



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

<b>Managing Authority</b>	Department for Work and Pensions (DWP)
<b>ESI Fund</b>	European Social Fund
<b>Priority Axis:</b>	Priority Axis 1: Inclusive Labour Markets
<b>Investment Priority:</b>	1.4: Active Inclusion
<b>Call Reference:</b>	Cornwall and Isles of Scilly Community Grants OC05S19P1387
<b>LEP Area:</b>	Cornwall and Isles of Scilly
<b>Call Opens:</b>	25 April 2019
<b>Call Closes:</b>	18 July 2019
<b>Document Submission</b>	Completed Full Applications must be submitted to ✉: <a href="mailto:2014-2020.ESFAPPLICATIONS@DWP.GOV.UK">2014- 2020.ESFAPPLICATIONS@DWP.GOV.UK</a>

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# 1. Call Context

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

The Government has confirmed that it will guarantee funding for ESF projects that are contracted by the end of 2020. Whatever the outcome of the EU negotiations, this guarantee will stand. This ensures that UK organisations, such as charities, businesses and universities, will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before the end of 2020, even in the event of a no-deal. Details of the guarantee can be found at the following [website link](#).

All contracted ESF projects must be completed by the end of the programme period in 2023. Each application for ESF will be required to demonstrate that it delivers good value for money and domestic strategic priorities.

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.

<b>Specific Objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
<p>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>	<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>
<p>To engage marginalised individuals and support them to re-engage with education, training, or in employment.</p>	<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:

One of the dominant contributory factors to a country's productivity and economic growth is the education, training and skills of the working age population. In Cornwall and The Isles of Scilly (C&IoS) the percentage of people with no qualifications has remained relatively static in terms of total percentage of 16-64 year olds and also as percentages of the economically active and those in employment.

Evidence to support this procurement can be found at the CloS LEP website. (Employment & Skills Strategy 2016-2020 and Evidence Base).

The Cornwall & Isles of Scilly Integrated Territorial Investment Strategy (ITI) also addresses how the economy faces a number of challenges which are reflected in low wages, low productivity and relatively low skills attainment. Applications should ensure alignment with Conditions for Growth where investments, which will address continuing blocks to growth, in infrastructure and human potential, are identified.

The ITI Strategy (April 2016) can be found at [C&IoS ITI Strategy](#) and specific strategic fit is identified in:-

**Conditions for Growth Objective 4:** To develop communities that are economically and socially resilient, sustainable and inclusive

**Conditions for Growth Objective 5:** To improve progression into the labour market

### Local Context

Employment, education and skills are major factors in promoting social inclusion and combating poverty. The Employment and Skills Strategy and the Inclusion Cornwall Strategy frame 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 Cornwall and the Isles of Scilly (C&IoS) to look forward to a more participative engagement in our inclusive growth ambition. Innovative approaches to problem solving, creative engagement with individuals, families and communities in co-design and co-production towards a more inclusive society are essential in addressing the systemic challenges faced.

The aspiration is to offer innovative, sustainable delivery methodologies reaching people from local unemployed and inactive as well as disadvantaged and minority groups. The aim is to provide opportunities to develop models and activities that will engage individuals, help build relationships and confidence and design solutions leading towards employment at a micro level through the use of small scale grants.

## Key Statistics impacting upon and improving employability

Low Earnings and Debt are key issues and in 2016 median gross annual earnings for all employees in C&IoS equalled £17,873, 77% of the UK average (£23,099). The average household in C&IoS has higher costs compared to the national average, including water and sewerage, energy, fuel, transport and housing. High household costs with low average earnings leads to issues of debt and financial instability, with high levels of deprivation in some areas. This is both a reflection of the micro SME dominated economy and the low skill level of the workforce.

There are particular issues facing the Isles of Scilly. The geographic isolation of the islands directly affects the economic, social and environmental needs of communities and businesses. Whilst the islands enjoy high levels of employment (with high levels of self-employment), individuals frequently have multiple seasonal jobs.

Despite common perceptions, there are high levels of poverty, including within households in employment. Work by Experian identified that 26% (59,000) of households in Cornwall are 'at risk of poverty'. This places Cornwall in the worst 5% areas in the UK. Low pay is associated with in-work poverty, replacing unemployment as one of the major drivers of poverty.

- Taken from a CAB Press Release publicising their 2015/2016 Annual Report the number of people seeking help and advice in Cornwall and the Isles of Scilly for problems ranging from debt to benefits and pensions to housing has risen by 19% to 19,000 between 2014-15 and 2015-16.
- Recent work has identified that parental employment is the single biggest determinant of family income and children in out of work families are at a high risk of poverty. Child poverty levels remain static, with approximately 18% of all children and young people aged 0 to 19 in Cornwall considered to be in poverty, and the EU investment will help meet the challenge this poses to the C&IoS society and economy.
- 40% of employees resident in Cornwall fall below the 'Low Pay Threshold'. When combined with higher than average living costs (particularly housing), the impact of low pay can be significant.
- Statistics (Nomis April 16 – March 17) identify that 28.3% of those aged 16-64 in Cornwall are identified as being economically inactive and long term sick. This is a much higher figure than those for the South West (20.7%) and GB (22.1%). Employment Support Allowance (ESA) and Incapacity Benefit (IB) recipients represent 6.7% of the 16-64 population in Cornwall compared with 5.5% in the South West and 6.1% in GB.

Sources of evidence and a range of background information (please note this list is only indicative of the type of information available) can be found at:

- [www.cornwall.gov.uk](http://www.cornwall.gov.uk) Joint Strategic Needs Assessment including infographics and statistics; also Economy Monthly Monitoring Update and Together for Families in Cornwall <https://www.cornwall.gov.uk/health-and-social-care/public-health-cornwall/joint-strategic-needs-assessment-jsna>

- [C&IoS Employment and Skills Strategy and Evidence Base](#)
- [C&IoS ITI Strategy](#)
- <http://inclusioncornwall.co.uk/strategy/>
- [www.gov.uk](http://www.gov.uk) Improving Lives Helping Workless Families

## Call Outline

Applicants should ensure and evidence alignment with other ESF and mainstream funded programmes aimed at supporting those furthest from the labour market, those most disadvantaged by factors including place, circumstances, individual health, age, poverty, lack of social networks, etc. These might include both current and emerging projects. Working in partnership will help ensure the projects and grants complement, add value to and do not duplicate, other activity.

The complementarity, alignment and additionality expected of Community Grants in this context will require very clear linkages to be established with other projects. Community Grants will enable targeted investment to facilitate access, participation and inclusion in focused activity, establish pathways to BBO and other provision. In addition it is expected that the dialogue with existing projects in C&IoS will enable those providers to strengthen links to target groups and communities through the focused investment of grants. Community Grants will provide the opportunity to invest in small scale test and learn activity that will complement the larger scale projects in the Future Peninsula programme. This spin out work reinforces the creative and innovative approaches to inclusive growth that we are expecting in C&IoS from IP1.4 Social Inclusion priority.

Any applicant must be able to demonstrate how they have consulted with the Council of the Isles of Scilly's Learning and Development team and consequently demonstrate how they will overcome logistical and financial challenges in order to source high quality opportunities to support a) small cohorts on the Isles of Scilly and/or b) evidence that funding is available so that individuals can access opportunities on the mainland.

Applicants should also reflect the impact of Universal Credit in the local context as well as the increase in Food Bank usage.

*It is expected that the successful applicant/s will: -*

- *develop a Grant Awards and/or People's Panel as part of the delivery model. Membership must include the LEP and/or relevant Local Authority representative.*
- identify how the project contributes to the objectives of the ITI and ESB Strategies
- consult with the Council of the Isles of Scilly's Learning and Development team regarding how the applicant will overcome logistical and financial challenges in order to deliver high quality opportunities on the Isles of Scilly.
- offer new, sustainable delivery methodologies reaching people from local unemployed and inactive, as well as volunteers, disadvantaged and minority,

groups with the aim of providing opportunities to develop models and activities that will engage Participants, help build relationships and confidence and co-design solutions leading towards employment at a micro level through the use of small scale grants.

- actively align with other ESF and mainstream funded programmes aimed at supporting those farthest from the labour market. The complementarity, alignment and additionality expected of Community Grants in this context will require very clear linkages to be established with other projects

As well as delivering the outputs and results required projects funded by Community Grants can deliver a wide range of activities including but not limited to:

- First contact engagement activities, e.g. activities that benefit Participants who are not normally in contact with official organisations eg., but not exclusively, DWP, FE Colleges, for example by arranging events or training in places that Participants feel comfortable to visit.
- Projects to improve confidence, motivation and social integration such as sport, gardening, music, art and other creative activities.
- Developing local networks and groups to support people to get a job or access learning e.g. Job Clubs or Learning Champion type activity.
- Softer skills development e.g. assertiveness, anger management and motivation.
- Innovative approaches to attract under-represented Participant groups into learning.

### **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 (ITI Strategy) can be found below

[C&IoS ITI Strategy](#)

## **1.2 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 Cornwall and Isles of Scilly Local Enterprise Partnership Area European Structural and Investment Funds Strategy (ITI 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.

<b>Indicative Fund Allocation:</b>	Indicatively, through this Call the Managing Authority expects to allocate approximately <b>£2,200,000 ESF</b>  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.
<b>Minimum application level</b>	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 <b>£550,000 of ESF to any single project.</b>  <b>Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected.</b>
<b>Duration of project</b>	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 <sup>st</sup> 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 <sup>st</sup> December 2023, with the full and final claim expected no later than February 2024.
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the Cornwall and Isles of Scilly Local Enterprise Partnership area.
<b>Specific Call requirements</b>	This is a Call for ESF activity.
<b>Call Deadlines</b>	For this specific call, applications will be appraised following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to offer ESF funding where a project complements other activity or provides niche activity to target groups within the ESF Operational Programme.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF.
<b>Eligible match funding</b>	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

	<p>information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.</p> <p>The intervention rate in the Less Developed Region (LDR) is 80%. 20% match funding must be provided.</p>
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law.
<b>Audit/ Compliance</b>	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
<b>Calls listing multiple activity (delete if not appropriate)</b>	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](#).

<b>Investment Priority</b>	<b>1.4 Active Inclusion.</b>
<b>Specific Objectives</b>	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<b>Indicative Actions</b>	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported include:</p> <ul style="list-style-type: none"> <li>• basic skills and ESOL training, including additional support with basic skills in preparation for apprenticeships;</li> <li>• support for those who need pre-traineeship and pre-Work Programme assistance, to prepare them for the next step;</li> </ul>

	<ul style="list-style-type: none"> <li>• support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction;</li> <li>• 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;</li> <li>• digital and internet literacy courses to aid job searching, access to benefits and progress in work;</li> <li>• 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;</li> <li>• local 'Community Grant' type activity to support small scale voluntary sector activity which can be crucial to reaching out to these groups;</li> <li>• first contact engagement activities (for example, arranging events in places that people feel comfortable to visit);</li> <li>• 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;</li> <li>• softer skills development (for example, assertiveness, anger management and motivation);</li> <li>• volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market.</li> </ul> <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 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> <p>Activities which are not specifically applicable should be removed.</p>
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## Results

ID	Result Indicator	Minimum Target value for this call
ESF-CR02	Participants in education or training on leaving	17% Less Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	20% Less Developed
R1	Unemployed participants into employment (including self-employment) on leaving	14% Less Developed
R2	Inactive participants into employment, or job search on leaving	27% Less Developed
R4	Participants with childcare needs receiving childcare support	36% Less Developed

## Outputs

ID	Output Indicator	Total minimum target value for this call	Men minimum target value	Women minimum target value
O1	Participants	647	317	330
			(Total <b>Men + Women</b> should = <b>Participants Total target value</b> )	
ESF –CO01	Unemployed, including long-term unemployed	291	-	-
			(Total <b>Unemployed + Inactive</b> should = <b>Participants Total target value</b> )	
ESF – CO03	Inactive	356	-	-
O4	Participants over 50 years of age	101	-	-
O5	Participants from ethnic minorities	9	-	-
ESF - CO16	Participants with disabilities	152	-	-

## 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 Cornwall and Isles of Scilly 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 80%. This means ESF can contribute up to 80% of the total eligible project costs, subject to State Aid regulations. The remaining 20% 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](#).

Applicants are strongly encouraged to exceed the cross cutting theme requirements detailed in the Operational Programme. The ITI Board will seek to provide its support to projects that:

- demonstrate how the application will embed cross cutting themes good and best practices into the proposed project's activities
- make reference to the Inclusion Strategy and the Environmental Growth Strategy outlined in the Cornwall and Isles of Scilly Integrated Territorial Investment Strategy.

To support applicants, the Access to the Programme Team, funded by technical assistance, offer free specialist cross cutting themes support for applicants and can be contacted on [accesstotheprogramme@cornwalldevelopmentcompany.co.uk](mailto:accesstotheprogramme@cornwalldevelopmentcompany.co.uk).

## 4.5 State Aid & Revenue Generation

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

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

and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

#### **4.6 Funding Agreement**

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

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

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

#### **4.7 Procurement**

All costs delivered by the Grant Recipient (the applicant) and/or delivery partners must be delivered on an actual cost basis. Other costs must be procured in line with EU regulations. The most common error identified during audit has been failure to comply with relevant procurement regulations and crucially to maintain a full audit trail to prove that they have complied with the relevant regulation. Robust and transparent procurement is required to ensure that Grant Recipients:

- consider value for money;
- maximise efficient use of public money; and
- 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@dwp.gov.uk](mailto:esf.2014-2020@dwp.gov.uk)

*To support applicants, the Access to the Programme Team, funded by technical assistance, offer free specialist support for applicants and can be contacted on [accesstotheprogramme@cornwalldevelopmentcompany.co.uk](mailto:accesstotheprogramme@cornwalldevelopmentcompany.co.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](mailto:2014-2020.esfapplications@dwp.gov.uk)

## 10. Timescales

Launch of Call advertised on gov.uk.	25 April 2019
Deadline for submission of Full Application	18 July 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