

## **European Social Fund (ESF) in England: Response to Coronavirus**

### **Eligibility Rules – Priority Axis 4 COVID-19 Response: Investment Priority 4.1 Addressing the Digital Divide in response to Coronavirus**

The Managing Authority is committed to working flexibly and pragmatically to support the economic recovery from the COVID-19 pandemic in England. This document is an addendum to the current ESF Eligibility Rules, which still apply, and sets out the Eligibility Rules to specifically support the new Priority Axis 4 (PA 4) of the Operational Programme: COVID-19 Response and new Investment Priority (IP) 4.1: Addressing the Digital Divide in response to Coronavirus.

This document is valid until 31 December 2023.

#### **Background**

In response to the COVID-19 pandemic many organisations supporting citizens have moved to providing the majority of their services online. This has resulted in a widening of the already existing digital divide – those that have access to the internet versus those that don't. It is likely this divide will continue to widen given that the ongoing COVID-19 recovery means that services remain on line with the opportunity for face to face delivery due to social distancing still some way off. It is therefore important to ensure that ESF participants who have limited or no access to the internet because of their individual circumstances can continue to be able to access support and services online.

PA 4 COVID-19 Response and the IP 4.1 Addressing the Digital Divide in response to Coronavirus have been introduced to address the issues associated with digital exclusion.

IP 4.1 will address two of the main 'access' issues associated with digital exclusion:

- The first is that of having physical access, i.e. a device that will allow the user to access the internet.
- Secondly, because having a device is often not enough (due to the cost of data and internet access) this IP will also provide data allowances to enable ESF participants to get online and access information and services for the period of the project.

#### **Participant Eligibility**

Under IP 4.1 ESF participants being supported through mainstream ESF projects in PA 1, and PA 2 IP 2.1 are eligible but **not** those supported through PA 2 IP 2.2.

Participants who have limited or no access to the internet because of their individual circumstances or have other underlying issues which means they are digitally excluded can be provided, on a loan basis, with an appropriate device (e.g. a tablet or a laptop) and a data allowance provided via a data dongle.

Projects will need to establish which participants are eligible to receive the equipment based on their individual circumstances and retain evidence to support their decision.

## **Eligible Activities**

Projects under IP 4.1 will procure devices that can connect to the internet, provide data/internet access and assist participants in setting up the equipment. Devices need to provide:

- Access to the internet and online services;
- Email account set up and access.

In addition, Projects will need to ensure appropriate levels of security and control are included on the device and should also be evidenced. This includes:

- Access controls such as the ability to limit administrator access;
- Software installation restrictions;
- Anti-virus / anti-phishing / anti-ransomware controls;
- Internet filtering to limit access to inappropriate websites;
- Device tracking;
- The facility to remotely wipe the device of data if required.

Eligible activities are:

- The loan of digital devices to ESF participants to allow internet access;
- The provision of data, enabling access to the internet;
- Human resource to assist participants to set up the equipment and understand basic functions (e.g. start up, charging the device, using the data allowance, accessing the internet).

Projects will need to ensure that they record and retain details of all the devices and data/internet access they provide to ESF participants along with records of all participants receiving the equipment.

Any further or on-going longer term support to enable participants to access online services should be provided through the existing ESF provision and cannot be supported through IP 4.1. Where appropriate and permitted, ESF mainstream projects can provide longer term digital support and training.

## **Who can apply for funding**

Existing ESF projects can apply for funding from this PA via the published call on Gov.UK. If successful, a new funding agreement will be issued to cover this specific activity.

Applications are also invited from fully constituted organisations not involved in ESF. If successful, delivery must be compliant with the activity and target group set out in the eligible activities section.

Applications from consortia are also welcome. 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.

## **Lump Sum Funding Model**

All project costs including equipment/data, the human resources needed to establish and manage the project, recording and distributing equipment and supporting participants with the initial 'set up' of equipment will be covered by a Lump Sum Simplified Cost Option (SCO).

To reflect the expectation for projects to run for up to 12 months, the "lump sum" element will be divided into quarters and each quarter will be classed as a separate, stand-alone "lump sum". This means that in order to draw down the quarterly lump sum, the project must achieve all of the outputs in their Funding Agreement for that quarter. Therefore, projects will be required to accurately forecast the outputs they expect to achieve in each quarter in their application.

As a 'lump sum' project, if an organisation anticipates supporting, for example, 100 participants through the provision of the equipment and data in a quarter, but only supports 95 participants, the project will not be able to draw down any funding for that quarter, neither can it roll forward those participant numbers to be included in the next quarter with the aim of over achieving on that (following) quarters performance in order to claim the previous quarter's lump sum.

Equally, any over-achievement against forecast in any quarter will not be eligible for additional funding and cannot be rolled forward to be included in the next quarter.

## **Match Funding**

Projects will need to have eligible match funding for the balance of costs, which must be from a source other than the European Union. The match funding must meet the requirements set out in the Eligibility Rules and Programme Guidance published at <https://www.gov.uk/government/publications/european-social-fund-eligibility-documents> but the match must also be attributed across all Categories of Region as explained below.

As this is an England wide measure, projects will be required to attribute total project costs and participant numbers across all three Categories of Region, regardless of where the project or participants are based, using the Programme level percentage splits and intervention rates set out below.

Less Developed:	£171,000 (4.75%)
Transition:	£844,920 (23.47%)
More Developed:	£2,584,080 (71.78%)

### **Intervention Rates**

Less Developed region – 80%.  
Transition region – 60%;  
More Developed region – 50%;

This enables all Categories of Region to have equal access to the available funding and removes any restrictions caused by where participants live or where the project

is based.

The following example sets out how projects costs are attributed across all Categories of Region for a project with total costs of £1,000,000:

- £47,500 Less Developed total cost (attributable to this CoR). This comprises 80% ESF (£38,000) and 20% match (£9,500); and
- £234,700 Transition total cost (attributable to this CoR). This comprises 60% ESF (£140,820) and 40% match (£93,880); and
- £717,800 More Developed total cost (attributable to this CoR). This comprises 50% ESF (£358,900) and 50% match (£358,900).

In percentage terms, applying the Programme level percentage splits and intervention rates as set out above, the figures are as follows:

- 4.75% of the total project costs attributed to Less Developed – 3.8% of the £1m is ESF value (£38,000) and 0.95% (£9,500) is match funding. This totals 4.75% (£47,500); and
- 23.47% of the total project costs attributed to Transition – 14.082% of the £1m is ESF value (£140,820) and 9.388% is match funding (£93,880). This totals 23.47% (£234,700); and
- 71.78% of the total project costs attributed to More Developed – 35.89% of the £1m is ESF value (£358,900) and 35.89% is match funding (£358,900). This totals 71.78% (£717,800).

The Managing Authority has created a simple Excel workbook to enable projects to easily calculate and attribute match funding at Category of Region level. This is published alongside the Call.

There is no upper or lower financial limit applied to applications made against the Call. This is to enable smaller, locally based organisations to apply for funding but provides scope for larger organisations to apply to deliver larger scale projects where they have identified sufficient demand for provision.

## **Funding**

The total ESF allocation for this PA is £3,600,000. A National call will be launched by the ESF Managing Authority for all England areas outside of London.

## **Timescales**

Once a project has been approved for ESF funding, it can begin to undertake the activity in advance of a signed Funding Agreement. However, projects should note that this is at their own risk.

Projects can run for up to a maximum of 12 months.

## **Please Note:**

ESF will not fund activity that duplicates or cuts across national policy. 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. All applications will need to be eligible under the European Social Fund Operational Programme for England 2014 to 2020 and the eligibility rules set out in this document. The existing eligibility rules and programme guidance remain in place and should be adhered to and used alongside this document.