2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals
European Social Fund

Priority Axis 2: Skills for Growth

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 2: Skills for Growth
Investment Priority	2.1: Enhancing equal access to lifelong learning 2.2: Improving the labour market relevance of education and training systems
Call Reference:	OC31S19P1338 SEM Digital Skills Resilience
LEP Area:	South East Midlands
Call Opens:	20 March 2019
Call Closes:	24 June 2019
Document Submission	Completed Full Applications must be submitted to ✉: **2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK**

Contents

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

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

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 Objectives	Results that the Member States seek to achieve with Union support
To address the basic skills needs of unemployed or 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 individuals from the existing level to the next level up, to encourage progression in employment.	The additional support from this investment priority will help employed people to progress at work through achieving higher skills, and it will drive growth in their organisation by improving productivity. We have set result targets for participants gaining qualifications or units – separate targets for level 2 and level 3.

To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.	The main result that will be achieved is that more participants will have gained a qualification or a unit of qualification. This investment priority will also support business growth through the development of a more highly skilled workforce. We have set a result target for participants gaining qualifications or units at level 3 or above.
To increase the skills levels of employed women to encourage progression in employment and help address the gender employment and wage gap.	The additional support from this investment priority will support women in raising the level of their skills, helping them to progress in employment or self-employment and achieve higher earnings. There is a result target about progression in work. This investment priority will also contribute to supporting business growth through the development of a more highly skilled workforce.

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IP 2.2 Specific Objective	Results that the Member States seek to achieve with Union support
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

1.2   Local Development Need

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

Local Economic Context

SEMLEP is a high-growth economy with over 85,000 businesses, providing £50bn of goods and services employing over 1m people. However, the current situation is a case of 'haves' and 'have nots', with one reaching capacity and the other not reaching potential.

As articulated in the SEMLEP Strategic Economic Plan 'Growing People' productivity and growth are being hampered by the lack of awareness of opportunities in key sectors and the access to relevant training. This was underlined in the most recent SEMLEP employer survey which cited lack of skilled labour and locally available training as the largest constraints to continued growth. With so high an overall employment average for the area, close examination of disparities in the workforce should suggest concerns in retaining the same demographics in employment. A skilled workforce is central to sector-led growth and investment in skills will drive the

increased productivity. To support 'more and better jobs' we need to ensure there is a supply of appropriate skills available at all levels to meet employer demand.

Measures of the skills mismatch between those employed, those seeking work and employers can be identified combining analysis of SEMLEP's Employer Survey vacancies and recruitment data with our most recent statistical refresh of social and employment demographics [April 2017]. Changing age demographics are affecting individuals at both ends of the spectrum with the over 50's at risk of becoming obsolete with new technologies. It is forecast that by 2030 half of all adults in the UK will be over 50, whilst young people are struggling for opportunities to move into jobs held by older people.

The importance of IT and digital sectors cannot be under estimated. There are huge opportunities for unemployed people to move into employment and for employed people or self-employed people including SMEs to upskill and retrain given the right support and knowledge. Productivity and growth are being hampered by the lack of awareness of opportunities in key sectors, access to relevant training and untapped economic activity is restricting growth.

The introduction of automation and digital technology including AI and the use of big data could potentially result in changes in lower and middle skilled occupations for close to 200,000 people in the SEMLEP area over a transitional period. This is particularly relevant within the health and social care, manufacturing, administrative/support sectors, construction, logistic, aviation and retail sectors. Areas most likely to feel the biggest impact in numbers include Milton Keynes, Northampton, Luton, Central Bedfordshire and Bedford.

Local Priorities

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

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

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

IP 2.1 SEMLEP Local Priorities

IP2.1 initiative's focus on improving the skills of individuals (employed and unemployed in response to redundancies) to meet their goals and to encourage progression in work.   In January 2016 the Department for Business, Innovation and Skills, now BEIS, and the Department for Culture Media and Sport published 'Digital Skills for the UK Economy' [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/492889/DCMSDigitalSkillsReportJan2016.pdf].   Since then considerably more work has been done to identify and understand what is meant by 'digital skills' and what the needs are.   Please refer to the following documents

- An Essential Digital Skills Framework has been published by the DfE at https://www.gov.uk/government/publications/essential-digital-skills-framework

- A digital skills playbook has been published by Good Things Foundation, Tech Nation and Department of Culture Media and Sport
- https://www.goodthingsfoundation.org/sites/default/files/v0.3_local_digital_skills_partnerships_a_playbook.pdf

As highlighted by these documents individual skills training requirements is based on their starting point. Whilst there is no one model that supports this there is a need for a lifelong learning approach that enables individuals to up-skill and change roles, and/or develops transferable skills to help them to progress within employment. The Federation of Small Business classify digital skills in the workplace: as 'the ability to find, evaluate, utilise, share and create content using IT and the internet'. By definition digital skills are any skills related to being 'digitally literate'. However, to an extent all jobs be it marketing, customer services, sales -all require a basic level of 'digital skills' as listed above.

Individual's work profiles are changing; people are working longer, and more people have 'portfolio' careers. This is particularly relevant to individuals who suffer potential work poverty due to insecure, part-time work and zero-hour contracts across all sectors including retail.

To demonstrate a digital pathway as an example:

Basic Literacy and Numeracy Skills (Core Competence)

For some individuals the pathway to acquiring digital skills is to start at the beginning. For example 50+ individuals who have no school qualifications and now find themselves out of work are excluded from potential work opportunities. There is a need to work with this cohort to refresh basic literacy and numeracy so that they can progress to the next level.

Basic Digital Skills (Core Competence)

First steps to getting online (e.g. how to turn on a laptop or access the tools on a smartphone) through to basic online activities such as sending emails, searching for

information online, online transactions such as filling in forms, using public services, banking, and applying for work.

In order to build these skills, many people need to overcome barriers linked to access to digital resources such as equipment, power, broadband/WIFI and maintenance; information, guidance, motivation, confidence and trust.

Digital Literacy (Core Competence)

Digital skills for both life and work where the main content is around the use of spreadsheets, word processing and presentation software, along with personal and business data protection.

Evidence of attainment can be through qualifications-based learning, digital badges, community or workplace training and informal learning.

Specialist Digital Skills (Key Employability Skills)

These specialist digital skills are of particular relevance to businesses that are 'digital enablers'.

The term covers a wide range of sectors in the UK and internationally and describes businesses that use a digital technical service/ product/ platform/ hardware in their product or services – that can be widely applied to virtually any industry or market.

Digital enablers provide the leading edge of market provision and development across a range of activities including construction, housing, Agritech, financial services, engineering, life sciences and design.

There is an increasing use of digital, sensors, ICT, software, big data and AI to deliver new and integrated solutions to business activities, buildings, houses and utilities; and to offer community/resident benefit through health, lifestyle, or transport/mobility solutions.

The skills required to work and progress in these businesses could include coding, Artificial Intelligence, cybersecurity, digital marketing, digital creativity, data science and a range of other specialist areas.

1. For young people this might include learning specialist digital skills at school, college or university. It might also include out of school activities such as coding clubs.

2. For adults this might include specialist programmes of higher education in universities, specialist work-based training for specific roles, or courses that allow them to retrain for new careers in technical areas of all industries including traditional sectors.

This call offers support for a wide range of jobs and skills.   As well as building productivity and skills resilience for individual's applications that support the following target groups will be prioritised;

- Support for women whose first language is not English enabling them to access training at the appropriate level to help them progress from part time or zero-hour contracts to full time employment.
- Tailored support for over 50s to develop transferrable skills enabling them to retrain and remain in work.
- Support individuals with a disability or mental health issue to access support to assist them to enter employment, remain within the work place and progress within employment

IP 2.2 SEMLEP Local Priorities

A holistic Employer led Programme approach will utilise Priority Axis 2 of the 2014-2020 ESF Operational Programme and directly engage employers to identify and address their skills needs; to be more involved in designing, delivering and enhancing the labour market relevance of education and training systems for their workforce.

This Call seeks applications that will deliver an employer led approach to develop, trial and deliver the skills requirements of SEM businesses. The focus of any proposed project must relate to 'business needs' that are 'employer identified' with the beneficiary businesses being those involved in the project.

To this end, we encourage project applications that will support the employment of independent and impartial skills brokers to work alongside the SEMLEP Growth Hub to assist employers in articulating their aggregated demand for skills, and to work with consortia of training providers in the successful delivery of training packages to meet those needs.

These packages of support will focus on developing the skills and competencies needed by SME's to work successfully in the key growth sectors. IT and digital skills will be the key underpinning theme of all the training packages.

Innovative support is sought to engage with SMEs providing tailored provision for all skill levels and focus on target participants to upgrade the knowledge, skills and competencies in key sectors - addressing a lack of skills at practical and technical levels.

Applicants are advised that any proposed activity needs to:

- demonstrate and evidence how they will work with employers to identify their skills needs.
- ensure and be able to demonstrate the additionality and innovative (new or new to SEM) nature of developed programme content and delivery solutions.
- ensure that, where relevant, the programme content is trialled within the beneficiary businesses and supports flexible learning and delivery models (e.g. delivery on employer sites, business cluster approach, evening, online learning platforms and modules).
- ensure clear linkages and alignment with ERDF funded programmes aimed at supporting businesses e.g. Growth Hub, as well as other ESF and mainstream funded programmes aimed at delivering development and

skills based programmes. These might include both current and emerging projects.

Interventions are encouraged but not limited to:

- Distance learning and blended learning
- Developing skills and refreshing skills for new technologies
- Developing generic training packages that can then be tailored to different businesses or sectors
- Training and peer learning for individuals to gain skills at all levels (including leadership skills)
- Provision of grant funding towards the cost of learning for employees - targeted at disadvantaged individuals (primarily accredited but also, where relevant, non-accredited learning)

1.3   Scope of activity

This call invites F 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 systems** of the European Social Fund Operational Programme and responds to the local development need set out in the South East Midlands (SEM) 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.

For further information, please refer to:

South East Midlands 2017-2020 Implementation Plan
South East Midlands 2017 ESF Data Refresh
South East Midlands 2017 Skills Strategy http://www.semlep.com/esif/.
https://www.semlep.com/industrial-strategy/
https://www.semlep.com/strategic-economic-plan/

2. Call Requirements

All applications are competitive.

Indicative Fund Allocation:	Indicatively, through this call the Managing Authority expects to allocate approximately £**1.4m ESF**
	IP 2.1 £600,000 ESF
	IP2.2 £800,000 ESF
	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.
Minimum application level	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 **£150,000 for IP 2.1 of ESF to any single project.** The Managing Authority does not intend to allocate less than **£200,000 for IP2.2 of ESF to any single project** **Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected** As the call spans two Investment Priorities, applicants will need to provide separate financial and indicator tables per Investment Priority.
Duration of project approvals	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. All ESF Projects must be completed by 31st December 2023. Project costs cannot be incurred beyond this date.
Geographical Scope	All interventions should be focused on activity and beneficiaries within the South East Midlands Local Enterprise Partnership area.
Specific call requirements	This is a call for ESF activity.
Call Deadlines	For this specific call, applications will be appraised following closure of the call. Applications received after the published call close date will not be considered.
Application selection	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to offer ESF funding where a project complements other activity or provides niche activity to target groups within the ESF Operational Programme.
Applicant proposals	These can only contain activities which are eligible for ESF.
Eligible match funding	Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. The applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.
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.
Calls listing multiple activity (delete if not appropriate)	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

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

3. Deliverables required under this Call:

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

Investment Priority	2.1 Enhancing equal access to lifelong learning
Specific Objectives	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Indicative Actions	ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners. Examples of activities that may be supported include: • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in Small and Medium size Enterprises (up to 250 employees); • training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace; • access to learning; information about learning and skills; • brokerage of opportunities between learners and employers.

Result Indicator

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%

Output Indicator

ID	Output Indicator	Total Minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	1212)	609	603
O4	Participants over 50 years of age	255	-	-
O5	Participants from ethnic minorities	206	-	-
ESF - CO16	Participants with disabilities	145	-	-
ESF - CO14	Participants who live in a single adult household with dependent children	79	-	-
O6	Participants without basic skills	255	-	-

Investment Priority	2.2 Improving the labour market relevance of education and training systems
Specific Objectives	To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and micro businesses.
Indicative Actions	ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities, including provision co-designed with local partners. Examples of activities that may be supported include:

	• support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry-relevant experience and skills; • 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; • brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains; • promoting apprenticeships (especially at advanced levels in manufacturing and other priority sectors) by developing a supportive environment for employer engagement; • developing better links with business to equip students with the skills to start and grow a business to meet local business needs.

Result Indicator

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%

Output Indicator

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)	84
O1	Total number of participants	There is no target value for this call however applicants will be expected to provide a total number of

		participants the project is aiming to support in both the application and associated Indicators Annex.

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 South east Midlands 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 '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 50%. This means ESF can contribute up to50% 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

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[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."

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
- 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@dwp.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

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

10. Timescales

Launch of Call advertised on GOV.UK	20 March 2019
Deadline for submission of Full Application	24 June 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