2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals – Online Applications European Social Fund

Priority Axis 2: Skills for Growth

Managing Authority	**Department for Work and Pensions (DWP)**
ESI Fund	**European Social Fund**
Priority Axis:	**Priority Axis 2: Skills for Growth**
Investment Priority	**2.1: Enhancing equal access to lifelong learning**
Call Reference:	**HoSW Skills for Growth Smart Specialisation OC16S19P1499**
LEP Area:	**Heart of the South West**
Call Opens:	**20 August 2019**
Call Closes:	**Midnight – 12 November 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 <u>do not</u> use ECLAIMS to access or apply against <u>ERDF</u> calls published on GOV.UK – the online application process is only applicable to specified ESF open calls.** **Please note: the ECLAIMS system can only be accessed from within the UK.**

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

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

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

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 support skills for growth. It will support activities through:

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

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

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

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

help address the gender employment and wage gap.	employment or self-employment and achieve higher earnings. There is a result target about progression in work. This investment priority will also contribute to supporting business growth through the development of a more highly skilled workforce.

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Local Development Need

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

Local Priorities:

Ensuring our workforce has the right skills to encourage future economic growth lies at the heart of delivering the vision set out in the Heart of the South West (HoSW) Strategic Economic Plan, Heart of the South West Productivity Strategy and the emerging Heart of the South West Local Industrial Strategy, with a clear vision 'to double the size of the Heart of the South West's economy by 2038'.

To achieve this ambition however, Heart of the South West will need to address underlying challenges around its productivity. The area was assessed as being 32nd out of 39 LEP areas in terms of GVA per hour worked in 2017, achieving just 84% of the national average, with at least one sub-area (Torbay) within the bottom 10 NUTS 3 locations within the Country.

In part, this reflects wider challenges within the Heart of the South West around its medium-term economic trajectory, with lower skilled sectors (notably low value manufacturing, tourism, retail and agricultural work) continuing to form a significant proportion of the area's economic makeup. This pattern of underperformance is however further exacerbated however by the overall availability of skilled workforce, with a lack of skilled individuals within the Heart of the South West reinforcing existing economic patterns and dissuading new investments / diversification, which in turn reinforce the lack of demand and thus appropriate taring opportunities. Ongoing changes in demography within the Heart of the South West, and a rapidly aging skilled workforce are also further fuelling such gaps within key sectors and businesses, with existing skills workforce disengaging from employment without obvious replacement.

This picture is not however consistent across the Heart of the South West, with significant variation within its geography. The gap between the best and worst performing districts on higher and intermediate skills for example has widened between 2008 and 2018, with several of the Heart of the South West's rural and coastal areas proving particularly vulnerable to rationalisation and a lack of renewal amongst key employers over the past decade.

	NVQ Level 3 2008	NVQ Level 4 2008	NVQ Level 3 2008	NVQ Level 4 2018
Exeter	54.8	32.8	68.1	51.4
Torridge	36	16.7	45	23.5

Source: ONS Annual Population Survey

As outlined within the Heart of the South West Strategic Investment Plan, a number of transformational sectors / smart specialisations offer opportunities for additional growth and economic shift, with skills performance being a key enabler. Business survey work undertaken within the Heart of the South West during 2017 thus further suggests a renewed appetite for upskilling and innovation, with 62% of businesses having noted an increased requirement for skilled vacancies during the year, with many noting a specific demand for technology based or digitally literate roles.

There is therefore a clear rational for ongoing skills enhancement at intermediate and higher levels, both reinforcing technical skills and capability within the Heart of the South West. As set out through the ESIF programme, this is required both to meet the Heart of the South West ongoing ambitions for future productivity growth and competitiveness, but also to provide for sustainable workforce development in the medium term.

The focus of the activity in this call therefore seeks to meet this demand for intermediate and higher-level skills. In particular, it seeks to enable those in work and within the Heart of the South West's SMART Specialisation areas, but perhaps not currently subject to an active offer around upskilling, to realise their potential. These include, but are not limited to, those engaged around Digital and AI activity, Advanced Engineering and Manufacturing and opportunities emerging from Clean Growth.

In bringing this call forward, applications are particularly sought for projects which are seeking to maximise apprenticeship approaches or support entrants to other structured pathways into the Heart of the South West SMART Specialisation sectors. This seeks to both build on national priorities around vocational training and progression, as well as best utilise and maximise the impact of resources such as the Apprenticeship Levy.

This call is relevant to the following priority areas within the Heart of the South West ESIF Strategy:

1) Maximising Innovation through Transformational Opportunity and Smart Specialisation.

- Employer led solutions to address higher level skills gaps, particularly amongst SMEs. Demand led and focused on skills which can support our transformational opportunities and broader economic prosperity. Examples include:

    o Encouraging take up and participation in STEM based disciplines
    o Higher Level Skills / Skills aligned with the Heart of the South West 'Smart Specialisation' priorities at Level 3 and 4.

2)   Enterprise and SME Competitiveness

- Improving Workforce Skills - Skills support for those yet to achieve a suitable qualification, particularly in sectors of high employment demand and those with an opportunity to increase productivity overall.

- Leadership and Management Skills - Improving leadership and management skills for both new and existing businesses, through training, mentoring and business support activities.

These priorities are also relevant to those within the Heart of the South West Strategic Economic Plan and Productivity Strategy.

Call Outline

This call seeks applications which concentrate on bringing new skilled staff into the Heart of the South West's SMART Specialisation priority sectors, as well as upskilling existing staff within the workforce to increase their overall economic contribution.

Specifically, the call is seeking:

Activity which seeks to best utilise existing resources and pathways into relevant STEM and other professional areas, notably through apprenticeships and other structured training routes. Ideally, these will provide opportunities to both maximise local / employer led resources (including the Apprenticeship Levy) and expertise to upskill the sector. Such pathways would also focus on activity from Level 2 or 3 to higher skills progression for the harder to reach / lower skilled within the workforce.

Activity which specifically targets skills progression and training amongst employers within underperforming districts and locations across the Heart of the South West area. These include the district / authority areas of Torridge, Sedgemoor, Mid Devon, West Devon, Plymouth, Torbay, Mendip, South Somerset and North Devon. Partners are particularly encouraged to consider how rural and costal challenges might be met through provision.

Activities which seeking to engage or reengage those within a group or demographic that has traditionally been more reluctant to upskill. These include women returners, older people (e.g. those aged 50 and above) and those holding a Level 2 as their highest qualification for five or more years.

Activity which supports information, advice and guidance linked to progression to higher level skills for those both and outside the workplace, including links to apprenticeship provision or other routes to technical / STEM careers. This could also include advice / support for self-employment and entrepreneurial skills to start and grow a business or social enterprise.

Activities which increase access to, and participation in further and higher education, particular amongst disadvantaged individuals (notably those claiming working tax credits / other work-related benefits) and amongst communities considered the most disadvantaged nationally (i.e. those within the bottom 10% of deprived wards nationally)

Development of related access routes to relevant training and capacity for such individuals, including modular and digital / online provision.

Applicants should note that this list is neither finite, nor prescriptive, but provides an overview of the core shape of the applications sought.

Whilst this call is not limited to specific sectors, applicants should note the following sectors have been identified by the Heart of the South West, in either the Heart of the South West SIP, Productivity Strategy or emerging Local Industrial Strategy as having particular importance or growth potential for the area:

- Advanced Manufacturing and Engineering (incorporating Marine, Nuclear and Aerospace)
- Digital Technologies and AI; and
- Environmental Futures / Clean Growth;

Applicants may also wish to consider how projects could also benefit the Heart of the South West Foundation Sectors, which include Construction, Tourism and Food and Drink / Agritech, which often integrate with and complement the above growth opportunities.

In developing projects, applicants are encouraged to fully consider how proposals will add value to existing mainstream and ESF funded support. Applicants will be expected to demonstrate how proposals respond to current and emerging shortages and opportunities across the Heart of the South West area, as well as make best use of existing provision to avoid duplication or overprovision within individual areas or disciplines.

Successful applicants must also demonstrate how the new provision seeks to build and extend existing best practise. They must provide evidence that the provision is transformational (e.g. different to existing provision, enabling a demonstrable change in performance and an offer not currently available to an individual), sustainable (e.g. able to be delivered and maintained throughout the lifetime of the project), and primarily aimed at those already in employment or those with a demonstrable ability to return to employment if in a target group (e.g. women returners, older people). The applicant must also clearly demonstrate that ESF is required for the activity, including evidence that wider mainstream funding is unavailable.

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://heartofswlep.co.uk/wp-content/uploads/2016/09/May-2016-HotSW-ESIF-Strategy_0.pdf

1.3   Scope of activity

This call invites Full Applications which support the delivery of Priority Axis 2, **Investment Priority 2.1 Enhancing equal access to lifelong learning** of the European Social Fund Operational Programme and responds to the local development need set out in the Heart of the South West 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 **£4,564,037 ESF.** **Approximately 78% - £3,530,087 allocated to the Transition Region.** **Approximately 22%- £1,033,950 allocated to the More Developed Region.** 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 **£882,521 to projects in the Transition area of ESF to any single project**. The Managing Authority does not intend to allocate less than **£258,487 to projects in the More Developed area of ESF to any single project**. **Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected** The minimum project size for both ESF & match funding, is dependent on the intervention rate determined by CoR; 60% Transition Region & 50% More Developed Region. As the HoSW LEP area spans two CoR, Transition and More Developed applicants will need to provide separate financial and indicator tables with the appropriate intervention rates for each CoR.

Duration of project approvals	Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.
Geographical Scope	All interventions should be focused on activity and beneficiaries within the HoSW Local Enterprise Partnership area.
Specific call requirements	This is a call for ESF activity.
Call Deadlines	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
Application selection	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
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. At outline application stage 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.

The intervention rate in the HoSW 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. |
Operational completion	Operations must be completed no later than 3 years and 6 months after the proposed start date.
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	2.1 Enhancing equal access to lifelong learning
Specific Objectives	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Indicative Actions	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 activities that may be supported include: • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in Small and Medium size Enterprises (up to 250 employees); • training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace; • access to learning; information about learning and skills; • brokerage of opportunities between learners and employers. • support for additional apprenticeships and other structured training pathways which meet market demand; • Support for related outreach and pre-employment training as part of a direct pathway into a growth opportunity sector

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.

More Developed

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

Transitional

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

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.

More Developed

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	1294
O1	Participants (Male)	662
O1	Participants (Female)	632
O4	Participants over 50 years of age	260
O5	Participants from ethnic minorities	112
ESF - CO16	Participants with disabilities	140
ESF - CO14	Participants who live in a single adult household with dependent children	62
O6	Participants without basic skills	196

Transitional

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	2980
O1	Participants (Male)	1521
O1	Participants (Female)	1489
O4	Participants over 50 years of age	701
O5	Participants from ethnic minorities	161
ESF - CO16	Participants with disabilities	353
ESF - CO14	Participants who live in a single adult household with dependent children	149
O6	Participants without basic skills	484

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 Heart of the South West 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%within the More Developed area and 60% within the Transitional area. This means ESF can contribute up to 50% of the total eligible project costs within the More Developed are and 40% within the Transition, subject to State Aid regulations. The remaining 50% or more within the More Developed area and 40% or more within the Transitional area 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

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

transparent procurement is required to ensure that Grant Recipients:

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

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

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

4.8   Retrospection

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

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

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

5.   Application Process & Prioritisation Methodology

The ESF application process is a single-stage process – Full Application only.

Applicants must fully complete the Full Application 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 you Full Application information in ECLAIMS, 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	20 August 2019
Deadline for submission of Full Application via the ECLAIMS IT System	Midnight 20 November 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