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:	**Recovery and Renewal - Skills for Growth – North East – OC25S21P1823**
LEP Area:	**North East Region**
Call Opens:	**8 March 2021**
Call Closes:	**Midnight – 31 May 2021**
Application Process	**Applications for funding must be completed and submitted using the ECLAIMS IT system.** **Applications submitted via any other method will not be accepted.** **Please do not use ECLAIMS to access or apply against ERDF calls published on GOV.UK – the online application process is only applicable to specified ESF open calls.** **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.

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.

UK Withdrawal Agreement

Under the Withdrawal Agreement, the UK will continue to participate in programmes funded under the current 2014-2020 Multiannual Financial Framework (MFF) until their closure.

This means that the vast majority of programmes will continue to receive EU funding across the programme's lifetime. In many cases, funding will continue until after 2020 and the end of the transition period. In addition, UK organisations can continue to bid for new grant funding under the current MFF.
More information on the continued UK participation in EU Programmes can be found at the following website link.

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:

This Call has been developed specifically to address the impacts of the Covid 19 Pandemic on the economy and workforce of the North East LEP area. It is aligned with the North East's Recovery and Renewal Deal that sets out both the current challenges and the course for recovery over the coming months.

The key headline data providing the evidence base for this call are summarised below (please note that ONS Labour Force statistics that refer to the North East region also include the Tees Valley area), this data and other labour market evidence forms the basis that project applications will need to address and also identifies the target groups for support under this call.

Regional Economic & Labour Market Overview

In the North East LEP area the multi-agency 'Economic Recovery Group' has commissioned quarterly economic intelligence and data reports to monitor the economic impacts of Covid-19 across a range of indicators. Project applicants will need to familiarise themselves with the evidence provided. Notable headline statistical information for the region in October 2020 include:

- 49% of businesses reported that turnover was down with a year ago compared with the England average of 44%.
- Expected profit levels at this time of year were lower for 47% of firms compared with the UK level of 42%.
- The region continues to have the highest percentage of staff on furlough with 74,300 still furloughed at the end of August).

The Recovery Group expect that we will experience even higher levels of unemployment into 2021 with 15,000 people made redundant in the July to September period alone when the CJRS (furlough) was still operational.

In respect of self-employment 47,500 people made claims to the Self-Employment Income Support Scheme (SEISS) in the quarter to September slightly down on the 55,000 that made claims in the quarter ending June, this represents 67% of eligible claimants. These self-employed people, those recently made redundant and those who will be made redundant in the coming months are target groups for this call. This is crucial to prevent people becoming long-term unemployed.

https://www.northeastlep.co.uk/wp-content/uploads/2020/10/north-east-recovery-and-renewal-deal-for-publication.pdf

Call outline:

Target Groups for support:

Existing Staff who need to upgrade their skillsets to remain competitive in the labour market

Generally, project applicants should focus on those people in work who need to improve their skillsets and retrain in order to sustain employment in the longer term. Long terms trends such as job automation, digital technologies and cultural shifts (from for example high street to on-line retailing, delivery of on-line health and care service provision to patients) will affect the workforce in many sectors and applicants will need to offer provision such as retraining and skills improvements to enable employees 'upskill', adapt and therefore retain their jobs in the long term.

People made redundant & furloughed staff

In the 3-month period August to October 2020 the ONS Labour Force Survey noted that 12,000 staff had been made redundant in the North East region, the highest quarterly level since 2009. Within the Coronavirus Job Retention Scheme (CJRS) furlough scheme there were 55,200 staff furloughed in October 2020. In total there have been 267,000 staff furloughed in the North East region since the onset of the pandemic. Nationally, the Office of Budget Responsibility (OBR) estimate that 15% of furloughed employees end up being made redundant with the third national lockdown at the start of 2021 it is likely that further redundancies will develop during 2021 for directly employed staff, upskilling and retraining these people in the workforce is therefore a priority.

The Self-Employed Workforce

The self-employed nationally is the category of employees that has accounted for the largest increase in the workforce over the last decade (2010-2020) accounting for 30% of all new employees. In the North East there has been 103,900 claims made against the SEISS scheme in the two tranches in 2020, around 70% of those eligible.

The crisis has led to significant job losses and reductions in hours for self-employed people during the COVID-19 pandemic, those staff not employed directly regularly being the first workers squeezed during economic downturns. Moreover, the self-employed on average are earning less than they were in 2009 when the financial crisis of that time first hit. COVID has already seen a fall in the numbers of self-employed nationally of almost 10%, (about 440,000 people) from approximately 5 million to 4.56 million between January and August 2020.

These are one of the workforce groups that have been disproportionally affected by the negative impacts of COVID-19 and this group are therefore a priority for support. The challenges faced by this group of workers was identified recently in the Institute of Fiscal Studies 'Review of Inequalities' that has reported in January 2021. *Source: IFS Deaton Review of Inequalities:*

https://www.ifs.org.uk/inequality/the-ifs-deaton-review-of-inequalities-a-new-years-message/

Sectoral Analysis & Priorities

At national level, the sectors negatively impacted by COVID-19 rates of redundancies were highest in:

- Arts, recreation and personal services (32.6 per 1,000 employees),
- Accommodation and food services (27.6),
- Administrative and support services (24.2) and
- Retail and wholesale (19.3).

These sectors, similarly to other regions provide employment for large numbers of the region's workforce and the staff who have lost their jobs in these primarily in 'customer facing' roles should be targeted for retraining and upskilling to all them to transition from, for example high street into online retailing and distribution. Applicants should also note that young people are the age range in the workforce that have been most likely to have lost their jobs and are more likely to be employed in these sectors.

A range of interventions to support the target groups are therefore required dependent on the individual circumstances, those recently made redundant, or on furlough may require short-term advice guidance and skills training to move back into work whilst those who have been made redundant from high street retailing for example, will need more intensive support and retraining to enable them to move towards and into employment in different business sectors.

Generally, the measures proposed by applicant organisations must be flexible, agile and tailored to individuals given the constantly changing economic and wider societal environments that COVID 19 has brought. Individual activities such as Training Needs Analysis (TNA), transferable workforce and sector specific skills training (including digital skills), IAG and jobsearch support are the types of services that should be on offer to reverse the negative impacts of COVID-19. Support for those targeted to enable either returns to business sectors once more normal economic activities return or following retraining and new skills attainment, enabling transfer into growth and stable economic sectors are required.

In terms of future opportunities and jobs growth there are clear signs of both replacement demand requirements in the next few years and 'structural' demand changes exacerbated by the pandemic with for example, an ageing population, increasing demand for online retailing and reduction in customer facing retail jobs in the high street.

These demand requirements have led to increase numbers of jobs in:

- Health and social care and personal service roles
- Logistics, transport and distribution operatives

Additionally, sectors which are expected to recover during 2021 include Construction and Manufacturing, these sectors are often the first out of an downturn and as we emerge from national lockdown in spring and summer 2021 other mainstream sectors that employ large numbers of the workforce such as Arts, Culture, Leisure and Entertainment, Tourism and Hospitality should also bounce back.

Sectoral skills that can sustain employment in North East key sectors in the longer term are identified below:

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: Building a Creative Nation, Current & Future Skills Needs 2019

Tourism, Hospitality & Visitor Services

- 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.

Low Carbon, Energy, Renewables and Offshore

- 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

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 Tomorrows Workforce – Research Briefing August 2019

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. 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.

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' labour market and therefore applicants are also welcome that can offer services that improves the skillsets of individual employees across the board notably in providing digital and new technology skills that are increasingly needed for all jobs in all sectors.

This will contribute to improved business productivity and growth across the region as we emerge from the COVID-19 economic slowdown and therefore applications that offer support services outside of the priority areas noted above where there is exceptionally strong evidence of unmet need and market failure are also invited.

Supporting Evidence

Potential applicants should therefore familiarise themselves with the following documents to gain an understanding of the economic, regional context and labour market background associated with these calls.

- The multi-agency partnership of key stakeholders in the North East convened by the North East LEP came together to develop their 'Recovery and Renewal Deal' that identifies the challenges faced in the region as a result of the Pandemic and plots the route to recovery and longer term economic prosperity for the area, this is available via the link below:

- https://www.northeastlep.co.uk/wp-content/uploads/2020/10/north-east-recovery-and-renewal-deal-for-publication.pdf

- The refreshed Strategic Economic Plan 2019 setting out our ambitions for developing a more inclusive, productive and sustainable economy

  https://www.nelep.co.uk/wp-content/uploads/2019/03/nel404-sep-refresh-2018-web-new-final.pdf

- The North East LEPs 2019 'Our Economy' report provides an overview of the region's current economic performance

  https://www.nelep.co.uk/wp-content/uploads/2019/05/our-economy2019_full_report__north-east-local-enterprise-partnership.pdf and the evidence provided in the Data Hub:

  https://www.northeastdatahub.co.uk/our-data/economy

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-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.

Indicative Fund Allocation:	Indicatively, through this call the Managing Authority expects to allocate approximately **£15m ESF** **Approximately £3.75m allocated to the Transition Region** **Approximately £11.25m 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. The managing authority may also decide to place some projects submitted through this call on a reserve list and invite them to proceed at a later date, subject to the availability of funding.
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 is seeking and will give preference to applications over **£3,750,000 of ESF to any single project covering both Categories of Region,** subject to the application meeting the quality and scoring assessment criteria. **The minimum application level for applications covering the More Developed area only is £2,812,500 ESF.** **The minimum application level for applications covering the Transition area only is £937,500 ESF**. 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 Category of Region (CoR) 60% Transition Region & 50% More Developed Region. As the North East Region LEP area spans two CoR – Transition and More Developed applicants will need to make it clear in their online Full Application how much of

	their requested project funding applies to each CoR and ensure that output and result figures are recorded for both CoR.
Duration of project	Projects must be financially completed (i.e. have a proposed Financial Completion Date) no later than 31st December 2023; however, the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances. All ESF Projects must complete delivery by 31st December 2023. Project costs cannot be incurred beyond this date. NOTE: Delivery of activities and associated costs can be incurred up to and including 31st December 2023, with the full and final claim expected no later than February 2024.
Geographical Scope	All interventions should be focused on activity and beneficiaries within the North East Region Local Enterprise Partnership area.
Specific call requirements	This is a call for ESF activity.
Call Deadlines	For this specific call, applications will be appraised following closure of the call. Applications submitted to the Managing Authority via the ECLAIMS IT system after midnight on the published call close date will not be considered. **If you encounter any technical difficulties completing or submitting your Full Application via ECLAIMS, please send an email to E.CLAIMSSUPPORT@DWP.GOV.UK .** **Technical support is available Monday to Friday, from 8am to 6pm.** It is your responsibility to submit your application in good time to allow time to resolve any technical issues. Except in the unlikely event that there is a general failure of the system in the final hours, we will not normally extend the deadline for technical issues. **If you do not already have ECLAIMS access, to avoid any unnecessary delays in submission of your Full Application, it is recommended that you submit new ECLAIMS access requests as early in the application process as possible by sending an email to E.CLAIMSSUPPORT@DWP.GOV.UK .**

	The Managing Authority reserves the right to reject applications which are incomplete or not submitted in a timely and compliant way.
Application selection	All applications will 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. The intervention rate in the North East Region LEP Area is 50% in the More Developed areas and 60% in the Transition areas, so 50% of match funding must be provided in the More Developed areas and 40% of match funding must be provided in the Transition areas.
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.

Results Table – Transition and More Developed Areas

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 – More Developed area

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

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	11,485
O1	Participants (Male)	5972
O1	Participants (Female)	5513
O4	Participants over 50 years of age	2066
O5	Participants from ethnic minorities	1727
ESF - CO16	Participants with disabilities	1152
ESF - CO14	Participants who live in a single adult household with dependent children	574
O6	Participants without basic skills	2021

Outputs table – Transition area

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

ID	Output Indicator	Total Minimum target value for this call
O1	Participants	3208
O1	Participants (Male)	1668
O1	Participants (Female)	1540
O4	Participants over 50 years of age	597
O5	Participants from ethnic minorities	203
ESF - CO16	Participants with disabilities	316
ESF - CO14	Participants who live in a single adult household with dependent children	160
O6	Participants without basic skills	572

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 60% (depending on category of region). This means ESF can contribute up to 60% in the Transition area and up to 50% in the More Developed area of the total eligible project costs, subject to State Aid regulations. The remaining 40% on the Transition area and 50% in the More Developed 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.

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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."

4.6   Funding Agreement

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

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

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

4.7   Procurement

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

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

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

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.

4.9 Duplication of Provision

Applicants are required, in their Full Application, to "identify any organisations offering the same or similar activity" as their proposed project. Applicants are also

asked to "explain how the proposed project adds value to and doesn't duplicate existing provision, and does not conflict with national policy".

To help inform their response, applicants should access the ESF List of Beneficiaries published on GOV.UK - https://www.gov.uk/government/publications/european-structural-and-investment-funds-useful-resources and search for any other ESF funded projects operating under the same Investment Priority in the same geographical area(s) as their proposed ESF Project.

Where there is potential duplication and/or overlap, the applicant should ensure they explain how they will work with any other pre-existing ESF Projects to ensure their new project will add value and not conflict with existing provision.

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 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;
- ESF National Eligibility Rules and Programme Guidance;
- ESF Programme Guidance on Simplified Cost Options.

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 Simplified Cost Options 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 and Programme Guidance 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);
11. **Due Diligence Financial Information.** 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).

Optional Supporting Documents

12. **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);
13. **Sample Timesheet** applicable if you or your Delivery Partners have members of staff working part of their time on your ESF Project;
14. **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;
15. **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);
16. **Draft SLA with Delivery Partners** applicable if your ESF Project will have one or more Delivery Partners;
17. **Independent state aid advice** applicable only if you have obtained independent advice to support your quoted ESF project State Aid position;
18. **Proof of Irrecoverable VAT** applicable only if you have Irrecoverable VAT which is relevant to your ESF Project.

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	8 March 2021
Deadline for submission of Full Application via the ECLAIMS IT System	Midnight 31 May 2021

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