

European Social Fund (ESF) Match Funding

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Policy Summary

The European Social Fund (ESF) Match Funding policy at Newbury College provides a comprehensive framework for managing and utilising ESF and ESF Match Funding in alignment with EU and national regulations. This policy ensures compliance, transparency, and effective delivery of projects under the ESF 2014-2020 Programme, with document retention requirements extending to 2030 to support audit processes.

European Social Fund (ESF) Match Funding

1. Policy Statement and Purpose

This policy outlines the management and utilisation of the European Social Fund (ESF) and ESF Match Funding at Newbury College. All projects delivered as part of the ESF 2014-2020 Programme are required to keep documents and records for 10 years after the final ESF claim is paid. This is to ensure documents are made available to the European Commission and European Court of Auditors upon request. This policy is required to be updated up to 2030 to support any ESF audit process.

Purpose

It ensures compliance with relevant EU and national regulations, promoting fairness and transparency in funding allocation.

Scope

The ESF provides financial support to enhance employability, support people facing employment challenges, and improve workforce skills. As a co-financing organisation, the Education and Skills Funding Agency (ESFA) matches ESF funding with eligible mainstream programmes.

Eligible Mainstream Programmes for Match Funding

- National Careers Service
- Adult Skills Budget
- Workplace Learning
- Apprenticeships
- Skills Support for the Unemployed
- Traineeships
- 16-18 Apprenticeships

2. Definitions

- **European Social Fund (ESF):** A fund within the European Social and Investment Funds (ESIF) 2014-2020 Programme aimed at improving the skills of the workforce and helping people who have difficulties finding work.
- **Co-financing Organisation (CFO):** An entity, in this case, the Education and Skills Funding Agency (ESFA), that manages contracts for ESF funded provision on behalf of Local Enterprise Partnerships (LEPs).
- **Local Enterprise Partnerships (LEPs):** Regional bodies in England that determine how to invest ESF for 2014-2020 to address local needs.
- **Match Funding:** Sourcing funds from mainstream programmes eligible for the ESF programme. These funds are matched with ESF to finance certain educational and employment initiatives.
- **Eligible Mainstream Programmes:** Specific funding programmes recognised by ESFA as suitable for matching with ESF funding. These include programmes like the National Careers Service, Adult Skills Budget, Apprenticeships, etc.

- **Ordinarily Resident:** A term used to describe individuals who are legally living in the UK and are eligible to work in the UK, making them eligible for ESF support.
- **Geographical Eligibility:** Refers to the requirement that individuals benefiting from ESF programmes must reside in England, as Wales, Scotland, and Northern Ireland have separate ESF programmes.
- **State Aid:** Involves using funding from public bodies to provide support in a commercial enterprise that might distort competition within the European Union. ESF learning provision must comply with State Aid rules.
- **De Minimis Rules:** European Commission regulations stipulating that an enterprise must not receive more than €200,000 in financial support from public sources over a three-year period.
- **Participant Eligibility:** Criteria that define who can receive ESF support, including their employment status, age, and residency status.
- **Audit Evidence:** Documentation and records required to verify the delivery and effectiveness of ESF-funded programs, including learning agreements, participant eligibility evidence, and project evaluation reports.

3. Responsibilities

- **Staff and Subcontractors:** All individuals involved in delivering ESF-funded programmes at the college are responsible for adhering to the policy requirements, such as maintaining records, ensuring participant eligibility, and displaying ESF plaques and logos as required.
- **Marketing Department:** Ensuring compliance with ESF publicity requirements, such as updating the college's website and creating promotional materials.
- **Employers (External Stakeholders):** In cases where training is provided to employees, employers must comply with State Aid regulations and may need to complete declarations regarding the de minimis rule.

4. Procedures

ESF Provision

The College engages in ESF provision through partnerships, adhering to the ESFA's funding agreement for delivery, payment, and evidence provision.

The ESFA will pay for ESF provision when ILR (Individualised Learner Record) returns are sent and when delivery statements are completed using the provider gateway. The funding agreement sets out delivery, payments and associated rules on providing evidence.

Eligibility

ESF rules and regulations state that, to be eligible for ESF help, participants must be 'ordinarily resident' in the UK and be able to work in the UK.

Workers who have come to the UK with valid work permits are eligible for ESF co-financing help without the normal three-year waiting period.

To be supported by ESF all participants have to be eligible for ESFA funding first. However, asylum seekers eligible for ESFA funding will not usually be eligible for ESF co-financing help as they will not have the right to work in the UK.

There is specific guidance on the eligibility of projects in the main terms and conditions document which takes priority over this document if there is any difference between the two. However, the following sections give details on some areas which apply to all ESF provided by the ESFA.

Documented evidence of a participant's eligibility must be available before they start the programme.

The ESF Programme is governed by European Regulations, notably 1303/2013 and 1304/2013, and England Managing Authority Operational Programme, requirements and guidance. These documents lay out the scope of the ESF programme and who is eligible for support.

Geographical Eligibility

Wales, Scotland and Northern Ireland all have separate ESF programmes. Individuals living outside England are not eligible to be supported through this ESF programme.

You will allow any eligible individual with reasonable access to the opportunity to be supported. Any specific geographic priorities are set out in the relevant service specification and your delivery location must be within these areas for the delivery to be eligible.

Beyond these rules, geographical eligibility for a particular ESF project will depend on the rules of the contract.

Eligibility for ESF is decided by referring to a participant's status on the day they begin their programme of learning. If a participant moves on or changes to another ESF-funded project, their eligibility is based on their status when they start the new programme of learning.

Activity

The eligible activity under ESF provision will be governed by the rules of the offer pack or tender specification the contract was awarded to deliver. This will be explained in the providers' contract.

Age

Participants in ESF are defined by their actual age at the time of starting their programme of learning. The age range eligible for a specific contract is stated in the funding agreement.

Participants Starting on Activity

Individual assessment and planning activities for all participants starting on ESF-funded activity must be carried out before they start the main activity or qualification.

This activity must include information, advice and guidance (IAG), basic skills assessments, assessments of ability, learning plans and inductions.

Any skills gaps of participants must be identified, and provision put in place to support those participants to improve or refer them to other appropriate provision.

All participants must be assessed before or as soon as they enter ESF provision. The information from the assessment must appropriately identify the needs of the participant. The results of the assessment must include details of previous competence and must be recorded and used to provide an individual learning plan (ILP) as part of the Learning Agreement.

The Learning Agreement (see appendix) must contain details of what will be delivered, how it will be delivered (for example, by group work, workbook and so on), and the way it will be delivered taking account of the participant's learning styles and abilities. The Learning Agreement must be signed by the participant at the start of the learning activity.

All participants must receive a thorough induction that covers, at least, the following.

- Programme content, delivery and assessment arrangements, including contact details
- How the programme is funded through ESF
- Equality and diversity
- Health and safety
- Disciplinary, appeal and grievance procedures
- Terms and conditions of learning

Learning Support, Exceptional Learning Support and Learner Support

ESF funding agreements have the same support facilities as mainstream funding agreements. However, the cost of these services will be built into the unit price of the deliverables used for the contract.

Closing the project

All services must be completed by the date shown in the funding agreement and have all evidence of achievement in place by the final return, no later than three months after the end date. The ESFA will close the contract in line with the final version of the funding agreement.

All original evidence relating to invoices, management information, participant information and all other documents needed to prove delivery of the services until at least 31 December 2022 and 2014 - 20 ESF Programme until at least 31 December 2030.

Physical or electronic copies may be kept as evidence. If electronic copies are kept the rules set out in section 2.29 of Manual 2 from the ESF Managing Authority must be adhered to.

It must be documented where this evidence is stored and who is responsible for looking after it.

The ESFA will take account of the outcomes of audits when they carry out financial reconciliation of services. The ESFA will make sure that any mistakes are corrected, and all necessary action has been taken. Be aware that the services may still be audited by the Department for Work and Pensions (DWP) or the European Commission (EC) after the delivery has finished.

As required by the funding agreement, a final evaluation of the services must be provided. This includes:

- an overview of the service delivered;
- publicity and communications carried out for the services;
- the effect on the cross-cutting themes of equal opportunities (breakdown of participants), sustainability and health (London only);
- how the services fitted in with local needs;
- value for money;
- lessons learnt; and
- a progression and exit strategy.

Publicity, Cross-Cutting Themes and Evaluation

The logo and design guidelines on all promotional materials or activities relating to delivering the contract must be as set out on the ESFA website.

The College and its subcontractors must keep to the ESF publicity rules, which are summarised below.

- If the ESFA declare mainstream activity as match funding for ESF, the ESF publicity rules must be adhered to.
- The ESF logo and references to financial support from the ESF when ESF opportunities, activities and achievements are described or publicised must be displayed. This includes but is not restricted to displaying them on:
 - all information and publicity materials, including websites, communications sent over the internet, correspondence and literature used by participants;
 - advertisements, press releases and other media-targeted materials; and
 - all documents that are used with participants and partners, for example, enrolment documents, individual learning plans (ILPs), attendance records and internal certificates.

It is essential that ESF plaques are displayed prominently at all College premises and subcontractors' premises. Plaques can be obtained from the ESFA Central Delivery Service.

ESF-funded activity must be publicised as widely as possible. At the very least, this includes:

- preparing a communications plan at the start of the contract to make sure that approved marketing and publicity activity is distributed throughout the project to tell the public and others about the launch, ongoing successes and end-of-contract achievements; and
- using the ESF publicity toolkit to generate quality press releases, case studies and carry out media interviews to make sure you keep to these requirements.
- Informing the Central Delivery Service about all planned and actual publicity activity.
- Providing evaluation reports, that state activity against the communication plan.

For more guidance, refer to the funding agreement and the ESF in England website.

Equality, Diversity and Inclusion

Equality, Diversity and Inclusion is promoted in line with public duty by law to prevent any discrimination.

Guidance can be found on the ESF in England website and in the ESFA Single Equality Scheme.

An Equality, Diversity and Inclusion policy is in place.

The College will record, review and improve current equality, diversity and inclusion practices throughout the year.

Sustainable Development

The College will ensure a sustainable development policy is in place, which links to the sustainable development policy evaluation toolkit and the sustainability resources available on the ESF in England website.

The College will record any actions arising in a strategy document or action plan and the ESFA will measure progress towards these actions at monitoring visits. Performance should be monitored against peer organisations to further improve performance and so that best practice can be shared.

The College will keep to all relevant environmental laws and regulations relating to delivering the contract.

Provision supporting NEETs, unemployed and redundancy (14 to 19)

If:

- an ESF contract to deliver training for NEETs, unemployed people or people under notice of redundancy is in place; and
- any term in the ESF contract is different from one or more of our funding rules, the terms in the ESF contract will apply instead of the funding rules.

Evaluation and Annual Reporting

The College must be able to provide examples of:

- measures taken to provide information on and publicise the services;
- putting the cross-cutting themes of equal opportunities and sustainable development into practice; and
- case studies of good-practice projects.

The lead provider must fill in a project evaluation report. The College will provide details of the number of participants helped, their backgrounds, the support measures provided and the qualifications gained. The report must also provide, but not be limited to, an overview of the complete project, details on the sustainability of the project after ESF funding ends and include 'good news' stories and case studies.

The College must co-operate with any programme-level evaluation projects led by the DWP's ESF Division or their appointed consultants who may contact the college for information.

State Aid

State Aid involves using funding from a public body to provide support in a commercial enterprise that might distort competition and affect trade in the European Union.

ESF learning provision in priority 2 and priority 5 delivered to meet the training needs of the employer, as opposed to those of an individual employee, could be considered to be State Aid and could be recovered from the employer.

To avoid recovery EC State Aid regulations for 'de minimis' support and training aid must be kept.

Under de minimis rules for State Aid, an enterprise must not receive more than €200,000 financial support from public or publicly funded sources in a rolling period of three financial years.

The College must show that any enterprise which benefits from the services delivered under ESF contracts have been checked for the level of financial support from public sources they

have received. The check must be completed, and a declaration signed by the employer, before delivery under an ESF contract starts.

The College must do this when an individual recruited through a commercial enterprise receives training or support that is not freely available to all – in other words, is not covered by an entitlement to funding from the ESFA.

Any ESF provision that provides support to employers or their employees, including any learning delivered above the statutory entitlement of level 2, must be declared as a State Aid under de minimis rules.

If an enterprise has already had more than €200,000 of publicly funded support, they cannot support them through de minimis in the ESF contract but may delivered through ESF provision using Training Aid. In this instance the enterprise must make a contribution to the cost of the training.

5. Compliance and Enforcement

These programmes are required to adhere to the rules in the ESF programme. This includes:

- displaying an ESF plaque in all College premises;
- making sure the College and any subcontractors display the ESF logo on their websites, learner enrolment documents and training materials.
- making sure the College and its subcontractors inform learners that they are on a programme which the ESFA could use as match funding for ESF and explain the basis of ESF funding.
- Retain all documents necessary to verify the delivery of the Provision. Documents to support claims must be retained for a minimum of three years after the European Commission has made its final payment.
- Have Gender Equality, Equality Diversity and Inclusion and Sustainable Development policies and action plans in place.
- Inform all apprentices that they are on a programme part financed by ESF.

Return complete data in line with the ILR specification with key focus to critical fields for that year. If these conditions are not fulfilled it is deemed as breaking the conditions of the colleges ESFA contract.

The College, its subcontractors and other third-party organisations must not use mainstream programme funds as match funding for their own projects through other European Union funds (for example, European Regional Development Fund, European Integration Fund and so on).

6. References

- [ESF National Eligibility Rules and Programme Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [ESF National Eligibility Rules \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

7. Supporting Documents

- Appendix A: Learning Agreement
- Appendix B: Priority Groups

- Appendix C: Audit Evidence Required

8. Review and Monitoring

This policy will be reviewed every 5 years to ensure its effectiveness and compliance with relevant legislation.

Reviewed: 5 March 2020, January 2024

Next review date due: January 2029

Appendix A: Learning Agreement

It is good practice for the learning agreement to confirm at least the following:

- All information reported to us in the ILR, and if it applies, supplementary data and the supporting evidence of the data being reported.
- The assessment of eligibility for funding and a record that you have seen evidence provided by the learner.
- All initial, basic skills and diagnostic assessments.
- Recognition of prior learning and entry or exit requirements.
- For 'personalised learning programmes', for example, non-regulated learning, full details of all the aspects of the learning to be carried out, including the planned hours.
- A description of how you will deliver the learning and skills and how the learner will achieve.
- The reason the learner has been given the level of funding that they have, and details of any employer contribution resulting from State Aid.
- Additional programme costs need to be identified through the learner's initial assessment and how these will be met including evidence of delivery.
- Records of learning (including evidence of attendance and participation in a work placement).
- A learner's self-declaration on their status relating to benefits, unemployment and gaining a job.
- All records and evidence of achievement of learning aims.

Appendix B: Priority Groups

Priority 1 and 4 – people who do not work

The eligible groups of individuals who are not in work will be set out in the main funding agreement.

For the purposes of ESF, ‘unemployed’ means a participant is:

- either not in paid employment or is in paid employment working fewer than 16 hours a week and is signing on reporting their earnings to Jobcentre Plus;
- available to start work; and
- looking for work or waiting to start a job that they have already got.

For the purposes of ESF, ‘economically inactive’ means that a participant is not employed but does not meet the criteria for unemployment.

People who are economically inactive must be:

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

For the purposes of ESF, ‘full-time education or training’ means a participant is:

- in full-time education either in a school, a further education institution or a higher education institution;
- in full-time workplace learning (including Apprenticeships, other workplace learning or foundation learning); or
- in other education or training (including independent colleges or training centres or receiving training or education but not currently employed).

For the purposes of ESF, ‘full-time’ refers to education or training that is at least 12 guided learning hours a week for at least 10 weeks.

Part-time education or training is education or training that does not meet these minimum time rules.

For the purposes of ESF, ‘not in education, employment or training (NEET)’ means that a participant is aged 14 to 19 and not in:

- full-time education either in a school, a further education institution or a higher education institution;
- workplace learning (including Apprenticeships);
- other education or training (including independent colleges or training centres or receiving training or part-time education but not currently employed such as Traineeships); or
- employment.

For the purposes of ESF, 'at risk of becoming NEET' means that a participant is aged 14 to 19 and has been identified as being at risk of becoming NEET by a referral agency such as a local authority or a youth offending team.

The SFA support NEET participants (aged 18 to 24) through other support for unemployed people in priority 1 and 4.

Priority 2 and 5 – people who are employed

Participants supported by priority 2 or 5 ESF provision must be employed, unless the SFA state otherwise in the contract.

For the purposes of ESF, 'employed' means that the participant:

- has a contract of employment under which they must carry out work for the hours shown in the contract and for which they are paid or are a volunteer; and
- is either employed or volunteering under the contract or agreement for eight hours a week or more (you must assess participants with an irregular working pattern using a four-week average).

This includes:

- employees (people who work for a company and have their National Insurance contributions paid directly from their wages); and
- self-employed people (people who work for themselves and generally pay their National Insurance contributions themselves, and who are registered with HM Revenue & Customs as being self-employed).

Priority 2 and 5 can support participants who are under consultation or notice of redundancy, have been told by their employer that they are likely to be directly affected by downsizing or company closure locally, or have recently been made unemployed. Support for those at risk of redundancy must not involve wage subsidies but may include eligible activities such as retraining, increasing their skills and careers advice.

Appendix C: Audit Evidence Required

As well as the Learning Agreement the ESFA will require evidence of the following:

- Evidence of an assessment that the participant is both living legally in the UK and able to take paid employment in an EU Member State, plus confirmation by the participant that the information supplied and recorded is correct and accurate.
- Evidence of an assessment that the participant coming to the UK with a valid work permit is eligible, plus confirmation by the participant that the information supplied and recorded is correct and accurate.
- Evidence of an assessment that the participant is ordinarily resident in England and meets the geographical eligibility for the ESF contract, plus confirmation by the participant that the information supplied and recorded is correct and accurate.
- Evidence of an assessment of the participant's employment status, plus confirmation by the participant that the information supplied and recorded is correct and accurate.
- Evidence of an assessment showing that the participant is of an eligible age for the ESF contract plus confirmation from the participant that the information in the assessment is correct and accurate.
- Evidence to prove you have achieved your project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.
- Evidence to prove you have achieved your project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.
- A signed declaration at the end of the contract term that states the arrangements in place to store and retrieve all documents needed to check the ESF provision delivered by you and your subcontractors until at least 31 December 2022 and for the 2014-20 ESF Programme until at least 31 December 2030.
- Complete and correct ILR data and delivery statements sent to us within three months of the end of the project.
- A standard project closure report citing project records, narrative reports, general knowledge and experience of delivering the project. A separate participant data statistics report based on data gathered from participant records.
- Refer to the funding agreement for specific conditions.
- Copies of documents describing, recording or publicising ESF projects which display the ESF logo and a statement that the project activity is part-financed by the European Social Fund.
- ESF plaques must be visible to all staff and participants in a prominent place within all premises.
- Evidence that you have produced and published a communications plan and publicity materials that keep to ESF publicity and logo requirements.
- Correspondence with us about all planned and actual publicity activity at monitoring meetings.
- Project evaluation reports and supporting documents including updates to ESF communication plans.

- Evidence that the College has consulted both the ESF Gender Equality and Equal Opportunities Mainstreaming Plan (from the ESF in England website) and our Single Equality Scheme when actively promoting equal opportunities.
- The College Equality, Diversity and Inclusion policy is informed by the equal opportunities policy evaluation toolkit from the ESF in England website.
- Evidence to show how the College has documented, reviewed and improved its Equality, Diversity and Inclusion policy and the monitoring of delivery arrangements by our Central Delivery Service.
- The College's sustainable development policy is informed by the sustainable development policy evaluation toolkit from the ESF in England website.
- Project evaluation reports and supporting documents.
- The College must be able to prove that the financial support from public sources has been checked and obtain a completed de minimis declaration form from affected enterprises each financial year, to make sure each enterprise does not break the €200,000 limit.
- Where training aid is applied, the College must get a completed ESF training aid declaration form from each affected enterprise (this is different and separate from the declaration.) Declarations from enterprises must show the training activity carried out, the agreed participant outcomes and the intended training dates.