2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals – Online Applications European Social Fund

Priority Axis 1: Inclusive Labour Markets

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 1: Inclusive Labour Markets
Investment Priority:	1.1: Access to Employment for Jobseekers and Inactive People.
Call Reference:	Supporting progression into the Food and Drink Manufacturing Sector – OC08S19P1458
LEP Area:	Derby, Derbyshire, Nottingham, Nottinghamshire
Call Opens:	17 June 2019
Call Closes:	Midnight – 09 September 2019
Application Process:	Applications for funding must be completed and submitted using the ECLAIMS IT system. Applications submitted via any other method will not be accepted. Please do not use ECLAIMS to access or apply against ERDF calls published on GOV.UK – the online application process is only applicable to specified ESF open calls.

Contents

1. Call Context

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

The Government has confirmed that it will guarantee funding for ESF projects 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: 1.1 Access to Employment for Jobseekers and Inactive People** 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 of the ESF regulation (see Appendix A). This will be in addition to the requirement to report on the 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: 1.1 - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

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 improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.	This specific objective is focused on those who are long-term unemployed and who are less likely to move back into work than people who have been unemployed for less time. The additional support from this investment priority will help long-term unemployed people to tackle their barriers to work and move into sustainable employment. The main result target focuses on moving participants into employment (including self-employment) on leaving. There will be a quantified result target set for this result indicator in each category of region.
To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.	This objective is focused on those who are unemployed but have more than one major barrier to progressing into employment (including self-employment) and sustaining employment. This client group will be more challenging to help and will often require intensive ongoing support to address complex barriers, which will be reflected in the targets. Support will be tailored to individual needs. Participants will include individuals who are over 50, lone parents, disabled or have health problems, from ethnic minorities or who lack basic skills. The main result targets focus on moving participants into

	employment or into education/training or getting them involved in active job search. Output targets will ensure we are reaching appropriate numbers of participants from these groups.
To encourage inactive people to participate in the labour market and to improve their employability.	This objective is focused on individuals who are distant from the labour market and who need additional support to give them the skills and/or confidence to enable them to move towards employment (including self-employment). Participants will include individuals who are lone parents, disabled or who have health problems, are over 50 or who are from ethnic minorities. The priority will be on those who are receiving inactive benefits. The main result that will be achieved is that inactive participants will engage more in the labour market. A specific output target will ensure we are targeting inactive people, and we have result targets to measure movement into work and increases in activity.
To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.	This objective is focused on individuals who lack the basic skills required by employers, such as IT, literacy and numeracy. Participants will have the opportunity to gain basic skills relevant to labour market needs or to enable them to progress towards gaining further skills. The main result will be that those without basic skills will be helped to gain them. This will enable them to play a fuller part in the labour market. There is an output target for participants without basic skills and a result target for participants gaining basic skills.
To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.	The additional support from this investment priority will help more unemployed and inactive women to complete effectively in the labour market. It will be focused on engaging and providing additional support to women who have barriers to entering the labour market, including language, skills, age and caring responsibilities. Participants could include older women wishing to return to work after caring for children, lone parents or women from ethnic minorities who have never worked. The main result that will be achieved is that more participants will be in sustainable employment (including self-employment) or engaged in active job search on leaving. There is a stretching output target for female participation and a result target for participants with childcare needs receiving childcare support.

1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.1 of the Operational Programme, and which meets the local development **need** expressed in the text and table below.

Call outline

This call seeks to develop a comprehensive package of support for unemployed and economically inactive residents to gain skills to secure employment in the Food and Drink manufacturing sector in the D2N2 LEP area. The activity should aim to address the key recruitment and skills challenges experienced by employers in the sector which has been identified as a core innovation sector in the refreshed Strategic Economic Plan 2019-2030 (http://www.d2n2lep.org/SEP). The programme should aim to develop technical skills to meet the future skills needs for the sector and address skills issues emerging from the developing sector Productivity and Growth Plan.

In D2N2 Food and Drink manufacturing is specialised in GVA and more productive than sector benchmarks, although below the national level of productivity. It accounts for over 2% of both D2N2's GVA and jobs and is growing on both measures. The ONS (Office for National Statistics) has shown that Derbyshire and Nottinghamshire have been the main contributors to the increase in food and drink manufacturing GVA in the East Midlands. In 2012, D2N2 accounted for 28.7% (£840m) of Food and Drink manufacturing GVA in the East Midlands (£2,926). In 2015, D2N2 accounted for 36.4% (£1,209) of GVA in the East Midlands (£3,320). This is an increase in GVA of £369 million in D2N2, i.e. a 43.9% increase.

There are significant global opportunities for food and drink manufacturing. It is estimated that demand for food will increase by c.90% by 2050. This includes expected increases in meat consumption in low income countries, and dairy product consumption in developing countries.

By 2020, revenue in the global packaged food market is expected to reach $3.03tn. Non-alcoholic drinks and baked foods constitute the largest product markets, accounting for 75% of the market value. Baby food and yoghurt are predicted to be the two fastest growers, at 6.4% and 6% respectively. Overall, the global groceries market is forecast to reach $11.8tn by 2020. China is expected to be the largest global groceries market followed by the US and India.

We therefore need to exploit D2N2's competitive edge and build upon those parts of the economy which offer global opportunities for growth. Alongside Transport Engineering and Manufacturing and Life Sciences, the Food and Drink Manufacturing sector has been identified as one of our 3 science and innovation core sectors.

The Food and Drink Sector has the capacity to support innovation led growth and productivity with the potential to exceed international benchmarks and increase the adoption of productivity raising innovative technologies and practises across the economy.
However, to realise this potential the sector needs to be supported to find the talent they need, take advantage of the core specialist capabilities in the knowledge base and equip their workforce with the skills of the future.

D2N2 has a diverse and high number of entrepreneurial SME manufacturers within the sector. According to the MINT data base in 2013 there were 217 manufacturers in Derbyshire and 185 in Nottinghamshire. There are also large enterprise manufacturers such as Nestlé which has largescale facilities at the very northern and southern edges of our area.

The Food and Drink Manufacturing sector employs over 16,000 people and it is important for a number of the local areas, particularly the Peak District, Newark & Sherwood, Bassetlaw and Amber Valley, and especially in rural areas because of links to D2N2's agricultural base.

Despite making one of the biggest contributions to England's economic output, overall D2N2 suffers from an inefficient economy. Compared to our competitors we produce too little output for the number of hours we work – the so-called 'productivity deficit'. Despite having the 5th largest workforce outside London, we have only the 9th largest economy. Too many of our businesses aren't productive enough.

In D2N2 our workforce is not as well qualified as the workforce in the UK overall, with just 32% qualified to NVQ4 level or above in D2N2 compared to 37.9% in the UK.

Looking ahead to 2030, we can expect our working-age population to grow only very slightly. In D2N2, the working age population 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 skills' 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, as well as attracting the best talent from elsewhere.

This further conceals significant variations in workforce skills between areas with D2N2. Productive firms demand more highly skilled workers who earn higher wages. Our current skills profile limits opportunities for workers and firms in our area.

Local Priorities:

The local challenge which this call needs to address is to ensure a pipeline of skilled workers for the Food and Drink Manufacturing sector, exploit our advantages in our knowledge base, support the industry to adapt to digitisation and address the recruitment and skills challenges experienced by employers in the sector.

The industry suffers from a poor image against other career choices due to the perception that jobs are related to manual work in factories which are low-paid and hours are long. There are perceptions that the sector offers only temporary jobs in manual and low skilled roles which are not viable career options.

Contrary to these common perceptions, however, the weekly earnings of employees in food and drink manufacturing are above those of the economy as a whole and job tenure is over nine years on average for employees of food and drink manufacturers with only 6% temporary workers (IFM, 2010).

However, the poor perception of the industry means there is difficulty in attracting young and talented people. In D2N2 there are substantial skills gaps, especially in Machine Operatives and Managerial positions, and training requirements for Lean Manufacturing and Leadership Management (Improve, 2010). Importantly, there is a significant shortage of food science/technologists and production engineers that are crucial for future innovation and industry survival.

There is a need to raise the awareness of career paths including the awareness of Apprenticeships available within the sector.

The progression into the Food and Drink Manufacturing sector programme will improve the image and profile of the industry, raising the awareness of career opportunities in the industry to attract talented people to ensure the long-term sustainability of the industry. It will work with business and individuals to enable a smooth transition to employment in the sector and develop progression pathways into higher skills including management and supervisor roles which are required to increase business productivity and growth.

The Food and Drink programme should be focused on supporting individuals to progress into technical skills and retraining opportunities, in particular for those groups that are underrepresented in the labour market, i.e. women and older people. The activity should aim to develop skills to help meet future sectoral needs in relation to new technologies e.g. lean manufacturing, digitisation and environmental technologies.

Examples of activities that may be supported include:

- Raise awareness of the opportunities and skills sets required to enter and progress in the sector amongst those who are unemployed or inactive.
- Support for collaborative projects, placements, internships or other activities that will enable unemployed individuals to gain industry-relevant experience and skills. Including brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains.
- Support for collaborative projects and other activities within the Food and Drink sector to improve the employability of long-term unemployed people, so that they can compete effectively in the labour market. For example, additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including preparation for apprenticeships.
- Support for those who need pre-traineeship and pre-Work Programme assistance, to prepare them for the next step.
- Offer a flexible range of Information, Advice & Guidance (IAG) and job skills workshops and other activities targeted on specific localities and communities which have current and emerging food and drink clusters of employers.
- Developing skills, including basic skills, to meet the skills priorities of the sector.
- Provide individuals from groups which face labour market disadvantage with additional support so that they can compete effectively in the sector working with wider employer engagement and involving supply chains.

- Promoting apprenticeships as next steps (especially at higher levels to support the construction sector) including working with wider employer engagement and supply chains.
- Provide support for women at a disadvantage in the sector and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.
- Ensure strong partnerships with organisations working in the sectorial footprint particularly the Food and Drink Forum and the D2N2 Growth Hub.

The outcomes of the project will enable participants to move into employment, further training, apprenticeships or traineeships.

The provision is to develop a comprehensive package of support for unemployed and economically inactive residents, to gain the skill to enter and progress within the Food and Drink Manufacturing sector. Activities supported through the project should build on and help focus existing relevant mechanisms such as Jobcentre Plus services, along with additional support already provided by local authorities and the voluntary sector.

The Supporting Progression into the Food and Drink Manufacturing Programme will support the delivery of Key Action 5 of our refreshed Strategic Economic Plan INCLUSION AND PROGRESSSION IN THE LABOUR MARKET. http://www.d2n2lep.org/SEP)

The programme will deliver joined-up targeted support to get people who are seeking employment in the Food and Drink sector but who may have barriers to getting a job into sustainable employment. It will support individuals' career progression through raising their skills levels to meet the changing requirements of businesses within the sector.

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.

The D2N2 Growth Hub

Applicants will need to demonstrate that employers are at the heart of their approach to developing construction skills for those currently unemployed and inactive and that

there is a strong pipeline of people with construction skills which will lead to improved business efficiencies and enhanced productivity.

Specifically, it is expected that the project will work with the D2N2 Growth Hub and other employer facing services to ensure the service is understood as part of a package of skills support for employers particularly SME's.

D2N2 Technical Assistance Service

The D2N2 Technical Assistance Service is available to provide support to potential applicants. More information and contact details can be found on the D2N2 TA website at https://www.d2n2ta.org/

Consortia/Partnership Applications

Applications are encouraged from consortia or other similar types of partnership arrangements. In each such case the application must be completed and submitted in the ECLAIMS IT system by the lead organisation on behalf of the partnership/consortia. The lead applicant must have the financial capacity to meet the required Due Diligence criteria and, if ESF funding is awarded, this organisation will then become the lead Grant Recipient, accountable for delivery of the overall ESF Project.

Details of the local ESIF Strategy can be found at: http://www.d2n2lep.org/SEP

1.3   Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.1 Access to employment for jobseekers and inactive people** 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.

Indicative Fund Allocation:	Indicatively, through this call the Managing Authority expects to allocate approximately **£1,100,000 ESF**
	The Managing Authority reserves the right to decrease or increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.

Minimum application level	European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than **£275,000 of ESF to any single project**. Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected.
Duration of project approvals	Projects must be completed no later than 3 years and 6 months after the proposed project start date; however, the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances. All ESF Projects must be completed by 31st December 2023. Project costs cannot be incurred beyond this date. 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.
Geographical Scope	All interventions should be focused on activity and beneficiaries within the D2N2 Local Enterprise Partnership area.
Specific call requirements	This is a call for ESF activity.
Call Deadlines	For this specific call, applications will be appraised following closure of the call. Applications submitted to the Managing Authority via the ECLAIMS IT system after midnight on the published call close date will not be considered. **If you encounter any technical difficulties completing or submitting your Full Application via ECLAIMS, please send an email to E.CLAIMSSUPPORT@DWP.GOV.UK .** **Technical support is available Monday to Friday, from 8am to 6pm.** It is your responsibility to submit your application in good time to allow time to resolve any technical issues. Except in the unlikely event that there is a general failure of the system in the final hours, we will not normally extend the deadline for technical issues. **If you do not already have ECLAIMS access, to avoid any unnecessary delays in submission of your Full Application, it is recommended that you submit new ECLAIMS access requests as early in the application process as possible by sending an email to E.CLAIMSSUPPORT@DWP.GOV.UK .**

	The Managing Authority reserves the right to reject applications which are incomplete or not submitted in a timely and compliant way.
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.

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

3. Deliverables required under this Call:

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

Investment Priority	**1.1 Access to employment for jobseekers and inactive people**
Specific Objectives	To help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work, and enter and sustain employment.
Indicative Actions	ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners. Examples of actions which may be supported for all unemployed and inactive people include:

	• additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including preparation for apprenticeships; • support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step. • training for those who need to upgrade their skills or learn new skills (including basic skills and English for non-speakers) to compete in the local labour market and adapt to changes in the economy; • helping people access or benefit from apprenticeships, including support for women to enter non-traditional sectors which addresses barriers to entry (e.g. construction); • providing access to transport where this is a barrier to taking up a job; • providing advice, guidance and support by plugging gaps in national provision where appropriate, in order to help people, make better informed choices, and in particular to take account of the jobs available in the local area; • specific careers advice for women, to help them make informed career choices; • using self-employment as a route out of worklessness, including providing advice and support for self-employment (an attractive option where an individual is struggling to find work with an employer, either because they lack experience or because they face discrimination). Activities which are not specifically applicable should be removed.

Results

NOTE: When recording your quarterly profile figures for each Results in ECLAIMS, please ensure you select the Result with the correct, relevant Category of Region suffix i.e. L = Less Developed, T = Transition, MD = More Developed.

ID	Result Indicator	Minimum Target value for this call
R1	Unemployed participants into employment (including self-employment) on leaving (MD)	22% More Developed
R2	Inactive participants into employment, or job search on leaving (MD)	33% More Developed
R3	Participants gaining basic skills (MD)	4% More Developed
R4	Participants with childcare needs receiving childcare support (MD)	36% More Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving (MD)	34% More Developed

Outputs table

NOTE: When recording your quarterly profile figures for each Output in ECLAIMS, please ensure you select the Output with the correct, relevant Category of Region suffix i.e. L = Less Developed, T = Transition, MD = More Developed

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	1540
O1	Participants (Male)	799
O1	Participants (Female)	741
ESF –CO01	Unemployed, including long-term unemployed	955
ESF – CO03	Inactive	585
O4	Participants over 50 years of age	261
O5	Participants from ethnic minorities	216
ESF - CO16	Participants with disabilities	345
O6	Participants without basic skills	256
ESF - CO14	Participants who live in a single adult household with dependent children	193

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. The related output and results figures need to be consistent e.g. there should not be more 'Inactive Participant' forecast results than actual Inactive Participants recorded as taking part in the ESF Project in the forecasted output figures.

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 8 of this call specification) prior to completing and submitting their Full Application in the ECLAIMS IT system. 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% (depending on category of region). 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 screens in the ECLAIMS IT system and the related ESF Online Full Application 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 and in ESF Action Note 019/18: New Assessment Scoring Procedures for Equality and Sustainable Development in ESF.

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

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[1] Article 107(1) of the Treaty on the Functioning of the European Union provides that: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain

aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation.

Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

4.6   Funding Agreement

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

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

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

4.7   Procurement

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

- consider value for money;
- maximise efficient use of public money; and
- 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.

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undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

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 information required in the ECLAIMS IT system (section 9 refers).

The ESF Online Full Application Guidance for Applicants, is available on the [European Growth Funding](#) website pages – this document includes step-by-step details of how to record your Full Application information in the ECLAIMS IT system, as well as guidance on the depth and content expectations.

Following the call closing date, applications will first 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 and 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. Technical Support

All Full Applications for this call **must** be completed and submitted using only the ECLAIMS IT system. Applications submitted via any other method will not be accepted.

If you encounter any technical difficulties completing or submitting your Full Application via the ECLAIMS IT system, please send an email to: E.CLAIMSSUPPORT@DWP.GOV.UK

It is your responsibility to submit your application in good time to allow time to resolve any technical issues. Except in the unlikely event that there is a general failure of the system in the final hours, we will not normally extend the deadline for technical issues.

Technical support is available Monday to Friday, from 8am to 6pm.

Please retain evidence of your request(s) for any Technical Support, in case there are any issues arising around this element of the application process which may need further investigation.

Please also note that, as this is a competitive call and to preserve impartiality, other than providing Technical Support, 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.

7. Key Reference Documents

When developing your Full Application, it is recommended that you refer to the following documents as a minimum:

- ESF Online Full Application Guidance;
- Local Enterprise Partnership area's ESIF strategy;
- National ESF Eligibility Rules;
- ESF Programme Guidance.

8. Full Application – Supporting Document Checklist

The appraisal will be undertaken on the basis of the Full Application information submitted by the applicant using the ECLAIMS IT system, together with any

supporting documents uploaded into ECLAIMS IT system by the applicant at the point of closure of the call.

As a minimum, applicants should upload the following documentation into the ECLAIMS IT system alongside completion of the required Full Application screens/fields in ECLAIMS.

Failure to upload the requested documentation could result in the application being rejected.

The ESF Online Full Application Guidance explains how documents should be uploaded into ECLAIMS and Annex B of the same guidance explains the naming conventions to be used for each document.

Mandatory Supporting Documents

1. A **visual, high level customer journey** document e.g. flow chart;
2. **Confirmation of match funding** from each funder. Match-funding should be confirmed (with the exception of SME contributions) prior to the issuing of any Funding Agreement;
3. **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);
4. **Equality & Diversity Policy and Implementation Plan** this can be a single, combined document or 2 separate documents. (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);
5. **Sustainability Policy and Implementation Plan** this can be a single, combined document or 2 separate documents. (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);
6. **Job Descriptions** at least 1 per lead applicant and 1 per each Delivery Partner;
7. **Organogram** covering all staff, including any delivery partner and/or match-funded staff posts;
8. **Sample HR letter** as per the requirements set out in the [ESF National Eligibility Rules](#) on GOV.UK;
9. *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);
10. **Anti-Fraud Statement** (a statement on how you will deal with suspected fraud in your organisation and if appropriate, with your sub-contractors).

Optional Supporting Documents

11. **Recruitment Policy** this can be a single, combined document or 2 separate documents. (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);
12. **Sample Timesheet** applicable if you or your Delivery Partners have members of staff working part of their time on your ESF Project;
13. **Procurement policy** applicable if your ESF project is expecting to incur procurement costs from existing or future procurements and you are **not** intending to use the 40% Flat Rate Indirect Cost option;

14. **Retention Policy** this can be a single, combined document or 2 separate documents. (Applicant is responsible for ensuring that Delivery partners also hold relevant policies);

15. **Draft SLA with Delivery Partners** applicable if your ESF Project will have one or more Delivery Partners;

16. **Independent state aid advice** applicable only if you have obtained independent advice to support your quoted ESF project State Aid position;

17. **Proof of Irrecoverable VAT** applicable only if you have Irrecoverable VAT which is relevant to your ESF Project

18. **Due Diligence Financial Information** applicable if your organisation is a private or voluntary and community sector organisation or a Further Education College, you must upload:

- Financial accounts for the most recent 3 years;
- 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).

NOTE: The ECLAIMS IT system can accept most standard Office file formats such as MS Word documents and excel documents in the format xlsx.

However, documents which contain macros cannot be uploaded into the ECLAIMS IT system.

In addition, the ECLAIMS IT system cannot accept tables, graphics or other visuals in the narrative fields within the Full Application screens. If you wish to include this type of information as part of your Full Application, you will need to upload this information as part of a supporting document.

9. Full Application Submission

Completed Full Applications must be submitted to the ESF Managing Authority via the ECLAIMS IT system.

Although the ECLAIMS IT system is designed to be intuitive, it is strongly recommended that you closely follow the steps in the ESF Online Full Application Guidance, published on GOV.UK to give the best chance of you submitting a fully completed, compliant Full Application**.**

The Managing Authority reserves the right to reject applications which are incomplete or not submitted in a timely and compliant way.

10. Accessing ECLAIMS

If you do not already have access to the ECLAIMS IT system, please send an email to E.CLAIMSSUPPORT@DWP.GOV.UK as soon as possible.

You should complete a form for **each** individual person in your organisation who will be responsible for completing and/or submitting your Full Application.

Each new ECLAIMS user will then receive an email from an organisation called Datamart – this will contain their unique log-in details. The user will need to follow the instructions within the email to change their password in the first instance. They will then be able to access and use the ECLAIMS IT system.

NOTE: To avoid any unnecessary delays in submission of your Full Application, it is recommended that you submit new ECLAIMS IT system access requests as early in the application process as possible.

The ECLAIMS IT system is a web based application available through the following link. It is recommended that you use the Chrome browser to access the ECLAIMS IT system, or if this isn't available, Firefox.

https://ECLAIMS.communities.gov.uk/esif-web/

11. Timescales

Launch of Call advertised on GOV.UK.	17 June 2019
Deadline for submission of Full Application via the ECLAIMS IT System	Midnight 09 September 2019

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 will be notified on the European Growth Funding website pages.

12. 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