

Technical briefing document on European Commission requirements for ESF funding

Supporting documentation to the Shared Service Agreement between the Skills Funding Agency and Young People's Learning Agency (YPLA)

1. Background

The Skills Funding Agency will hold the Co-financing Organisation status and will manage a Skills Funding Agency Co-financing Plan in each region for 2011-2013 ESF provision for both young people and adults.

The Skills funding Agency will operate a Shared Service Agreement with the YPLA where it will manage the SFA Co-financing Plan, including the 14-19 element, on behalf of the YPLA. YPLA and Local Authorities will be responsible for the content of the 14-19 element of the plan.

2. Purpose

The technical document is a supplementary document to the European Social Fund annex of the Shared Service Agreement (currently Annex F) and aims to:

- define the process by which the Skills Funding Agency will identify match provision;
- give an overview of match funding requirements; and
- outline the ESF publicity, audit, data and cross-cutting themes requirements.

3. Match

Under ESF Co-financing arrangements, the funding described in a Co-financing Plan is split into ESF and match funding. The ESF is used to fund the ESF projects at 100% of their cost. The match funding required is 'pulled in' to the Co-financing Plan by identifying suitable non-ESF provision to the required value, which can be used to provide match participant data.

In order to draw down ESF funding, the Skills Funding Agency must ensure it is able to provide evidence of match funding through mainstream provision. This match funding must meet ESF eligibility rules and contribute to the overall targets set in the Skills Funding Agency Co-financing Plans. Both ESF and match funding provision will also have to meet standard ESF requirements and regulations in areas such as publicity, audit, data and cross-cutting themes.

Where match provision is funded through Skills Funding Agency/YPLA resources, the ESF requirements placed upon that provision will be included within the terms of the standard Skills Funding Agency contract with the provider. In exceptional circumstances, the contract management of a provider may be undertaken outside of the Skills Funding Agency single account management approach, for example by a Local Authority. Where this happens, the responsibility for ensuring the provider meets all ESF requirements would pass from the Skills Funding Agency to the Local Authority and be detailed in the contract for provision. The Local Authority would therefore need to ensure the ESF requirements are passed on to the provider through a contract and undertake the activity required to ensure the provider is compliant with the ESF requirements.

Match funding for 14-19 provision will be sourced from mainstream Foundation Learning and 16-18 Apprenticeship programmes. The latter will be funded through the National Apprenticeship Service, part of the Skills Funding Agency. The Skills Funding Agency may also use other sources of match funding should additional match be required. In an effort to reduce bureaucracy, the SFA will select large mainstream programmes.

The Skills Funding Agency will identify match on a regional basis, from their regional allocations of funding, in order to meet the regional Co-financing Plan requirements. Several match programmes may be used in order to ensure the required monetary value and type of match provision can be obtained.

Under ESF co-financing arrangements, providers of match funding do not have to pay any of their own funds towards the delivery of the ESF Programme. Providers with match programmes supply only their learner data, captured through Individual Learner Records (ILR) and the data shared with the Skills Funding Agency. This data is included in the Skills Funding Agency's claims submitted to the ESF Managing

Authority – the European Social Fund Division (ESFD) – in order to evidence delivery of the match funding element in the Co-financing Plans.

The Skills Funding Agency will select the match data used in claims. The Skills Funding Agency will ensure the selected data fulfil learner eligibility requirements and contribute to 14-19 targets set in the Co-financing Plans.

Match providers will not be required to alter their mainstream delivery but they will have to meet ESF requirements as below.

- ESF logos and plaques must be displayed for publicity.
- Evidence of delivery must be retained up to the estimated date of 31 December 2022.
- Provider and participant signatures must be present on supporting evidence documents.
- Match providers must collect data to satisfy ESF requirements, although the Skills Funding Agency/YPLA currently envisage that the ILR data set will meet these needs.
- Funding used as match for the ESF programme must not also be used as match for any other European funded programmes.
- Participant eligibility is detailed in the [guidance documents on the official ESF website for England](#). Eligibility starts at section 1.6 in Manual 1.

4. European Commission requirements for ESF provision

The European Union Regulations¹ for ESF funded provision require the Co-financing Organisations and providers to meet criteria set out in the [Operational Programme](#)² and [CFO Guidance documents](#)³ issued by the ESF Managing Authority, the European Social Fund Division (ESFD)

These detailed documents may be downloaded from the ESF web site www.esf.gov.uk

In the event that the Skills Funding Agency negotiate local authority management of an ESF contract or match funding from local authority programmes then the following EC requirements will apply to the local authority.

All provision funded through ESF, and mainstream provision used as match needs to take account of: publicity; data; audit; and cross-cutting themes

4.1 Publicity requirements

Co-financing Organisations, providers, and the projects funded through ESF, and projects used to provide match funding, must acknowledge the financial help from the European Social Fund and European Union.

Full information on the logo for the 2007-2013 ESF programme including downloadable versions and detailed guidelines on its use are available on the [ESF website](#). The logo for the current Programme may be used in colour or black and white.

The logo looks like this:



The ESF logo must not be manipulated in any way. For example, the aspect ratio must be the same as the images illustrated above – the image must not be stretched or squashed to fit spaces on documents. Any organisation that needs a copy of the logo should download it from the [ESF website](#). It is strongly recommended that

¹ The EU Regulations are available on the [official EU website](#) but the [ESF website for England](#) contains the level of detail required by CFOs and providers.

² http://www.esf.gov.uk/info_for_cfo_and_projects/operational_programme.asp

³ http://www.esf.gov.uk/info_for_cfo_and_projects/guidance.asp

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second hand images held on the shared drives of other organisations, such as the LSC or Local Authorities, are not used or distributed. This is because images may have been corrupted.

The ESF logo and references to financial support from the European Union must be displayed when ESF opportunities, activities and achievements are described and/or publicised. This includes but is not restricted to display on the following.

- All documentation used by the Skills Funding Agency and providers relating to ESF and match funded activity, such as meeting agendas, minutes and reports. This includes websites, e-communications, correspondence and promotional literature.
- ESF programme documents such as regional ESF frameworks and the Joint Co-financing Plans.
- Advertisements, press releases and other media targeted materials.
- Documentation received by participants (learners) such as enrolment forms, information leaflets and promotional material. (This does not include learning aids like the provision of teaching notes)
- The Skills Funding Agency and providers are also required to support other measures to publicise the ESF programme that may be agreed at national, regional and local levels.

The Skills Funding Agency premises, providers' premises and the main location of projects' delivery must display [ESF plaques](#). Therefore:

- all offices of the Young People's Learning Agency must also display a plaque; and
- the offices of Local Authorities, when the authority is either managing or delivering an ESF or match funding contract, will be required to display the ESF plaque.

ESF and match funded providers are each given an ESF plaque by ESFD and comprehensive information about publicity requirements through contractual arrangements and supporting guidance.

4.2 Data requirements

All ESF participant and match learner data must be submitted by providers to the Data Service (part of the Skills Funding Agency). The format of the data is known as an Individualised Learner Record (ILR). Provider payments are reliant upon accurate and timely submission of ILRs.

The Data Service has an [e-learning module](#)⁴ for providers. This module provides an overview of the ILR, the importance of submitting good quality data and 2009/10 ILR changes. This e-learning module will act as a support tool to the ILR guidance manuals already available to Providers.

The Skills Funding Agency will also collect data about the ESF projects for inclusion in the publicly accessible list of beneficiaries and providers.

The Skills Funding Agency is responsible for submitting the participant level management information and project information to the Managing Authority (ESFD).

4.3 **Audit requirements**

There are several types of audit which are relevant to ESF Co-financing.

Skills Funding Agency audit

There are two types of audit that the Skills Funding Agency performs for ESF. The first is a provider check conducted by Provider Financial Assurance (PFA). The other is a more inward look at Skills Funding Agency processes and contract management for ESF, conducted by Skills Funding Agency Internal Audit.

External audit

The Audit Authority for the 2007-13 Programme is the Risk Assurance Division (RAD) at DWP. The Skills Funding Agency and its providers and sub-contractors must comply with requests to examine any documents held on file or electronically. The authorised organisations that may wish to carry out an audit are:

- RAD;
- National Audit Office;
- the European Commission;
- the European Court of Auditors; and
- other organisations authorised by any of the above.

The Skills Funding Agency and its providers must also provide access to premises where the relevant documentation is held and reasonable assistance to facilitate the examination of such documents.

The types of document that need to be held by the Skills Funding Agency are as follows – this list is not exhaustive.

⁴ <http://www.thedataservice.org.uk/e-learning/>
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- agendas, papers and minutes from the Skills Funding Agency Co-financing Plans, Regional Boards and internal management groups;
- procurement records for provision (including documentation from unsuccessful providers);
- decision records from contract award panels;
- contracting and correspondence between the Skills Funding Agency and providers; and
- participant, project and financial management information used to produce the ESF Claims.

Documentation must be retained for ESF and match from mainstream provision. Therefore 14-19 match provision requires the same types of document as bulleted above to be held by the National Apprenticeship Service.

The date to which documents will have to be retained is estimated to be 31 December 2022. This is because documents and records for ESF need to be kept for a full three years after the European Commission (EC) make the final payment to England for the ESF programme.

Cross cutting themes

There are two cross-cutting themes to be addressed in the 2007-13 Programme:

- gender equality and equal opportunities; and
- sustainable development (which incorporates environmental sustainability).

The Skills Funding Agency and its providers are required to promote these themes throughout the lifetime of the Programme. The cross-cutting themes will be subject to monitoring, evaluation and audit.

The cross-cutting themes will be promoted by the Skills Funding Agency and its providers through the dual approach of:

- mainstreaming the themes into the delivery of all projects; and
- supporting specific actions (for example, activities aimed to improve women's participation, or to provide training in environmental management).

The Skills Funding Agency Co-financing Plans should demonstrate how both cross cutting themes will be actively promoted and built into implementation arrangements. Detailed information is contained in Manual 2 of the CFO Guidance, available on the [ESF website](#).