

## **European Update 25th July 2019, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR**

### **Headlines**

ESF Simplification - fixed percentage of staff time

### **Simplification**

The ESF Managing Authority has issued an Action Note to simplify ESF. Timesheets will not be required for people working part of their time on an ESF project, so long as it is a fixed monthly percentage and this is confirmed in writing by their employer. The claim will be that percentage of the gross employment costs, and no calculation of hourly rates is needed.

This change is optional - projects can continue to use the old system if they prefer.

Beneficiaries under direct bidding can apply to introduce this from 1st July 2019. Requests should be made in advance of any claims submitted under the new methodology. If this only makes a small change to their total cost, then this can be agreed by email, and will not need a change control.

It is not clear when (or if) this will apply to projects funded through co-finance organisations (Lottery, ESFA etc).

<https://www.gov.uk/government/publications/esf-action-notes-2014-to-2020-programme>

### **Background**

The European Commission has been advancing the Simplification Agenda for some considerable time, including through Simplified Cost Options, Lump Sums and Standard Rates. There is a concern to remove the unnecessary “gold plating” which member states have been adding to procedures. The focus is on treating beneficiaries and managing authorities as fellow professionals, and focussing on good delivery, rather than just trying to check every receipt.

The Regulations (Common, ESF, ERDF etc) were agreed by all the member states and published at the end of 2013, and define how the European Funds are to be used. A mid term review (Omnibus) took place, with a wealth of changes, mainly around simplification. These were agreed by the Parliament and the Member States and published in the Official Journal almost a year ago. Some brought them into effect in August last year. Member States are expected to implement them within twelve months. For England, ERDF introduced revised guidance in November 2018 (see page 36), but the ESF revised Guidance was delayed while DWP caught up with claims, and brought in EClaims. For the last few months, we have been told that the revised Guidance is almost ready to be issued. It would seem that with time running out, this key change has been issued by Action Note, and the revised Guidance will soon be issued. This is a welcome development.

Note other changes ought to be included in the revised Guidance, for example for projects such as Intermediate Labour Market, the claim could be not just staff costs plus 40%, but also the actual salary/allowance paid to participants. This cannot be brought in until notified by the Managing Authority.

Thus, for some ESF projects, it is possible to claim the actual gross staff costs (without timesheets), plus 40% for all other costs. This simplifies claims, and allows them to be made more quickly, as well as simplifying audits, and reduces uncertainty. It also gives beneficiaries more flexibility in adjusting actual costs (such as childcare) to deliver appropriate, good quality results.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046&from=EN>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/760264/ESIF-GN-1-003\\_ERDF\\_Eligibility\\_Guidance\\_v9.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760264/ESIF-GN-1-003_ERDF_Eligibility_Guidance_v9.pdf)

### **Latest updated ESF Guidance**

This has just appeared on the gov.uk website today. Not had time to read through it all carefully yet, but at first glance doesn't seem to cover the expected further simplification changes.

*Updated the following, chapter 3: Participant Identification, Eligibility and Referral, chapter 5: Completing ESF Provision, ESF Participant results and Change of Circumstances, chapter 6: Payments, annex 1a: Contract Package Area Specific Information for London Employment Support for Troubled Families, and annex 10: European Social Fund (ESF) Provider Management Information (MI) Set Up and User Instructions.*

<https://www.gov.uk/government/publications/esf-2014-to-2020-provider-guidance>

### **Network for Europe**

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