



Department
for Work &
Pensions



European Union
European
Social Fund

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:	1.2 Sustainable Integration of Young People into the Labour Market
Call Reference:	Sustainable Integration of Young People – North East Region OC25S19P1462
LEP Area:	North East LEP Region
Call Opens:	27 June 2019
Call Closes:	Midnight 5 September 2019
Application Process:	<p>Applications for funding must be completed and submitted using the ECLAIMS IT system.</p> <p>Applications submitted via any other method will not be accepted.</p> <p>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.</p>

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. Technical Support
7. Key Reference Documents
8. Full Application - Supporting Document Checklist
9. Full Application Submission
10. Accessing ECLAIMS
11. Timescales
12. 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 1 of the Operational Programme: Inclusive Labour Markets and Investment Priority: 1.2 Sustainable Integration into the Labour Market of Young 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 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. The Operational Programme identifies the need to address high levels of youth unemployment in specific areas of England this will be delivered through the following Investment priority:

Investment priority 1.2 Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

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

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

Specific Objective	Results that the Member States seek to achieve with Union support
To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities	The additional support from this investment priority will help more young people enter traineeships and apprenticeships (in areas that do not qualify for the Youth Employment Initiative up to 2018) It will improve the quality of what is offered to individuals by improving recruitment and assessment and engagement with employers. By helping more young participants aged 15 to 24, male and female, who were NEET or at risk of NEET, to take up traineeships or apprenticeships, we will improve movements into work.
To engage marginalised 15-18 year olds and support them to re-engage with education or training	The additional support from this investment priority will help to find and engage young people who are disconnected from mainstream activity in areas that do not qualify for the Youth Employment Initiative. Participants could, for example, be members

	<p>of gangs, care leavers, young lone parents, ex-offenders or young people with learning difficulties. They are likely to require more intensive and tailored interventions. The main result that will be achieved is that more participants will be engaged with education or training on leaving, and this will be measured by the result target.</p>
<p>To address the basic skills needs of young NEETS so that they can compete effectively in the labour market;</p>	<p>The additional support from this investment priority will help young NEETs (in areas that do not qualify for the Youth Employment Initiative up to 2018) to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment. The main result that will be achieved is that more participants will have gained basic skills. There is an output target for participants without basic skills and a result target for participants gaining basic skills.</p>
<p>To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds</p>	<p>The additional support from this investment priority will help unemployed 18-24 year olds (in areas that do not qualify for the Youth Employment Initiative up to 2018) to transition into training or sustainable employment (or self-employment). The main result that will be achieved is that more participants will enter traineeships, apprenticeships or sustainable employment (including self-employment) on leaving.</p>
<p>To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).</p>	<p>The additional support from this investment priority will help young lone parents (in areas that do not qualify for the Youth Employment Initiative up to 2018) to move closer to and into sustainable employment (including self-employment). Support will include assistance with childcare when this has not been covered by public provision, such as Universal Credit. It will also help participants to overcome other barriers, such as low basic skills or lack of confidence. The main result that will be achieved is that more participants will move into sustainable employment (including self-employment). There is an output target for the number of lone parents.</p>

1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.2 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

Local Priorities:

Local Context

The last 5 years has witnessed a period of economic growth within the north-east region with welcome falls in unemployment and increases in the numbers of people in work. To gauge ongoing progress in 2014 the North East Local Enterprise Partnership (NELEP) published a Strategic Economic Plan (SEP) setting out plans for growing and developing a more productive, inclusive and sustainable regional economy over the 10-year period 2014-2024.

A mid-term review has been undertaken and a refreshed SEP has been produced. Within this updated SEP 2019 the delivery programmes for the regions skills, employment, inclusion and progression have been brought together. There is an ambition that by 2024 the principles underpinning this strategic alignment are understood by all partners in order to ensure that people have a good understanding of both the employment opportunities available in the region, the pathways to move towards employment and the tools and skillsets required to secure and sustain jobs over the medium and longer-term.

The region has made welcome progress in terms of the numbers of people in work as well as other indicators such as improvements in the levels of productivity, qualifications profile of residents and numbers of 'business births'. However, there is still much work to be done, particularly related to the target groups of beneficiaries associated with this Investment Priority. In this respect we need to increase the overall skill and employability level of young people if we are to achieve our overall goal of an inclusive, productive and sustainable economy for the north east region. Potential applicants should therefore familiarise themselves with the following documents to gain an understanding of the economic, regional context and labour market background associated with these calls.

- **The refreshed Strategic Economic Plan 2019** setting out our ambitions for developing a more inclusive, productive and sustainable economy
<https://www.nelep.co.uk/the-plan>
- **The North East LEPs 2019 'Our Economy'** document that provides an overview of the region's current economic performance
https://www.nelep.co.uk/wp-content/uploads/2019/05/our-economy-2019_full_report_north-east-local-enterprise-partnership.pdf

More generally, potential applicants should conduct research into the regional labour market through other documents available via the North East LEP website, the Government's Office of National statistics (ONS) / NOMIS. Additionally, there are other research studies that can assist applicants glean information and an understanding of the economy and labour market of the North East region. Notably

this includes the 'Forgotten Workers' research by Durham, Newcastle and Bradford Universities that examined the extent of 'in-work' poverty, under-employment, zero hours' contracts and 'multiple' low waged employment on individuals and families. <https://www.dur.ac.uk/business/research/research-centres/forgotten-workers/>

Key Local Challenges

It is important that project applications under this call address some of the key strategic challenges facing the region's labour market. A recent Learning and Work Institute report 'An Overview of Labour Market Challenges' March 2019 flagged up a series of key challenges for the North East region and its partners.

Key Headlines

Within the North East region (including the Tees Valley Combined Authority Area) the key challenges include:

- Employment is generally low and remains unevenly distributed.
- The employment rate is particularly low for men and black and 'other' ethnic minorities.
- People with no qualifications are less than half as likely to be in employment compared to graduates.
- There is also a relatively high proportion of economically inactive people who want a job.
- There is a relatively high proportion of young people not in employment, education or training (NEET).

Health and disability are major barriers to work

- The disability employment gap is larger than average with just 47% of those with a core or work-limiting disability in work and inactivity rates are higher than average, with a high incidence of long-term sickness.
- In terms of comparison, there are 27.7% of the working age population classed as long-term sick compared with the England average of 21.5%.
- Similarly, for those classed as temporarily sick the respective figures for the North East region are 3.2% compared with 2.0% across England.

Insecure and low wage employment is more prevalent than other parts of the country

- There is a higher proportion of people in non-permanent forms of employment. The extent to which this is driven by individual choice (or lack of) is not clear and these forms of employment tend to be concentrated among professionals, elementary occupations and in public services.
- There is also a higher than average proportion of workers earning below the living wage, in part reflecting higher than average employment in low productivity sectors.

- Coupled with low levels of employer training, these trends mean that workers are more likely to get stuck in low paid employment with limited prospects for pay progression.

The Employment Rate

In contrast with our comparator regions in England and Great Britain as a whole the employment rate of people of working age (16-64) in the North East at 75.3% falls below that of Great Britain as a whole figure of 78.4%. Table 1 below provides the actual numbers and percentages; please also note that this total includes people who are unemployed jobseekers 'actively seeking' work. For young people (16-24) their unemployment and inactivity rates are generally higher than those of the working age population (16-64) as a whole.

These are obviously regional averages across all seven local authority areas that constitute the north east region. Applicants will need to demonstrate their knowledge of variations at Lower Layer Super Output Area (LSOA) (i.e. ward and neighbourhood level data) where there are concentrations of lower employment / higher unemployment and inactivity rates. Applicants are expected to target these wards and communities. Further information is available via:

<https://www.nomisweb.co.uk/reports/lmp/lep/1925185556/report.aspx>

Table 1: Economic activity (employment) rates			
Table 1 Employment and Unemployment: December 2018			
Resident Status	NELEP	NE (%)	GB (%)
Economically Active (i.e. those in work and actively seeking work)	961,200	75.8	78.5
U/e males	27,900	5.6	4.2
U/e females	18,000	3.9	4.1
Unemployed total	45,800	4.8	4.2

With regard to '**Economic Inactivity**' this is a much broader measure of those people of working age who are not in work for various reasons including those with caring responsibilities, full-time students, those who are long term and temporarily sick, early retirees, the discouraged and those people who have not actively sought work for 4 weeks.

In percentage terms this accounts for almost a quarter (24.2%) of residents in the region and is more than six (x6) times the numbers of people of working age (16-64) that are officially unemployed and registered with the Jobcentre.

The total notably includes 61,500 people who would 'like a job'. This cohort of inactive people who would like a job is a priority group for this call. Many of this cohort will fall within this Investment Priority 1.2 age range of 16-24 year olds where overall participation rates are lower than the working age population as a whole.

Table 2: Economic Inactivity – December 2018

Resident Status	NE figures	NE (%)	GB (%)
Inactive	297,900	24.2	21.5
Want a job	61,500	20.7	20.8
Not looking for work (students, carers, sick, discouraged etc.).	236,400	79.3	79.2

Source: ONS Annual Population Survey – ONS / NOMIS based @ Durham University

<https://www.nomisweb.co.uk/reports/lmp/ward2011/1946157066/report.aspx>

Priority Beneficiary Groups

Within this Investment Priority there are a number of specific groups who underperform their peers as a whole in terms of engagement with the general employment and economic activity rates compared with their peer age group (16-24) in both the region and England as a whole in. Applicants should demonstrate their track record, experience and understanding of supporting young people in one or more of the categories noted below. Projects that include specific support for these groups are particularly welcome either as a discrete application or as part of a broader support project for the 16-24-year-old age group with additional support measures for identified priority groups.

Current data and labour market information, where available, for some of the groups disadvantaged in the labour market is set out below.

Younger working age people (16-24)

In 2018 52.8% of 16 to 24-year olds in the North East LEP area were in employment, 0.7% lower than England as a whole (53.5%). This is comprised of 54.0% of males and 51.6% of females in this age group who were in employment, respectively 0.2 and 1.3 percentage points lower than England as a whole (54.2% and 52.9%)

NEET Groups

At the end of 2017, in the North East LEP area there were about 1,600 young people aged 16 or 17 were not in education, employment or training (NEET) and a further 1,100 whose activity was 'not known', this cohort are likely to be amongst the most vulnerable young people, disengaged from any form of mainstream activity.

In total, 6.9% of 16 / 17-year olds were NEET or had an unknown activity, (4.1% known NEET), these percentages were higher than for England as a whole (6.0% and 2.7%).

In March 2018, 90.4% of 16- and 17-year olds were participating in education or training split between 78.4% in full-time education, 8.7% in apprenticeships and 3.3% in other education and training. The proportions in education or training as a whole and in full-time education in particular were lower than nationally (92.0% and 83.8%).

Care Leavers (Children looked after in England (including adoption))

In 2017/18 there were 922 care leavers in the North East LEP area that were aged 19 to 21 who were 'looked after' with (53% in education, employment or training, a similar proportion to England (51%).

In relation to those care leavers 'not in education, training or employment' – NEET, 18% are ill or disabled, 8% are pregnant or parenting and 21% are for other reasons. This is notably, a much larger proportion are ill or disabled in the North East LEP area than in England as a whole (10%).

Other target beneficiary groups within this IP where we do not have discrete labour market information include: those at risk of becoming NEET, ex-offenders, young lone parents, young people with learning difficulties / disabilities and those involved in gangs.

Evidence indicates that these groups experience severe labour market disadvantage and applicants that target these groups are particularly welcome either as a discrete cohort or as part of a wider project with additional support measures as appropriate.

ESIF Strategy

The North East region's ESIF strategy sets out the framework for all EU funded programmes and applicants need to propose projects that fit within this framework. The North East has therefore focused its employment, inclusion and skills activities around this.

<https://www.nelep.co.uk/wp-content/uploads/2017/10/esif-strategy-2014-2020.pdf>

<https://www.nelep.co.uk/wp-content/uploads/2017/10/esif-strategy-2014-2020-summary.pdf>

The North East ESIF Strategy notes that employment is the key route to combating poverty and exclusion. Despite an improving picture in recent years the region's unemployment and inactivity rates compare unfavourably to other areas and regions in England.

Call Outline

Scope of Activity

ESF investment through this call is focussed on providing support to increase employment for young people aged 16-24 who are unemployed and claim out-of-work benefits, claiming other benefits that would classify them as economically inactive or who are workless and not claiming any benefit. Additionally, projects can

also target some specific cohorts of 15-year olds such as those 'at risk of NEET' and those 'in care'.

Projects responding to this call should deliver activities in either or in both of the categories of region areas of More Developed and Transition areas.

ESF investment through this call will be targeted to projects which will:

- Improve the transitions of young people from education to work and within the labour market.
- Support young people to make good choices and provide them with the additional support they need to overcome acute labour market disadvantage.
- Sector specific and tailored personal development programmes for young people addressing preparedness for work.
- Support for those in low pay or with a history of insecure employment to progress into higher paid more secure employment.

Projects will be prioritised based on:

- Demonstration of access to and alignment with a range of services for beneficiaries.
- Demonstration of a coherent journey from initial engagement in community settings to skills training and work taster sessions that equip people with the skillset's employers need both currently and into the future.
- Projects that support disadvantaged young people who are socially excluded, such as those 'Not in Employment Education and Training' (NEET); those young people 'at risk' of becoming NEET, Care Leavers and other young disadvantaged people and groups.
- Projects that demonstrate innovative use of digital services in their delivery.

Types of activity that can be supported include, but are not limited to:

- Increasing the uptake for both traineeships and apprenticeships through dedicated marketing or outreach work and supporting individuals to remain on projects and programmes (e.g. mentoring, paying trainees' costs day to day transport costs,).
- Providing education, training and careers guidance (particularly to women) to inform on local job options, business developments and local skills shortages.
- Brokering opportunities with employers to take on young people who are NEET (including those complex barriers) and support for employers to take on young NEET people.
- Impartial careers advice and guidance to support transitions from education and training.
- Mentoring / peer mentoring and/or group work approaches to coaching;
- In-work employment support for job retention and progression.

- Money management support including digital and internet literacy courses.
- Volunteering and training opportunities.

Projects should clearly reflect the relevant local context across the geographical area the application targets, provide good value for money and alignment with domestic strategic priorities, these will form a key part of the assessment and appraisal of all applications. More strategically, projects aim to help the region achieve its' long-term ambition in which the demand and supply sides of the labour market become more balanced.

Within this Investment Priority applicants should demonstrate their understanding and knowledge of how they intend to develop and deliver their project within a framework of:

- Alignment to the ESIF priorities.
- Specialist experience in effectively overcoming young people's barriers to employment and work-related training.
- Knowledge and experience of the local labour market.
- Flexibility in provision and ability to respond to individual's circumstances and the changing needs of the local economy.
- How their project complements existing mainstream or ESF funded activity.

For the Transition area only - current YEI provision delivers NEET activity up to June 2021, therefore applicants will need to take account of this and not include any NEET activity in the Transition area before July 2021.

- Adding value and collaborating with existing providers.
- Their referral and signposting systems for beneficiaries.
- The specific target group(s) that they intend to work with.

The **More Developed (MD)** area covers the local authority districts of Northumberland, North Tyneside, Newcastle, Gateshead, South Tyneside and Sunderland.

The **Transitional (T)** area is County Durham.

PLEASE NOTE: The North East Technical Assistance Partnership is available to provide support to potential applicants. neta@northumberland.gov.uk.

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: <https://www.nelep.co.uk/wp-content/uploads/2017/10/esif-strategy-2014-2020.pdf>

1.3 Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 1, **Investment Priority 1.2 Sustainable Integration of Young People into the Labour Market** of the European Social Fund Operational Programme and responds to the local development need set out in the North East Region Local Enterprise Partnership Area European Structural and Investment Funds Strategy.

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

2. Call Requirements

All applications are competitive

<p>Indicative Fund Allocation:</p>	<p>Indicatively, through this call the Managing Authority expects to allocate approximately £9m ESF.</p> <p>Approximately 67% - £6m allocated to the Transition Region</p> <p>Approximately 33%- £3m allocated to the More Developed Region</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>
<p>Minimum application level</p>	<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>For the Transition Area the Managing Authority is seeking and will give preference to applications with an ESF value of over £1,500,000.</p> <p>For the More Developed Area the Managing Authority is seeking and will give preference to applications with an ESF value of over £750,000.</p> <p>Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected.</p>

	<p>The minimum project size for both ESF & match funding, is dependent on the intervention rate determined by Category of Region (CoR) 60% Transition Region & 50% More Developed Region.</p> <p>As North East Region LEP area spans two CoR – Transition and More Developed applicants will need to make it clear in their online Full Application how much of their requested project funding applies to each CoR and ensure that output and result figures are recorded for both CoR.</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 North East Region Local Enterprise Partnership area.</p>
Specific call requirements	<p>This is a call for ESF activity.</p>
Call Deadlines	<p>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.</p> <p>If you encounter any technical difficulties completing or submitting your Full Application via ECLAIMS, please send an email to E.CLAIMSSUPPORT@DWP.GOV.UK .</p> <p>Technical support is available Monday to Friday, from 8am to 6pm.</p> <p>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.</p>

	<p>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 .</p> <p>The Managing Authority reserves the right to reject applications which are incomplete or not submitted in a timely and compliant way.</p>
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	<p>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.</p> <p>The intervention rate in the North East Region LEP Area is 50% in the More Developed areas and 60% in the Transition areas, so 50% of match funding must be provided in the More Developed areas and 40% of match funding must be provided in the Transition areas.</p>
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	1.2 Sustainable Integration Of Young People Into The Labour Market
Specific Objectives	Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.
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 actions for all young people who are NEET or at risk of becoming NEET include:</p> <ul style="list-style-type: none"> • literacy, numeracy, ICT and employability provision to ensure that individuals have the basic skills needed in all jobs and to help them prepare for apprenticeships and progress through other routes to gaining higher skills; • support which complements other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction; • training and vocational qualifications to equip young people for specific jobs; • support for young women to enter non-traditional sectors (e.g. construction) which addresses barriers to entry e.g. to apply for apprenticeships; • community and informal learning to engage young people who have struggled at school and encourage them to access more formal learning; • intermediate labour market activity to provide a structured and supportive environment where young people can gain work experience; • using self-employment as a route out of worklessness, including providing advice and support for self-employment.

Results Table

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
R3	Participants gaining basic skills	4% (More Developed and Transition)
R5	Participants (below 25 years of age) in employment, including self-employment, or education/ training upon leaving	43% (More Developed and Transition)
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	34% (More Developed and Transition)

Outputs Table

More Developed area

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
O2	Participants	5199
O2	Participants (Male)	2599
O2	Participants (Female)	2600
ESF –CO01	Unemployed, including long-term unemployed	3307
ESF – CO03	Inactive	1892
O5	Participants from ethnic minorities	629
ESF - CO16	Participants with disabilities	899
O6	Participants without basic skills	1139
ESF - CO14	Participants who live in a single adult household with dependent children	422

Outputs Table

Transition area

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
O2	Participants	6279
O2	Participants (Male)	3139
O2	Participants (Female)	3140
ESF –CO01	Unemployed, including long-term unemployed	3684
ESF – CO03	Inactive	2595
O5	Participants from ethnic minorities	288
ESF - CO16	Participants with disabilities	723
O6	Participants without basic skills	675
ESF - CO14	Participants who live in a single adult household with dependent children	643

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 North East 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 60%. (depending on category of region This means ESF can contribute up to 60% of the total eligible project costs, subject to State Aid regulations. The remaining 40% 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 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

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."

- 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 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	27 June 2019
Deadline for submission of Full Application via the ECLAIMS IT System	Midnight 5 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
