



Department
for Work &
Pensions



European Union
European
Social Fund

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Social Fund

Priority Axis 1: Inclusive Labour Markets

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 1: Inclusive Labour Markets
Investment Priority:	1.4: Active Inclusion
Call Reference:	Inclusive Growth Action Research Programme OC20S19P1360
LEP Area:	Leeds City Region
Call Opens:	4 April 2019
Call Closes:	27 June 2019
Document Submission	Completed Full Applications must be submitted to ✉: 2014- 2020.ESFAPPLICATIONS@DWP.GOV.UK

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1. Call Context

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

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 1 of the Operational Programme: Inclusive Labour Markets** and **Investment Priority: 1.4 Active Inclusion** as set out in the Operational Programme.

All applications will need to be eligible under the European Social Fund Operational Programme for England 2014 to 2020. The [ESF Operational Programme](#) is available for applicants to read.

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be appraised as part of a single-stage appraisal process and successful applicants will enter into a funding agreement with the DWP. Further information is given in sections 4 to 10.

All ESF applicants will need to be aware of the requirement to collect and report data on all participants as per Annex 1 (see Appendix A). This will be as well as the requirement of reporting on output and result indicators referred to in section 3 of the Call for proposal.

1.1 National Context

This priority axis aims to increase participation in the labour market and thereby improve social inclusion and mobility. It will support activities through:

Investment Priority: 1.4 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

ESF will not fund activity that duplicates or cuts across national policy on grants and loans for tuition for skills activities. Exemptions to this principle will be considered only where a local specific need and/or market failure has been demonstrated and where the activity falls within the scope of the Operational Programme.

Full details of what can and cannot be supported under this Investment Priority are set out in the Operational programme. Details of the specific objectives have been reproduced below.

Specific Objective	Results that the Member States seek to achieve with Union support
To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.	<p>The additional support for this investment priority will help people who are distant from the labour market and require intensive support in addressing their multiple, profound and complex barriers to participation in the labour market.</p> <p>The main result will be that people address their complex needs and therefore are better able to engage in labour market activity. There are output targets for disadvantaged sub-groups and result targets for movement into work and increased labour market activity.</p>
To engage marginalised individuals and support them to re-engage with education, training, or in employment.	<p>The additional support from this investment priority will help participants to move into employment, education or training. They will have a range of barriers and will be distant from the labour market or education/training. They will require intensive, tailored support.</p> <p>The main result that will be achieved is that more participants will be in education, training or employment upon leaving.</p>

1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.4 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

Local Priorities:

Local Economic Context

Leeds City Region is the biggest city region economy in the country, with an annual output of £69.6bn representing 5% of the English total. It hosts 119,000 businesses, 3 million residents and a workforce of 1.4m. Nine Higher Education institutions and 14 Further Education Colleges are based in the City Region, which is home to a student population of around 230,000.

Despite the City Region's undoubted economic strengths and assets, it is not realising its full potential. The decline of heavy industry has left a legacy of pockets of serious deprivation and an economy that is less productive than those in many other parts of the country.

The revised vision for the City Region is to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone. This revised vision places a greater emphasis on "good growth", where a radical uplift in growth, productivity and business success goes hand in hand with quality jobs that connect all people and places to opportunity and improved quality of life. Achieving the vision will mean that our economy becomes stronger, more dynamic and resilient, and will be on course to consistently improve performance compared to national averages and international competitors over time.

The original Leeds City Region Strategic Economic Plan (SEP) was agreed in 2014, and has been updated to reflect the new focus on good growth and to account for economic change since the initial publication. The following thematic priorities were set out in the revised SEP:

PRIORITY 1: Growing Businesses

PRIORITY 2: Skilled People, Better Jobs

PRIORITY 3: Clean Energy and Environmental Resilience

PRIORITY 4: Infrastructure for Growth

Challenges and opportunities in Leeds City Region

A central element of inclusive growth is about creating more and better jobs and making sure that everyone can connect to them. Widening access to high quality jobs through effective education / training, transport and employment support is crucial. National research shows that raising participation in employment among groups furthest from the labour market is the key to raising the overall employment rate and addressing regional disparities. Labour market exclusion in the City Region needs to be considered from a spatial perspective (deprived neighbourhoods) and a demographic perspective (specific groups furthest from the labour market).

There are entrenched pockets of acute deprivation in the City Region. The latest Index of Multiple Deprivation (2015) indicates that, overall, 17% of neighbourhoods are classed within the 10% most deprived in England. At district level deprivation is most pronounced in Bradford (33% of neighbourhoods in the 10% most deprived nationally), followed by Leeds (22%). A large proportion of the affected neighbourhoods have been amongst the most deprived for more than a decade.

There are also a number of groups of considerable size which are disadvantaged in the local labour market, including the disabled, older workers and some ethnic minority groups. Participation in employment is much lower for these groups and they face significant barriers to employment entry and to progression in the workplace.

Ethnic minorities

Ethnic minorities represent a significant group in the City Region with a population of around 270,000 or 15% of the total working age population.

This population is heavily concentrated in three districts: Bradford (37% of total), Leeds (28%) and Kirklees (21%), which account for 85% of the total ethnic minority population of the City Region. More than half (51%) of the ethnic minority population is classified as Pakistani / Bangladeshi.

In the City Region there is a 22 percentage point gap between the employment rate of white people (77%) and people from ethnic minorities (57%). This employment rate gap is much wider than the 12 percentage point gap seen at national level (77 per cent versus 65%).

An important contributor to the size of the local employment rate gap is the particularly low employment rate of the largest Bangladeshi and Pakistani ethnic group, whose rate is only 50% (giving a 27 point gap with the white group). In addition, the employment rate gap is much wider for females. The rate for Bangladeshi and Pakistani women stands at only 31% compared with 73% for white females. There is some evidence of a convergence between the white and ethnic minority employment rates both locally and at national level but this is a very gradual process.

In some instances entry into employment and progression in the workplace may be limited by a lack of skills. With regard to Yorkshire and the Humber, members of the Pakistani / Bangladeshi ethnic group are less likely to be qualified at level 4 and above but twice as likely to hold no formal qualifications (source: Labour Force Survey).

A significant proportion of people from this group are not able to speak English well or cannot speak it at all – particularly older people from Pakistani / Bangladeshi groups. This is important because a relatively low proportion of people who lack proficiency in English are in employment in the City Region – around 40%. This is more than 30 points lower than the rate for people whose main language is English.

This presents a particular issue because there has been a substantial decline in the availability of ESOL provision in recent years. Participation in ESOL courses in the

City Region fell by 32% between 2012/13 and 2016/17 (source: Education and Skills Funding Agency).

There are also cultural barriers to vocational training and apprenticeships among some ethnic groups, particularly Pakistani / Bangladeshi groups. For example, only 10% of apprenticeship starts in the City Region are for people from an ethnic minority, considerably lower than the 15% representation of ethnic minorities in the working age population (source: Education and Skills Funding Agency).

Among low-paid workers ethnic minorities especially face multiple problems in getting promoted. General difficulties include unequal access to opportunities for development; unclear information about training opportunities; and stereotyping. Additional barriers for ethnic minority staff are low self-confidence and language skills, a lack of ethnic minority role models in leadership positions and a lack of organisational understanding of ethnic minority communities. This is resulting in persistent in-work poverty, and a disproportionate number of ethnic minorities in low-paid work.

People with disabilities

Disabled people are a sizeable group and are much less likely to be in the labour market or in employment. Around a fifth (21%) of the working age population in the City Region have a disability (395,000 people). Leeds has the greatest number of disabled people of the districts in the City Region, at 95,000, followed by Bradford at 67,000, but the district with the highest proportion of disabled people of working age is Wakefield (26%).

Just over half of disabled people in the City Region (56%) are economically active and 52% are in employment. In contrast, 83% of people without a disability are economically active and 79% are in employment. This means that around 170,000 disabled people of working age are economically inactive and 17,000 unemployed (on the ILO definition) in the City Region, compared with 205,000 disabled people in employment.

The employment rate for disabled people in the City Region improved by 5 percentage points between 2012/13 and 2016/17 but the employment rate gap fell by only 1 percentage point (compared with a fall of 2 points at national level). (Source for all statistics: Annual Population Survey, July 2016 to June 2017)

People with mental health conditions and learning disabilities are considerably more disadvantaged than other impairment groups, in terms of employment rate, type of work and level of unemployment, according to national studies.

[National data](#) show that disabled adults are three times as likely as their non-disabled peers to have no qualifications at all. But skills can help disabled people to improve their labour market position. The gap between the employment rates of disabled and non-disabled people with no qualifications is 35.7%; with a degree, only 15%.

National studies show that disabled people are more likely than non-disabled people to report a number of barriers to work, such as difficulties with transport, the attitudes of employers or colleagues, anxiety or lack of confidence, and issues relating to

access and support. Family and caring responsibilities are a particular issue with disabled women (as for non-disabled women).

Disabled people are also disadvantaged once in employment, according to national data. They are more likely than non-disabled people to work part-time and to do lower skilled jobs. Consequently, the disability pay gap in Britain continues to widen. In 2015-16 there was a gap in median hourly earnings: disabled people earned £9.85 compared with £11.41 for non-disabled people.

Very low numbers of disabled people are taking up apprenticeships in the City Region. People with a disability account for only 10% of total starts, as compared with the total representation of 21% of disabled people in the working age population.

Sources: Equality and Human Rights Commission (2017) Being disabled in Britain: A journey less equal. Equality and Human Rights Commission, London. Coleman, N., Sykes, W., and Carola, G. (2013). Barriers to employment and unfair treatment at work: a quantitative analysis of disabled people's experiences. Equality and Human Rights Commission, London.

Older workers

People are living longer, healthier lives but pension schemes are no longer offering generous provision for older age, placing an onus on people to provide for themselves. This creates a strong imperative for older people to get into high quality employment – this is important for the individual but also for the wider economy in terms of maximising available skills base in economy.

Participation in employment has increased for this group in recent years with an additional 68,000 people in this age group in employment in the City Region compared with 2011 (source: Annual Population Survey). Employment among people aged 65+ has also grown strongly, with an additional 13,000 people in work since 2011.

Nonetheless, the employment rate for older people is much lower than for the prime age group – at 70% the rate is 13 points lower than that of 25-49 year olds, equivalent to 75,000 people in real terms. There are around 8,000 people aged 50-64 who are unemployed in West Yorkshire and a further 18,000 who are economically inactive but would like a job (source: Annual Population Survey).

One of the key characteristics that impacts on employability and capacity to get a new job is the qualifications held by an individual. Employment rates for people with no formal qualifications are much lower than for people who are well-qualified. In this regard older people in the City Region are much less likely to be qualified at level 4 and above and more likely to hold no formal qualifications at all (source: Annual Population Survey).

Call Outline

Active research and solutions for key systemic issues employment, education and skills are major factors in promoting social inclusion and combating poverty. The

Employment and Skills Board of the LEP and the 'Inclusive Growth and Public Policy Panel' lead the work to tackle the key issues of a low wage, high living cost economy. The partnerships seek to use the economy as a driver to address social innovation, promote equality and equity, encourage participation and improve employability. This will help enable people in Leeds City Region to look forward to a more inclusive society, with an innovative approach to problem solving, providing individuals and families with a better balance between income and cost.

The ESF Operational Programme 2014-2020 (Page 108) has identified that ESF will promote social innovation, in particular with the aim of testing, evaluating and scaling up innovative solutions, including at local or regional level, to address social needs, in partnership with the relevant partners and, in particular, social partners.

The aim of this Call is to work with target priority groups to deliver specific interventions that will support participants, using or further developing an evidential base, including new approaches to engage, build trust and confidence, deliver soft and basic skills to enable them to progress into the wider Employability Programmes (mainstream or ESF).

Applications should develop collaborative and innovative solutions that will address the underlying key challenges of high household costs, low earnings, household income, employability, poverty and debt. These are underlying societal issues that have affected parts of the Leeds City Regions for a long period of time but each impacts on the ability of individuals to progress and therefore the economy to grow.

Applications are sought which;

1. **Undertake 'active primary research'** to develop activities to tackle the challenges highlighted above. Projects will need to outline processes for identifying social innovation and action learning opportunities and how these are best developed. The use of 'experts by experience' may be key in the solution definition;

and/or;

2. **Undertake 'active research'** to develop activities to tackle the challenges highlighted above by using **existing research/findings** which can be tried and tested in a different way e.g. with a different target group, in a different area, by adding to the identified approach/findings. Projects will need to outline processes for identifying social innovation and action learning opportunities and how these are best developed. The use of 'experts by experience' may be key in the solution definition.

Proposals can take place at any geographical area(s) as long as the rationale for the model can be justified based on need i.e. one approach may be better trialled in a particular geographical area of disadvantage, whereas another may wish to pilot activity across a bigger geography but for one particular target group e.g. people with disabilities.

Projects should support economic growth through social innovation in relation to:

- Greater clarity in defining issues from a user perspective: including increased active engagement of users in project design and implementation
- Support to access suitable skills
- Extending local employment opportunities to a wider pool of the potential workforce
- Strengthening the evidence base for other innovative projects both in and out of Leeds City Region to avoid unnecessary duplication of effort
- Ensuring the evidence base and evaluations are made publicly available
- Consider community based delivery, peer mentoring and in-work support
- Shaping future links within e.g. a place based approach

Tackling the systemic and endemic issues facing the City Region is key to long term success. This Call focuses on securing:

- robust evidence bases: both qualitative and quantitative – undertaking primary research as well as using secondary research to trial or pilot something more locally or with a particular target group (to include the views of service users / potential beneficiaries)
- the design, development and delivery of solutions including relevant pre-employment training and skills. **It is noted that pure research activity should only represent a small part of the focus and is not the anticipated outcome: projects must engage users and implement delivery solutions based upon identified needs for example through co-design.**
- trialling and testing as part of the new approach.
- alternative and sustainable delivery models e.g. how digital access can be expanded and made more flexible to engage with and support individuals facing a range of barriers, how 1:1 support can be utilised to deal with a range of issues e.g. supporting individuals, initially in their own home, as a route to progression

Key areas for consideration for engagement, research and solution finding are;

- Inclusion of individuals with learning difficulties/disability and those who experience physical disabilities that can affect access to sustainable work
- Intergenerational issues (applicants should show how any new activity will align with the BBO programmes which work with families facing difficulties within the City Region as well as the main Governments Troubled Families programme)
- Individuals who have experienced sexual violence or domestic abuse
- People experiencing mental health issues
- 50+ age group
- Care Leavers (care leavers who are NEET are significantly more likely to have mental health problems which require admission, be in prison, commit suicide, become street homeless and perpetuate the cycle by having children who come into care. Getting into EET is the most significant way of this being averted. There is an issue of providing different services to care leavers now and also in the longer term maintaining young people in EET post 21 when many of them for many reasons have less contact with the social work service.)
- Carers

- Marginalised communities (e.g. 17% of Leeds City Regions neighbourhoods are in the 10% most deprived nationally; rurality and access to appropriate transport, services and employment are ongoing issues as well as access to IT and fuel poverty)
- Health and Wellbeing: Links between ill health and long term unemployment have been recognised for some time resulting in a range of issues such as low self-confidence, loss of skills, isolation etc.
- Money Management Skills and Debt Reduction: This aims to reduce household indebtedness and strengthen the financial resilience of communities, families and individuals. The poorest people pay the most for credit/debt yet most of their repayments leak from the local economy. Targeting those with badly financed debt will therefore be one of the most significant factors in moving towards the EU GVA average. Skills development that includes, for example, money management, personal budgeting, smart money type packages that support engagement and inclusion should be considered.
- Food Insecurity
- Those who suffer from rural isolation e.g. where access/transport issues are a barriers to gaining and sustaining employment.

We would invite applications from organisations that can offer an evidence based approach to meet societal issues over and above those identified above relevant to the Leeds City Region area offering alternative and innovative delivery methods throughout. The service must be able to demonstrate how it will overcome logistical and financial challenges in order to deliver high quality opportunities for individuals.

Key to the success of projects will be alignment with the 2014-2020 Community Led Local Development (CLLD) activity currently being delivered in particular disadvantaged areas within the City Region, with the Big Lottery Building Better Opportunities Programmes as well as alignment with the newly approved Leeds City Region Community Grants programme. This is not a definitive list and applicants should consider new and emerging ESF funded programmes as well as mainstream delivery. This will ensure the projects complement and do not duplicate other activity.

Applications should be clear in demonstrating how the required outputs and results will be achieved to ensure delivery of the project will be successful.

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

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.

Details of the local ESIF Strategy can be found at: insert hyperlink here

1.3 Scope of activity

This Call invites Full Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.4 Active Inclusion** of the European Social Fund Operational Programme and responds to the local development need set out in the Leeds City Region Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

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

2. Call Requirements

All applications are competitive.

Indicative Fund Allocation:	Indicatively, through this Call the Managing Authority expects to allocate approximately £3.5m ESF funding 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 £875,000 of ESF to any single project. Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected 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.
Duration of project	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 31 st December 2023. Project costs cannot be incurred beyond this date. NOTE: Delivery of activities and associated costs can be incurred up to and including 31 st December 2023, with the full and final claim expected no later than February 2024.

Geographical Scope	All interventions should be focused on activity and beneficiaries within the Leeds City Region 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 outcomes 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	1.4 Active Inclusion.
Specific Objectives	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Indicative Actions	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported include:</p> <ul style="list-style-type: none"> • basic skills and ESOL training, including additional support with basic skills in preparation for apprenticeships; • support for those who need pre-traineeship and pre-Work Programme assistance, to prepare them for the next step; • support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction; • money management support and advice and financial literacy programmes in order to address deep seated debt issues which make moving from benefit into work more challenging; • digital and internet literacy courses to aid job searching, access to benefits and progress in work; • volunteering and training opportunities (as a pathway back to work) for marginalised individuals / groups / communities to help them access jobs in low carbon sectors or land drainage flood risk management or work that supports property level protection against flooding; • local ‘Community Grant’ type activity to support small scale voluntary sector activity which can be crucial to reaching out to these groups; • first contact engagement activities (for example, arranging events in places that people feel comfortable to visit); • local networks and groups to support people to get a job or access learning (for example, Job Clubs or Learning Champion type activity) to provide people with a safe environment and peer support; • softer skills development (for example, assertiveness, anger management and motivation); • volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market. <p>The investment priority may also encourage Social Investment models (e.g. social impact bonds) by providing outcome funding that enables payment by results programmes to be established to support the Government’s agenda on Social Justice and</p>

	<p>encourage innovative delivery models within local communities. The focus would be on disadvantaged individuals and families, e.g. in areas such as employment, training, drug addiction and other issues which are usually part of the cycle of deprivation.</p> <p>To complement other thematic objectives, the investment priority may support activities that are designed to promote social inclusion whilst also tackling environmental issues such as environmental protection, waste recycling, energy efficiency, and renewable energy. These activities are relevant across all types of territory.</p>
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Results Table

ID	Result Indicator	Minimum Target value for this call
ESF-CR02	Participants in education or training on leaving	17% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	22% More Developed
R1	Unemployed participants into employment (including self-employment) on leaving	14% More Developed
R2	Inactive participants into employment, or job search on leaving	27% More Developed
R4	Participants with childcare needs receiving childcare support	36% More Developed

Outputs table

ID	Output Indicator	Total minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	2906	1453	1453
ESF –CO01	Unemployed, including long-term unemployed	1017	-	-
ESF – CO03	Inactive	1889	-	-
O4	Participants over 50 years of age	726	-	-
O5	Participants from ethnic minorities	523	-	-
ESF - CO16	Participants with disabilities	668	-	-

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 Leeds City Region LEP area. All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

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

4. General Information

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

4.1 Compliance and Eligibility

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

European Structural Investment Funds (ESIF) are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the '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 to 50% of the total eligible project costs, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources. For all full applications, the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.

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

4.3 Applicants

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

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

4.4 Cross Cutting Themes

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

For ESF, the project applicants will be required to deliver their services in-line with the Public Sector Equality Duty (as defined in the Equality Act 2010). All projects must have a gender and equal opportunities policy and implementation plan which will be submitted at full application stage and in-line with Managing Authority guidance. Project applicants will also be required to answer a number of ESF-

specific equality questions which will be set out in both the full application form and the related guidance.

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

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

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

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

4.5 State Aid & Revenue Generation

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

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

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

4.6 Funding Agreement

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

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."

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 OP and the Call.

Proposals that pass the Gateway Assessment will move into the Core Assessment which consists of the following:

- Strategic fit;
- Value for money;
- Management & control;
- Deliverability;
- Procurement / tendering; and
- State Aid compliance.

The Managing Authority will seek advice from partners when considering applications to ensure its appraisal is informed by local economic growth conditions and opportunities within the context of Operational Programmes and the local ESIF Strategy. This will include the relevant LEP Area ESIF Committee and other partners deemed relevant to the application.

The appraisal and any prioritisation will be undertaken using only the information supplied as part of the application process. The Managing Authority cannot accept further detail outside this process.

Non-public sector Applicants may be subject to due financial diligence checks. 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@dpw.gov.uk

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

7. Key Documents

- Full Application Form
- Full Application Form Guidance

- Financial Annex
- Indicator Annex
- Local Enterprise Partnership area's ESIF strategy; and
- National ESF Eligibility Rules.

8. Document Checklist

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

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. **Financial tables** (if the application is against more than one Category of Region, a financial table for each Category of Region);
3. **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);
4. A **visual, high level customer journey** document e.g. flow chart;
5. **Confirmation of match funding** from each funder (confirmation must be in place by the point of formal approval);
6. **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);
7. **Equality and Diversity Policy and Sustainability Policy** (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);
8. **Independent state aid advice** (if applicable);
9. **Job Descriptions and Organogram** (covering all staff, including any delivery partner and/or match-funded staff posts);
10. **Applicants procurement policy** (if applicable);
11. **Draft SLA with Delivery Partners** (if applicable)
12. **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);
13. **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.gov.uk

10. Timescales

Launch of Call advertised on gov.uk.	4 April 2019
Deadline for submission of Full Application	27 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