



Department
for Work &
Pensions



European Union
European
Social Fund

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Social Fund

Priority Axis 2: Skills for Growth

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|----------------------------|--|
| Managing Authority | Department for Work and Pensions (DWP) |
| ESI Fund | European Social Fund |
| Priority Axis: | Priority Axis 2: Skills for Growth |
| Investment Priority | 2.1: Enhancing equal access to lifelong learning |
| Call Reference: | Digital Skills for the Employed – IP 2.1 OC08S19P1391 |
| LEP Area: | Derby, Derbyshire, Nottingham, Nottinghamshire |
| Call Opens: | 25 April 2019 |
| Call Closes: | 18 July 2019 |
| Document Submission | Completed Full Applications must be submitted to ✉: 2014- 2020.ESFAPPLICATIONS@DWP.GOV.UK |

Contents

1. Call Context
 - 1.1 National Context
 - 1.2 Local Development Need
 - 1.3 Scope of Activity
2. Call Requirements
3. Required Deliverables
4. General Information
 - 4.1 Compliance and Eligibility
 - 4.2 Intervention Rate & Match Funding
 - 4.3 Applicants
 - 4.4 Cross Cutting Themes
 - 4.5 State Aid
 - 4.6 Funding Agreement
 - 4.7 Procurement
 - 4.8 Retrospection
5. Application Process & Prioritisation Methodology
6. Support
7. Key Documents
8. Document Checklist
9. Document Submission
10. Timescales
11. Appendix A – Common output indicators

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 2 of the Operational Programme: Skills for Growth and Investment Priority: 2.1 Enhancing equal access to lifelong learning as set out in the Operational Programme.

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

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be appraised as part of a single-stage

appraisal process and successful applicants will enter into a funding agreement with the DWP. Further information is given in sections 4 to 10.

Applicants are advised to familiarise themselves with the detail of the Operational Programme, local European Structural and Investment Funds Strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting a Full Application.

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

1.1 National Context

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

Investment priority: 2.1 - Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

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

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

| Specific Objective | Results that the Member States seek to achieve with Union support |
|--|--|
| To address the basic skills needs of employed people, particularly in SMEs and micro businesses. | The additional support from this investment priority will help employed people to gain basic skills. It will also improve the capacity of SMEs and micro businesses and support business growth. We have set an output target for the number of participants without basic skills and a result target for participants gaining basic skills. |
| To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment. | The additional support from this investment priority will help employed people to progress at work through achieving higher skills, and it will drive growth in their organisation by improving productivity. We have set result targets for participants gaining qualifications or units – separate targets for level 2 and level 3. |
| To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and | The main result that will be achieved is that more participants will have gained a qualification or a unit of qualification. This investment priority will also support business growth through the development of a |

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

1.2 Local Development Need

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

Local Priorities:

Proposals are sought for the development and delivery of digital skills training (including Creative and Digital Media skills) to employed individuals in SMEs across key sectors within the D2N2 LEP area. The proposed services will deliver a responsive digital skills programme that is tailored to the individual needs of businesses. Stimulating growth in the digital skills base for businesses will help grow the local economy, increase productivity and create more and better paid productive jobs.

Challenges and opportunities in D2N2 LEP area:

The success of the D2N2 strategic economic plan over the next decade will depend on the extent to which we are able to respond to the major technological and social trends that will drive future growth. Linked with the ‘grand challenges’ identified in the UK Industrial Strategy, two drivers of change stand out to be addressed by this call:

1. The impact of digital enabling technologies and the ‘data revolution’, not just on specific products, production processes and skills, but on whole business models. Over time, businesses will become ‘digital businesses’, even if their origins or core products long pre-date digital technology. We are only just starting to see the possibilities presented by artificial intelligence as increasing data volumes increase the range and sophistication of tasks that can be carried out without human interaction
2. Demographic change associated with the ageing population. Looking ahead to 2030, we can expect our working-age population to grow only very slightly (the numbers of those aged between 16 and 65 will rise by just 1% between 2014 and 2039) so there won’t be a lot of new labour coming into the economy. We can also expect the jobs of tomorrow to look a lot different – as digitalisation

and automation gather pace – requiring a different skill set. If we're to become a more efficient and internationally competitive economy and, at the same time maintain a high level of employment (and minimise unemployment), we need to find ways to produce much more output with the labour we have and ensure everyone has the skills to compete in the digital economy.

Employers are also beginning to experience real recruitment challenges across the D2N2 LEP Area. According to the latest Quarterly Economic Survey undertaken by the East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire) employers are experiencing difficulties in recruiting at all skills levels. Skilled manual/technical positions are the hardest to fill posts across D2N2. Without the skills to utilise digital technologies, businesses will increasingly struggle to remain competitive

Support for re-skilling (particularly in relation to advanced digital skills) is highlighted as a priority within the Industrial Strategy, through the introduction of the National Retraining Scheme, and within the proposals contained within the Made Smarter industrial digitalisation review. We will seek to ensure that existing workers and employers are supported to adapt to new technologies, processes and working practices and employers have ready access to the skills support they need. The digitalisation in our economy will make new demands of our workforce, therefore we will need to raise our skills levels to meet these challenges.

The Made Smarter review of industrial digitalisation highlights that the relatively slow rate of technology adoption within UK businesses is acting as a brake on productivity improvements. More businesses need to adopt and adapt to innovation or be overwhelmed by it. In D2N2 we lag behind the UK on some measures of innovation performance, particularly product innovation.

We therefore need to increase the proportion of businesses that are 'innovation active'; enabling businesses to implement process or 'new to the firm' innovations will continue to be as important as the development of new products. Enabling businesses to have the skills to exploit opportunities from digitalisation will be a key component of this service, building on our existing successful D2N2 Digital Business Growth programme.

The creative and digital industries is a fast-growing sector locally, nationally and internationally and is important to the growth and development of other sectors. It is crucial that supplying software services and digital technologies for automotive, life sciences, visitor economy, and construction sectors can encourage innovation and design quality. The use of big and open data to be able to map out trends and forecasts is vital to the development of the sector. Furthermore, the creative and digital industries are a way to enhance the D2N2 area by attracting more inward investment, driving socioeconomic change and creating a culture of innovation, enterprise and creativity.

The D2N2 Priority Sectors

The D2N2 Strategic Economic Plan identifies 11 priority sectors within which there are 3 innovation-led sectors which stand out as having a winning combination of high-specialism, high-gross value added, and high-growth prospects, as well as

being well-connected to D2N2's knowledge base and in a good position to exploit opportunities in the Industrial Strategy through Sector Deals: They are:

- Transport Equipment Manufacturing
- Food & Drink Manufacturing
- Life Sciences

There are a further 8 sectors, which are important to the economy for different reasons (see www.d2n2lep.org/sep) They are;

- Creative and Digital
- Visitor Economy
- Logistics and E-Commerce
- Construction
- Extractive Industries
- Retail
- Health and Social Care
- Profession and Business Services

The D2N2 Core Delivery Principles.

The D2N2 ESIF subcommittee have agreed a set of Core Delivery Principles (<http://www.d2n2ta.org/european-structural-and-investment-funds/d2n2-esif-strategy-core-delivery-principles>) that define how it considers a good ESF project should operate. In particular, D2N2 wants to get maximum benefit for the economy from its ESF through fewer, larger projects of impact and scale with funded projects offering complementary and co-ordinated support. Therefore, we would encourage applications with a high impact for the economy, perhaps encompassing a number of activities or clearly aligned with other complimentary delivery. D2N2 LEP would wish to see employers from across the D2N2 area, in urban and rural areas benefit from access to services identified in this call specification.

Strategic Alignment with the D2N2 Growth Hub

The D2N2 Business Growth Hub draws business support activity together through a range of services (www.d2n2growthhub.co.uk) delivered by professional business advisers providing bespoke diagnostic and growth packages for employers. Its aim is to simplify the business support offer of many local and national partners to help businesses more easily find the right support.

Applicants wishing to deliver the Digital Skills for the Employed programme should demonstrate how their proposal will relate to the D2N2 Growth Hub particularly how they will;

- develop close working relationships with the Growth Hub complement of Business Advisers.
- receive and provide business referrals;

- explore opportunities to align management information with the Growth Hub CRM system, adhering to the rules and requirements of the Growth Hub and the statutory data regulations relating to data protection, sharing and ownership.
- ensure open and regular communication with the D2N2 Growth Hub provider.
- establish partnership arrangements with current and future ERDF funded programmes aimed at supporting businesses as well as other ESF and mainstream funded programmes aimed at delivering business skills-based programmes.

Applicants should note that a complementary call has been issued under Priority 1.1, Digital Skills the Unemployed. Applicants are encouraged to consider opportunities for integration of activity

Call Outline

This call will support our businesses to access the skills they need for productivity growth by providing employees with the skills to adapt to the digitalisation of the workplace and better engage with the knowledge and assets in our higher and further educational institutions and increase the take up of apprenticeships, particularly at higher and graduate levels.

Activities within this priority will ensure a joined-up pipeline for digital skills to meet the needs of businesses and citizens across the breadth of digital skills including;

Basic skills- ensuring everyone has basic digital capability so that no one is excluded from opportunities because of a lack of skills and can operate in the digital society and economy.

Inclusion - ensuring individuals who have basic digital skills but lack the confidence and knowledge to make the most of the digital economy can be given the skills support they need

Advanced – ensure D2N2 develops, attracts and retains the talent needed for higher skilled roles to support the use of digital technologies to drive up business productivity.

The services must deliver highly responsive skills provision to meet business and industry needs. Employers must be engaged to shape and direct the services. In D2N2, the services must be aligned with the European Regional Development Fund (ERDF) projects Digital Business Growth Programme and D2N2 Growth Hub which aim to develop ICT products and services, ecommerce, enhancing demand for ICT, supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes and maximise SME competitiveness through increased uptake of superfast broadband and more efficient use of digital technologies.

Interventions

Activities undertaken by projects must primarily focus on support to individual participants and be responsive to address individual needs. Activities should address some or all of the following;

- Practical support through coaching, advice, consultancy and mentoring to individuals seeking to improve digital skills in order to support SMEs utilise digital technologies to improve their productivity and competitiveness
- Assessment of the current skills profile of the individual, with a bespoke training plan which relates to the sector in which they are employed, and the employer's ICT needs and develop the appropriate training option or provide access to it
- Drive up skills levels, focusing on the skills being sought by employers
- Deliver skills provision which offers both accredited and non-accredited skills training which is innovative, responsive to local skills needs. Provision will normally be accredited but where suitable accredited provision does not exist, bespoke packages may be delivered (applicants will need to evidence qualifications delivered are full or units of level 2 or 3, as identified on the learning aims hub, to meet required outputs)
- Encouraging more women to engage in Digital Skills and help address the gender employment and wage gap
- Close partnership working with established training providers, business support providers and networks particularly the D2N2 Growth Hub Service
- Applicants are encouraged to develop innovative approaches, backed by evidence, to support the value of the proposed activities, the effectiveness of the proposed delivery approach and the rationale for specific targeting.

Outcomes

Some of the outcomes expected will be:

- Broker opportunities with local SMES and employers in targeted priority and growth sectors to support existing employees as well as new staff to access additional qualifications in digital skills through the form of NVQs, work experience, internships etc.
- Accredited units of learning at Level 2 or 3 and above may be funded where these do not lead to a full qualification.
- Work related learning and experience, developed and delivered in partnership with employers
- Increase participation in traineeships and apprenticeships as well as opportunities to link learning to work experience. Exploring and secure progression opportunities

- Work with colleges and independent training providers to revise provision to meet the future needs of SMEs in the Digital Age
- Foster an aspirational, digital and enterprising culture in SMEs
- This section should set out what type of projects/project activities this call is seeking to address the local needs set out in the 'Local Priorities' section above, written from the perspective of the ESF Managing Authority – for example: “Through this call the Managing Authority is seeking project(s) to deliver....
- The activities and types of projects being sought need to be checked against the overall Eligibility Criteria for the ESF Programme and also aligned with the relevant Investment Priority as described in the ESF Operational Programme. Depending on what the activity is – it may be necessary to gain advice on whether the activity is eligible e.g. contacting the appropriate body - BEIS for example regarding Apprenticeships. It needs to be clear what activities the applicant is being asked to deliver and cross checking with the OP to see if there are any verbs which could be swapped out in the Call to more closely align to the OP wording without fundamentally changing the focus of the Call.
- There is no longer a requirement to publish separate calls for each Investment Priority where calls have linked or complimentary ESF activities. If a dual IP call is more appropriate, the call should clearly articulate what activity falls under each IP and ask applicants to ensure they do the same in their applications form. The call should also make it clear whether applicants can apply for one IP or whether all applications need to cover both IPs.
- Try to limit text to a maximum of 4 paragraphs or equivalent bullet points so it's easily read and understood by target audience.
- The Call needs to be specific around proposed activities, to ensure eligibility e.g. reference to food banks – is this supporting food banks (ineligible), or to identify participants to be referred at food banks (eligible)? LEP Leads need to consider all proposed activities in the Call. However, this is an example only and the LEP lead needs to apply a degree of pragmatism.
- Where appropriate provide a narrative in your covering email to the moderator to demonstrate the clear justification for the activities, or why an exemption is appropriate e.g. High level skills, ILMs etc.
- Encourage the use of plain English without jargon, which potential Grant Recipients will be able to understand.

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: www.d2n2lep.org/sep

1.3 Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 2, **Investment Priority 2.1 Enhancing equal access to lifelong learning** of the European Social Fund Operational Programme and responds to the local development need set out in the D2N2 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.

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| Indicative Fund Allocation: | <p>Indicatively, through this call the Managing Authority expects to allocate approximately £2,000,000 ESF</p> <p>The Managing Authority reserves the right to decrease or increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.</p> |
| Minimum application level | <p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The Managing Authority does not intend to allocate less than £500,000 of ESF to any single project.</p> <p>Applications requesting an ESF amount below the ‘Minimum Application Level’ will be rejected.</p> |
| Duration of project approvals | <p>Projects must be completed no later than 3 years and 6 months after the proposed project start date; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p> <p>All ESF Projects must be completed by 31st December 2023. Project costs cannot be incurred beyond this date.</p> <p>NOTE: Delivery of activities and associated costs can be incurred up to and including 31st December 2023, with the full and final claim expected no later than February 2024.</p> |
| Geographical Scope | <p>All interventions should be focused on activity and beneficiaries within the D2N2 Local Enterprise Partnership area.</p> |

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| Specific call requirements | <p>This call for ESF investment has been issued with a complementary call under the European Regional Development Programme Investment Priority 1.1. Priority will be given to applicants that submit linked proposals across the two funds. See 'Local Priorities' section for further information.</p> <p>This is a call for ESF activity.</p> |
| 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 | The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided. |

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

3. Deliverables required under this Call:

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

| | |
|----------------------------|---|
| Investment Priority | 2.1 Enhancing equal access to lifelong learning |
| Specific Objectives | Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences |
| Indicative Actions | <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"> • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in Small and Medium size Enterprises (up to 250 employees); • training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace; • access to learning; information about learning and skills; • brokering of opportunities between learners and employers. <p>Activities which are not specifically applicable should be removed.</p> |

Result

| ID | Result Indicator | Minimum Target value for this call |
|----|--|------------------------------------|
| R3 | Participants gaining basic skills | 11% |
| R6 | Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills) | 25% |
| R7 | Participants gaining level 3 or above or a unit of a level 3 or above qualification | 8% |
| R8 | Employed females gaining improved labour market status | 35% |

Output

| ID | Output Indicator | Total Minimum target value for this call | Men minimum target value | Women minimum target value |
|------------|---|--|--------------------------|----------------------------|
| O1 | Participants | 2774) | 1359 | 1415 |
| O4 | Participants over 50 years of age | 430 | - | - |
| O5 | Participants from ethnic minorities | 288 | - | - |
| ESF - CO16 | Participants with disabilities | 248 | - | - |
| ESF - CO14 | Participants who live in a single adult household with dependent children | 139 | - | - |
| O6 | Participants without basic skills | 435 | - | - |

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 D2N2 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 that they would be able to enter into and abide by the terms of the Funding Agreement.

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."

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

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

4.7 Procurement

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

- consider value for money;
- maximise efficient use of public money; and
- maintain competitiveness and fairness across the European Union.

It is recommended that applicants seek their own legal advice pertaining to their procurement and requirements to publicise any tendering opportunities.

The Managing Authority is not able to give legal advice on procurement. It is the responsibility of the applicant to ensure the project is compliant in this respect.

4.8 Retrospection

There will be no retrospection for applications made against this call.

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

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

5. Application Process & Prioritisation Methodology

The ESF application process is a single-stage process – Full Application only. Applicants must fully complete the Full Application Form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Applications will be subject to a Gateway Assessment undertaken by the Managing Authority under the following criteria:

- Applicant eligibility;
- Activity and expenditure eligibility; and
- The fit with the ESF Operational Programme and the call.

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

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

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

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

Non-public sector Applicants may be subject to due financial diligence checks. Applicants will be required to submit accounts, and to clarify financial or other organisational information. New Applicant organisations may be required to provide details of a guarantor.

If, following the appraisal process, an applicant is not satisfied with the ESF funding decision for their project, they can submit an appeal in writing to the ESF Managing Authority.

6. Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Full Application prior to the call closing date. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

✉: esf.2014-2020@dwp.gov.uk

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

7. Key Documents

- Full Application Form
- Full Application Form Guidance

- Financial Annex
- Indicator Annex
- Local Enterprise Partnership area's ESIF strategy
- ESF Eligibility Rules

8. Document Checklist

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

1. Fully completed **Full Application Form** (Note that Sections 2.7 and 2.8 of the Full Application Form will not be applicable as this is a “one stage” application process);
2. **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 | 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 |