

## **CHAPTER EIGHT EUROPEAN SOCIAL FUND**

The European Social Fund (ESF) is one of four main structural funds set up to help reduce differences in living standards between the regions of the European Union (EU), by:

- reducing unemployment;
- improving and developing the skills of employed people;
- investing in industrial or rural areas which are in decline; and
- investing in areas with low economic development.

The following questions and answers are designed to help you understand the European Social Fund, how it works and where to find further information.

### **Q Why do we have the ESF?**

A The ESF is the main source of finance that the EU uses to help create and protect jobs.

ESF supports the National Action Plan for Employment (NAP) which is produced every year. The NAP sets out the main UK policies and initiatives in line with the European Employment Strategy. It is written by the UK Government for England, Scotland, Wales and Gibraltar.

### **Q How is the money shared out?**

A Money is shared out under three Objectives and one Community Initiative, which are agreed between the European Commission and the UK Government.

ESF aims to make sure that support meets the most serious needs. So, each ESF Objective targets clearly defined policy aims, priorities and measures for support.

**Q What is the ESF Community Initiative?**

A **EQUAL** is a Human Resource Community Initiative. It will test new ways to fight discrimination and inequality in the labour market. EQUAL differs from the other ESF Objectives because it emphasises new and creative ideas and co-operation between EU Member States.

**Q Is there any more information?**

A For Objective 3 Operational Plans (OPs) have been developed for England (and Gibraltar), Scotland and Wales. Each plan describes how the money should be used in that country.

Each OP has a Programme Complement, which provides greater detail.

Also, for Objective 3, a Regional Development Plan (RDP) has been developed for each English region. It describes the specific priorities and key target groups for ESF support in that particular region.

**Q What is Objective 3?**

Objective 3 aims to:

- tackle long-term unemployment;
- help young people and those at risk from not being able to find work;
- improve training, education and counselling for lifelong learning;
- encourage entrepreneurship and adaptability in the workplace; and
- promote equal opportunities and improve the role of women in the workforce.

Objective 3 covers all of Great Britain except Objective 1 areas.

**Q What is the money used for?**

A To give financial support towards the running costs of projects run by a variety of organisations. These projects can include those for training, employment, education, research and childcare. ESF also supports government programmes, including the New Deal.

**Q Who can apply?**

A Any legally constituted organisation (any organisation formed with a legal document such as an agreement or memorandum of association). Organisations will also need to receive some financial support from a public authority. Individuals cannot apply for ESF money.

**Q How long does the support last?**

A ESF support is available between 2000 and 2006 under the current EU regulations. This is known as a 'programme period'. Organisations can apply for more than one project during this period.

We will usually support projects for no more than 24 months. Occasionally ESF may support some projects for up to 36 months.

**Q How do we decide which projects are approved?**

A Projects are scored, appraised and selected through competitive bidding. Government Offices, the Scottish Executive and the Welsh European Funding Office manage the process.

To be successful you must show that the project will at least:

- add value (in other words, would not take place or would be less effective without ESF support);
- give good value for money;
- contribute to meeting the ESF Objectives or Community Initiative (and therefore, the National Action Plan for Employment); and
- meet the more specific targets and requirements of the appropriate Regional Development Plan, Single Programming Document or Operational Plan.

**Q How much money can you apply for?**

A ESF pays for a proportion (usually 45%) of a project's costs. The remaining amount (usually 55%) is known as match funding. You can use of both public and private match funding but at least 10% must be provided by a public authority.

**Q What project costs will ESF pay for?**

A ESF will contribute to any actual eligible costs you spend in carrying out approved activity. These can include staff and utilities (gas, electricity and water) costs.

**Q How is the money paid for approved projects?**

A When you tell us that you have started an ESF approved project, we will send you an advance payment. This will be 30% of the amount approved by ESF for the first 12 months. After that, you will make regular claims for money that you have actually spent. We will keep back 20% of the ESF money you spend in the last 12 months until we have received all the information we need to claim money from the European Commission (EC).

**Q Who can benefit from an ESF funded project?**

A Any person who lives legally in Great Britain or Gibraltar and meets all the requirements for the Objective or Community Initiative. For ESF purposes, people who benefit from ESF funded projects are known as beneficiaries.

Employers might also be beneficiaries where the project is funded under a measure to help Small and Medium Enterprises (SMEs).

**Q Can large companies apply?**

A Yes, providing they work in partnership with SMEs and at least 50% of the beneficiaries will be from SMEs.

**Q Who administers ESF?**

A The ESF Division which is part of the Joint International Unit, within the Department for Work and Pensions (DWP) and the ESF Unit within the Department for Education and Skills (DfES) has overall accountability for ESF in Great Britain and Gibraltar.

The Government Offices are responsible for managing and making payments for the fund for the regions in England, the Scottish Executive in Scotland and the National Assembly for Wales in Wales.

**Q How do you apply?**

A You can find detailed guidance and an application form on the ESF website:

- <http://www.esf.gov.uk/>

You will find separate guidance for each Objective and region.

**Q What if you cannot access the website?**

A If you cannot get the form and guidance from the ESF website (the recommended option) they are available in two other formats:

- an application form on CD:ROM and a hardcopy of the guidance; or
- an application form on floppy disk and a hardcopy of the guidance.

**Q When can you apply?**

A The start dates for the new programme period vary between Objectives. So, you should contact the appropriate office for further details.

**Q Who do you contact if you need more information?**

A If you are interested in applying for ESF but need more information and copies of the guidance and form you should contact:

England - your local Government Office  
Scotland - the Scottish Executive  
Wales - Welsh European Funding Office