



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**

<b>Managing Authority</b>	Department for Work and Pensions (DWP)
<b>ESI Fund</b>	European Social Fund
<b>Priority Axis:</b>	Priority Axis 2: Skills for Growth
<b>Investment Priority</b>	I.P 2.1 Enhancing Access to Lifelong Learning I.P 2.2 Improving the Labour Market Relevance of Education and Training
<b>Call Reference:</b>	Agri-Tech Skills - York, North Yorkshire and East Riding and Humber LEP Areas  Call Reference Number: OC50S19P1310
<b>LEP Area:</b>	York North Yorkshire and East Riding LEP Area Humber LEP Area
<b>Call Opens:</b>	26 <sup>th</sup> February 2019
<b>Call Closes:</b>	21 <sup>st</sup> May 2019
<b>Document Submission</b>	Completed Full Applications must be submitted to ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK">2014- 2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK</a>

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# 1. Call Context

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

The Government has confirmed that it will guarantee funding for ESF projects signed before the UK's departure from the EU, even when these projects continue after the UK has left the EU.

Funding for projects will be honoured by the government, if they meet good value for money and are in line with domestic strategic priorities. Each government department will take responsibility for the allocation of money to projects in line with these conditions and the wider rules on public spending. The full detail of the announcement can be found at the following [website link](#).

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 of each Full Application.

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 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.

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.

### IP 2.1

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.

## IP 2.2

This priority axis aims to support skills for growth. It will support activities through:

Investment Priority 2.2 - Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes

To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.	The additional support from this investment priority will enable the design of skills provision which will help individuals gain skills and qualifications relevant to the needs of the labour market
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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 and 2.2** of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

### Call Outline

Through this call the ESF Managing Authority is seeking a single project, or several projects to deliver activities within farming businesses to allow them to develop new processes and systems which will support increased productivity, profitability and resilience.

Projects will be expected to demonstrate how they will develop mechanisms to identify and engage with rural businesses who have the ambition to increase profitability and resilience.

Examples of the additional, specific types of activities being sought under each Investment Priority are set out below:

## **Investment Priority 2.1**

- Delivery of, or referral to packages of learning which enable farm managers to develop the leadership, management and business skills necessary to support their businesses development and resilience.
- Delivery of or referral to packages of learning to assist the early adoption and full utilisation of new technologies and processes such as those funded through Defra Countryside Productivity grants and the Rural Development Programme for England Growth Programme.
- Reflect and evidence the needs of the businesses involved, offer locally tailored solutions and flexible delivery models to fit working practices and demands.

## **Investment Priority 2.2**

- Support farmers in identifying and evaluating new ideas, technologies and farming systems; developing focused on-farm growth plans and introducing new business models to drive business performance.
- Work with farming businesses to identify their skills barriers to adapting new ideas, technologies and systems and co-designing new projects/activities to meet those needs – seeking opportunities to design provision which can be of benefit to multiple farming businesses / farmer clusters across the YNYER and Humber LEP Areas;
- Increasing supply chain collaboration to create a more resilient sector and encouraging peer-to-peer training models to facilitate best-practice working.
- Enable farmers to identify and manage risk, plan for the future and become more self-reliant as CAP payments disappear and labour market conditions change.
- Facilitate knowledge exchange between farming businesses to influence and stimulate change.
- Encourage innovation and improve resilience across the farming community by supporting farmer led development, promotion of techniques and application of appropriate technologies.

These lists of activities are not exhaustive and applicants are encouraged to put forward new or innovative solutions aligned to the ESF Operational Programme criteria for Investment Priority 2.1 and Investment Priority 2.2 and specifically addressing the local needs and priorities in this call.

The applicant must demonstrate how they will work with existing farmer clusters and networks to identify areas of best practice (pre-competitive), ensure activities address

needs and encourage uptake by a wider group of farmers hence increasing impact of the programme(s).

## **Local priorities**

### **York, North Yorkshire and East Riding**

The York, North Yorkshire and East Riding LEP's ESIF Strategy sets out the priorities for economic growth. The ESIF strategy focuses on key sectors for the LEP area which drive growth. These are:

Agritech  
Bio-renewables  
Food manufacture

There are also sectors which account for a large proportion of total employment across the area. These include the voluntary and community sector, health and social care, the visitor economy and construction.

The YNYER LEP's skills priority 'Inspired People' sets out a range of objectives and activities to ensure that growing businesses have a productive workforce, young people make the right education and job choices and unemployed people get the best chances to connect to sustainable jobs.

The YNYER LEP is a rural economy. The total farmed area in the Yorkshire & the Humber region accounts to 1,086,000ha; roughly 12% of agricultural land in England. Predominant farm types are cereals (33% of farmed area) and grazing livestock (30% of farmed area). 19% of land is in 'severely disadvantaged areas', such as National Parks, and 36% is rented.

The sector contributed 0.95% to the regional economy in 2014 and employed 1.22% of the regional workforce in 2015, i.e. 32,238 people; on average 2.6 employees per farm. However, total income from farming in the region decreased by 15% between 2011 and 2015 to £496 million (compared to a 24% decrease for England as a whole). Average farm business income is £22,000 which is below the national average of £31,600. In the 'disadvantaged areas' this income can be as low as £16,000 per annum and farms are often marginal businesses.

Farming businesses are by definition based in isolated communities with limited potential workforce and limited access to training opportunities. The ESIF strategy seeks to address the barriers relating to rural isolation which prevents access to initiatives and opportunities that are more easily available in urban environments.

## **Humber**

The Humber ESIF Strategy is an ambitious strategy designed to help individuals maximise their potential and to help businesses maximise the opportunities that our economy offers. It is a strategy that is focused on delivering long-term, sustainable change through which we will exploit the many benefits that our locality offers whilst working hard to address the challenges that we know exist.

There are a number of skills deficits that need to be addressed in the Humber. The Humber LEP area continues to lag behind national averages for qualifications at level four and above and has a higher percentage of residents that have no qualifications (Source: ONS Annual Population Survey). Persistent low skills levels threaten to hold back business growth.

The ESIF Strategy seeks to address this by supporting the development of technical and higher level skills, leadership and management skills and enhancing access to lifelong learning.

The ESIF Strategy recognises the importance of agri-business / food processing as a sector in which we are already strong and the need to support this, and other key sectors where there is potential for high growth, high value jobs. Nearly 90% of the Humber is rural, with key urban settlements across the area having a unique relationship with their hinterlands as centres for food production. It is imperative that this sector maintains its productive competitiveness in the years ahead. The Agriculture, forestry and fishing sector accounts for 8% of Humber businesses, compared to a national average of 5%. Similarly, food and accommodation is higher than the national average accounting for 7% of Humber businesses compared to 6% nationally.

The farming community across the YNYER and Humber LEP areas requires sector specific skills support and initiatives to facilitate early adoption of new technology such as will be made available through Defra Countryside Productivity grants via the Rural Development Programme for England. Examples of the new technology covered by these programmes include the use of robotic equipment and systems as well as GIS to aid crop and livestock production; increasing the use of for example wind and solar to produce renewable energy on farms; the use of LED wavelength controlled lighting to aid crop production; more efficient use of livestock slurries and manures and digestate.

Without skills support to enable this new technology to be fully utilised, farming businesses will not be able to take advantage of the benefits such technology could bring to their businesses.

Moreover, lack of access to sector specific business skills training further entrenches marginalisation of susceptible farming businesses through lost opportunities to increase productivity and profitability through sound business planning, understanding of assets and natural capital etc.

Support to acquire the skills necessary to diversify into other sectors or to add value to products before they leave the farm gate would also help farming communities mitigate volatility from economic shock and policy overhaul thus improving on-farm efficiency and productivity in the context of the competitive global marketplace and ensuring the sector moves towards financial robustness with the potential for employing further staff in communities where unemployment is often well above the LEP area average.

Details of the local ESIF Strategy can be found at:

<https://www.businessinspiredgrowth.com/wp.../01/EUSIF-Implementation-Plan.pdf>



### 1.3 Scope of activity

This call invites Outline Applications which support the delivery of Priority Axis 2, **Investment Priority 2.1 Enhancing equal access to lifelong learning and Investment Priority 2.2 Improving the labour market relevance of Education and Training** - of the European Social Fund Operational Programme and responds to the local development need set out in the YNYER and Humber 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.

#### Consortia/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.

## 2. Call Requirements

All applications are competitive.

<b>Indicative Fund Allocation:</b>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately <b>£800,000 ESF funding</b>.</p> <p><b>If applicable:</b></p> <p><b>YNYER</b></p> <p><b>I.P 2.1:</b> approximately £400,000 ESF funding available.</p> <p>Approximately 62.50% - £250,000 allocated to the More-Developed Region.</p> <p>Approximately 37.50%- £150,000 allocated to the Transition Region.</p> <p><b>Humber</b></p> <p><b>IP 2.1:</b> approximately £100,000 allocated to the Transition Region.</p>
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	<p><b>YNYER</b></p> <p><b>I.P 2.2:</b> approximately £200,000 ESF funding available.</p> <p>Approximately 75.00% - £150,000 allocated to the More-Developed Region.</p> <p>Approximately 25.00%- £50,000 allocated to the Transition Region.</p> <p><b>Humber</b></p> <p><b>IP 2.2:</b> approximately £100,000 allocated to the Transition Region.</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>
<b>Minimum application level</b>	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The Managing Authority does not intend to allocate less than <b>£200,000 of European Social Funding to any single project.</b></p> <p><b>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected.</b></p> <p>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> <p>The minimum project size for both ESF &amp; match funding, is dependent on the intervention rate determined by CoR 60% Transition Region &amp; 50% More Developed Region.</p> <p>As YNYER LEP area spans two CoR, Transition and More Developed applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each CoR. Separate financial and indicator tables are required for each LEP area YNYER and Humber.</p> <p>As the call spans two Investment Priorities, applicants will need to provide separate financial and indicator tables per Investment Priority.</p>

<b>Duration of project approvals</b>	<p>Projects must be completed no later than 3 years and 6 months after the proposed project start date; however, the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p> <p>All ESF Projects must be completed by 31<sup>st</sup> December 2023. Project costs cannot be incurred beyond this date.</p>
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the YNYER and Humber Local Enterprise Partnership areas.
<b>Specific call requirements</b>	This is a call for ESF activity.
<b>Call Deadlines</b>	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.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to offer ESF funding where a project complements other activity or provides niche activity to target groups within the ESF Operational Programme.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF.
<b>Eligible match funding</b>	<p>Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. The applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.</p> <p>The intervention rate in the YNYER LEP Area is 50% in the More Developed areas and 60% in the Transition areas, so 50% of match funding must be provided in the More Developed areas and 40% of match funding must be provided in the Transition areas.</p> <p>The Intervention rate in the Humber LEP area is 60% in Transition area and so 40% of match funding must be provided for that area.</p>
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law.
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.

<b>Calls listing multiple activity</b>	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.
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ESF cannot be used to duplicate existing activities or activities that do not address market failure. ESF can only be used to achieve additional activity or bring forward activity more quickly. Applicants must be able to demonstrate that proposals are additional to activity that would have occurred anyway or enables activity to be brought forward and delivered more quickly than otherwise would be the case in response to opportunity or demand.

### 3. Deliverables required under this Call:

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

<b>Investment Priority</b>	<b>2.1 Enhancing equal access to lifelong learning</b>
<b>Specific Objectives</b>	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
<b>Indicative Actions</b>	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported include:</p> <p><b>IP 2.1</b></p> <ul style="list-style-type: none"> <li>• skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals;</li> <li>• leadership and management training in Small and Medium size Enterprises (up to 250 employees);</li> <li>• training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace;</li> <li>• access to learning; information about learning and skills;</li> <li>• brokerage of opportunities between learners and employers.</li> </ul>

	<b>IP 2.2</b> <ul style="list-style-type: none"> <li>• support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry-relevant experience and skills;</li> <li>• building capacity in SMEs to provide project/placement/internship opportunities and enhance the contribution of advanced skills to SME growth, including programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in utilising advanced skills;</li> <li>• brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains</li> </ul>
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### IP 2.1 Results Table – More Developed YNYER

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%

### IP 2.1 - Result Table Transition YNYER

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%

## IP 2.1 Outputs Table – More Developed YNYER

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	393	275	118
O4	Participants over 50 years of age	94	-	-
O5	Participants from ethnic minorities	14	-	-
ESF - CO16	Participants with disabilities	26	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	14	-	-
O6	Participants without basic skills	69	-	-

## IP 2.1 Outputs Table Transition YNYER

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	181	127	54
O4	Participants over 50 years of age	39	-	-
O5	Participants from ethnic minorities	6	-	-
ESF - CO16	Participants with disabilities	10	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	7	-	-
O6	Participants without basic skills	63	-	-

### IP 2.1 Result Table Transition Humber

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%

### IP 2.1 Outputs Table Transition Humber

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	121	85	36
O4	Participants over 50 years of age	29	-	-
O5	Participants from ethnic minorities	5	-	-
ESF - CO16	Participants with disabilities	7	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	5	-	-
O6	Participants without basic skills	42	-	-

### **I.P 2.2 Results More Developed YNYER**

<b>ID</b>	<b>Result Indicator</b>	<b>Minimum Target value for this call</b>
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	75%

### **I.P 2.2 Results Transition YNYER**

<b>ID</b>	<b>Result Indicator</b>	<b>Minimum Target value for this call</b>
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	75%

### **I.P 2.2 Outputs More Developed YNYER**

<b>ID</b>	<b>Output Indicator</b>	<b>Minimum Target value for this call</b>
CO23	Number of supported micro, Small and Medium-sized Enterprises (including cooperative enterprises, enterprises of the social economy)	30

### **I.P 2.2 Outputs Transition YNYER**

<b>ID</b>	<b>Output Indicator</b>	<b>Minimum Target value for this call</b>
CO23	Number of supported micro, Small and Medium-sized Enterprises (including cooperative enterprises, enterprises of the social economy)	8



## IP 2.2 Results Transition Humber

ID	Result Indicator	Minimum Target value for this call
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	75%

## I.P 2.2 Outputs Transition Humber

ID	Output Indicator	Minimum Target value for this call
CO23	Number of supported micro, Small and Medium-sized Enterprises (including cooperative enterprises, enterprises of the social economy)	17

## Outputs and Results Rationale

Applicants must explain in detail in their Full Application how they have estimated each of the outputs and results for their project, demonstrating clearly how each of the proposed outputs and results directly link to their specific project activities and objectives.

Applicants must also explain their approach for forecasting each deliverable; including the specific base-lining/research they have undertaken to ensure their projected profiles are realistic and achievable and any assumptions they have made which impact on their forecasts.

Where an applicant is proposing one or more output or result figures below the expected minimum target value for this call, an explanation must also be provided by the applicant in their Full Application.

ESF Outputs and Results Indicator Definitions Guidance is available on GOV.UK [here](#).

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 YNYER and Humber LEP areas. 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.

In addition, applicants applying for ESF funds under I.P 2.2 will be expected to complete a short annex, along with the standard application Full Application form. This is to ensure that full consideration is being given to the 'Value for Money' (VFM).

The [Annex for ESF IP 2.2](#) funding calls can be located on the European Growth Funding website pages.

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 'Document Checklist' 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 60%. This means ESF can contribute up to 60% of the total eligible project costs, subject to State Aid regulations. The remaining 60% 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.<sup>1</sup> Grant funding to any economic undertaking which is state aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation. Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

## **4.6 Funding Agreement**

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

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

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

## **4.7 Procurement**

All costs delivered by the Grant Recipient (the applicant) and/or delivery partners must be delivered on an actual cost basis. Other costs must be procured in line with EU regulations. The most common error identified during audit has been failure to 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

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

- 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.

For organisations applying for ESF funds through the Single-Stage Application process, the effective date for incurring eligible ESF expenditure will be the day after the relevant open call closing date. Any expenditure incurred by an ESF Direct Bid project prior to this date is ineligible.

However, any expenditure incurred by an ESF applicant, up to and including the date on which an ESF Funding Agreement is fully executed, will be at the applicant's own risk.

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

The ESF application process is a single-stage process – Full Application only. Applicants must fully complete the Full Application Form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. 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. 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 prior to the call closing date. 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@dwg.gsi.gov.uk](mailto:esf.2014-2020@dwg.gsi.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
- [Annex for ESF IP 2.2.](#)

## 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: -

1. Fully completed **Full Application Form** (Note that Sections 2.7 and 2.8 of the Full Application Form will not be applicable as this is a “one stage” application process);

2. Fully completed [Annex for ESF IP 2.2](#);
3. **Financial tables** (if the application is against more than one Category of Region, a financial table for each Category of Region);
4. **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);
5. A **visual, high level customer journey** document e.g. flow chart;
6. **Confirmation of match funding** from each funder (confirmation must be in place by the point of formal approval);
7. **Detailed Granular budget breakdown** (All costs must be itemised, eligible, appropriate for the project and profiled across the project period. The granular budget should also include all hourly rate figures, per job role, for staff working part-time or part of their time on the ESF Project – calculated using the 1720 hour rate calculation set out in the [ESF Programme Guidance](#) on GOV.UK. This includes match-funded staff roles);
8. **Equality and Diversity Policy and Sustainability Policy** (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);
9. **Independent state aid advice** (if applicable);
10. **Job Descriptions and Organogram** (covering all staff, including any delivery partner and/or match-funded staff posts);
11. **Applicants procurement policy** (if applicable);
12. **Draft SLA with Delivery Partners** (if applicable)
13. **Project level risk register** (this should cover areas such as financial risk, output risks, delivery risks etc. please ensure that the register covers how these risks will be managed and mitigated);
14. **Anti-Fraud Statement** (a statement on how you will deal with suspected fraud in your organisation and if appropriate, with your sub-contractors); 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 FVRA Applicant Template (for applications requesting annualised funding of greater than £1m)

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

## 9. Document Submission

Completed Full Applications must be submitted to

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

## 10. Timescales

Launch of Call advertised on GOV.UK	26 <sup>th</sup> February 2019
Deadline for submission of Full Application	21 <sup>st</sup> May 2019

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

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