



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 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:	Equal Access to Lifelong Learning - Phase 3 OC25S19P1708
LEP Area:	North East Region
Call Opens:	10 December 2019
Call Closes:	Midnight – 03 March 2020
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 <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.</p> <p>Please note: the ECLAIMS system can only be accessed from within the UK.</p>

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1. Call Context

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

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

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

European Structural and Investment Funds are managed by the Ministry of Housing, Communities and Local Government (ERDF), Department for Work and Pensions (ESF) and the Department for Environment Food and Rural Affairs (EAFRD). In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. Unless stated otherwise, the term "Managing Authority" will apply to all these organisations. These Departments are the Managing Authorities for each Fund. The Managing Authorities work closely with local partners who provide:

- Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
- Local intelligence to the Managing Authorities in the development of project calls (decided by the Managing Authorities) that reflect Operational Programme and local development needs as well as match funding opportunities;
- Advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESIF Strategy to aid the Managing Authority's appraisal of each Full Application.

This call is issued by the Department for Work and Pensions (DWP) to commission ESF Funded projects that will support the **Priority Axis 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 usually 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.

However, if an existing ESF Grant Recipient submits an application to extend their existing ESF Project via this open call and, if the cumulative value of all Full Applications received against it is below the call value, the ESF Managing Authority may choose to consider and assess that application via the Project Change Request route.

The decision on whether or not to use the Project Change Request route is a Managing Authority decision and will only be considered once the call is closed. To determine whether the Project Change Request route may be appropriate, the Managing Authority will take into account:

- Existing project performance against financial, output and result targets;
- The existing Grant Recipient track record within the ESF Programme;
- Completeness, robustness and detail of the information provided in the Full Application Form and supporting documents which would inform the Project Change Request assessment;
- Scale and complexity of any proposed changes between their existing ESF Project and their new Full Application proposal;
- Eligibility and availability of match-funding for the new/extended project delivery period.

This list is not exhaustive and, if there are any concerns about the delivery and/or management of the existing project, then the Full Application will be subject to the standard Full Appraisal process.

The same Project Change Request route may also be considered by the Managing Authority where the cumulative value of applications against an open call exceeds the overall call value, but the ESF Managing Authority then exercises their right to “increase the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received” as set out in this call specification or in cases where there is only one applicant against this call and that applicant is already delivering the same type of ESF Project in the same LEP Area under the same Investment Priority.

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 help address the gender employment and wage gap.	The additional support from this investment priority will support women in raising the level of their skills, helping them to progress in employment or self-employment and achieve higher earnings. There is a result target about progression in work. This investment priority will also contribute to supporting business growth through the development of a more highly skilled workforce.

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:

Local Economic Context

The North -East Enterprise Partnership's Strategic Economic Plan (SEP) was refreshed earlier this year (2019) and sets out the growth ambitions for the next 10 years providing a clear focus on realising the potential of the whole of the North East. It also links to the European Structural Investment Fund (ESIF) Strategy as noted above. More information about the NE LEP area SEP and other strategic plans can be found at: <https://www.nelep.co.uk/the-plan>

Local Priorities

The last 5 years has witnessed a period of economic growth with an increase in the number of jobs available and welcome improvements in the region's Gross Value Added (GVA) and productivity levels, although the current rate of improvement will need to increase in order to meet the region's SEP 2024 targets. This alongside the region's 'European Structural and Investment Fund' (ESIF) strategy sets the context of the North East Region Local Development need and priorities.

Applicants should also be familiar with the emerging North-East Local Industrial Strategy (LIS) which is due to be published in 2020, further details are available via the link below: https://www.northeastlep.co.uk/local-industrial-strategy_summit

This Call is seeking applications which help deliver the North-East regions' strategies and plans that promote the development of a highly skilled workforce.

The key regional business sectors of strategic importance noted in the SEP are:

- Digital
- Advanced Manufacturing and Engineering
- Health, Life Sciences and Social care
- Energy

The SEP also identifies the following sectors in the region that 'enable' growth across the regions' economy notably:

- Construction
- Education
- Financial Business & Professional Services
- Transport & Logistics

Additionally, we are aware of the critical importance of those sectors that employ most of the regions workforce and employment base, including:

- Culture & Creative Industries
- Tourism Hospitality & Visitor Services

- Health and Social Care services
- Customer Services and Retail

Aggregated, all the sectors noted above represent a significant proportion of the North-East economy.

As part of the development work associated with this call the region's ESF Thematic Group conducted a gap analysis of all current and pipeline ESF projects for IP 2.1 / skills support for the workforce across all ESF Opt-in organisations and Open Call provision. This was in order to identify any business sectors that had either little or no current ESF provision. This was then overlain with a wider assessment of the regions skills and occupations that are experiencing skill shortages and/or recruitment challenges that are affecting business performance and productivity.

Furthermore, the regions new Skills Advisory Panel has commissioned research (December 2019) that will appoint contractors to assess the employment and skills needs of the sectors in the North East LEP area – offshore wind, tourism and health and social care. This research will inform the decision making of the North-East Skills Advisory Panel, industry groups and others. Applicants will need to be aware of this research and commit in their response to being flexible to reshape delivery in the light of the findings when available and where appropriate.

Across these sectors there is a wide range of occupational groupings and allied upskilling requirements that improve the competitiveness and productivity of the workforce and applications are welcome that deliver the following training services:

Leadership, Management and Enterprise Skills in the following sectors:

- Digital, Creative & Cultural Industries
- Voluntary, Community & Social Enterprise (VCSE)
- Micro Businesses (across all sectors)

Technical and Occupation specific skills in the following sectors:

- Digital, Creative & Cultural Industries
- Energy, Low Carbon and Offshore related sectors
- Logistics & Transport sectors
- Health & Social Care (with a focus on the Social Care Sector)
- Tourism, Hospitality & Visitor Services
- Digital Infrastructure

Digital Skills training is required across the whole of the workforce, specifically within SMEs and amongst administrative and clerical staff in the region who need upskilling in the face of increased competition from e-commerce business solutions. The annual Lloyds Bank Business Digital Index provides relevant and up to date information on the digital skills needs of small businesses. The 2017 Index revealed that only 58% of small businesses have full basic digital skills and 61% do not invest anything in digital skills. This was therefore reflected in their digital capability with 53% of small firms not having their own website and only 25% feeling that they have the skills to prevent online fraud and scams. The 2019 Index reported that it is “evident that digital capability amongst small businesses is improving. However,

there is still some way to go embedding digital within organisations” Staff of SMEs in the region need the right training to help them implement and indeed benefit from digital technology, this should be at the core of the adoption process.

More generally applications are sought around digital skills that contribute to business competitiveness in a range of areas - management, data analysis, administration, marketing etc. Applicants should therefore also consult NELEP’s new digital strategy ‘Digital for Growth’ that was launched in October 2019 for further information. It is available at:

<https://www.northeastlep.co.uk/wp-content/uploads/2019/10/digital-for-growth-strategy.pdf>

Sectoral Priorities for this Call

The sectoral list following provides a snapshot of the skills gaps and occupations requiring investment sectors where little or no current and planned ESF support is offered are:

Digital, Creative & Cultural Industries

Skill Gaps

- Management & Leadership
- Business support services such as financial management and strategic planning skills
- Fundraising skills
- Partnership-working skills
- Creative digital skills for marketing art
- Digital Ticketing & sales

Source: Creative & Cultural Industries SSC: Building a Creative Nation, Current & Future Skills Needs 2019

Low Carbon, Energy, Utility, Offshore & Supply Chain Logistics

Skills gap areas:

- Energy Managers
- Retrofit Engineers
- Heat Pump Installers
- District Heating Network Engineers
- Home Energy Transformation specialists
- Network Technology Engineers
- Analytical, communication and technology skills training

Source: Energy & Utility SSC – Workforce Renewal & Skills Strategy 2020 & Energy Systems Catapult

Health & Social Care

Skills gap areas

- Care Sector staff upskilling to enable progression to supervisory level
- Skills Training for the existing workforce focuses on:
 - Safeguarding
 - Health and Safety & First Aid
 - Infection Control
 - Medication Safe handling and awareness
 - Mental Capacity Act
 - Dementia Training

Source: Skills for Care Workforce Intelligence Report 2018

Transport, Logistics & Supply Chain

Skills gap areas

- Office staff, vehicle drivers and warehouse workers are all in high demand
- Software engineers, project managers and executives are the hardest roles to fill.
- A lack of job-specific skills is the main barrier to successful recruitment
- 54% of firms expect these skill shortages to heighten with Brexit given that 19% of warehouse staff and 25% of forklift drivers are EU nationals compared with a all sector average of 9%.
- All roles from management to warehouse operatives, are affected with a major concern with the ageing workforce of HGV drivers, 63% of whom are 45 or over according to the Freight Transport Association (FTA).
- In terms of upskilling the existing workforce both reports highlight the increasing implementation of technology will require more skilled operatives with a range of digital skills.

Sources: Chartered Institute of Logistics and Transport (CILT) – June 2019 & UK Logistics Confidence Index, published by Barclays and Moore Stephens - July 2019.

Tourism, Hospitality & Visitor Services

Skills gap areas Types of skills training needed in the sector

- Management & Leadership Training
- Welcome Host Training
- Sales & Customer service skills
- Chefs and all food-related activities
- Housekeeping
- Project management
- Front-of-house

Sources: People 1st SSC & LGA Supplying Skills for the local Visitor Economy June 2019.

Voluntary Community & Social Enterprise (VCSE)

Skills gap areas

- Management & Leadership
- Technical and practical skills, notably IT skills, numerical & digital skills
- People and personal skills – including time management, team working, self-management and communication skills

Source: NCVO Planning for Tomorrow's Workforce – Research Briefing August 2019

More generally as well as the sectors, occupational areas and skill gap areas noted above we appreciate that upskilling the workforce through the offer of learning and development opportunities is vital across the whole of the regions' economy and therefore applicants are also welcome for service provision that improves the skillsets of individual employees across the board. This will contribute to improved business productivity and growth across the region and are therefore open to applications outside of the priority areas noted above where there is exceptionally strong evidence of unmet need and market failure.

Call Outline

The North East European Structural and Investment Fund (ESIF) Strategy

Investment Priority 2.1

The European Social Fund (ESF) aims to help people get better jobs and ensure fairer job opportunities for all. In response to the challenges and opportunities for growth set out in our Strategic Economic Plan, the North East LEP area will focus its employment, inclusion and skills activities around the following:

Support for Management, Leadership and Enterprise skills (2.1) - Support skills provision that delivers an increase in business starts targeted at the smart specialisation and growth sectors; pre-start support; entrepreneurial skills development; and training for innovators throughout their academic and business careers.

Support for employer led skills activities (2.1) - Focused on SMEs in smart specialisation and growth sectors.

Support skills development for the workforce (2.1) - Develop skills, including for those newly employed/ low skilled and those facing redundancy; enabling progress or sustainment in work. Focus on low skilled, tackling barriers to employment. Skills refresh e.g. IT skills/specific qualifications to address gaps in emerging technologies.

Support for industry specific intermediate and high-level skills that respond to employer demand and offer flexible responses to emerging and projected skills needs (2.1) - Focused on smart specialisation and growth sectors”.

Applications which address these priorities are welcome, and in particular those that incorporate the following strands:

- projects that target those within the workforce who currently lack basic skills
- projects that 'upskill' people at Level 2 to Level 3 to enable scope for progression within the workforce
- projects that provide support for technical and sector specific skills including Leadership and Management
- projects that enable women to progress in the labour market.

Developing and Delivering a Skilled Workforce

A skilled workforce is central to driving sustainable economic growth in the region with investment in skills driving increased productivity that benefits the North-East (and UK) region as a whole. In this respect, to back the regions' commitment to support and deliver 'more and better jobs' we need to ensure there is an adequate supply of appropriately skilled and trained staff within the current and future workforce to meet future employer skills needs.

The region is fortunate in relation to the quality of assets and infrastructure available through the educational and vocational training institutions, businesses and agencies committed to upskill the workforce. With four universities, nine FE colleges and numerous vocational training providers with a strong reputation for responding to the opportunities presented by a growing and changing economy. Indeed, in 2017/18 the area featured both the highest proportion of apprenticeships and the highest number of employers taking on apprentices in the UK.

Key macro-level workforce skills challenges to be addressed

The region does however face key skills challenges that particularly inhibit business growth. In comparison with other UK regions the North East have a lower skilled workforce with insufficient numbers of employed people qualified to level 3 and above. Although the region has made progress with 52.3% qualified to Level 3 and above in 2018 up from 47.1% in 2012 we still fall behind the 2018 UK average of 57.8% qualified to Level 3 and above in 2018. Similarly, for those qualified at Level 4 and above 31.2% are qualified to Level 4 up from 27.2% in 2012 we still lag the UK average figure of 57.8% qualified at this Level in 2018. Indeed, the gap has widened on a time series analysis in the 2017/18 period. Given the overall contribution that this section of the workforce makes it is critical that more staff gain skills at these levels if we are to achieve our economic growth aims in the region.

Improving skill levels of the workforce will not only benefit the individual member of staff it also benefits their employer and the economy given the positive impact that upskilling has on productivity and profitability. Upskilling the existing workforce also needs to be also viewed alongside an ageing demographic and Brexit considerations mean that in certain skilled and technical occupations urgent action is required.

Specific Considerations

There remains a mismatch between supply and demand in the labour market – using the term skills in its broadest sense, the skills achieved within the educational curriculum are not always the skills required by employers.

Some employers do not invest in ongoing training and development of their workforce and rely on recruiting from elsewhere in the sector. This drives inflation in the labour market without improving aggregate skills or enhancing productivity. In addition, as the use of technology increases in most jobs, people either leave or cannot re-enter employment, in turn putting pressure on the programmes aiming to help people back into work.

This call offers the opportunity to improve progression by opening up opportunities for employees to acquire new and additional skills enabling career progression that will subsequently allow for more movement at the role that the employees have vacated. For management & leadership skills, the North-East region is similar to other regions in that it is dominated by SMEs with owners and managers often 'juggling' multiple roles to get by. This business model too often overlooks the benefits of investing in this training that can deliver:

- enhanced business performance and improved business productivity – (including improved sales turnover and increased profits);
- engaged, more motivated managers and leaders;
- increased retention rates;
- lower recruitment costs; and
- measurable, tangible return on investment

Flexible learning packages are required to support this cohort of managers.

Activities that can be supported

ESF Investment Priority 2.1 applications should cover elements of the following specific objectives either individually or collectively that target and deliver projects and activities for:

- People who need to improve their basic skills by supporting those in the workforce who lack basic skills that as well as improving the skills of the employee will also improve the capacity of SMEs and micro businesses and support business growth.
- Improving the skill levels of the current workforce to enable progression via investing in staff to upskilling to Level 3 from Level 2 skills that will additionally drive growth in the business by improving productivity and open up entry level opportunities.
- Increasing the numbers of staff with technical, job specific and sector-based skills through for example, supporting employees within the workforce acquire qualifications at Level 3 and above (or units towards), higher-level apprenticeships and management and leadership to assist business growth through the development of a more highly skilled workforce.

- Women to enable them to progress in the labour market. Women who, although continuing to make up an increasing share of the workforce tend to occupy more junior roles within the workforce and therefore, we are particularly keen to encourage projects that offer women skills training and learning and development opportunities that enable career progression.

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>

<https://www.nelep.co.uk/wp-content/uploads/2017/10/esif-strategy-2014-2020-summary.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 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 £10,000,000 ESF</p> <p>This Call is for the More Developed area only.</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>
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Minimum application level	<p>European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The Managing Authority does not intend to allocate less than £2,500,000 of ESF to any single project.</p> <p>Applications requesting an ESF amount below the 'Minimum Application Level' will be rejected.</p>
Duration of project approvals	<p>Projects must be completed no later than 3 years and 6 months after the proposed project start date; however, the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p> <p>All ESF Projects must be completed by 31st December 2023. Project costs cannot be incurred beyond this date.</p> <p>NOTE: Delivery of activities and associated costs can be incurred up to and including 31st December 2023, with the full and final claim expected no later than February 2024.</p>
Geographical Scope	<p>All interventions should be focused on activity and beneficiaries within the 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>

	The Managing Authority reserves the right to reject applications which are incomplete or not submitted in a timely and compliant way.
Application selection	All applications will usually 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. However, the Managing Authority reserves the right to assess applications from existing Grant Recipients via the Project Change Request route where appropriate, as set out in the 'Call Context' section of this specification.
Applicant proposals	These can only contain activities which are eligible for ESF.
Eligible match funding	Applicants will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. The applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.
Procurement	All procurement must be undertaken in line with EU regulations.
State Aid law	Applicants must demonstrate compliance with State Aid law.
Audit/ Compliance	All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.
Calls listing multiple activity	The applicant is required to list each activity they plan to deliver, supported by a clear breakdown of costs. Expected outputs and results per activity should be provided.

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

3. Deliverables required under this Call:

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

Investment Priority	2.1 Enhancing equal access to lifelong learning
Specific Objectives	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Indicative Actions	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>Examples of activities that may be supported include:</p> <ul style="list-style-type: none"> • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in Small and Medium size Enterprises (up to 250 employees); • training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace; • access to learning; information about learning and skills; • brokerage of opportunities between learners and employers.

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	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.

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	10209
O1	Participants (Male)	5282
O1	Participants (Female)	4927
O4	Participants over 50 years of age	1165
O5	Participants from ethnic minorities	820
ESF - CO16	Participants with disabilities	677
ESF - CO14	Participants who live in a single adult household with dependent children	510
O6	Participants without basic skills	1162

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 Region LEP area. All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

There must be a fully evidenced audit trail for all contracted deliverables.

4. General Information

Essential information to support the drafting of an application and delivery of a successful ESF funded project is available at the [European Growth Funding](#) website pages.

4.1 Compliance and Eligibility

When developing an application, Applicants should refer to [guidance](#) on eligible Applicants, activities and costs. These are for guidance only and Applicants should take their own specialist advice if in doubt. It is the responsibility of the Applicant to ensure that the rules and guidance are adhered to both at application stage and following approval.

European Structural Investment Funds (ESIF) are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the 'Document Checklist' (Section 8 of this call specification) prior to completing and submitting their Full Application in the ECLAIMS IT system. If successful, Applicants will enter into the standard Funding Agreement and must abide by the standard terms and conditions contained therein. Applicants are therefore strongly advised to read these terms and conditions to ensure that they would be able to enter into such an agreement prior to responding to the call. Once a Funding Agreement has been issued it should be signed and returned within a short timescale.

4.2 Intervention Rate & Match Funding

ESF is funding used where no other funding can be obtained (the funder of last resort) and the maximum ESF intervention rate for the operation is 50% (depending on category of region). This means ESF can contribute up to 50% of the total eligible project costs, subject to State Aid regulations. The remaining 50% or more must come from other eligible sources. For all full applications, the applicant will need to provide information to demonstrate that the operation is likely to have the required level of match funding in place at the point of formal approval.

ESF is not paid in advance and expenditure must be defrayed prior to the submission of any claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

4.3 Applicants

Applicants must be legally constituted at the point of signing a Funding Agreement, and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract for ESF and therefore carries the liability for ensuring that the terms of the ESF Funding

Agreement are met by them and to all delivery partners. If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.

The Managing Authority will consider the Applicant's track record, both positive and negative. If the Applicant has been involved in the delivery of previous European grants and any irregularities with this (these) grant(s) have been identified, the Managing Authority will look into these and expect to see how and what steps have been taken to ensure that these have been addressed to mitigate the risk of further irregularities in the future. It is acknowledged that some organisations will be new to ESIF funding and will not have a track record.

4.4 Cross Cutting Themes

All applications received under this Call should demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross cutting themes for ESF are 'gender equality and equal opportunities' and 'sustainable development'.

For ESF, the project applicants will be required to deliver their services in-line with the Public Sector Equality Duty (as defined in the Equality Act 2010). All projects must have a gender and equal opportunities policy and implementation plan which will be submitted at full application stage and in-line with Managing Authority guidance. Project applicants will also be required to answer a number of ESF-specific equality questions which will be set out in both the Full Application screens in the ECLAIMS IT system and the related ESF Online Full Application guidance.

For ESF, all projects will also be required to submit a sustainable development policy and implementation plan (in-line with guidance produced by the Managing Authority).

The ESF programme particularly welcomes projects that have an environmental focus that can meet the strategic fit at local and programme level whilst also adding value by:

- supporting environmental sustainability; and/ or
- complementing the environmental thematic objectives of other programmes such as ERDF; and/or
- using the environment as a resource to help motivate disadvantaged people

Further information is available in the [ESF Operational Programme](#) and in ESF Action Note 019/18: [New Assessment Scoring Procedures for Equality and Sustainable Development in ESF](#).

4.5 State Aid & Revenue Generation

Applicants are required, in the Full Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply

with the law on State Aid.¹ Grant funding to any economic undertaking which is state aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme or is covered by the De Minimis Regulation. Guidance for grant recipients, explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

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

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

4.6 Funding Agreement

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

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

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

4.7 Procurement

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

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

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."

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 usually 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.

However, the Managing Authority reserves the right to assess applications from existing Grant Recipients via the Project Change Request route where appropriate, as set out in the 'Call Context' section of this specification.

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 call's 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	10 December 2019
Deadline for submission of Full Application via the ECLAIMS IT System	Midnight 03 March 2020

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