand grows, employers face a shortage of candidates with the right skills to fill digital professional vacancies.

The digital professional occupational category has a very high prevalence of shortages, with 47% of vacancies for these roles across Yorkshire and the Humber difficult to fill due to a lack of skilled applicants. This is more than twice as high as the average prevalence of shortages for all jobs in the region.

However, digital skills are not only required in jobs in the digital sector. Digital skills are required across industries and jobs of all levels and activity should focus on the Leeds City Region's priority sectors growth.

Looking more broadly than shortages of digital professionals, a lack of digital skills among candidates is a contributing factor to 37% of all the skill shortages reported by employers across the Leeds City Region.

At the same time the supply of skills via apprenticeships is at a low level. In 2016/17 there were around 600 apprenticeship starts in the Leeds City Region in the information and communication technology subject area, only 2% of total apprenticeship starts. Only 60 of these starts were at the higher level, which is a crucial gap, since higher and degree apprenticeships are a crucial mechanism for addressing employers' fast changing digital skills needs.

A further constraint to our ability to meet digital skills requirements is the recent decline in the supply of computer science graduates from Leeds City Region institutions. In 2016/17 there were 710 qualifiers in this discipline, a fall of 10% on the previous year. Moreover, destination data indicates that only around two-thirds of qualifiers take up employment in Yorkshire and the Humber following graduation.

Another key issue is the small number of women working in digital roles. Across Yorkshire and the Humber only 19% of workers in digital occupations are female, as compared with 46% of workers across all jobs.

The digital skills gap is costing the UK economy an estimated £63 billion a year in lost additional GDP, as evidenced in the Digital skills crisis report, House of Commons, June 2016.

Digital skills are the common issue reported by our local SMEs as hindering rapid growth. SMEs are not necessarily aware of all the possibilities that an appropriate digital marketing strategy can achieve for them neither do they often have access to the right digital skills internally. Provision to support SMEs to access training provision is key to ensure the target of the digital skilled workers required for the economy. Without the skills to utilise digital technologies, individuals and organisations are being held back from achieving their potential and cannot compete to their full potential in technologically driven markets. This is despite it being estimated that the annual social value for an individual of getting online for the first time is £1,064, rising to £3,568 for a more advanced or business user. According to

the 2017 Lloyds Bank UK Business Digital Index, only 58% of small businesses have full basic digital skills, whilst 61% do not invest anything in digital skills. This reflected in their digital capability: 53% do not have their own website and only 25% feel they have the skills to prevent online fraud and scams.

There is a correlation between the creative and digital industries with so many people working at the intersection of each in an innovative, highly skilled and entrepreneurial capacity. It is acknowledged there is a lot of talent within the creative industries, which are the fastest growing sector of the UK economy, now worth £87.4bn, with the creative economy now employing one in 11 of the working population. However a talent crisis is still evident. A failure exists to provide enough young people with the right mix of skills for many of the exciting jobs in the creative economy as well as in other sectors, including engineering.

The Independent Review of the Creative Industries (Sir Peter Bazalgette, September 2017) describes their 'central importance to the UK's productivity and global success' and notes the English language and our national capacity for creativity as key assets. It further identifies that the skills of this sector and the creative economy are of increasing importance to the economy overall – including blended technical and creative skills; collaborative interdisciplinary working; and entrepreneurialism and enterprise.

NESTA identifies 47 'creative clusters' in the UK – this includes a cluster centred on Leeds and one in Harrogate, despite a disproportionate concentration of the sector being in London and the South East. It makes clear that UK creative clusters can take very different shapes and that local context matters – a one-size-fits-all approach to their support is inappropriate.

Local priorities

Through this call the Managing Authority is seeking proposals to provide digital skills training to **employed individuals and graduates** in the Leeds City Region, to support and up-skill the existing workforce and support business productivity.

Proposals are sought for the development and delivery of digital skills training (including Creative and Digital Media skills) to employed individuals in SMEs across key sectors. The proposed services must deliver a responsive skills programme that is tailored to the needs of the Leeds City Region LEP area in order to stimulate a growth in the digital skills base for businesses that will give the best opportunity to grow the economy and create more and better jobs.

The services must deliver highly responsive skills provision to meet business and industry needs. Employers must be engaged to shape and direct the services. In Leeds City Region, the services must be aligned with the European Regional Development Fund (ERDF) projects Digital Enterprise and the Superfast West Yorkshire programme which aim to develop ICT products and services, ecommerce, enhancing demand for ICT, supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes and maximise SME competitiveness through increased uptake of superfast broadband and more efficient use of digital technologies.

The proposed services must deliver a responsive skills programme that is tailored to the needs of the Leeds City Region LEP area in order to stimulate a growth in the digital skills base for businesses that will give the best opportunity to grow the economy and create more and better jobs. This call covers the breadth of digital skills needed set out above.

Projects must deliver activity which directly contributes to the objectives of **Priority Axis 2, Investment Priority 2.1** of the Operational Programme, and which meets the local development need expressed in the text and table below.

Projects should aim to make the best use of available resources; reduce duplication by integrating national and local employment and other support services; and enable people to access sustainable work and progress.

Interventions:

Activities undertaken by projects must primarily focus on support to individual participants and be responsive to address individual needs. Activities should address some or all of the following;

- Practical support through coaching, advice, consultancy and mentoring to individuals seeking to improve digital skills to support SMEs to utilise digital technology to improve their products and competitiveness
- Assessment of the current skills profile of the individual, with a bespoke training plan which relates to the sector in which they are employed and the employer's needs and to develop the appropriate training option or provide access to it
- Drive up skills levels, focusing on the skills being sought by employers
- Deliver skills provision which offers both accredited and non-accredited skills training which is innovative, responsive to local skills needs. Provision will normally be accredited but where suitable accredited provision does not exist, bespoke packages may be delivered (applicants will need to evidence qualifications delivered are full or units of level 2 or 3, as identified on the learning aims hub, to meet required outputs)
- Encouraging more women to engage in Digital Skills and help address the gender employment and wage gap
- Hot house/training academy offer for production companies
- Ability to nurture talent and creativity amongst young people
- Close partnership working with established training providers, business support providers and networks including the Leeds City Region Growth and Skills Service
- Applicants are encouraged to develop innovative approaches, backed by evidence, to support the value of the proposed activities, the effectiveness of the proposed delivery approach and the rationale for specific targeting.

Some of the outcomes expected will be:

- Broker opportunities with local SMES and employers in targeted priority and growth sectors to support existing employees as well new staff to access additional qualifications in digital skills through the form of NVQs, work experience, internships etc.

- Accredited units of learning at Level 2 or 3 and above may be funded where these do not lead to a full qualification.
- Work related learning and experience, developed and delivered in partnership with employers
- Increase participation in traineeships and apprenticeships as well as opportunities to link learning to work experience. Exploring and secure progression opportunities
- Work with colleges and independent training providers to encourage them to develop appropriate training programmes to meet the needs of SMEs in the Digital Age
- Foster an aspirational, digital and enterprising culture in SMEs

Alignment:

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 on developing or delivery digital skills, understanding the sector, its growth potential and emerging further new technologies
- Demonstrate strong knowledge of the Leeds City Region labour market and the (current and future) needs of local business
- Collaboration with other providers already working with the target group to add value and not duplicate provision.
- 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.

Consortium/Partnership Applications

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.

Leeds City Region Local ESIF Strategy

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

1.3 Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 2, **Investment Priority 2.1 Enhancing equal access to lifelong learning** of the European Social Fund Operational Programme and responds to the local development need set out in the Leeds City Region Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

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

2. Call Requirements

All applications are competitive.

Indicative Fund Allocation:	<p>Indicatively, through this call the Managing Authority expects to allocate approximately £5,000,000 ESF</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>
Minimum application level	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The Managing Authority does not intend to allocate less than £1,000,000 of European Social Funding to any single project.</p> <p>Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected</p>
Duration of project approvals	<p>Projects should be for a maximum of three years and six months in duration; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>
Geographical Scope	<p>All interventions should be focused on activity and beneficiaries within the Leeds City Region Local Enterprise Partnership area.</p>
Specific call requirements	<p>This is a call for ESF activity.</p>

Call Deadlines	For this specific call, applications will be appraised 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 offer funding to projects where they complement other activity or provide niche activity to target groups within the OP.
Applicant proposals	These can only contain activities which are eligible for ESF.
Eligible match funding	Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. The applicant will need to provide information to demonstrate that the operation has match funding in place.
Operational completion	Operations must be completed no later than 3 years and 6 months after the proposed 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	2.1 Enhancing equal access to lifelong learning
Specific Objectives	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Indicative Actions	ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support

	<p>additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported include:</p> <ul style="list-style-type: none"> • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in Small and Medium size Enterprises (up to 250 employees); • training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace; • access to learning; information about learning and skills; • brokerage of opportunities between learners and employers.
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Results Table:

ID	Result Indicator	Minimum Target value for this call
R3	Participants gaining basic skills	11%
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills)	25%
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	8%
R8	Employed females gaining improved labour market status	35%

Outputs Table:

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	5,231	2,607	2,714
O4	Participants over 50 years of age	1,064	-	-
O5	Participants from ethnic minorities	851	-	-

ESF - CO16	Participants with disabilities	426	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	958	-	-
O6	Participants without basic skills	266	-	-

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.

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

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

Where the Applicant does not perceive that there is any State Aid, it should state whether or not it considers Articles 61 and 65(8) of regulation 1303/2013 to apply. This revenue should be taken into account in calculating eligible expenditure. Article 61 refers to monitoring revenues generated after completion of the project, and Article 65(8) how to deal with differences in the forecast and actual revenues at the end of the operation. The details of this will be tested at the full application stage.

4.6 Funding Agreement

The Funding Agreement is a standard, non-negotiable and legally binding document. Any successful Applicant will be subject to the terms and conditions contained within this agreement. Applicants are strongly advised to seek their own advice to ensure that they would be able to enter into and abide by the terms of the Funding Agreement.

Failure to meet any of the conditions of the agreement or the commitments within the application will result in claw back of funding.

Applicants should be aware that additional provisions and securities may be included within the Funding Agreement to protect the investment. These will be further discussed if relevant following the Full Application stage.

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."

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

There is one stage for the ESF application process - Full Application. Applicants must fully complete the Full Application Form (section 9 refers). 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 Operational Programme 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 appraisal 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 appraisal 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.

If, following the appraisal process, an applicant is not satisfied with the ESF funding decision for their project, they can submit an appeal in writing to the ESF Managing Authority.

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

✉: esf.2014-2020@dwpgsi.gov.uk

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

7. Key Documents

- Full Application Form
- Full Application Form Guidance
- Financial Annex
- Indicator Annex
- Local Enterprise Partnership area's ESIF strategy
- ESF Eligibility Rules

8. Document Checklist

The appraisal will be undertaken on the basis of documentation received at the point of closure of the call. Applicants should provide the following documentation.

Full Application Stage:

- fully completed Full Application (Section 2.7 and 2.8 are not applicable as this is a “one stage” application process);
- Financial tables (if the application is against more than one Category of Region, a financial table for each Category of Region)

- Outputs, Results and Indicators tables (if the application is against more than one Category of Region, a Outputs, Results and Indicators table for each Category of Region)
- Visual representation of the customer journey is required (e.g 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

10. Timescales

Launch of Call advertised on GOV.UK	20 November 2018
Deadline for submission of Full Application	12 February 2019

Full Application forms not received by the deadline will not be appraised. Full 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 Full 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