ERDF and ESF in London 2014-20: Questions & Answers
(Updated 19 November 2014 – this includes answers to the questions posed at the 7th and 10th ERDF Workshops)

The Government invited Local Enterprise Partnerships across England to submit a combined strategy for using ESF and ERDF funds, known as a European Structural and Investment Funds (ESIF) strategy. In London this is led by the London Enterprise Panel (LEP - lep.london) which is chaired by the Mayor.

1. Where can I find the London draft ESIF strategy?

London’s strategy can be found here: London LEP ESIF Strategy 2014-20

The strategy may change, and it hasn’t been signed-off by the Government yet as it is dependent on the Government first reaching England-wide agreement with the European Commission; this isn’t expected until early 2015.

2. When will the new European Social Fund (ESF) and European Regional Development Fund (ERDF) programmes launch?

Once the Government and European Commission have concluded their negotiations on the content, budget, outputs, results and governance of the England-wide ESF and ERDF programmes, they can launch. We can’t provide a specific date.

Advice from Government is that the programmes may be given the go-ahead by the European Commission early in 2015, possibly as early as January 2015 for ESF and late February for ERDF.

ESF will be, for the most part, co-financed by national ‘Opt-in’ organisations including the Department for Work & Pensions (DWP) and Skills Funding Agency (SFA) and Big Lottery Fund.

ERDF is expected to follow an open, competitive bidding process.

3. Does this mean the London programme will be launching over one year late?

Yes. But all programmes in England, in fact across all Member States will be starting late.

The funds will be rolled forward, but it means there will be less time to commit the funds to projects and less time for projects to spend it.

4. When can I submit an application for funding?

Once the programmes have been given the go-ahead by the European Commission then we anticipate the Government will give us the green-light to launch. We don’t plan to delay launching.
For ESF programmes delivered through Opt-in organisations, applications will go through the Opt-in Organisations who will be responsible for procuring ESF activity.

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

In other words, seek funding from a ‘start date’ prior to submitting an application? We are awaiting confirmation from Government if this will be possible. For ERDF projects and ESF directly-funded projects, it is unlikely. Separate rules are likely to apply for match funding used by ESF Opt-in Organisations.

6. Where can I find an application form?

Applying for ERDF will be done online, rather than via a paper-based application form; and will be accessible via the Government’s England 2014 to 2020 European Structural and Investment Funds Growth programme website. We expect online access to the application forms to be available once the programme has gone live. There will be two stages to the ERDF application process: Outline Application and Full Application.

We will be happy to give feedback on unsuccessful Outline Applications to those applicants which request it. Applicants successful at the Outline stage will also receive feedback which can be used for developing a Full Application.

Guidance and forms for ESF Opt-in organisations will be found on the websites of the relevant organisations. For the majority of activity procured under the Skills Funding Agency organisations must be registered on the register of training organisations. You can register here: https://www.gov.uk/skills-funding-register-for-opportunities-to-tender

7. Can you explain more about there being one application form for both ESF and ERDF projects? Will this be able to be tailored to ask specific and detailed questions?

Applications will be made online. We understand that an applicant will be able to select ‘ESF’, ‘ERDF’ or both, and the relevant, tailored questions will appear on the screen.

8. 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 London had its own ERDF programme, as did other English regions.

Local Enterprise Partnerships (including the London Enterprise Panel) and partners are playing a significant role in the new programmes. LEPs have been allocated notional sums of ERDF/ESF money for 2014-20.

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 London:

- Skills and Employment
• Enhancing the competitiveness of London’s small and medium sized enterprises
• Strengthening science & technological development and fostering innovation
• Investing in London’s Infrastructure

9. Is there a similar programme available for Northern Ireland, Scotland and Wales?

Yes, there are similar programmes. High-level information can be found here.

10. Why is there no appeals process?

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 is conceivable that an applicant can re-apply.

11. What is a LEP?

In London, the London Enterprise Panel is the Local Enterprise Partnership. Chaired by Mayor of London, Boris Johnson, the LEP is the body through which the Mayoralty works with London’s boroughs, business and Transport for London to take a strategic view of the regeneration, employment and skills agenda for London. For further information, please see: London Enterprise Panel

Across England, Local Enterprise Partnerships are partnerships between local authorities and businesses. They decide what the priorities should be for investment in the area. There are 39 LEPs across England, including in London. For more information, see: Local Enterprise Partnerships.

12. Do you envisage any change in status or role of LEPs as preferred partners of government if there is a change of government next year?

We assume that the LEP role will continue; but cannot predict possible governance changes by any incoming Government.

13. What is the role of the LEP for ESF and ERDF?

Government states that LEPs will provide strategic oversight of the ESIF strategy’s implementation and delivery. Government is tasking each LEP with establishing a sub-group of the national, EC-regulatory Programme Monitoring Committee.

In London the LEP sub-group (the London ESIF Committee, LEC) is expected to play a significant role in deciding which projects receive funding. The GLA will work alongside the LEC in this process. The GLA, not the LEC, will enter into contract with successful ERDF applicants. The GLA will monitor the delivery of projects.
14. Can you provide some understanding of who the LEP consists of and how we can engage with it?

Questions about the LEP can be addressed by visiting lep.london or emailed to londonenterprisepanel@london.gov.uk

The GLA’s European Team (erdf@london.gov.uk or esf@london.gov.uk) should be your first point of contact for LEP engagement regarding ERDF and ESF issues.

You can view profiles of the LEP Members here.

15. How might other funds under the scope of the LEP be used to match fund ERDF applications?

Other funds under the scope of the LEP could be used as match funding subject to a project meeting the relevant funding criteria; more details on these other LEP funds should be accessed via lep.london.

16. Will the London LEP provide VFM benchmarks?

Government is reviewing VFM at the present time and more information on this will be forthcoming.

17. What is the role of the GLA?

The GLA will be an ‘Intermediate Body’. This means it will undertake some of the tasks that the Government will be performing across the rest of England, such as awarding contracts, paying claims and monitoring performance. The GLA will work closely with the LEP sub-group (the London ESIF Committee, LEC) to manage, deliver and monitor the 2014-20 programmes.

18. How much ESF/ERDF money does the London LEP have?

About £678 million has been notionally allocated to the LEP, but until agreement is reached between the Government and European Commission the amount is subject to change. Also, as the programme operates in Euros, the Sterling amount will vary as the exchange rate fluctuates.

The LEP has proposed that most of the funding (about 75%) supports ESF activity; with about 25% allocated to ERDF.

19. Can you explain the rationale for the split of the budget across each ERDF theme?

It is based on similar allocations to the 2007-13 ERDF programme.
20. Can we spend more ERDF if ESF fails to get money out the door?

The ESIF is a national programme and in England LEPs have been allocated notional sums of money for ESF/ERDF/EAFRD (the latter is not relevant to London). As these sums are notional and based on LEP area performance, funds could in theory be vired between areas and between funds, but this would be a decision for Government.

21. Has the LEP consulted on its 2014-20 strategy?

Yes, during autumn 2013, consultation took place. Details can be found here: London LEP ESIF Strategy 2014-20 Consultation Report

22. Who can apply for ERDF?

The ERDF Eligibility rules are currently being drafted by the Government and we expect they will be available later in the year. However, it is worth noting that ERDF does not fund organisations directly; rather it funds organisations which can, in turn, provide support (such as business, technical, finance (loans/equity)) to SMEs to help them grow.

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

Applicant organisations for ERDF don’t have to be SMEs themselves; for example local authorities and universities are likely to apply for ERDF. We are awaiting guidance on which organisations can apply but we expect it to include:

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

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

Yes, as long as the social enterprises conform with the SME eligibility requirements, which will be published in due course by Government.

25. How can SMEs get experience of ERDF or managing EU projects?

We expect eligible applicants to be: local authorities, statutory or non-statutory public funded bodies, voluntary/community organisations; or private sector organisations.

One of the best ways to gain experience is to speak to existing or previous recipients of ERDF funding. A list of organisations funded under the 2007-13 ERDF programme can be found here; you may like to approach one or more of them.
26. **If I want to apply for funding, do I have to provide match funding?**

   For ERDF, yes. Applicants will need to secure eligible match funding. Usually half of a project’s funding comes from ERDF, the other 50% from other sources. Volunteers time (i.e. in-kind match funding) is likely to be ineligible.

   For ESF, Opt-in organisations will provide the match funding, similar to the 2007-13 programme.

27. **What are the match funding limitations?**

   We await guidance from Government. High-level information has been published [here](#).

28. **How strong is the focus on Horizon 2020 and linking it 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 direct to the EC) can be linked in the new programming period 2014-20. However, it appears that different EU funds cannot be used as match against one another, so the linkage could only be at the strategic level. Projects using Structural Funds and H2020, for example, would have to be careful not to cross fund elements of their project.

29. **How much ERDF can I apply for?**

   This hasn’t been determined yet, but there is likely to be a minimum threshold in London.

   Purely as a guide, under the latter stages of the 2007-13 ERDF programme the threshold for different Calls ranged from £400,000 to £600,000 minimum ERDF.

30. **How long can a project last for?**

   For ERDF, this has not been determined yet. Purely as a guide, 2007-13 projects in London have tended to run for up to three years.

   For ESF, the LEP will agree with the Opt-in organisations the length that it wishes the provision to be contracted for.

31. **Is there a formula to work out admin resource requirement based on project volume or types of outcomes?**

   No there is no formula as this depends on the complexity of the project, the outcomes, the resources held by the lead applicant and delivery partners. Based on experience of projects we recommend there is a dedicated 100% project manager and dedicated 100% admin resource as a minimum.
32. What outputs and results will I be required to deliver in return for receiving funding?

A key requirement of any organisation receiving ESF and ERDF is the delivery of targets. The Government is working through its proposals for the suite of Outputs and Results, including targets, with the European Commission as part of its negotiations.

Unlike the 2007-13 programme, the European Commission and Government will be paying close 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 of Outputs (i.e. funds taken away).

For ERDF it is expected that the suite of Outputs will be consistent across the 39 LEP areas, although each LEP area will deliver against the most appropriate Outputs. The London ESIF Strategy (page 85) sets out the expected targets to be achieved, but the range of Outputs, definitions and targets is likely to change in the coming months.

For ESF there will be a suite of Output and Result indicators. The primary indicators for ESF are not expected to largely be different from the previous programming period. The core results will look at the number of participants into education, employment and/or training. Note: we are awaiting guidance from Government on Outputs, Results and definitions which may change over the coming months.

33. If the European Commission is now more interested in a results orientated, output measured programme, will bids be encouraged to include ORF/Per models

We don’t expect the Government to introduce payments-by-results-type methods for ERDF

34. Will there be less bureaucracy for the new programmes?

Government is working to ensure that the rules and processes are clear for the new programme so that applicants know what to expect; it won’t necessarily be less complex. The GLA has been contributing to the Government’s work to clarify and streamline rules and processes.

Government has been working to simplify the way indirect costs are accounted for. At the recent ERDF workshop a DCLG officer noted;

“In the 2014-20 ERDF programme the Managing Authority would be using the simplified costs option (SCO) of applying a flat rate of 15% of direct salary costs to calculate indirect costs, or overheads. The Managing Authority (for ERDF this is DCLG) was also considering using other SCO such as the 25% flat rate allowable for research, development and innovation projects, which meet the Horizon 2020 criteria.” (DCLG)

We are awaiting DCLG guidance on whether the latter will be possible.
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 ins and outs of running a project.

A range of external training courses are available on managing European funds, delivered by private organisations.

35. Who will decide which projects in London receive funding?

The LEP sub-group (the London ESIF Committee, LEC) is expected to play a significant role in deciding which projects receive funding. The GLA will work alongside the LEC in this process. For ERDF projects, the GLA, not the LEC, will enter into contract with successful applicants. For ESF programmes delivered by the Opt-in organisations, the selection process will follow the Opt-in organisations own published selection criteria, which must comply with open and competitive tendering rules. The Opt-in organisation, not the sub-group, will enter into contract with successful applicants.

36. I have received funding under the 2007-13 programme; how can I obtain funding under the new programme?

For ERDF, all applicants will need to follow the same England-wide application procedures. For ESF programmes delivered through Opt-in organisations, applications will go through the organisation’s own procurement procedures.

All applicants will need to ensure proposals fit with the 2014-20 ERDF and ESF programmes. The new programmes are not a straight read-across from 2007-13.

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

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

37. Will there be a gap between my 2007-13 ERDF funding coming to an end and applying for ERDF funding under 2014-20?

Yes, this may arise. The delay in approving the national ERDF programmes will have a knock-on effect for some organisations.

Although an organisation may have previously received funding under the 2007-13 ERDF programme, either directly as a Grant Recipient or as a Delivery Partner, it does not mean the organisation will be successful under the new 2014-20 programme.

If the London ERDF programme launches in early 2015, Funding Agreements are unlikely to be issued before summer 2015, with first ERDF payments made to organisations in autumn 2015.
38. I am an ESF supply chain provider delivering services to unemployed under old scheme would we come to you concerning transition arrangements if any.

There will be no ‘transition arrangements’, the 2007-13 and 2014-20 programmes are separate.

39. When will more detailed information be available?

Once the Government publishes rules or guidance then we will be able to share it on the London Enterprise Panel website and/or by referring to the Government’s own gov.uk website.

We will update this Q&A regularly.

40. I have an idea for an ERDF project; who can I contact?

Email erdf@london.gov.uk. We are not able to advise which projects will/won’t be successful, but can provide some pointers.

41. Can ERDF projects be developed to address each of the three investment themes; the most innovative and high impact projects may address more than one theme. How will the assessment of bids address this?

We are awaiting confirmation from Government whether applicants can submit an application that straddles more than one investment theme.

42. Are there any excluded sectors e.g. retail?

Until the Government and EC concluded their negotiations, and the Government publishes its guidance or rules, we won’t know for sure.

43. What opportunities are there to support the Mayor’s cycle vision under the LEPs ERDF infrastructure theme?

We are waiting for further guidance form DCLG on outputs and evidence

44. Can you explain how might the SME equity / loan fund work?

If we make ERDF funding available for equity and/or loan funds, these will be done through professional fund managers, which we will procure. Once the fund managers are in place they will receive and assessment applications for funding directly from SMEs.
45. Will those loans for SMEs have to be given at the same 50% intervention rate and the rest be counted as match from private sector?

No. If we set up a loan fund, the match funding will be secured before investments are made in SMEs.

46. Are there any current businesses that are willing to work with SMEs in securing small contracts?

We have supported supply chain projects under the 07/13 programme, the project managers of these projects may be able to support in this regard. You can find a list of projects [here](#).

47. How are you defining "research infrastructure". What sort of outputs would you expect in return for research infrastructure investment?

We are waiting for further guidance form DCLG on outputs and evidence.

48. Are the disadvantaged urban areas (for the infrastructure priority) defined?

There are no specific disadvantaged urban areas defined in the London ESIF.

49. Can you elaborate on what elements you are looking for in workspace and incubator projects?

Please find the link to European Court of Auditors report on incubators, which sets out recommendations to the EC for incubator projects for the 14/20 programming periods; [http://www.eca.europa.eu/Lists/ECADocuments/SR14_07/SR14_07_EN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR14_07/SR14_07_EN.pdf)

50. For an incubator centre, what can be used for match funding? Can rental income be used? Will existing buildings introduced be based on valuation of the building or the discounted rent....or any other?

We await guidance from Government, but the kinds of activities that are likely to be used as match funding are; Purchase of land capped at 10% of project eligible cost, independent assessed value of the land/building, lead applicant cash funds, time of 100% project manager, private sector partner cash funds (where applicable, the donation of land and/or buildings may be eligible where specific conditions are met which is considered contributions in kind.

51. Will you prioritise funding claims submitted on time over those which aren’t, and if not why not?

We will aim to review all claims within 20 working days.
52. Why can't the payment of claims be more efficient to help projects with their cash flow?

Claims are processed as quickly as possible, normally within 20 days. If a project is experiencing cash flow issues they should discuss this with the EPMU Project Manager/Officer to discuss timescales for submission of claims and processing as we do seek to prioritise projects who notify us of specific cash flow issues.

53. Given that there is a focus on promoting innovation, digitisation and efficiency - will the programme administration and management reflect this i.e. claims processes, record keeping?

The Application and claims process will be online. Certified true copies of claims / financial documentation is acceptable and will be stored on the online claims IT system when established.

54. Do you have any statistics on the bidding success rates from the last few calls?

If the 2014-20 ERDF programme follows a similar pattern to the 2007-13 programme, then there will be a lot of interest in the opening Call for Proposals. Seven Calls were launched under the 2007-13 programme between 2008 and 2013; it is conceivable that a similar pattern may follow for 2014-20. In 2008, the first Call received over 170 Outline Applications, of which just under 70 Funding Agreements (contracts) were ultimately issued to applicant organisations. Subsequent Calls received fewer applications and the success rate was generally higher.

The type of activity sought under the first 2014-20 Call (not yet confirmed) will likely affect the number of applicants eligible to apply, so a straight read-across from 2007-13 to 2014-20 is not clear-cut.

55. Can match funding be in-kind or cash money only?

We await guidance from Government, but we expect the rules will replicate the 2007-13 ERDF programme; namely that contributions in-kind such as the provision of volunteer time or the discounted sale of equipment will not be eligible to be used as match funding. 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.

56. Can projects be co-match funded with fees from the businesses its supports?

We await guidance from Government. High-level information has been published here: England 2014 to 2020 European Structural and Investment Funds Growth programme
57. Is there a minimum turnover limit for an organization aiming to bid as a lead partner?

An organization will have to provide evidence of whether they would be able to repay the grant in the event of any claw back situation – which could include the whole of the grant.

58. Who is the audit authority?

The designation of an Audit Authority (AA) is an EU requirement. In England, it comprises auditors within Government who provide an additional check on expenditure after it’s incurred; and also check other aspects of programme eligibility.

59. Will Community Led Local Development and Integrated Territorial Investment instruments be available in London?

The ESIF strategy states “...models of delivery including direct bidding, Integrated Territorial Investments (ITIs) and Community Led Local Development (CLLD) will be considered by the LEP. ITIs and CLLD are not currently foreseen as delivery mechanisms in London.” (page 53)

60. Where can I find out more information?

On the London Enterprise Panel website - [lep.london](http://lep.london)

By emailing [esf@london.gov.uk](mailto:esf@london.gov.uk) or [erdf@london.gov.uk](mailto:erdf@london.gov.uk)

To join the ESF and/or ERDF mailing lists, please sign up [here](http://lep.london).

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 ins and outs. You can find a current list [here](http://lep.london).

The GLA recently hosted two ERDF workshops about the 2014/20 programme. The attendee list and presentations can be found on the [lep.london](http://lep.london) website.

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

Unlike ERDF, where bids are appraised at City Hall, ESF is primarily 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). We intend to host joint ‘market warming’ events with the Opt-ins as part of their procurement processes. In addition there will be briefing events run with Boroughs and voluntary sector organisations through ESF Technical Assistance projects.

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

Access Europe provides support for London based organisations for over 20 different streams of European Funding including Structural Funds, Horizon 2020, Erasmus. More information can be found at [http://www.accesseurope.org.uk/](http://www.accesseurope.org.uk/)
63. Is there anyone who can help third sector organisations

LVSC provides advice and run workshops and briefing sessions for third sector organisations to help with performance management, partnership development and keeping up to date on funding opportunities. More information can be found at http://www.lvsc.org.uk/advice-support/vcs-assist.aspx

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