



ERDF and ESF in the Leeds City Region 2014-2020 Questions & Answers

(Updated 5th January 2017)

In 2013 the Government invited Local Enterprise Partnerships (LEPs) across England to submit European Structural and Investment Fund (ESIF) Strategies setting out how the European Social Fund (ESF), European Regional Development Fund (ERDF) and European Agricultural Fund for Rural Development (EAFRD) will be used in each LEP area for the 2014-20 programmes.

Useful links to general further information on eligibility rules and selection criteria for ERDF and ESF, project requirements, publicity materials, State Aid requirements and information on the lifecycle of ERDF and ESF projects together with links to the ERDF, ESF and EAFRD Operational Programmes can be found on the Government website [here](#).

An ESIF glossary which explains acronyms, technical terms and jargon is available [here](#).

This Q&A reflects the latest position on the 2014-20 ERDF and ESF programmes in the Leeds City Region LEP area.

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Overview

1. Where can I find the Leeds City Region European Structural and Investment Funds (ESIF) Strategy?

The Leeds City Region draft ESIF Strategy can be downloaded from the European funding page on the Leeds City Region LEP website [here](#). It sets out the types of activities which will be funded by ESF, ERDF and EAFRD across nine Thematic Objectives. A refresh of the Strategy was completed in February 2016. The aim of the refresh was to ensure that the Strategy, originally

completed in early 2014, was compliant with the final versions of the national Operational Programmes, all of which were formally approved by the European Commission during 2015. In order to do this, the Managing Authorities have provided revised notional financial allocations and output targets to each LEP area calculated on a pro rata basis from the national plans. The allocations to the Leeds City Region have been reviewed by the ESIF Sub-Committee. The focus of future Calls will need to reflect the range of new output targets following the completion of the ESIF Strategy refresh exercise and, where required, revised allocations.

2. Has the LEP consulted on the 2014-20 Strategy?

Yes, consultation with partners took place during 2013 prior to the submission to Government of the Strategy in January 2014. Since then, a large number of sounding groups have been and continue to be held, either at a Thematic Objective level or a particular programme level with key stakeholders to help shape and refine the detail which, in turn, will help in the development of the Calls/tenders. Stakeholders can register for further consultation/sounding group events [here](#).

3. Who are the Managing Authorities (MAs)?

- For European Regional Development Fund (ERDF) – Department for Communities and Local Government (DCLG)
- For European Social Fund (ESF) – Department for Work and Pensions (DWP)
- For European Agricultural Fund for Rural Development (EAFRD) – Department for Environment, Food and Rural Affairs (Defra)

4. When did the ESIF Programme begin?

Implementation of the ESIF Programme in the Leeds City Region began in March 2015 with the Managing Authorities launching the first round of Calls for applications. All future Calls will be published on the ESIF pages of the www.gov.uk website [here](#).

5. Why did the programmes start late?

This was due to the lengthy negotiations between the Government and European Commission. All programmes in England, in fact across all Member States started late.

In December 2014, the European Commissioner for Regional Policy said – for ERDF - that quality will not be sacrificed for speed of approving programmes: “The adoption of an Operational Programme is a lengthy, thorough process, in order to achieve the best results with the interests of the citizens at heart.” Each of the national Operational Programmes for England for ERDF, ESF and EAFRD were formally approved by the European Commission during 2015.

6. How much ESF/ERDF money does the Leeds City Region programme have?

The Government allocated approximately €396 million to the Leeds City Region Enterprise Partnership. A summary of estimated Sterling values for each Programme Activity area within the Strategy against February 2016 exchange rates (based on €1=£0.78p) is available [here](#).

The Sterling Value summary is expected to be updated in the near future, when and if a new exchange rate is issued by the MA, at which point, it will be republished on the EU funding pages of the LEP website.

The Leeds City Region ESIF Strategy proposes a split between ERDF and ESF on a 51:49 ratio. A proportion of the ESF funds in the Leeds City Region will be co-financed by national 'Opt-in' organisations, including the Department for Work and Pensions (DWP), the Skills Funding Agency (SFA) and the Big Lottery. Access to ERDF and ESF (outside of the Opt-ins) will follow an open, competitive bidding process.

7. I have received funding under the 2007-13 programme. Can I obtain funding under the new programmes?

There are no transition arrangements. The 2007-13 and 2014-20 programmes are separate. For ERDF and ESF (outside of the Opt-in), all applicants will need to follow the same England-wide application procedures. Whilst not all of our ESF will go via Opt-in Organisations (OIO) (Department for Work and Pensions (DWP), Skills Funding Agency (SFA), the Big Lottery), where they do, applications will go through the Opt-in Organisation's own procurement procedures.

All applicants will need to ensure that their proposals fit with the 2014-20 ERDF and ESF Operational Programmes and the Leeds City Region ESIF Strategy. The shape of the new programmes is quite different to those in 2007-13 – therefore you are strongly advised to read the national programme material alongside the LCR ESIF Strategy.

The track record of previous recipients of ERDF and ESF will be taken into account. This includes management and delivery performance.

Applicants previously in receipt of ERDF or ESF funding will be expected to highlight the results of any evaluation for comparative activity.

8. Will there be minimal bureaucracy in the new programmes?

The Government is working to ensure that the rules and processes are clear for the new programmes so that applicants know what to expect; it won't necessarily be less complex. The Leeds City Region Enterprise Partnership has been contributing to the Government's work to clarify and streamline rules and processes.

For example, in the 2014-20 ERDF programme, the Managing Authority (DCLG) will be using simplified costs options (SCOs).

Organisations interested in applying for ESF and/or ERDF funds may wish to speak with previous or existing recipients of funding, to discuss, first-hand, the practicalities of running a project.

Further information on eligibility rules and selection criteria for ERDF and ESF is available [here](#).

Project requirements and publicity materials, including procurement guidance, State Aid requirements and [Output Indicator Definitions Guidance for ERDF and ESF](#) can also be found [here](#).

9. Will Community Led Local Development (CLLD) be available in the Leeds City Region?

Six CLLD areas have had their Local Development Strategies approved and have been invited to submit Full Applications by the end of January 2017. Delivery of CLLD activity is due to commence in 2017. More information about CLLD is available [here](#). CLLD is now closed for further applications for the duration of the ESIF Programme.

10. I have an idea for a project but I'm not sure if it's eligible for funding?

To apply for funding, you will need to ensure that your idea fits with the relevant programme's eligibility conditions, the priorities identified in the Leeds City Region ESIF Strategy and the details of individual project Calls. It can certainly be the case that many good ideas are not eligible for support from ESF or ERDF because they do not meet the Call/specification criteria. It is important that project ideas are not squeezed to fit with ESF or ERDF. Sometimes they just don't fit and other sources of funding may be more appropriate.

The European Commission has devised an [online checklist](#) for identifying possible suitable sources of EU funding.

11. What are the simplified cost options (SCOs)?

There are two types of SCO; the flat-rate and the hourly rate.

All organisations must apply a flat-rate to calculate indirect costs, or overheads. For most ERDF projects, this will be calculated as 15% of direct eligible salary costs. The Managing Authority will also use other SCOs such as the 25% of eligible direct costs flat rate allowable for research, development and innovation projects, which meet the Horizon 2020 criteria. ESF projects have the option of using either the 15% to calculate indirect costs, or using 40% of direct eligible salary costs to cover all other eligible costs (including non-staff budget headings and indirect costs).

In addition, a *Simplified Hourly Rate* methodology must be used for both ERDF and ESF projects where salary costs are claimed for members of staff who do not work 100% on an ERDF or ESF funded project. An explanation of how *Simplified Hourly Rates* work is available in section 4 of the [ERDF Eligibility Guidance \(September 2016\)](#) and section 8 of the [ESF Programme Guidance \(March 2016\)](#).

See sections on Indirect Costs in the [ERDF National Eligibility Rules \(March 2015\)](#) and in the [Eligibility guidance for the 2014 to 2020 European Regional Development Fund \(September 2016\)](#).

12. Will guidance to help applicants calculate value for money (VFM) be available?

Regeneris analysed VFM in the last programme, and it is a key component for both ESF and ERDF, being mentioned in both Operational Programmes. One way it is incorporated in the requirements is through what is occasionally referred to as 'additionality' (that the project must demonstrate a clear case that the investment will deliver relevant activities, outputs and results that would not otherwise take place).

In his conference speech in October 2016, the Chancellor set out that the guarantee for ESIF-funded projects announced in August will be extended to the point at which the UK departs the EU, as long as they can demonstrate value for money (and meet national priorities).

It is expected that further rigour will be attached to the VfM assessment by the MAs and the ESIF Sub-Committee. As a minimum, the ESIF output targets can be found in the strategy and outputs to be generated by a paper should contribute to the delivery of these targets and should be relative to the level of investments being sought as a minimum guideline.

For all ESF Skills for Growth - Investment Priority 2.2 applications that do not already have a funding agreement signed, a short additional annex has been introduced by the MA for applicants to complete. The annex (accessible from the gov.uk [ESIF Outline Application guidance and forms page](#)) contains five questions and its purpose is to help all applicants respond more explicitly on how their project(s) will demonstrate value-for-money. This is in the main due to there being one key output for this area (no. of micro, SMEs supported). This additional information will help both the Managing Authority and the ESIF Sub-Committee when assessing and appraising applications.

Projects can also read how to evidence value for money through choice of suppliers in the [ESIF National Procurement Requirements](#) and [Procurement aide memoire for applicants and grant recipients](#)

13. Are there any publicity requirements?

The branding and publicity requirements are set out [here](#). In order to comply, all documentation as well as any merchandise and press notice, needs to make reference to the funding received by displaying the relevant logo, as found [here](#).

All ESIF projects need to display either a plaque/ billboard or an A3 poster to publicise the European Union funding received. Details of these can be found in sections 3.1 – 3.3 of the [publicity requirements](#).

14. What impact will Brexit have on the programme?

On 25th October 2016, The Rt Hon Sajid Javid MP, Secretary of State for Communities and Local Government wrote to LEP Chairs confirming that the current funding guarantee for ESIF projects signed up until the Autumn Statement, will be extended to all projects signed up to the point at which the UK departs the EU, even when these projects continue after we have left the EU.

In the letter, the Secretary of State went on to outline that for projects signed after the Autumn Statement, funding for projects will be honoured by the Government, if they demonstrate good value for money and are in line with domestic strategic priorities.

He confirmed the Government's commitment to working with LEPs and other local partners to prepare further Calls and new funding agreements to meet these conditions.

Applying for funding

15. Will I be able to apply for funding retrospectively?

Guidance can be found in the Eligibility Rules for ERDF and the Eligibility Rules for ESF which are available [here](#).

16. Where can I find an application form?

A sample [outline](#) and [full](#) application form and guidance can be found [online](#).

17. Will there be one application form for both directly-funded ESF and ERDF projects?

Yes. Application forms are currently available online. The application process starts with the submission of an Outline Application which applicants need to submit when a Call is published on the gov.uk website. If successful at outline, you will then be asked to submit a Full Application.

18. What tips are there for drafting a successful Outline Application?

Based on experience from the ERDF Calls launched to date, applications that are successful at the Outline Application stage often have some/all of the following characteristics:

- Have designed the project to fit the Call specification and not the other way round. Can demonstrate added value/additionally and market failure. Regarding 'additionality', what is the project going to do more of, quicker, with more intensity, to more businesses – and what evidence is there? For example, if you are planning a Knowledge Transfer project, we would expect you to evidence how this is additional to your current offering.
- Many organisations fall foul of procurement rules. In fact the majority of financial corrections on projects across England are related to procurement. The Government has published an ESIF guidance note on Procurement Law [here](#).
- Defining the customer journey is important; assessors need to understand what your activities are providing and how this follows through to the outputs. Successful applications often provide an example of the anticipated customer journey.
- Is not a speculative project i.e. it is close to being ready to implement? If you are planning a capital-funded project, for example, you would need initial Quantity Surveyor figures and ideally would have planning permission in place.
- Some organisations deliver ERDF projects on their own; others have Delivery Partners. There are many benefits of including Delivery Partners but they do make a project more complex to manage as you (as lead applicant) are responsible for their delivery and compliance. It is not a requirement that you have partners – if you can deliver one yourself, then that is fine.
- Being experienced in ERDF is helpful – even if you have experienced problems or challenges in the past. You need to demonstrate how you have put in place actions that mitigate any previous problems. Stronger applications are those that recognise past weaknesses. Being new to ERDF is, of course, allowed, but it can be regarded as more of a risk as you are unknown. Therefore, make sure your project management, financial and compliance sections in the application form are strong.

19. Why are some Outline Applications unsuccessful?

Based on experience from the ESIF Calls launched to date, applications that tend to be unsuccessful at the Outline Application stage have not taken into account, fully or in part, the points in the above section. This includes:

- Applications that are speculative or read as speculative. The proposal might be a good idea, but the project execution lacks detail. This is disappointing as it is a big organisational commitment to apply for ESIF.
- A project has been shoe-horned into the ESIF programme.
- There is a clear divide between the activities for ESIF and the match funding – they don't correlate.
- There is no or insufficient connection between the activities and the outputs and/or programme-level results.
- The questions in the application form aren't answered in part or in full. Don't assume the assessor knows what you are thinking.
- There appears to be insufficient understanding about ESIF compliance issues, including State Aid and procurement.
- There are discrepancies between information included in applications and information included in accompanying spreadsheets.
- Defining the specific roles of individual partners in partnership bids - these have not always been described adequately. Annex 1 in the Outline Application Form asks for specific information about the role of each Delivery Partner. In addition, there is a supporting documents checklist in the Full Application Form which applicants must use to ensure all necessary documentation is submitted with the application.

20. How are the 2014-20 programmes different from 2007-13?

The ESF and ERDF programmes are both England-wide programmes for 2014-20. For 2007-13, the Yorkshire and Humber region had its own ERDF programme, as did other English regions. Local Enterprise Partnerships have played a pivotal role in the design and shaping of the new programmes. LEPs have been allocated notional sums of ERDF/ESF/EAFRD money for 2014-20.

The new programmes differ significantly from 2007-13. Activity supported through the 2014-20 programmes must support the objectives of the Leeds City Region ESIF Strategy which, in turn, is underpinned by the Leeds City Region Enterprise Partnership Strategic Economic Plan (SEP) as well as the national Operational Programmes.

The activities that will be supported by the new programmes are not a straight read- across from 2007-13; the activities are based on the LEP's key objectives for the Leeds City Region which area:

- Growing businesses
- Skilled people, better jobs
- Clean energy and environmental resilience
- Infrastructure for growth

21. What outputs and results are projects required to deliver in return for receiving funding?

A key requirement for any organisation receiving ESF or ERDF is the delivery of outputs. National Output indicators can also be found in the ESF and ERDF Operational Programmes, which are available [here](#). The list of outputs should not be seen as exhaustive as the

Government may include additional outputs to those agreed with the European Commission throughout the lifetime of the programme. The outputs to be delivered at a local level for Leeds City Region are set out in the LCR ESIF Strategy.

The European Commission and the Government will be paying closer than ever attention to the achievement of outputs. EC Regulations for 2014-20 state that a Member State's ERDF and ESF allocations can be affected by under-performance in relation to outputs.

It is expected that the suite of outputs will be consistent across the 39 LEP areas in England, although each LEP area will deliver against outputs most appropriate to its ESIF Strategy. The refresh of the Leeds City Region ESIF Strategy, referred to in answer one above, has led to changes to output targets from those included in the original ESIF Strategy. The focus of future Calls in the Leeds City Region will reflect the range of new output targets.

ERDF Output Indicator Guidance (October 2016) is available [here](#).

ESF Output and Result Indicator Guidance (February 2016) is available [here](#).

22. How can I work out my output targets as the Call for Proposals specifications don't provide any numbers or benchmarks?

Applicants should forecast likely outputs based on the level of ESF or ERDF they are seeking, and demonstrate strong value for money. Applicants should be realistic with their targets.

The national-level output targets are included in the ESF and ERDF Operational Programmes. The specific output targets for the Leeds City Region are included in the refresh of the ESIF Strategy which can be found [here](#).

Future ESF Calls will include target numbers for outputs for each Call. This may also be the case in respect of ERDF in future where particular outputs are required to meet LEP ESIF Strategy targets.

23. What is the new underperformance methodology?

The [European Social Fund underperformance policy](#) and [Project Underperformance Approach Process Note for Grant Recipients](#) explain the new underperformance methodology, which will be included as an annex in all ERDF and ESF Funding Agreements. The methodology assigns a 'weighting' to four outputs (as selected by the Growth Delivery Team after consideration of the Programme level performance reserve, the original Call and the scope of project delivery). If under-delivery is greater than 15%, then a project is potentially subject to a grant reduction using the calculation in the methodology (as well as possibly a financial penalty). The process for this is set out in the guidance documents named above.

24. How do I find partners in the Leeds City Region?

Applications can be submitted by one Lead Applicant who may be delivering a project or programme themselves or in partnership with delivery partners. In other circumstances, a Lead Applicant can procure sub-contractors to deliver elements of a project.

The LEP European Team will, whenever possible, assist potential Lead Applicants to identify potential Delivery Partners and vice versa, where organisations agree to share their intentions. Periodically, the LEP are able to facilitate a 'partner' finder approach. This has been more

relevant for ESF. If you join the Leeds City Region ESIF mailing list (by e-mailing andrew.wilson@westyorks-ca.gov.uk), you will have the opportunity to submit your intentions in respect of acting as a Lead Applicant or a Delivery Partner in response to specific Calls and to receive information about the intentions of other organisations on the ESIF contacts database who agree to share information. This will be when we facilitate a 'partner finder' activity under a specific Call area. You will also receive information about ESIF events which are often attended by organisations which may be looking for prospective Lead Applicants or Delivery Partners.

Governance

25. Briefly, who's who?

The Managing Authorities (the Department for Communities and Local Government for ERDF and the Department for Work and Pensions for ESF) are ultimately responsible for the delivery of the ERDF and ESF programmes in England. At a national level, a Programme Monitoring Committee (PMC) exists with responsibility for making sure that programme policy and objectives are carried out.

The Government tasked Local Enterprise Partnerships initially to establish local ESIF Sub Committees overseeing the ESIF programme in their areas. In the Leeds City Region, an ESIF local Sub-Committee (LSC) was established in 2014 with its inaugural meeting in July 2014. The Committee was operating in shadow format until January 2016.

The ESIF Sub-Committee is made up of representatives from a variety of organisations across the Leeds City Region representative of the thematic areas and the three main funds. The current membership of the LSC can be found [here](#).

26. What is a LEP?

Across England, Local Enterprise Partnerships are partnerships between local authorities and businesses. They decide what the priorities should be for investment in the LEP area. There are 39 LEPs across England. More information is available [here](#).

27. What is the role of the LEP in the new ESIF Programmes?

LEPs were asked in July 2013 to lead on the development of the ESIF Strategy against a notional allocation for their area. The LEP is working with the Managing Authorities and local stakeholders to help develop and implement the ESIF Strategy locally.

28. Who sits on the LEP and how we can engage with them?

The Local Enterprise Partnership (LEP) Board brings together the public and private sectors, working to a shared vision for economic growth. The membership of the LEP Board and other information about the LEP's activities can be found [here](#).

The LEP's European Team should be your first point of contact for LEP ESF/ERDF/EAFRD engagement. The European Strategy Lead in Leeds City Region is Heather Waddington (heather.waddington@westyorks-ca.gov.uk).

29. Who will decide which projects in the Leeds City Region receive funding?

The Leeds City Region ESIF Sub-Committee will play an important advisory role in deciding which projects receive funding although the Managing Authorities will be responsible for final decisions.

30. Will there be an appeals process if an application is unsuccessful?

The Government has decided that there will be no appeals process at the Outline or Full Application stage. If an applicant is unsuccessful then, providing a similar call for proposals is launched in the future, it may be possible for an applicant to re-apply.

Feedback will be provided on unsuccessful Outline Applications to those applicants which request it. Applicants who are successful at the Outline stage will also receive feedback which should be taken on board in developing a Full Application.

31. How can partners engage with the Leeds City Region ESIF Programme?

Partners can register for further ESIF Sounding Groups and events [here](#). Sounding Groups are arranged either at a Thematic Objective level or a particular programme level with key stakeholders to help shape and refine the detail which, in turn, will help in the development of the Calls/tenders.

Please contact andrew.wilson@westyorks-ca.gov.uk if you would like to receive e-mail alerts about the ESIF programme in the Leeds City Region.

ESF-specific questions

32. Are there any plans for an ESF briefing session?

A series of Sounding Groups have already taken place but, as noted above, Sounding Groups are continuing to be held in a number of ESF thematic areas. Partners can register for these Sounding Groups [here](#).

33. ESF and Opt-ins

For a large part of the programme ESF will primarily be accessed via open and competitive processes run by Opt-in Organisations that provide match funding (Skills Funding Agency, Department for Work and Pensions, Big Lottery Fund). The LEP has been working with the Opt-in Organisations to ensure the process will meet the needs of the City Region and will continue to do so, with the support of the ESIF Sub-Committee, to ensure they remain fit for purpose and make an impact for our communities in the Leeds City Region.

34. How can ESF providers prepare themselves for upcoming tendering rounds through the Opt-ins?

- **Skills Funding Agency Opt-in** - In order to be eligible for funding from the SFA, organisations must be on the SFA's Register of Training Organisations. These organisations can be invited by the SFA to compete in tenders but appearing on the register does not guarantee

a contract. Further information about the register can be found here:

<https://www.gov.uk/skills-funding-register-for-opportunities-to-tender>.

Please note however, at this stage, there will be no further ESF opportunities published via the SFA Opt-in route – these are now all complete.

- **DWP Opt-in** – A tender process in respect of the DWP ESF Opt-in *Back to Work* Programme was undertaken in the first half of 2016. The programme began delivery in September 2016.
- **Big Lottery Opt-in *Building Better Opportunities*** – During October and November 2015, Stage One Applications were invited in response to four Project Outlines covering early intervention for families at risk of becoming troubled families and the integration of marginalised and vulnerable new migrants. These programmes are now closed to further applications.

35. As part of the DWP Opt-in, will lead bidders be expected to be Merlin accredited?

All lead bidders will be expected to follow the Merlin principles throughout the life of the contract and will be asked to demonstrate this as part of their tender response. Successful lead applicants will be required to obtain Merlin standard accreditation within a designated period which will be specified in the Invitation to Tender.

36. When bidding as a partnership, is it alright for a lead company to bid on behalf of the partnership and have an SLA in place with each partner or do they need to form a joint legal entity?

DWP encourages organisations to bid as part of a consortium. There are usually two forms of Consortium. The first is where a number of organisations work together to bid for and deliver a contract. One of the organisations acts as the lead organisation and the legal entity with whom DWP contract. Consortium member organisations are usually bound together via a lead entity and sub contracted arrangement. As the award of contract will be based on the strength and totality of consortium members named in a bid, any change in membership will need to be agreed with DWP.

The second format of a consortium is one where the collective group of member organisations form a new legal entity to which they each have a vested financial and legal status. In this model, DWP contracts with the newly formed legal entity and they may deliver the contract either as a “single provider” or via sub contracts.

37. What contracting geographies will be used for ESF?

The LEP, supported by the ESIF Local Sub-Committee, are committed to ensuring that contracts are let at the geographical level that allows the most effective delivery. The design of programme Calls and tenders has been shaped with input from local stakeholders to ensure they are fit for purpose – some will be based on a City Region wide approach, some will be based at district or multi district level. Each Call/tender will make it clear at which level we are seeking projects.

38. What will the ESF programme in the Leeds City Region target?

The ESF programme will target employment, social inclusion and skills as set out in the ESIF Strategy. The programme areas contained in the Strategy will respond to the priorities set out in the Leeds City Region Employment and Skills Plan.

39. If I want to apply for funding, do I have to provide match funding?

Opt-in Organisations will provide match funding although activity supported through other parts of the ESIF programme will require 50% match funding, in most cases.

40. How long can an ESF project last for?

The LEP will agree with the Opt-in Organisations the length that it wishes the provision to be contracted for but it is expected that the DWP and Big Lottery Fund Opt-ins will last for a three year period. This will also be the norm outside of Opt-ins.

In light of the proposed changes under Devolution, the SFA has had to seek agreement from Ministers on how to proceed with the SFA opt-in service with LEPs. Ministers have agreed that the SFA cannot put in place contractual or match-funding arrangements beyond the point at which the SFA may cease to be accountable for the non-apprenticeship adult skills budget. As a consequence, all ESF contracts will have to come to a close by July 2018 meaning that any tender issued by the SFA can be for no longer than two years – as opposed to a planned three year delivery contract. As highlighted at q. 34, programmes through the LCR SFA Opt-in are now closed for application.

41. As part of a DWP Opt-in, will all supply chain providers need to use PRaP or will there be a paper-based system to complement PRaP?

Only the lead contracted organisation will access PrAP, subcontracted organisations will use whatever system they have agreed with the lead contractor.

42. How will the Opt-in programmes be monitored to ensure they are meeting local needs?

Discussions have taken place within ESIF Sub-Committees to ensure that monitoring data is regularly reviewed to ensure programmes are meeting local needs. This will include both qualitative and quantitative data, impact data, lessons learned and examples of best practice.

43. Have examples of existing best practice been used to inform the design of the Opt-in programmes?

Yes, for example, in relation to the Apprenticeship Hub Programme, see www.the-lep.com/LEP/media/New/Research%20and%20publications/LEP-City-Deal-Apprenticeship-Programme.pdf.

44. Are there procurement issues in relation to the selection of Delivery Partners?

A Lead Partner does not normally 'sub-contract' (i.e. procure) a Delivery Partner as they are in a partnership arrangement to deliver a project together. A Sub Contractor is not the same as a Delivery Partner. Instead, there is a contractual arrangement following a procurement exercise between the Lead Partner and an organisation/individual. An ESIF Compliance Guidance Note on procurement is available [here](#).

ERDF-specific questions

45. Which organisations can apply for ERDF?

Guidance can be found in the National Eligibility Rules and Guidance for ERDF, which are available [here](#). However, it is worth noting that ERDF does not normally fund organisations directly; rather it funds organisations, sometimes referred to as *intermediary bodies*, which can, in turn, provide support (such as business, technical, finance [loans/equity]) to SMEs to help them grow.

46. How do I apply for ERDF?

There are two stages to the ERDF application process; Outline Application and, if successful, Full Application. Applications will be subject to a Gateway Assessment undertaken by the Managing Authority under the following criteria including - applicant eligibility, activity and expenditure eligibility and the fit with the ERDF Operational Programme and the call. Proposals that pass the Gateway Assessment will move into the Core Assessment which consists of strategic fit, value for money, management and control, deliverability, procurement / tendering and State Aid compliance. They will seek advice from partners when considering applications to ensure each 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 Sub-Committee and other partners deemed relevant to the application.

47. Can charities be beneficiaries of ERDF if they are also registered companies and meet SME criteria?

Guidance on who can apply for ERDF can be found in the National Eligibility Rules and Guidance for ERDF which are available [here](#). Potential applicant organisations include:

- local authorities
- statutory or non-statutory public funded bodies
- voluntary and community sector organisations
- private sector organisations

48. Can ERDF projects support SMEs that are social enterprises?

The [ERDF Output Definitions](#) states that enterprises supported may include social enterprises, as long as they “engage in economic activity”.

49. How much ERDF can an organisation apply for?

The minimum size of a project will be proposed in the project Calls issued in the Leeds City Region.

50. Is there a minimum turnover limit for an organisation aiming to bid as a lead partner?

An organisation will have to provide evidence of whether they would be able to repay a grant in the event of any clawback situation which could include the whole of the grant. As claims are paid retrospectively, an organisation will also need to show that it will be able to cash flow the project.

Financial Due Diligence checks will be undertaken on non-public sector applicant organisations during the application process.

51. How long can an ERDF project last for?

The length of the project will be proposed in the project Calls issued in Leeds City Region. It is expected most projects will run for three years.

52. If I want to apply for funding, do I have to provide match funding?

Yes. It is a prerequisite for receiving ERDF that match funding is available and confirmed. Applicants will need to secure eligible match funding. Usually half of a project's funding will come from ERDF, the other 50% from other sources. Volunteer time and other forms of *in-kind* match funding are ineligible. However, where applicable, the donation of land and/or buildings can be eligible where specific conditions are met. The contribution of staff time as match funding may only be included if the employing organisation is either the lead applicant or a named delivery partner in the application.

53. Can a project be co-funded with fees from businesses its supports?

Guidance in response to this question is contained in section two of the ERDF Eligibility Guidance available [here](#).

54. How could other funds within the scope of the LEP be used to match fund ERDF applications?

Other funds within the scope of the LEP may be able to be used as match funding subject to a project meeting relevant funding criteria. More information on other LEP funds can be found [here](#) (for example: Local Growth Fund).

55. Is there a formula to work out the administration resource requirement for an ERDF project? Is it based on project volume or types of outcomes?

No, as this depends on the complexity of the project, its outputs, the resources of the lead applicant and delivery partners.

Based on the existing experience of projects, it is generally recommended that there is a dedicated 100% project manager and dedicated 100% admin resource as a minimum.

56. How strong is the focus on linking Horizon 2020 with ERDF?

The European Commission has suggested that European Structural and Investment Funds and other Commission Funds (e.g. Horizon 2020 – funds which are accessed directly from the EC) can be linked in the new programming period 2014-20. In general, however, different EU funds cannot be used as match against one another so the linkage is only likely to be possible at a strategic level. Projects using Structural Funds and Horizon 2020, for example, would have to be careful not to cross fund elements of their project.

57. Can projects be developed to address one or more of the ERDF supported Thematic Objectives set out in the ESIF strategy; the most innovative and high impact projects may address more than one theme. How will the assessment of bids address this?

In Leeds City Region, this will be a strong feature of the Sustainable Urban Development (SUD) element of the programme - where we will be looking to integrate funding from PA3, PA5 and PA6. The Call will specify where this is possible.

58. For ERDF, are there any excluded sectors e.g. retail?

Please refer to the ERDF Eligibility Guidance available [here](#). This includes guidance on the eligibility of activities relating to retail.

59. Does an application for capital funding need to have planning permission in place?

Applicants will ideally have full planning permission and funding in place prior to submitting an application for ERDF. Projects may still be considered if applicants have recently applied for planning permission or have outline planning permission in place; it will depend on the nature and complexity of the scheme proposed.

If it will be some time before permissions are likely to be in place, applicants may decide that ERDF is not an appropriate source of funding.

Audits

60. What are the different types of audits?

Each project will be subject to a Project Inception Visit (PIV) at the start of the project, and a closure visit, at the end of the project, both of which will be undertaken by the Managing Authority. As well as these two visits, and other monitoring visits by the contract manager, Regulation (EU) No 1303/2013 sets out two different audits (in Articles 125 and 127 respectively). Notification for both these types of audits will be given in advance.

An Article 125 audit, otherwise known as an 'on-the-spot-verification' visit, is undertaken by the Managing Authority, lasts one or two days, and checks a sample of expenditure and outputs, as selected in advance of the audit. All quarterly claims are potentially subject to be randomly sampled for an A125 audit.

An Article 127 audit is undertaken by the 'Audit Agency', and could last up to a week. A sample of a project's claims are selected using a methodology laid down by the European Commission.

61. What is the Audit Authority?

The designation of an Audit Authority (AA) is an EU requirement. In England, it comprises auditors within the Government Internal Audit Agency (GIAA) who provide an additional check on projects' expenditure after it has been incurred and also check other aspects of project eligibility and delivery.

62. When will a project be audited?

A project could be audited, including by the European Court of Auditors and European Commission's Auditors, even after a project is completed (until at least 2033).

This means that all project documentation must be retained and archived until notified otherwise by the Managing Authorities. More detail is set out in the [ERDF](#) and [ESF](#) document retention guidance.

Further advice

63. Where can I get help and support for accessing European funds?

LEEDS CITY REGION EUROPEAN TEAM

The European Strategy Lead in Leeds City Region is Heather Waddington
heather.waddington@westyorks-ca.gov.uk

Other contacts in the LEP's European team are:

Laura Smyth – Technical Assistance Project Advisor
laura.smyth@westyorks-ca.gov.uk

Andrew Wilson – European Programme Administrator
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L-CREATE TECHNICAL ASSISTANCE (TA) PROGRAMME

The Leeds City Region European Advice & Technical Expertise (L-CREATE) project is delivered by a partnership of experts across the Leeds City Region, including local authorities, universities and third sector organisations, with the aim of ensuring successful engagement with, and delivery of, the ESIF programme within the City Region.

These partners can offer support to applicants wishing to apply for either the European Regional Development Fund (ERDF) and/or the European Social Fund (ESF) and will help to raise awareness of the upcoming ESIF opportunities at a local level to ensure maximum engagement with the programme. Support is available to anyone and is free.

A programme of activity will be undertaken that will include support to help applicants with understanding the opportunities the ESIF programme offers, training on key aspects of applying for European Funding and how to run compliant projects, as well as help and support in finding other partners to work with, either as a lead applicant or as a delivery partner. A list of these partners and their contact details can be found by clicking [here](#). Details of upcoming TA workshops can be found [here](#).

DISTRICT CONTACTS

The LEP's European Team is supported by a number of key points of contact in the districts who are there to help partners locally.

For more information please use the following link to find your district contact:
<http://www.the-lep.com/LEP/media/New/ESIF%20docs/Local-Contacts.pdf>.

64. When will more detailed information be available?

As the Government issues further guidance then this will be available from [.gov.uk](http://www.gov.uk) and via a link from the Leeds City Region LEP website [EU funding page](#).

In the meantime, we will endeavour to continue to update this Q&A regularly. In addition, in Leeds City Region, we will continue to brief partners via e-newsletters, e-alerts, Twitter ([@ESIF_HW](#)), briefing sessions and TA workshops, Sounding Groups and website updates.

65. How can I find out more information?

By joining the Leeds City Region ESIF mailing list by e-mailing andrew.wilson@westyorks.ca.gov.uk and by checking for forthcoming Leeds City Region LEP events [here](#).