



**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**

<b>Managing Authority</b>	<b>Department for Work and Pensions (DWP)</b>
<b>ESI Fund</b>	<b>European Social Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 1 : Inclusive Labour Markets</b>
<b>Investment Priority:</b>	<b>1.4: Active Inclusion</b>
<b>Call Reference:</b>	<b>Future Peninsula – Social Innovation Developments: Active research and solutions for key Systemic Issues (OC05S16P0348)</b>
<b>LEP Area:</b>	<b>Cornwall and the Isles of Scilly</b>
<b>Call Opens:</b>	<b>25 April 2016</b>
<b>Call Closes:</b>	<b>20 June 2016</b>

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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** as set out in the Operational Programme.

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

This call for proposal sets out the requirements for any applicants to consider before applying. Applications against this call will be assessed as part of a 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 and active participation, and improving employability

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
<p>To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.</p>	<p>The additional support for this investment priority will help people who are distant from the labour market and require intensive support in addressing their multiple, profound and complex barriers to participation in the labour market.</p> <p>The main result will be that people address their complex needs and therefore are better able to engage in labour market activity. There are output targets for disadvantaged sub-groups and result targets for movement into work and increased labour market activity.</p>
<p>To support prisoners on release, and those without work who are serving sentences in the community, to improve their employability.</p>	<p>The additional support from this investment priority will help to improve employability through basic skills provision, work experience, and addressing chaotic lifestyles, substance abuse and employer discrimination. They will require specialist tailored support which recognises their particular circumstances. There is an output target for offenders.</p> <p>The main result that will be achieved is that more participants will be in sustainable employment (including self-employment) education, training or active job search upon leaving.</p>

<p>To engage marginalised individuals and support them to re-engage with education, training, or in employment.</p>	<p>The additional support from this investment priority will help participants to move into employment, education or training. They will have a range of barriers and will be distant from the labour market or education/training. They will require intensive, tailored support.</p> <p>The main result that will be achieved is that more participants will be in education, training or employment upon leaving.</p>
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## 1.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1, Investment Priority 1.4 of the Operational Programme, and which meets the **local development need** expressed in the text and table below.

### Call outline

**PA1 Inclusive Labour markets: Active Inclusion with a view to promoting equal opportunities and active participation and improving employability**

**Local Context - Future Peninsula – Social Innovation Developments: Active research and solutions for key systemic issues**

Employment, education and skills are major factors in promoting social inclusion and combating poverty. The 'Inclusion Partnership' (Inclusion Cornwall) leads the work to tackle the key issues of a low wage, high living cost economy. Using economy as the driver, people in Cornwall and the Isles of Scilly (C&IoS) should be able to look forward to a more inclusive society, with an innovative approach to problem solving providing individuals and families with a better balance between income and cost.

There are also particular issues of isolation for the Isles of Scilly which directly affect the economic, social and environmental needs of the islands' communities.

The inclusion agenda is supported by the work of the Civil Society. The increasing role of the Civil Society in C&IoS has been highlighted by recent research, demonstrating the importance of the sector to the economy (around £580m), offering new delivery methodologies in the health, social care, welfare and education sectors and reaching many people from local disadvantaged and minority groups. The announcement of the first rural Social Enterprise Zone in Cornwall in 2013 shows the commitment to using different partnership business

models to provide new service delivery methodologies for the development of new markets and to address issues of market failure.

### **Key Statistics impacting upon active inclusion and improving employability**

Low earnings are a key issue and in 2012 median gross annual earnings for all employees in C&IoS equalled £17,389, 81% of the UK average (£21,473). This is both a reflection of the micro SME dominated economy and the low skills levels of the workforce. The average household in C&IoS has higher costs compared to the national average, including for water and sewerage, energy, fuel, transport and housing.

When combined with the low average earnings this leads to issues of debt and financial instability, with high levels of deprivation in some areas.

There are particular issues facing the Isles of Scilly. The geographic isolation of the islands directly affects the economic, social and environmental needs of communities and businesses. Whilst the islands enjoy high levels of employment (with high levels of self-employment), individuals frequently have multiple jobs.

Despite common perceptions, there are high levels of poverty, including within households in employment. Work by Experian identified that 26% (59,000) of households in Cornwall are 'at risk of poverty'. This places Cornwall in the worst 5% areas in the UK.

Cornwall has a severe debt problem and it is getting worse relative to the rest of the country. Around 40% of all CAB advice requests relate to debt: last year 29,000 people sought CAB support on this issue and personal insolvency rates in Cornwall continue to be higher than the south west and national averages.

Please Note: The original evidence base can be found at <http://bit.ly/1qrgQt8> this published document was used as the basis for the C&IoS Employment and Skills Strategy, for the C&IoS EUSIF Strategy and the C&IoS ITI Board Strategy. It is currently under review but will not be available until the end of May 2016.

Recent work has identified that parental employment is the single biggest determinant of family income and children in out of work families are at a high risk of poverty. Child poverty levels remain static, with approximately 18% of all children and young people aged 0 to 19 in Cornwall considered to be in poverty, and the EU investment will help meet the challenge this poses to the C&IoS society and economy.

A recent needs assessment carried out for the Together for Families Programme has highlighted issues and areas of need. A copy of the assessment can be found at:

[http://www.erdconvergence.org.uk/userfiles/TogetherforFamiliesNeedsAssessment2015\\_16\\_FINAL.pdf](http://www.erdconvergence.org.uk/userfiles/TogetherforFamiliesNeedsAssessment2015_16_FINAL.pdf)

## **Overview: Social Innovation Development to meet these challenges**

**Rationale:** Building on experience of the 2007-2013 Programme (for example Community Grants) this call seeks applications to develop collaborative and innovative solutions to some of C&IoS key challenges, for example, Smart Money, Food Wealth, Health and Wellbeing, although this list is not exhaustive. These are underlying societal issues that have affected the area for a long period of time – they have become ingrained – but each has a direct impact on the ability of the economy to grow as they reduce the abilities of individuals to maximise their economic activity and value. As well as undertaking active research to develop activities to tackle these challenges, projects will need to outline processes for identifying social innovation opportunities and how these are best developed. The use of ‘experts by experience’ will be key in the solution definition. Key to the success of projects will be alignment with the 2014-2020 Community Led Local Development (CLLD) activity and the Big Lottery Building Better Opportunities Programme. This will ensure the projects complement and not duplicate other activity.

**Purpose:** To work with target priority groups to deliver specific interventions that will support participants, using an evidential base and new approaches to engage, build trust and confidence, deliver soft and basic skills to enable them to progress into the wider Employability Programme (mainstream or ESF).

Projects should support economic growth through social innovation in relation to:

- Greater clarity in defining issues from a user perspective: including increased active engagement of users in project design and implementation
- Support to access suitable skills
- Strengthening the evidence base for other innovative projects both in and out Cornwall and the Isles of Scilly to avoid unnecessary duplication of efforts
- Ensuring the evidence base and evaluations are made publicly available

### **Project Specifics: Future Peninsula – Social Innovation Developments: Active research and solutions for key systemic issues**

Tackling the systemic and endemic issues facing Cornwall and the Isles of Scilly is key to long term success. This Call focuses on securing:

- robust evidence bases: both qualitative and quantitative (to include the views of service users / potential beneficiaries)
- the design, development and delivery of solutions including relevant pre-employment training and skills. It is noted that pure research activity should only represent a small part of the focus and is not the anticipated outcome: projects must engage users and implement delivery solutions based upon identified needs for example through co-design

- trialling and testing as part of the new approach.

Three of the initial key areas for engagement, research and solution finding are:

### ***Smart Money (Money Management Skills and Debt Reduction)***

This aims to reduce household indebtedness and strengthen the financial resilience of communities, families and individuals. The poorest people pay the most for credit/debt yet most of their repayments leak from the local economy. Targeting those with badly financed debt will therefore be one of the most significant factors in moving towards the EU GVA average. Smart Money will engage private sector financial service providers in both programme support and delivery, enabling more local people to participate in better value mainstream services and helping local economic growth. Skills development that includes, for example, money management, personal budgeting, smart money type packages that support engagement and inclusion should be considered.

### ***Food Wealth (Nutrition and Skills for Life)***

The focus of this key area is to address the skills and training needs of people who are currently accessing food support services as a result of food poverty.

Building on work carried out in 2013/14 (further information can be found at [www.foodandcornwall.org.uk](http://www.foodandcornwall.org.uk) and the 2014 Conference Report can be found at <http://bit.ly/1PRayYk> ) the aim is to extend the original concept using the focus on access to support for food poverty to help individuals develop employability skills and confidence and, instead of being seen as a negative experience can help move individuals on in a positive manner.

The aspiration is to utilise existing community assets and infrastructure, such as Food Banks, to provide *additional* support to those in food poverty through providing access to advice, skills and support such as IT, financial guidance, nutritional advice and skills etc. leading to improved employability, healthier lifestyles and financial independence. This could include working with local communities, building skills around cooking, nutrition and health, growing and food production and supporting, for example, community kitchens as part of an engagement and skills development programme. Please Note: it is not expected that this project will fund e.g. Broadband connections, IT equipment or provide specific benefits advice.

### ***Health and Wellbeing***

Links between ill health and long term unemployment have been recognised for some time resulting in a range of issues such as low self-confidence, loss of skills, isolation etc. The Health and Wellbeing Strategy for Cornwall ([www.cornwall.gov.uk/health-and-social-care/health-and-wellbeing-board/the-health-and-wellbeing-strategy](http://www.cornwall.gov.uk/health-and-social-care/health-and-wellbeing-board/the-health-and-wellbeing-strategy)) sets out the priorities to be addressed in order to improve residents' health and wellbeing. The Strategy sets out a long term vision where:

‘People ... will live longer happier, healthier lives and good health and wellbeing will be everyone’s responsibility’

It focuses on three long term outcomes which are:

1. Helping people live longer, healthier lives
2. Improving the quality of people’s lives
3. Fairer life chances for all

The Health and Wellbeing strand of this Call will identify ways to build upon this strategy and seek to address the skills and training needs of unemployed individuals who have health and wellbeing issues. Projects should build upon

- the Living Well Pioneer approach for integrating health and social care
- the innovative work that has been developed to roll out a person centred approach to improving lives while reducing demand on health and social care services by empowering individuals and communities.

The person centred approach has delivered promising early results and the model should be a basis for extending and testing its wider applicability. It is important to explore how e-health and wellbeing initiatives can be successfully integrated without resulting in unintended consequences such as greater social isolation.

Further information and background papers can be found at:

<https://www.cornwall.gov.uk/health-and-social-care/health-and-wellbeing-board/living-well-pioneer-for-cornwall-and-the-isles-of-scilly/>

## **Other**

It is expected that other societal issues relevant to Cornwall and Isles of Scilly area may be identified through this call and these should be clearly identified and evidenced.

The service must be able to demonstrate how it will overcome logistical and financial challenges in order to deliver high quality opportunities for individuals on the Isles of Scilly.

## **Local priorities**

## **Strategic Fit**

This activity has the following strategic fit with the C&IoS EUSIF Strategy:

**Conditions for Growth Objective 4:** To develop communities that are economically and socially resilient, sustainable and inclusive through a Future Cornwall and Isles of Scilly Programme.

**Conditions for Growth Objective 5:** To improve progression into the labour market

The ESF Operational Programme 2014-2020 (Page 108) has identified that ESF will promote social innovation, in particular with the aim of testing, evaluation and scaling up innovative solutions, including at local or regional level, to address social needs, in partnership with the relevant partners and, in particular, social partners.

Applicants are invited to exceed the cross cutting theme requirements outlined in the ESF Operational Programme by referencing the Inclusion and Environmental Growth strategies of Cornwall and the Isles of Scilly.

<http://inclusioncornwall.co.uk/strategy/>

<https://www.cornwall.gov.uk/environment-and-planning/cornwall-and-isles-of-scilly-local-nature-partnership/cornwall-s-environmental-growth-strategy-public-consultation/>

### **Details of the local ESIF Strategy:**

Click here to access the Cornwall and Isles of Scilly [European Structural and Investment Fund \(ESIF\) Strategy](#).

### **1.3 Scope of activity**

This call invites Outline Applications which support the delivery of Priority Axis 1, **Investment Priority: 1.4 Active Inclusion** of the European Social Fund Operational Programme and responds to the local development need set out in the Cornwall and Isles of Scilly 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.

<b>Indicative Fund Allocation:</b>	Indicatively, through this call the Managing Authority expects to allocate approximately <b>£3,900,000 ESF</b>  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
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	received.
<b>Minimum application level</b>	European Social Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than <b>£50,000 of European Social Funding to any single project</b> , making the minimum total project size £62,500.
<b>Duration of project approvals</b>	Projects should be for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.
<b>Geographical Scope</b>	All interventions should be focused on activity and beneficiaries within the Cornwall and Isles of Scilly Local Enterprise Partnership area.
<b>Specific call requirements</b>	This is a call for ESF activity.
<b>Call Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the ESF scoring criteria, but the MA reserve the right to invite projects to full application stage where they complement other activity or provide niche activity to target groups within the OP.
<b>Applicant proposals</b>	These can only contain activities which are eligible for ESF
<b>Eligible match funding</b>	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.
<b>Operational completion</b>	Operations must be completed no later than 1 December 2019.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>State Aid law</b>	Applicants must demonstrate compliance with State Aid law
<b>Audit/ Compliance</b>	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](#).

<b>Investment Priority</b>	<b>1.4 Active Inclusion.</b>
<b>Specific Objectives</b>	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<b>Indicative Actions</b>	<p>ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners</p> <p>Examples of activities that may be supported include:</p> <ul style="list-style-type: none"> <li>• basic skills and ESOL training, including additional support with basic skills in preparation for apprenticeships;</li> <li>• support for those who need pre-traineeship and pre-Work Programme assistance, to prepare them for the next step;</li> <li>• support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction;</li> <li>• money management support and advice and financial literacy programmes in order to address deep seated debt issues which make moving from benefit into work more challenging;</li> <li>• digital and internet literacy courses to aid job searching, access to benefits and progress in work;</li> <li>• volunteering and training opportunities (as a pathway back to work) for marginalised individuals / groups / communities to help them access jobs in low carbon sectors or land drainage flood risk management or work that supports property level protection against flooding;</li> <li>• local ‘Community Grant’ type activity to support small scale voluntary sector activity which can be crucial to reaching out to these groups;</li> <li>• first contact engagement activities (for example, arranging events in places that people feel comfortable to visit);</li> <li>• local networks and groups to support people to get a job or access learning (for example, Job Clubs or Learning Champion type activity) to provide people with a safe environment and peer support;</li> <li>• softer skills development (for example, assertiveness, anger management and motivation);</li> <li>• volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour</li> </ul>

	<p>market.</p> <p>The investment priority may also encourage Social Investment models (e.g. social impact bonds) by providing outcome funding that enables payment by results programmes to be established to support the Government's agenda on Social Justice and encourage innovative delivery models within local communities. The focus would be on disadvantaged individuals and families, e.g. in areas such as employment, training, drug addiction and other issues which are usually part of the cycle of deprivation.</p> <p>To complement other thematic objectives, the investment priority may support activities that are designed to promote social inclusion whilst also tackling environmental issues such as environmental protection, waste recycling, energy efficiency, and renewable energy. These activities are relevant across all types of territory.</p>
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ID	Result Indicator	Target value for this call
ESF-CR02	Participants in education or training on leaving	17% Less Developed
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	20% Less Developed
R1	Unemployed participants into employment (including self-employment) on leaving	14% Less Developed
R2	Inactive participants into employment, or job search on leaving	27% Less Developed
R4	Participants with childcare needs receiving childcare support	36% Less Developed

ID	Output Indicator	Total target value for this call	Men target value	Women target value
O1	Participants	1,029	524	505
ESF –CO01	Unemployed, including long-term unemployed	309	-	-
ESF – CO03	Inactive	720	-	-
O4	Participants over 50 years of age	206	-	-

O5	Participants from ethnic minorities	11	-	-
ESF - CO16	Participants with disabilities	363	-	-

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 Cornwall and Isles of Scilly 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 '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 80%. This means ESF can contribute up to 80% of the total eligible project costs, subject to State Aid

regulations. The remaining 20% 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](#)

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

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

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

#### **4.6 Funding Agreement**

The Funding Agreement is a standard, non-negotiable and legally binding document. Any successful Applicant will be subject to the terms and conditions contained within

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<sup>1</sup> 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."

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, 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 Form (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Social Fund

grant. 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](mailto:ESF.2014-2020@dwp.gsi.gov.uk)

The C&IoS ITI Support Team (Technical Assistance) is able to provide organisations with support on applying to the European Social Fund. The team can be contacted at: Gareth Beer - [gareth.beer@cornwalldevelopmentcompany.co.uk](mailto:gareth.beer@cornwalldevelopmentcompany.co.uk) - 01872 324905

## 7. Key Documents

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

## 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 to

✉: [2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK](mailto:2014-2020.ESFAPPLICATIONS@DWP.GSI.GOV.UK)

## 10. Timescales

Launch of Call advertised on gov.uk.	25 April 2016
Deadline for submission of Outline Application	20 June 2016

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. 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