

**INITIAL NOTE ON EU FUNDING - SENSCOT, SOCIAL FIRMS SCOTLAND,  
SCOTTISH COMMUNITY ALLIANCE AND DEVELOPMENT TRUSTS ASSOCIATION SCOTLAND  
BATH STREET, GLASGOW - WEDNESDAY 18 FEBRUARY 2015**

**CURRENT STATE OF PLAY - STRATEGIC LEAD PARTNERS****Strategic Intervention Lead Partners**

Have submitted applications and awaiting results. Current guidance and applications on site is for Lead Partners. Not all Strategic Leads are listed. Much of programme will be delivered through Lead Partners – for which see list - some of which have produced outlines.

These are at various stages of preparation and will deliver their packages in different ways. Papers are available from:

- Green Infrastructure
- Sustainable Transport
- Low Carbon Transition Programme
- Zero Waste still submitting to Structural Funds Division, but no significant changes from last papers.

SCVO not a Strategic Lead. Strategic Leads given initial funding allocation and process devolved to them. Will include CPPs but their match funding currently unclear.

**Promoting social inclusion, combating poverty and any discrimination**

Includes social entrepreneurship, will be delivered through:

- Local authorities, including CPPs
- HIE, BIG and Scottish Government (Third Sector or Regeneration Division). Scottish Government to include People and Communities Fund

**Youth Employment Initiative** (see below for more detail)

For NEETS aged 16 to 29. For individual employability. Administered through Scottish Funding Council and 12 local authorities, who will focus on Employer Recruitment – a wage subsidy scheme which could include third sector. Only requires 33% contribution.

**Third Sector Challenge Fund.** €14mn (£10.50mn) over 3 years and will invite 3 year proposals. SCVO no allocation of management funding for this. SCVO have approached others for match unsuccessfully. Overall administered by SDS. No advantage in bidding through SCVO and bidding will be done through PCS.

**SUGGESTED NEXT STEPS**

- 1) Identify and complete list of Strategic Lead Partners, including CPPs and contact to ascertain bid contents, process and “space”.
- 2) Approaches to Lottery etc about possible match funding sources.
- 3) Possible draft applications on basis of Thematic Objectives, Investment Priorities and Strategic Objectives below and match these with emerging Intervention Drafts.

## OUTLINE OF PROGRAMME

11 Thematic Objectives, each with their own Investment Priorities and Strategic Objectives, which are listed below. 5 ERDF and 3 ESF Thematic Objectives have been selected.

Each Thematic Objective also has Investment Priorities.

## ERDF THEMATIC OBJECTIVES AND INVESTMENT PRIORITIES

### (a) in more developed regions:

(i) at least 80 % of the total ERDF resources at national level shall be allocated to two or more of the thematic objectives set out in points 1, 2, 3 and 4 of the first paragraph of Article 9 of Regulation (EU) No 1303/2013

(ii) at least 20 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of the first paragraph of Article 9 of Regulation (EU) No 1303/2013

### (b) in transition regions:

(i) at least 60 % of the total ERDF resources at national level shall be allocated to two or more of the thematic objectives set out in points 1, 2, 3 and 4 of the first paragraph of Article 9 of Regulation (EU) No 1303/2013

(ii) at least 15 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of the first paragraph of Article 9 of Regulation (EU) No 1303/2013

## 1 – Strengthening research, technological development and innovation

- b) Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies

## 2 – Enhancing access to, and use and quality of, information and communication technologies

- a) Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy

## 3 - Enhancing the competitiveness of SMEs, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)

- d) Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

**Specific Objectives**

SO3 - support SME internationalisation as a route to growth and increasing employment, particularly in Smart Specialisation sectors and regionally important sectors in fragile areas

**4 - Supporting the shift towards a low carbon economy in all sectors**

- d) Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures

**Specific Objectives**

SO4e - Increase the number of journeys undertaken by public and active travel or low energy vehicles

**Specific actions include**

- i) investment in active travel hubs and improved links to public transport, for example providing local facilities to link affordable bike hire and parking, safe, secure and convenient cycling and walking routes; linking active and public transport options, and promoting public transport as an alternative to taking the car
- ii) supporting pilot low carbon transport hubs, based on travel to work areas and key routes, and testing different mixes of alternative fuels. This will address perceived shortages of availability of low carbon fuel, and encourage take-up of low carbon choices such as electric vehicles.
- iii) Support for the development of integrated ticketing at a national and regional scale to provide a more modern, better integrated public transport network

- e) Promoting research and innovation in, and adoption of, low-carbon technologies

**Specific Objectives**

SO4f - Encourage investment in low carbon technology and development to exploit Scotland's vast potential

- Increase low carbon investment levered into Scotland by private and institutional investors
- Increase employment in low carbon sector in Scotland

**Actions Supported:**

- 1) Advice and support
  - support for smaller projects to develop joint business cases for investment
  - support and advice for businesses, particularly SMEs, on the possibilities offered by low carbon investment and adoption sign-posting to non-ERDF funding

## 2) Demonstrator and development fund

- Support for businesses, particularly SMEs and particularly in demonstrator scenarios, in adopting new technologies
- Support for testing and piloting innovative renewable energy, heat, biowaste and other low carbon technology and installation methods
- Piloting and early technological development of biogas (e.g. green hydrogen) to grid transmission

## 3) Community development

- Support for community micro-generation of renewable energy,
- Support for development of low carbon community plans to address fuel poverty, shortage or source dependency. This may include development of local sources as well as storage of alternative fuels.

## 4) Enabling infrastructure

This investment priority does not seek to develop major state-owned or operated infrastructure. However, to effect the scale of culture change sought under this investment priority, some enabling infrastructure will have to be supported. This applies to three types of investment:

- Research and development: in particular cases, the best sites for the testing and development of new technologies are located remotely, and do not have adequate grid connections. In such circumstances, and where this particular investment would provide a catalyst for a site becoming productive and helping to achieve a better low carbon energy mix, small scale grid development to increase capacity and connectivity to existing networks may be supported.
- Communities: demonstrators and adoption projects, for example grid infrastructure to support local renewable energy or heat

## 6 - Preserving and protecting the environment and promoting resource efficiency

### d) Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

#### **Specific Objectives**

SO5d - To improve the quality, accessibility and usage of greenspace in urban environments and exploit the opportunities consequently for positive environmental, economic and social benefit

This investment priority will only support action which contributes to strengthening urban green infrastructure, such as:

- improving and creating new greenspaces in large urban areas and cities
- greening of vacant and derelict land

- improving accessibility and recreational value of urban spaces to achieve health benefits
- reduced noise and air pollution through urban greening
- improving links between urban greenspaces and habitat networks, in line with the Prioritised Action Framework for Natura 2000 sites
- naturalised sustainable urban drainage schemes, re-naturalisation of river corridors and other waterways

**g) Supporting industrial transition towards a resource efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors**

**Specific Objectives**

SO5f1 - Making businesses in supported sectors more competitive through increased resource efficiency

- The key result is to make businesses more competitive in key sectors through savings introduced from the implementation of resource efficiency measures.

SO5f2 - Grow re-processing and re-manufacturing industries through the reuse of waste products.

- The key result is to increase employment in the circular economy in Scotland. This is a key target growth sector and its inclusion in the OP aims to provide the necessary impetus to drive investment and create employment.

**Actions Supported:**

Communities

- advice to communities on developing and implementing Circular Economy Development Plans.
- Demonstration projects to test approaches and technologies for resource efficient, zero waste communities
- Development of business cases to assist community anchor organisations to access other funding to improve resource efficiency of assets

**ESF THEMATIC OBJECTIVES**

- a) **For more developed regions**, Member States shall concentrate at least 80 % of the ESF allocation to each operational programme on up to five of the investment priorities set out in Article 3(1).
- b) **For transition regions**, Member States shall concentrate at least 70 % of the ESF allocation to each operational programme on up to five of the investment priorities set out in Article 3(1).

**8 - Promoting sustainable and quality employment and supporting labour mobility****9 - Promoting social inclusion, combating poverty and any discrimination****10 - Investing in education, training and vocational training for skills and lifelong learning**

- i) Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

**Specific Objectives**

SO11 - Provide direct routes to sustainable employment for unemployed and inactive with multiple barriers

This specific objective is focussed on those that are unemployed or inactive but have more than one major barrier to progressing into employment and therefore target harder to reach groups. The key results therefore reflect the need to create the necessary support and skills to enable sustainable employment - targets reflect the more challenging nature of the client groups and need to work more intensively than in previous programmes

SO12 - Increase the skills and labour market opportunities of employed with multiple barriers

Employed participants that have multiple barriers to progressing in the labour market will be the focus. This is most likely to be achieved through developing new skills or improving capacity to unlock opportunities. The key results will focus on qualification attainment and improving the labour market situation. The European Commission definition of improved labour market situation is very focused and is highly relevant for this priority and specific objective.

**Actions Supported:**

The fundamental purpose of this priority is to actively seek out practical measures and processes to aid the transition from unemployed or inactive status to employment, tailored round the individual needs rather than supporting broad and general services.

**Stage 1 – Engagement/ Case management**

- Initial local engagement
- Intensive action planning and case management

**Stage 2 – Overcoming barriers**

- Childcare advice and access to childcare fund
- Financial capability training and debt support
- Condition management (support for those with health related barriers)

**Stage 3 – Work / institutional learning focused Training**

- Vocational training, developing core skills, supported volunteering, job search advice, job tasters and work experience
- Accredited pre-employment training for core skills
- Vocational training specific to the key sectors and other high participation/enabling sectors.
- Industry specific qualifications (non-statutory)

**Stage 4 - Progression preparation – developing skills to source, apply for and secure labour market entry or routes to further development. Employer engagement and Job Matching****Stage 5 - In work Aftercare**

- ii) Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

**Youth Employment Initiative**

- ii) Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

**South Western Scotland:** Part of Argyll & Bute, Dumfries and Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, most of North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire and West Dunbartonshire

- The funding of €46.30mn (£34mn) will be matched by an equal amount from the mainstream European Social Fund (ESF) programme and also by project partners to help young people aged 15 to 29 find employment. There will also be the option to extend the age range to 14 year olds at high risk of not engaging a positive life path for example, those at high risk of disengaging from mainstream education and becoming NEET.
- The Funds will be built around the Youth Guarantee and “investments supported by the Youth Employment Initiative should be strongly oriented towards achieving concrete results and achieving them quickly”. The initiative will support two outcomes – sustained employment or entry onto and progress through an accredited qualification.

**Specific Objectives**

SO41 - Decrease the number of young unemployed who are NEET in SW Scotland

SO42 - Reduce the number of young people not in employment, education or training (NEET) who are inactive and socially excluded in South West Scotland

**9 - Promoting social inclusion, combating poverty and any discrimination**

- i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

**Specific Objectives**

SO21 - Increase the financial capacity of the most disadvantaged individuals and households

This specific objective seeks to increase the financial awareness, capacity and inclusion of the most disadvantaged individuals and households. This will be monitored through:

- increase in disadvantaged participants with improved money management skills; and
- decrease in disadvantaged participants affected by debt as a barrier to social inclusion

SO22 - Increase the number of disadvantaged participants from workless, lone parent and low income households with positive employment or training outcomes

The key target group comprises those that are in workless, lone parent or low income households although these may also have other barriers to active inclusion including disabilities, health, other care responsibilities that substantially affect their ability to participate in society or the labour market. These will be targeted mainly through a more intensive approach taken to pre stage 1 and stage 2 of the employability pipeline where support may need to be more complex or longer term.

SO23 - Enable disadvantaged communities to develop long-term solutions to increase active inclusion and reduce poverty

This result is in recognition that whilst there is a need for tailored support services focussed on the needs of the participant, and these are pursued under this priority axis also, there may be a more practical and innovative way of tackling exclusion and poverty at an area level using communities to drive the identification of the issues and own the solutions. The results are therefore to support the most fragile and disadvantaged communities in Scotland to develop these long-term solutions.



**Action Supported:**

Intensive action planning will identify the right type of support and will work in tandem with the more traditional debt advice and support mechanisms already strongly delivered in Scotland. New services and innovative solutions will be encouraged and the following actions will be supported:

- Tailored action plans
- Provision of financial and debt advice
- Provision of fuel/energy advice
- Set-up of first-steps banking services and credit unions
- Provision of intensive services and support for those with multiple barriers, including health and disabilities, to employment or education and training
- Provision of training, support and access to childcare and social care services

Funding will be targeted on the most fragile and deprived communities. The key actions that will be supported include:

- Support for community-led actions to combat fuel and food poverty
- Support for community-led actions to provide enhanced child and social care solutions
- Community designed and delivered initiatives, particularly to support the key target groups highlighted
- Business and financial management training to community anchor organisations

**v) Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment**

**Specific Objectives**

SO24 - Increase the sustainability and capacity of the social economy to deliver support to the most disadvantaged areas and groups

SO25 - Support and encourage social innovation ideas and solutions

**Action Supported:**

The third sector in Scotland, encompassing community organisations and social enterprises, plays an important role in achieving sustainable and inclusive economic growth. This is not only because of their ability to deliver services to the most vulnerable, but also because strengthening the sector provides clear employment potential coupled with wider benefits especially around gender equality and positive opportunities for women: social economy organisations not only employ a high proportion of women, but also give them access to management positions, promote female entrepreneurship and flexible working.

(p53) In addition to providing direct financial and advisory support to the sector, this investment priority will support the stimulation, incubation and testing of new approaches to supporting the most disadvantaged groups in society and unlocking the potential of the social economy. This will include facilitation through collaborations between social entrepreneurs, academia, and where possible the private and public sectors.

(p54) Funding will be available for the following actions:

- Financial support to grow social enterprises/sector to increase employment opportunities
- Develop new business models for the social economy
- Provision of training and development support for social entrepreneurs aimed at growing their social enterprise
- Services to connect social economy and research institutions to foster and develop social innovation
- Establish a social innovation fund to support piloting of new approaches to combating poverty and aiding social inclusion
- Support to develop research capacity within social enterprises

Target groups will be third sector including social enterprises, community organisations, equality and disadvantaged groups.

#### **(vi) Community-led local development strategies – COULD HAVE BEEN CHOSEN HERE**

#### **10 - Investing in education, training and vocational training for skills and lifelong learning**

- iv)** Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes

#### **Specific Objectives**

SO31 - Support key growth sectors by promoting graduate- and post-graduate level skills relevant to those sectors and developing new curricula to meet their needs

SO32 - Support key growth sectors by promoting relevant vocational skills at ISCED level 3 and above

SO33 - increase the number of employers who offer vocational placements and opportunities