



**Department
for Work &
Pensions**



European Union
European
Social Fund

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Social Fund

Priority Axis 1: Inclusive Labour Markets

Managing Authority	Department for Work and Pensions (DWP)
ESI Fund	European Social Fund
Priority Axis:	Priority Axis 1 : Inclusive Labour Markets
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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.

European Structural and Investment Funds are managed by the Department for Communities and 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 assessments at outline and full application stage.

This call is issued by the Department for Work and Pensions (DWP) to commission ESF Funded projects that will support the **Priority Axis 1 of the Operational Programme: Inclusive Labour Markets** and **Investment Priority: 1.4 Active Inclusion including with a view to promoting equal opportunities, active participation and improving employability** to help people who are more distant from the labour market and may face multiple disadvantages to tackle their more complex barriers to work and to move towards or into employment, or to sustain employment as set out in the Operational Programme.

All applications will need to be eligible under the Operational Programme. The latest draft is available for applicants to read. Although we do not expect much change, it is not yet finally agreed. Before funding agreements are signed, the Managing Authority will need to check eligibility against the agreed Operational Programme.

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed as part of two stage

appraisal process and successful applicants will enter into a funding agreement with the DWP. Further information is given in sections 4 to 10.

All ESF applicants will need to be aware of the requirement to collect and report data on all participants as per Annex 1 (see Appendix A). This will be as well as the requirement of reporting on output and result indicators referred to in section 3 of the call for proposal.

1.1 National Context

This priority axis aims to increase participation in the labour market and thereby improve social inclusion and mobility. It will support activities through:

Investment priority: 1.4 Active Inclusion: including with a view to promoting equal opportunities, active participation and improving employability.

ESF will help to address the root causes of poverty that are barriers to work, and so help more people move closer or into employment. The nature of the issues faced by the most disadvantaged means that barriers to work have to be tackled in a holistic and integrated way, including through supporting early action before problems become entrenched. Outreach activities will be particularly important since some of this group are, by definition, disconnected from existing Government services. ESF will finance integrated packages of support that address gaps in provision to disadvantaged groups and reach those who are not currently receiving support. Investments will help to tackle inactivity particularly by helping disadvantaged groups overcome barriers, improve their employability and move towards employment. There will be a particular focus on workless households, including working through local authority partnerships delivering the extended Troubled Families programme. The investment priority will help address a range of issues, and any other barriers to work which individuals face. Many face multiple disadvantages and as a result have chaotic lifestyles which make engaging with support and addressing barriers all the more difficult. But if the underlying issues are not addressed, they will struggle always to move on.

The investment priority will complement and add value to other services and funds, especially helping those with more complex barriers move closer to employment. This may include helping those in greatest need of a more consistent service offer and who may require extra support. It may provide additional and more intensive and flexible support identified by Universal Credit Local Support Service partnerships and health and wellbeing boards. This may include actions to help Universal Credit claimants progress into the labour market, support their career progression (better pay/work/hours), and move from the hidden economy to legitimate work.

Activities at a local level may target specific communities or ethnic minorities with high levels of poverty and social exclusion. This may include spatial targeting in key neighbourhoods where worklessness is persistently high and inter-generational. These actions should raise aspirations and tackle core economic barriers.

The investment priority will promote equal opportunities and combat discrimination in the labour market. It includes support for economically inactive women from ethnic minorities, including those with child or elder care responsibilities, and who often face multiple disadvantages. Activities should be designed to respond to the specific needs of participants with disabilities or health conditions, care leavers, migrants, older workers, participants from ethnic minorities and women. Some participants will experience multiple disadvantages, for example older workers with a disability and individuals with mental health issues may face barriers related to their age and disability. Providers should take such multiple disadvantages into account when assessing the needs of participants from all backgrounds when they are designing and delivering activities. They should also work with employers to help integrate people with disabilities and ethnic minorities, and other disadvantaged groups, into the workplace.

1.2 Local Development Need

Within the Solent LEP area there are communities that have exceptional needs. At the time of Census 2011, there were 34 Wards where the unemployment rate was 5.0% or over. Of these, sixteen were located on the Isle of Wight, five were in both Gosport and Southampton and four were in both Portsmouth and Havant. Four wards had an unemployment rate of over 7%, which is far above the England average of 4.4%. The ten wards with the highest level of unemployment are shown in the table below. The Solent has significant pockets of deprivation where more localised solutions need to be implemented to address worklessness and exclusion for the residents within these neighbourhoods. Low levels of social cohesion are also evident in some areas across the Solent.

Ten wards with the highest unemployment rate, Solent LEP

E36001049 : Ryde North East	IoW	82	3.4
E36003180 : Battins	Havant	149	3.4
E36000996 : Charles Dickens	Portsmouth	431	3.3
E36001051 : Ryde South	IoW	94	3.3
E36001052 : Ryde West	IoW	72	3.3
E36003182 : Bondfields	Havant	133	3.1
E36003191 : Warren Park	Havant	144	3.0
E36001043 : Newport East	IoW	55	2.9
E36001040 : Lake South	IoW	44	2.7
E36003160 : Town	Gosport	91	2.6

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In addition to neighbourhood-based approaches, there is a need to support people in particular communities of interest (rather than geographically focused), who share common barriers to economic and social inclusion. The needs of these individuals within such communities can be diverse; that people may face multiple forms of

disadvantage; and the role that community-of-interest and self-help-based projects run by communities of interest can play in promoting social inclusion.

This call is to develop a Solent Community Grants Programme with the aim to support and encourage local communities and communities of interest in creating projects, developed from the bottom up, that address exclusion by engaging local people in improving their own lives and that of their areas. The programme will provide grants of up to £30,000 for small projects, led by citizens' groups, voluntary and third sector organisations that help people to acquire skills needed to progress towards employment. Projects may be focused on supporting people living in areas of deprivation and/or those who experience significant barriers in the labour market, including but not exclusively:

- people with disabilities or health conditions, including those with learning difficulties, mental health issues or drug and alcohol dependency problems;
- people aged 50 or over and seeking employment;
- people from ethnic minorities;
- women;
- lone parents
- people from neighbourhoods and estates where there are high levels of unemployment and deprivation.

In addition to the call deliverables (section 3 refers) the anticipation is that projects will focus on achieving 'soft' outcomes, involving progression towards work (e.g. through volunteering and participating in community-based activities) rather than jobs or full qualifications.

The funding will be used to support a range of soft outcome activities which may include:

- first contact engagement activities, e.g. arranging events in places that people feel comfortable to visit;
- involvement in community-based projects and volunteering;
- activities that improve confidence, motivation and social integration, such as sport and creative activities;
- developing local networks and groups to support people to get a job or access learning e.g. Jobs Club or Learning Champion type activity;
- softer skills development e.g. assertiveness, anger management and motivation;
- basic skills support; and
- job search assistance.

The expectation is to award a single contract applicants may wish to bid individually, or as part of a consortium or partnership with a named lead accountable organisation.

Details of the local ESIF Strategy can be found at
[http://solentlep.org.uk/uploads/documents/Solent EU SIF Strategy -
_19.05.2014 .pdf](http://solentlep.org.uk/uploads/documents/Solent_EU_SIF_Strategy_-_19.05.2014.pdf)

1.3 Scope of activity

This call aims to address the shortfalls above.

Under this investment priority European Social Fund will support the Operational Programme objective of:

- Active Inclusion: including with a view to promoting equal opportunities, active participation and improving employability. (**Investment Priority 1.4**)

2. Call Requirements

All applications are competitive.

- An indicative allocation of £500,000 ESF grant has been allocated to this call.
- Proposals can only contain activities which are eligible for ESF.
- Applications should be for a minimum of £300,000 ESF grant.
- Applicants will need to have eligible match funding for the balance of costs which must be from a source other than the European Union. For all outline applications proof of match funding will need to be supplied as part of the assessment.
- The intention is to award a single funding agreement.
- Operations must be completed no later than **31st December 2017**.
- Operations should be capable of providing coverage of the whole of the Solent LEP area.
- All applicants will need to demonstrate how they will work with existing local organisations, communities and groups to maximize the opportunities available through this small grants scheme.
- There are a number of other initiatives underway across the Solent to support progression to and entry into the labour market. Applicants will need to demonstrate how the Solent Community Grants programme complement the work being taken forward via these initiatives and where appropriate offer referral pathways to other programmes and initiatives including other activity as set out in the Solent EU strategy and mainstream national programmes.
- Applicants will need to include detail on what criteria they will be applying for selecting the grant applications they will fund, as well as confirmation of the

Management Information they will be collecting from the grant activity in relation to the outputs and results for this Priority Axis.

- All procurement must be undertaken in line with EU regulations
- Applicants must demonstrate compliance with State Aid law; and
- 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:

Operations will be expected to achieve the following Programme Deliverables. The definitions of which can be accessed at the [ESF Operational Programme](#)

ID	Result Indicator
ESF - CR02	Participants in education training on leaving
R1	Unemployed participants into employment, into self-employment, on leaving
R2	Inactive participants into employment or job search on leaving
R4	Participants with childcare needs receiving childcare support

ID	Output Indicator
O1	Participants
O1	Male Participants
O1	Female Participants
ESF –	Participants who are unemployed, including long-term unemployed

CO01	
ESF - CO03	Inactive participants
O4	Participants over 50 years of age
O5	Participants from ethnic minorities
ESF – CO16	Participants with disabilities.
O7	Participants who are offenders or ex-offenders

Applicants will be required to demonstrate how they will achieve the deliverables within their proposal along with any methodology that will be used to record achievement. 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 Solent 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.

ESIFs are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the 'key documents' section prior to submitting an Outline application. 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%. 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 outline applications proof of match funding will need to be supplied as part of the assessment.

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 form and the related 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](#)

State Aid & Revenue Generation

Applicants are required, in the Outline 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.¹⁷ 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.

¹⁷ 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."

4.5 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.

4.6 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.

4.7 Retrospection

There will be no retrospection for applications made against this call, other than in line with the general policy on retrospection which allows costs to be potentially eligible between outline and full application stage, but only where the full application is approved.

5. Application Process & Prioritisation Methodology

There are two stages to the ESF application process; Outline Application and if successful, Full Application. Applicants must fully complete the Outline Application via the available IT system or a Microsoft Word application form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Applications will 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 OP 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 & control;
- Deliverability;
- Procurement / tendering; and
- State Aid compliance.

The Managing Authority will seek advice from partners when considering applications to ensure its assessment 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 assessment and any prioritisation will be undertaken using only the information supplied as part of the application process. The Managing Authority cannot accept further detail outside this process.

Non-public sector Applicants who are successful at the Outline Application stage may be subject to due financial diligence checks by the Managing Authority, prior to submission of a Full Application. 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.

6. Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Outline application. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

✉: ESF.2014-2020@dwp.gsi.gov.uk

7. Key Documents

- Outline Application Form;
- Outline Application Form Guidance;
- Local Enterprise Partnership area's ESIF strategy; and Eligibility Guidance

8. Document Checklist

Failure to provide the following documentation will result in the application being rejected

Outline Stage:

- fully completed Outline Application;
- financial tables;
- Outputs, Results and Indicators tables; and
- three years financial accounts (if private or voluntary and community sector).

9. Document Submission

Completed Outline Applications must be submitted via the available IT system or a Microsoft Word application form available via.gov.uk.

10. Timescales

Launch of Call advertised on gov.uk.	17th August 2015
Deadline for submission of Outline Application	17:00 on 9 th October 2015

Outline Application forms not received by the deadline will not be assessed. Outline Applications which are not fully completed will be excluded.

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 Outline Application form will be notified on the [European Growth Funding](#) website pages.

11. Formal Agreement of the ESF Operational Programme

The information and references in the call are based on the latest version of the [ESF Operational Programme](#) and are correct at the time of publishing. The Operational Programme may be subject to further amendment during its final negotiations with the European Commission, and subsequent calls will reflect any changes, to the extent that they may affect the terms of calls, that are made. In relation to the present call, the Managing Authority will take the possibility of relevant changes to the Programme into account when assessing outline and full applications, and where such changes occur will notify Applicants of any issues that arise, and propose a method of dealing with them.

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

(2) Common output indicators for entities are:

number of projects fully or partially implemented by social partners or non-governmental organisations
number of projects dedicated at sustainable participation and progress of women in employment
number of projects targeting public administrations or public services at national, regional or local level
number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)

(3) 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

(4) 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

Notes

There may be a number of additional indicators to report on which have yet to be agreed with the European Commission.

The data for longer-term result indicators shall be collected via a cohort/leavers survey commissioned by the ESF Managing Authority based on a representative sample of participants within each investment priority. Internal validity of the sample shall be ensured in such a way that the data can be generalised at the level of investment priority.