



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:	1.1: Access to Employment for Jobseekers and Inactive People.
Call Reference:	Enhanced Local Flexibility for the Unemployed Programme – (OC20S18P1232)
LEP Area:	Leeds City Region
Call Opens:	20 November 2018
Call Closes:	29 January 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 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 appraised as part of a single-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.

Specific Objective	Results that the Member States seek to achieve with Union support
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.
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.
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 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.
To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.	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.
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.	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.

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

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 the local 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

In spite of strong improvement in the labour market in recent years West Yorkshire still has a significant level of joblessness.

Unemployment

- Based on the ILO definition, 52,000 people of working age are out of work and actively seeking a job in West Yorkshire, 4.7 per cent of the economically active labour force. This is slightly above the national average rate of 4.4 per cent.
- The unemployment rate (aged 16+) for ethnic minority groups in West Yorkshire is more than twice that of whites, at 9.2 per cent. In absolute terms 15,000 people from an ethnic minority group are unemployed.
- There are around 8,000 people aged 50-64 who are unemployed in West Yorkshire, a rate of 2.6 per cent.

Lone parents

- There are 23,800 workless lone parent households with dependent children in West Yorkshire (source: Annual Population Survey, April 2017 – March 2018).

Inactivity

- In addition to the unemployed there are 340,000 people in West Yorkshire who are economically inactive, 23 per cent of the working age population. Of these, 62,000 (18 per cent) say they want a job (source: Annual Population Survey, April 2017 – March 2018).
- There are around 19,000 people from an ethnic minority and 18,000 people aged 50+ who are economically inactive but would like a job in West Yorkshire (source: Labour Force Survey, January – March 2018).

Jobseekers' Allowance

- The number of claimants is also significant across the various types of out of work benefits.
- As of July 2018 there were just under 21,000 Jobseeker's Allowance (JSA) claimants in West Yorkshire (source: NOMIS). Of these, approximately 6,000 (29%) were from an ethnic minority, whilst a similar number were aged 50 and over.
- One third of JSA claimants (6,900 in absolute terms) were classed as long-term unemployed (out of work for a year or more). The proportion of ethnic minority claimants who were long-term jobless was similar to this overall average. For the over-50s however, the proportion was much higher at 43%.
- This equates to almost 2,600 long-term JSA claimants who are aged 50 and over and around 1,900 long-term ethnic minority claimants.

Universal Credit

- As of July 2018, there were 16,100 people claiming Universal Credit in West Yorkshire, who were categorised as searching for work.
- In addition, there were 1,500 people who were either planning for work (i.e. expected to work in the future, including lone parent / carer of child aged 1) or preparing for work (preparing for future even with limited capability for work at the present time or a child aged 2).
- Across these conditionality categories there were 3,300 people aged 50+.

BAME Unemployed

The Leeds City Region has a sizeable ethnic minority population. The ethnic minority population of working age is around 270,000 or 15 per cent of the total working age population, compared with a national average of 16 per cent. But the proportion is much higher in some of the districts (see below).

More than half (51 per cent) of the ethnic minority population is classified as Pakistani / Bangladeshi, with 12 per cent Indian, 12 per cent Black or Black British, 9 per cent mixed ethnic group, with the remaining 12 per cent falling into other ethnic groups.

This population is heavily concentrated in three districts: Bradford (37 per cent of total), Leeds (28 per cent) and Kirklees (21 per cent). Therefore, these three districts account for 85 per cent of the total ethnic minority population.

The Leeds City Region faces a challenge of continuing ethnic minority disadvantage in the labour market compared with the White British majority group.

There is a 20 percentage point gap between the employment rate of white people (77 per cent) and people from ethnic minorities (57 per cent). This employment rate gap is much wider than the 12 percentage point gap seen at national level (77 per cent versus 65 per cent). Leeds City Region has the fifth lowest ethnic minority employment rate of the 38 LEP areas (source: Annual Population Survey, April 2017 – March 2018).

Closing the local employment rate gap to match the level for the white group would mean an additional 50,000 people from ethnic minorities in jobs across the Leeds City Region.

An important contributor to the size of the local employment rate gap is the particularly low employment rate of the largest Bangladeshi and Pakistani ethnic group, whose rate is only 50 per cent (giving a 27 point gap with the white group).

Other ethnic minority groups also face an employment rate gap, albeit less pronounced:

- The employment rate for the Black / Black British group is 68 per cent, giving a gap of 9 points
- The employment rate for the Indian group is 64 per cent, giving a gap of 13 points
- The employment rate for the Mixed group is 68 per cent, giving a gap of 9 points

The employment rate gap is much wider for females. The female employment rate for ethnic minorities is only 43 per cent compared with a rate of 73 per cent for white females, giving a gap of 30 percentage points. And the gap is more pronounced for Bangladeshi and Pakistani women, whose employment rate currently stands at 31 per cent.

Over 50s unemployed

The employment rate deficit for the over-50s is relatively modest in the Leeds City Region, although the number of unemployed / inactive people in this group is substantial. There are approximately 560,000 people aged 50-64 in the Leeds City Region, 29% of the total population of working age. This proportion reflects the national average (30%) but conceals differences at district level. In Leeds, a smaller proportion (2 %) of the population falls into this age band whereas in Calderdale the figure rises to 39%.

The likelihood of being active in the labour market is 13 percentage points lower for those aged 50-64 than for people aged 25-49 and around four points lower than for the working age population as a whole. The gap in employment rates is six points with the under-50s and four points with the whole population. In absolute terms there are 153,000 inactive people in this age band across the Leeds City Region and 13,000 unemployed (on the ILO definition). 60% of this group are female and 40% male.

Local priorities

Through this call, the Managing Authority is seeking a project or projects to tackle the deep seated barriers to work for all who need it in the Leeds City Region LEP Area. Projects should target participants who are unemployed (either registered or not registered unemployed) with day one access.

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.

Geography:

Applicants need to ensure their project will operate across one or more of the following West Yorkshire local authority area geographies: **Bradford; Calderdale, Kirklees, Leeds and/or Wakefield;**

Applicants should list which of the local authority geographies they are proposing to cover and also explain how their service will be delivered in each of their proposed local authority areas

Target Groups:

Given the Leeds City Region has a sizeable ethnic minority population, particularly high in some West Yorkshire Local Authority Districts applicants must demonstrate in their bids how provision will support the needs of this particular group as identified in the labour market analysis outlined above. Applicants must also address how they will support those over 50 and who are vulnerable to labour market changes.

Focus should therefore also be given to the following groups;

- people from ethnic minorities
- those aged over 50 years
- lone Parents
- individuals who are long term jobless for over 2 years

Interventions:

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

- a) Personalised one to one support and learning programmes (to include mentoring, key worker/advocate model tailored support to meet individual need with a minimum of weekly contact – including an initial assessment to establish their level of capability, skills and aptitude and/or any specific barriers;
- b) Work related activities including work experience, volunteering, work tasters, work trials, sector based work academies, mock interviews, employer visits
- c) Flexible delivery to ensure equality and diversity and to meet the needs of the different groups i.e. age, gender, culture, religion
- d) One to one intensive support to include careers information advice and guidance, including advice on self-employment, transferable skills, tailored employability

support, advice on childcare, benefits of work, peer mentors/role models/inspirational leaders to share their experiences

- e) One to one and small group sessions delivered in community locations such as faith centres where cultural barriers to engagement are identified.
- f) Conversational English, English language skills for the workplace including Health and Safety and workplace vocabulary
- g) Changing mindset, raising confidence, motivation, aspirations, self-worth, empowering participants to become independent outside of the family environment
- h) Engagement with employers to change the perceptions of older workers/ageism/ethnic minorities, long term unemployed etc. – looking at innovative ways to combat discriminatory employment practices
- i) Vocational training to include nationally recognised certification in food hygiene, first aid, manual handling, health and safety, SIA, CSCS etc.
- j) Referrals to specialist provision including drug and alcohol support, housing, financial support, occupational health advice, understanding work in the UK, employability and language skills awareness of Access to Work provision etc.
- k) Support via Naric to obtain a “statement of Comparability” to detail how qualifications achieved in own country for ethnic minorities relate to UK qualifications and certificates
- l) Referral to basic skills for those illiterate in their own language
- m) In work support including workplace training and up-skilling
- n) Opportunity for family participation to overcome cultural, societal and religious barriers
- o) Overcoming the gang culture way of life through peer mentors who have lived experience where this is relevant to geographic need
- p) Support for those who have been victims of modern day slavery/trafficking or subject to domestic violence who have now been removed from that situation.
- q) Digital skills training dependant on individual need and current level of English. To include using a computer, keyboard and mouse, modern online job searching and applications, updating and tailoring CV's to job applications and uploading CV's online, managing a Universal Credit account online (where registering or registered under employed), keeping safe online.
- r) Brokering guaranteed job interviews for individual participants;
- s) Well networked individuals who will use their business connections to facilitate specific introductions between disadvantaged jobseekers and employers;
- t) Labour market information to identify local job opportunities, sectors recruiting, skills needs and up skilling/training opportunities

Provision should be:-

- Flexible and responsive to individual needs;
- Based on a broad partnership approach;
- Inclusive of a strong mentoring element.

This is not an exhaustive list. The ESF Managing Authority welcomes applications from projects with additional innovative or creative proposals to help achieve the aims of this call.

Project(s) should also demonstrate how they will make best use of available resources; reduces duplication by integrating national and local employment and other support services; and enable people to access sustainable work and progress.

Projects which are able to develop a model which uses this ESF provision as a clear progression route from the ESF Community Led Local Development and Big Lottery Programmes operating within the Leeds City Region are particularly welcome.

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 support for the unemployed.
- 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 1, **Investment Priority: 1.1 Access to employment for jobseekers and inactive people** of the European Social Fund Operational Programme and responds to the local development need set out in the Leeds City Region Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

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

2. Call Requirements

All applications are competitive.

Indicative Fund Allocation:	<p>Indicatively, through this call the Managing Authority expects to allocate approximately £27,339,470 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. The Managing Authority does not intend to allocate less than £3,000,000 of European Social Funding to any single project.</p> <p>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected.</p> <p>It is important to ensure a range of activity is supported as detailed in the call and also the need for coherence. Therefore the MA favours a small number of projects being delivered.</p>
Duration of project	<p>Projects should be for a maximum of three years and 6 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	<p>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.</p>

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. At full application stage the applicant will need to evidence 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 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	1.1 Access to employment for jobseekers and inactive people
Specific Objectives	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.
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 which may be supported for all unemployed and inactive people include:</p> <ul style="list-style-type: none"> • additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related

	<p>skills that employers require, including preparation for apprenticeships;</p> <ul style="list-style-type: none"> • support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step. • 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; • helping people access or benefit from apprenticeships, including support for women to enter non-traditional sectors which addresses barriers to entry (e.g. construction); • providing access to transport where this is a barrier to taking up a job; • 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; • specific careers advice for women, to help them make informed career choices; • 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).
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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:

ID	Output Indicator	Total minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	44,238	24,331	19,907
ESF –CO01	Unemployed, including long-term unemployed	30,967		-
ESF – CO03	Inactive	13,271	-	-
O4	Participants over 50 years of age	9,290	-	-
O5	Participants from ethnic minorities	6,636	-	-
ESF - CO16	Participants with disabilities	12,387	-	-
O6	Participants without basic skills	7,963		
ESF - CO14	Participants who live in a single adult household with dependent children	5,309	-	-

Applicants will be required to demonstrate how they will achieve the deliverables within their proposal along with any methodology that will be used to record achievement. Applicants will also need to ensure robust systems are in place, and be able to describe them, to capture and record the targets and to report quantitative and qualitative performance across the Leeds City Region LEP area. All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

There must be a fully evidenced audit trail for all contracted deliverables.

4. General Information

Essential information to support the drafting of an application and delivery of a successful ESF funded project is available at the [European Growth Funding](#) website pages.

4.1 Compliance and Eligibility

When developing an application, Applicants should refer to [guidance](#) on eligible Applicants, activities and costs. These are for guidance only and Applicants should take their own specialist advice if in doubt. It is the responsibility of the Applicant to ensure that the rules and guidance are adhered to both at application stage and following approval.

European Structural Investment Funds (ESIF) are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the 'key documents' section prior to submitting 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.

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."

4.6 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

There is one stage to the ESF application process – a 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 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 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 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@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; and
- National 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 (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

10. Timescales

Launch of Call advertised on GOV.UK.	20 November 2018
Deadline for submission of Full Application	29 January 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