



ESF CO-FINANCE TENDERING ROUND



FREQUENTLY ASKED QUESTIONS

Leading learning and skills

The information in this document is intended to provide applicants with answers to some frequently asked questions and also to provide applicants with an overview of some of the main issues regarding ESF regulations. It is not possible to pre-empt all the questions that applicants may have, therefore if you have any further questions please email these to: procurementnorthwest@lsc.gov.uk using the Tender Clarification Form which has been issued in the ITT package. However, please be aware that we are only able to provide information on clarity or clarification about the Specification.

Further guidance regarding ESF can be found by reviewing the official guidance set out by the ESF Division, so we recommend that you make yourself familiar with the ESF Guidance Handbook "The European Social Fund in Great Britain – Guidance for Applicants". This document can be accessed from www.esf.gov.uk.

Completion of the ESF Co-finance Tender Application Form

Q: What size should responses be in the boxes provided on the application form?

A: *The ESF Co-finance Tender Application clearly indicates the maximum amount of space available for each question. Please refer to these very carefully as any additional text provided over these limits will not be considered by the Assessors.*

Q: What is the reason for restricting answers to restricting responses?

A: *Assessors will be assessing large numbers of tenders which is very time consuming. A restriction therefore needs to be applied.*

Applying for Funding

Q: Can more than one organisation be named as the lead?

A: *No. The lead organisation must be a legally formed body that is accountable for the project. The LSC will contract with this organisation.*

Q: Can an Association apply for ESF?

A: *The LSC can accept Tenders from any legally formed organisation, public or private, with the exception of sole traders. The LSC is committed to partnership working and therefore pleased to receive Tenders from partnerships or consortia, particularly partnerships that embrace community and voluntary sector organisations.*

Q: Does an organisation need to be an LSC Approved Supplier before submitting an ESF Co-finance Tender Application Form?

A: *No, however, an organisation does need to become an LSC Approved Supplier before the LSC can contract with it. If an organisation is not already an LSC Approved Supplier, they must contact Procurement Northwest (procurementnorthwest@lsc.gov.uk) and request an LSC Approved Supplier Pack. This documentation must be submitted along with your completed ESF Co-finance Tender Application Form by the deadline identified for the ITT. The LSC will only review the completed LSC Approved Supplier Pack should your project be invited to enter into contracting discussions.*

Submitting the ESF Co-finance Tender Application Form and the LSC Approved Supplier Application Form

Q: If the deadline has not yet passed and the applicant organisation finds that they have made an error; can they alter their original tender?

A: The applicant would need to submit an updated tender form, ensuring it reaches the LSC before the deadline passes. Their original tender will not be returned; as under open and competitive tendering regulations we are unable to open envelopes containing tenders before the deadline has passed. We therefore would not know which applicants had submitted tenders. The applicant would need to advise that this new tender replaces the earlier version and therefore it would be helpful to identify the date the original tender form was signed.

Q: If we are a new organisation to the LSC when do we have to send in the new Provider paperwork?

A: This should be sent in along with your completed ESF Co-finance Tender Application Form, but the new provider process will only start if your bid is successful.

Deadline for Submitting ESF Co-finance Tender Application Forms

Q: If an organisation has extenuating circumstances, is it possible for an ESF Co-finance Tender Application Form to be submitted after the published deadline?

A: No, unfortunately the LSC is not able to accept ESF Co-finance Tender Application Forms after the deadline has passed.

ESF Co-finance Tender Application Assessment Process

Q: If all completed ESF Co-finance Tender Application Forms are submitted to Procurement Northwest who are based at Manchester, where will they be scored?

A: The initial sift of the bids will be carried out by Procurement Northwest in Manchester where they will be logged and given a number. The bids will then be assessed by individuals from both the local area office and also from the regional office; bids will on occasion also be scored by external partner organisations.

Delivery of Outputs and Outcomes

Q: If a project can deliver more outputs and outcomes than required in the tender specification is that acceptable?

A: Yes. Identify the number of outputs/outcomes that your project can realistically deliver.

Q: Can an individual be assisted by more than one project managed by the same organisation?

A: Yes. However, you would need to be able to demonstrate that the beneficiary is undertaking distinctly different activities on each project to ensure that there is no duplication of funding.

Q: Can an individual be assisted by a project on multiple occasions?

A: Yes, it is possible for an individual to be assisted by one project on a number of occasions. However, please be aware that the LSC will only compensate you for supporting this individual once against each relevant output or outcome regardless of how many times the individual accesses your project.

Q: Some outcomes may not be achieved until after the end of the project. How can this issue be rectified?

A: This is very difficult as the LSC has only a short time to report achievements to Government Office. Applicants should look at what can realistically be achieved during the lifetime of the project. Another alternative is to plan to finish outputs earlier (rather than at the end of the project) to allow time for outcomes to be achieved.

Guidance Regarding which ITT to Apply Against

Q: What if you are unsure which Invitation to Tender best fits your project?

A: The LSC must ensure impartial advice is given at all times and therefore is unable to advise which ITT you should apply against. However, for the Voluntary & Community Sector advice and guidance can be sought from North West Network. NW Network represents the interests of the Voluntary & Community Sector only and provides a comprehensive package of support. NW Network is also able to offer assistance to Voluntary & Community Sector organisations in improving their Co-financing Tenders. Contact details are: Angeliki Stogia - 0161 236 6493.

Match Funding

Q: Do organisations need to find match funding?

A: No, this is the responsibility of the LSC.

Q: Can organisations provide their own match funding?

A: Yes, providers can provide their own match funding and the LSC will ensure that systems are in place to enable providers to bring their own cash match. However, the LSC will not accept ESF Co-finance Tender Application Forms for projects wishing to use either Workbased Learning for Adults or New Deal monies as match funding. In these situations, providers must go direct to GONW.

Provider Tenders will be considered against our appraisal and selection criteria and where providers bring their own match funding this will not place them at an advantage or disadvantage.

Q: Can providers use inkind match funding?

A: Although the co-financing model does recognise provider cash contributions, the model does not recognise the use of 'in kind' resources as part of the match funding for a project.

Q: Can private sector (employer) cash match funding be used?

A: Yes, under co-financing arrangements, employer cash contributions are a recognised source of match funding and on occasion the LSC will require that providers secure private sector cash match funding.

Q: Can private sector (employer) inkind match funding be used?

A: As well as recognising provider cash contributions, co-financing also recognises the use of 'in kind' (use of premises, employee time etc) resources as part of the match funding for a project.

Q: Can volunteer time be used as match funding?

A: Although volunteer time is an acceptable method of match funding for traditional ESF projects, the co-financing model does not recognise the use of volunteer time as part of the match funding for a project.

Eligible Expenditure

Q: What cost should be put on the ESF Co-finance Tender Application Form?

A: *Identify the full cost of the entire project. Section 10 of the ESF Co-finance Tender Application Form provides you with an opportunity to identify whether any other sources of funding are being used to support this project. Section 11 of the ESF Co-finance Tender Application Form then provides you with an opportunity to identify how each item of expenditure is to be funded. To simplify internal project management arrangements for yourselves it is strongly advised that only one source of funding be used for each expenditure item.*

Q: Is there a list of ESF eligible costs available?

A: *Part B Section 11 outlines the ESF eligible expenditure headings, these headings have been pre-determined by the ESF Division as appropriate for ESF Co-finance funding applications. Applicants must not introduce additional cost lines nor combine cost lines together. Please be aware that should your proposal include any expenditure items that are ineligible for ESF purposes it will not be put forward for assessment.*

Q: Can ESF be used to purchase capital equipment?

A: *ESF supports the running costs of activities and will not fund capital purchases for buildings or equipment costing over £1,000 (inc VAT) each.*

Q: Can organisations claim VAT back from the LSC?

A: *The LSC does not pay VAT on education or training.*

Payment Arrangements

Q: Will successful applicants be paid against actual costs incurred?

A: *No, All payments will be made against an agreed profile of outputs, outcomes and milestones. Performance against the profile is subject to reconciliation to ensure that the provider receives compensation for the actual outputs, outcomes and milestones achieved. Providers should note that where they over deliver against output, outcome and milestone targets there will be no automatic requirement for the Council to compensate. Evidence requirements for these payments will be set out in the contract, as will the full claims and Management Information requirements and documentation. The evidence requirements specified in the contract will be required at audit visits by LSC staff.*

The Council will review the progress of providers and of the programme as a whole at regular intervals with thorough reviews occurring annually. To ensure maximum flexibility and programme effectiveness these reviews may lead to a reallocation of resource between providers where under-performance is identified. Providers will not have an automatic right to use previous annual under-spends in future contract delivery.

Definitions

Q: Is there a specific definition of unemployment?

A: *A period where a person is not in paid employment (subject to certain exceptions). Claiming a benefit allowance from Jobcentre Plus is not needed as evidence of unemployment. However, it is your responsibility to make sure that you accurately record the length of time all the beneficiaries were unemployed before they started on an ESF project.*

The following are considered as periods of unemployment. Time spent:

- *on Jobseeker's Allowance;*
- *on Income Support;*

- on Incapacity Benefits;
- on Invalid Care Allowance;
- on a New Deal Option or Gateway (except the employment option);
- in custody.

The following conditions **do not affect** qualifying periods of unemployment for beneficiaries:

- periods of unpaid work;
- casual or temporary work of not more than four weeks;
- part-time work of less than 16 hours a week in total, provided that the skills needed for the work will not lead to greater involvement in the labour market;
- time spent on an earlier ESF project where the current project will develop the previous one. Where you cannot clearly show this, the beneficiaries will need to serve the qualifying period again. Beneficiaries may only continue to work on the current project if you agree; and
- time spent on government-funded programmes under four weeks long such as New Deals or work-based learning where people are **not** considered part of the workforce.

The following **do not count** as periods of unemployment:

- time spent on work-related government programmes such as New Deal
- where people are considered to form part of the workforce;
- days for which Statutory Sick Pay or Statutory Maternity Pay have been claimed;
- time spent in compulsory education; and
- time spent on training or education courses that last longer than four weeks.

Where individuals are in part-time employment or casual or temporary work of not more than 4 weeks, beneficiaries may not be employed in the public sector. This is because ESF is not usually available for training individuals who have permanent jobs in the public sector, as the Commission believes that direct training of public employees should be supported by the Member States.

Q: What are Working Age Benefits?

A: The LSC has agreed with JobCentre Plus that we will not fund activities in Policy Field 1 Measure 2 for beneficiaries who are in receipt of working age benefits. For the purpose of this, working age benefits are defined as:

- Jobseekers Allowance
- Income Support
- Incapacity Benefit

Q: Is there a definition of economically inactive?

A: People who are economically inactive are:

- of working age;
- not employed;
- not self-employed; and
- not actively seeking work.

Q: What is a Small and Medium Sized Enterprise (SME)?

A: For ESF purposes an SME is defined as an enterprise which has:

- fewer than 250 employees; and **either**
- an annual turnover of 50 million euros (approximately £35m) or less; **or**
- an annual balance-sheet total of 43 million euros (approximately £30m) or less.

Where it is necessary to distinguish between small and medium enterprises, the 'small enterprise' is defined as an enterprise which has:

- fewer than 50 employees; and **either**
- an annual turnover of 10 million euros (approximately £7m) or less; **or**
- an annual balance-sheet total of 10 million euros (approximately £7m) or less.

Where it is necessary to distinguish between small and micro enterprises, the 'micro enterprise' is defined as an enterprise which has:

- fewer than 50 employees; and **either**
- an annual turnover of 2 million euros (approximately £1.4m) or less; **or**
- an annual balance-sheet total of 2 million euros (approximately £1.4m) or less.

The European Commission's definition of micro, small and medium-sized enterprises was revised on 1 January 2005 in Commission Recommendation 2003/361/EC (6 May 2003), and are as described above. The new definition also sets out the types of enterprises, such as 'autonomous' (or independent) or 'partner', to be taken into consideration when calculating staff numbers and financial amounts. Commission Recommendation 2003/361/EC can be found on the ESF website www.esf.gov.uk in the "Regulations" section of the "Library".

Q: What is ALI?

A: The Adult Learning Inspectorate. ALI inspects and reports on the quality of education and training for adults and young people funded by public money.

Q: Can clients live outside of the specified target area?

A: This is dependant on the tender specification. If the tender specification relates to unemployed beneficiaries then they must live within the target area. However if the tender specification is supporting an SME or large organisation then the organisation should be based in the target area, although the beneficiaries may live outside the area. It should also be noted that under ESF Co-financing we are not able to fund learners that live in Scotland.

Support for Public Sector Employees

Q: Can individuals employed in public sector organisations access support offered by ESF funded projects?

A: ESF is not usually available for training individuals who have permanent jobs in the public sector, as the Commission believes that direct training of public employees should be supported by the Member States. However, there are some exceptions to this:

- Training people to allow them to enter the public sector.
- If the public sector contracts our work to provide companies, the contracted company is not considered part of the public sector so training activity will be eligible.
- Support for public sector workers who have either been given or are threatened with redundancy which required them to carry out vocational training to fit them for a new post.
- Lifelong learning for public sector workers employed in traditionally low skilled work who need career development in their current post.
- Training Jobcentre Plus staff working on modernising or providing activity which is additional to normal Jobcentre Plus activity, and
- Funding teachers for activity beyond the standard support available to help the teachers meet the needs of stated ESF client groups.

For ESF purposes the following are considered to be part of the public sector:

- Central Government.
- Local authorities.
- The armed forces.

- NHS trusts.
- GP fundholders.
- Grant maintained schools.

This list is not complete, so if you have any doubts please refer to the official guidance at www.esf.gov.uk.

Q: My project is developing the capacity of voluntary/community sector organisations through supporting volunteers, these volunteers are employed in the public sector but their work with the voluntary/community sector organisation has no relevance to their employment in the public sector. Are they eligible to be assisted by my project?

A: No, the LSC has sought guidance on this issue from GONW and we have been advised that we are unable to support individuals employed in the public sector but who are volunteering in voluntary/community organisations.

Q: Can the training of public sector employed trainers be funded by ESF?

A: No, in general, ESF may only be used to support the training of trainers within private sector organisations and voluntary/community sector organisations.

Support for People in Prison

Q: Can ESF be used to support people in prison?

A: We recognise the value that vocational and other training can have on people while they are in custody but ESF is primarily aimed at people who are available to work in the job market.

The following eligibility criteria apply to people in custody:

- *People sentenced to less than two years can access ESF at any point during their sentence.*
- *People sentenced to more than two years can only access ESF during the last two years of their sentence.*

Support for Higher Education Activity

Q: Can higher education activities be funded via the LSC's ESF funding?

A: Providers wishing to deliver higher education academic activity should contact GONW. This is because the LSC remit does not extend to Higher Education (broadly defined as academic delivery of learning above NVQ level 3 equivalent). However, we can co-finance delivery of NVQ level 4 and 5 qualifications, in the appropriate programmes.

Support for Asylum Seekers, Refugees and Individuals from the EU Accession Countries

Q: Can asylum seekers and refugees be assisted by ESF funded projects?

A: There are specific ESF rules about whether asylum seekers and refugees are eligible for support, and providers must ensure that the client group they have in mind is eligible. A summary of the guidance is given here, but we recommend that applicants any doubt check with the official ESF guidance at www.esf.gov.uk.

To be eligible for support from ESF an individual must be able to take paid employment in a European Union member state.

Asylum seekers are people who want to stay in the United Kingdom. Refugees are people who have already been given permission to stay. Asylum seekers are not usually eligible for ESF support but refugees are.

Until recently, if an application from an asylum seeker was not dealt with within six months they were granted special status. This status enabled them to take paid employment while their application was being assessed and meant they could be supported by ESF.

Decisions on asylum applicants are now being made more quickly, so it has been decided that there is no need for asylum seekers to be granted special status.

Those asylum seekers who already have permission to work are not affected as these new arrangements are not retrospective (cannot be applied to past cases). New asylum seekers cannot be ESF beneficiaries unless they were granted permission to work before this policy change.

Asylum seekers may participate in projects funded by ESF provided that provision is limited to pre-vocational activities (not vocational guidance). Allowable activities are:

- Initial English for speakers of other languages, other Skills for Life (literacy, numeracy and IT) where they are not part of provision that leads to employment.
- Orientation provision to raise awareness of the rights and responsibilities of asylum seekers and labour market needs; provision of information about further education and voluntary work in which they can participate; general advice about what awaits those given leave to remain in Britain (information about law, culture, housing, welfare, health, education and employment);
- Involvement in voluntary activity within the asylum seeker community.

Q: Can individuals from the new EU Member States access ESF funded projects?

A: Ten countries became EU members on 1st May 2004. Nationals from these accession countries have been eligible to benefit from ESF programmes in England since 1st May 2004 if they are legally resident in the UK, and fulfil the normal ESF eligibility requirements for the Measure concerned.

From 1st May 2004, nationals from Cyprus and Malta will have the same access to ESF programmes as nationals from the existing 15 EU Member States.

Nationals from the 8 central and eastern European accession countries (Czech Republic, Estonia; Hungary; Latvia; Lithuania; Poland; Slovakia and Slovenia) will be legally resident in the UK and so eligible for ESF if they are:

- In work and registered under the Home Office Worker's Registration Scheme; or
- Seeking work and self-sufficient; or
- Not required to register.

If a national from the 8 central and eastern European accession countries is an employee benefiting from ESF they must have a worker's registration certificate from the Worker's Registration Scheme or be able to prove that they are exempt from the requirement to register.

This does not apply to nationals from Malta and Cyprus or nationals from the 8 accession countries that are already working legally in the UK and have been in the labour market for an uninterrupted period of 12 months or longer on 1st May 2004.

Nationals from the 8 central and eastern European accession countries who are not registered, but who are seeking work and who are self-sufficient also have the right to reside in the UK and so are eligible for ESF. By self-sufficient, we mean that individuals are not a burden n public funds by getting benefits. ESF cannot be used to provide Income Support to nationals from the 8 central and eastern European accession countries that would not be otherwise be self-sufficient.

- Q: Do individuals have to be legal residents to access ESF funded projects?**
A: Successful applicants will need to ensure that all beneficiaries are legal residents of Great Britain, as each case may be unique, successful applicants will need to discuss this issue with the LSC.

Statutory Training

- Q: Can ESF be used to fund statutory training?**
A: ESF can only support activity over and above that necessary to meet statutory requirements. You must show how the activity is additional to statutory requirements.

Support for School Children

- Q: Can school children access ESF funded projects?**
A: ESF may only be used to support individuals of working age. However, the exception to this is Policy Field 2 Measure 2, where ESF may be used to assist school children over the age of 13, who have been excluded from school ie reporting to a special unit or those in danger of exclusion eg persistent truants.

Support for Individuals on New Deal/Workbased Learning for Adults

- Q: Can ESF funded be accessed via the LSC to support individuals on New Deal/Workbased Learning for Adults**
A: The LSC will not fund activities that are clearly within the remit of the JobCentre Plus, nor will it provide ESF support for projects that are using either Workbased Learning for Adults or New Deal monies as match funding.

Providers seeking to deliver projects which are within the remit of the JobCentre Plus or which intend to use Workbased Learning for Adults or New Deal monies as match funding are advised to contact Jobcentre Plus.