



## Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

### ALLOCATION OF REMAINING FUNDS UNDER EACH PRIORITY OF THE ESF PROGRAMMES

#### 1. Introduction

- 1.1 This paper draws together the strands of the impact of the current global economic crisis on Lowland and Upland Scotland, new Scottish and European initiatives and strategies to move forward, and the potential for ESF to contribute not just to an immediate recovery, but also to the foundations of a stronger economy in the future.
- 1.2 It relies on inputs from some Programme Monitoring Committee (PMC) Members and recommends a radical change to the current LUPS ESF programme to address the critical issues around creating a **strategic skills pipeline** for future jobs and a reinvigorated economy for Scotland.

#### 2. Background

- 2.1 Our ESF programme was designed before the recession and has not changed despite facing significantly changed economic realities. The Fraser Report in 2009 considered the fit of the ESF programme with the socio-economic situation in the immediate economic downturn and moving into recovery, against the socio-economic situation at the time when the programme was planned. While the Report found that there was still a broad fit, it recommended that the remaining funding for the Lifelong Learning Priority 3 be moved into the Employability Priority 1 – a recommendation approved by the PMC and carried through in time for the 3<sup>rd</sup> Round awards.
- 2.2 A year further on, our economy now has fewer jobs, much higher unemployment and much greater competition for the jobs that are available. Recovery is expected to be very modest over the coming years, 0.2% during the fourth quarter of 2009, with a “jobless recovery” forecast in the short term as unemployment levels continue to rise. The latest figures published on 21 April showed unemployment increasing to 208,000, some 62,000 more than the same period last year. Those most marginalised in the labour market with the least to offer employers, such as multiply disadvantaged groups and young people entering the labour market for the first time, are experiencing particular difficulties. Such groups have been further marginalised in the recent crisis and, with little forecast improvement, our young people will remain particularly a risk of missing out on a reasonable start in working life. Getting people into work remains the most urgent priority for the Scottish Government and for our society, but, in addressing this, ESF has to look towards the future skills requirements of a prosperous economy.

- 2.3** A revised Skills Strategy for Scotland is being prepared to take account of future needs and opportunities. This identifies seven priority sectors with potential to help the Scottish economy grow. These are: universities, creative industries, energy, financial and business services, food and drink, life sciences and tourism. There are also a number of core (or enabling) sectors in Scotland (including manufacturing, construction and retail) without which it would be difficult for our economy to grow. In addition, the European Commission has set out its “New Skills for New Jobs” (NSNJ) Initiative to better anticipate skills needs, up-skilling and better matching of skills and jobs. ESF can be key to ensuring that the NSNJ initiatives and Scottish Strategies are drawn together by encouraging activity giving the greatest value added for the remaining ESF funding in the 2007-2013 programme, as well as a lasting legacy well beyond the end of this programme by working with other funders on transition planning to take us into the 2014-2020 period.
- 2.4** With such changed economic realities it is no surprise that we have seen significant over-subscription for ESF Priority 1 (£14,083,012 left in this priority), which reflects a real need for intervention. Similarly, in Priority 2 (£58,424,113 left in this priority), there is little demand for workforce development skills; employers have found it hard enough to minimise redundancies, let alone find the additional resources to develop current employees further or to allow workers time off to develop transferable skills. The last 2 years has been a time fully occupied dealing with the immediate global economic crisis, but now is the time to concentrate on the creation of new access structures and plan for the future. Following the recent virement of resources from Priority 3 to Priority 1 there is also £6,511,950 left in Priority 3.

### **3. Socio Economic Context**

- 3.1** At the start of the current programme in 2007 (ILO) unemployment in Scotland stood at 5.2%. The rate at the end of February 2010 was 7.8%. The number of individuals has increased from 138,000 at the start of 2007 (Dec-Feb) to 208,000 in the latest figures (Feb-Mar 2010). The increase in unemployment has not been even across Scotland. The increase has generally been greatest in the areas where unemployment was already high, so the consequence of the downturn has been to widen spatial inequality (weaken territorial cohesion between local authority areas). The local authority areas in which the proportion of the population who are claimant unemployed has increased most are: North Lanarkshire, South Lanarkshire, North Ayrshire, and Midlothian (followed by West Lothian, Glasgow, Renfrewshire, and East Ayrshire). As an illustration of the increased concentration, in January 2007 North and South Lanarkshire accounted for 12% of the claimant unemployed in Scotland and 12% of the working age population. In February 2010 they accounted for 15% of the claimant unemployed. (Claimant unemployment provides the best measure of short term changes at a local level). Glasgow continues to have the greatest concentration of claimant unemployed: 17% of the claimant unemployed but only 12% of the working age population. The “Spatial targeting” within the LUPS ESF programme therefore remains inherently correct, and there is an even stronger argument that it should continue to be the focus for most or all of the remaining funds.<sup>1</sup>

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<sup>1</sup> All statistics have been derived from figures in ONS First Release Labour Market Statistics, Scotland: Feb 2007 and April 2010 for the claimant count figures; April 2007 and April 2010 for the ILO measure.)

**3.2** The most recent information for school leaver destinations shows the likelihood of increased youth unemployment with a further increase in the number of young people leaving school and college this summer. However, again the picture is far from even. Midlothian, North Ayrshire and West Lothian give particular cause for concern because of a high claimant count unemployment rate for 18 -24 year olds, a high proportion of school leavers going into unemployment, and above average increases in claimant count to size of population.

#### **4. Financial Position in April 2010**

**4.1** The financial position of the LUPS ESF 2007 - 2013 programme, taking account of commitments already made, is that:

- ♦ Around £79 million (excluding TA) remains uncommitted out of the original total of £237 million (excluding TA). This £79 million takes into account any under-spends released from previously approved projects. It is broken down as follows:

- £14,083,012 in ESF Priority 1
- £58,424,113 in ESF Priority 2
- £6,511,950 in ESF Priority 3

- ♦ The majority of the remaining funds are in Priority 2 (Workforce Skills); and,
- ♦ Following the virement between Priority 1 and Priority 3, the balance of funding between the priorities stands at Priority 1 (Employability) 53%; Priority 2 (Workforce Skills) 37%; Priority 3 (Access to Lifelong Learning) 8% (with the remainder in TA).

**4.2** If no radical changes were made, an open “competition” for the small amount of funds remaining in Priority 1 (Progressing into Employment), after 3 annual rounds of challenge projects plus 13 CPP plans, would lead to only a few projects being funded in Priority 1, while hundreds of applications could be expected as the scale of unemployment increases. However, Big Lottery Funds will be coming on stream from late 2010 with 5 years funding. For a number of organisations, particularly those from the Third Sector, this may well be a preferred option for the future of their current ESF part-funded projects dealing with some of the groups outside the labour market at present. The ESF Portfolio Managers will work closely with Big Lottery officials to identify those projects which have performed well, but coming to the end of ESF funding, and where this may be an appropriate way forward.

**4.3** At the same time, proportionately more funds remain in Priority 2, and further individual bids could be encouraged to come in under the current eligibility criteria from the Scottish Chambers, FE Colleges, the STUC, or the Third Sector. One strategic time critical bid for £20 million over 2 years is under consideration from Skills Development Scotland (SDS). While this SDS package would increase the take up in Priority 2, more significantly it is the start of a strategic use of the remaining funds as it proposes:

- ♦ a substantial new skills development package linked into the 7 identified priority growth sectors for Scotland and into local economic opportunities; and,
- ♦ it is available across the whole of the LUPS area.

**4.4** Even so, it is still only a partial response to the major issue of needing to have a Scottish Strategy which has a continuum approach to workforce skills development. This approach needs to bring together work enabling the unemployed to get a job with further skills development in an inclusive and fair, growing economy. The challenge is to improve the skills of the unemployed, the lowest paid, and the socially deprived, while contributing to economic growth in the future. It is therefore important for Scotland to come up with an ESF programme redesign which:

- ♦ reflects the changed economic realities (as highlighted in Section 3 of this report);
- ♦ uses the remaining funds strategically (as outlined in Annex A – The Integrated Skills Demand Led Approach); and,
- ♦ creates a basis for planning the use of further Scottish and/or European funding beyond 2013 in line with emerging strategies.

**5. Considerations for removing the Current Workforce Skills split between actions for those in work and the unemployed**

**5.1** Combining the above points into a re-design of the LUPS ESF Programme should produce a simpler structure with fewer conditions on eligibility for monies, and more emphasis on progression and long term increased skills for the individuals helped by ESF. At the same time, to ensure coherence with the renewed Scottish Skills Strategy and the Economic Recovery Plan, the amended ESF programme needs to key into critical national policy agendas and local/national delivery mechanisms. In particular:-

- ♦ A sustainable recovery in Scotland will depend upon accelerating our development of the 7 priority sectors alongside local opportunities; and
- ♦ A major item on Scotland's agenda and the EU agenda is addressing poverty, which in Scotland needs to be confronted more effectively to avoid the recovery being held back due to lack of cohesion and growing inequality.

**5.2** Despite the gloomy economic conditions, jobs continue to be available in the labour market, mostly through turnover within the existing workforce. This recession has not been marked by large scale industry redundancies, rather it has seen an all-round contraction. Although future priority industry sectors are well defined at a Scottish level, and match well with Commission thinking, these jobs are some way off and concentration on them has to be tempered by two issues:

- ♦ The availability of jobs in these industries for those at greatest risk of poverty, ie marginalised and unemployed young people; and,
- ♦ The uneven picture in the spatial distribution of future priority industry sectors.

**5.3** This in turn implies that skills targeting should align and be reflective of the current and predicted economies of each local authority area, even where they are not totally encompassed by the 7 priority sectors. Also, to ensure cohesion and equality of opportunity for all in the labour market, those at greatest risk of poverty should clearly have their skills developed to match current/future growth areas within their spatial economy.

- 5.4 Mid way into the ESF LUPS Programme, and in light of the need for bold thinking at this time, a radical approach is needed. Accordingly, it is proposed to draw together the remaining funding in the Programme to create a new ESF Priority 5 based on a **strategic skills pipeline** that would address the needs spelt out above. This would effectively end bids into Priorities 1, 2 and 3 and vire the remaining funds into this new priority which would provide pre-employment support and training, in-work support, and in-work training (at various levels including higher level skills). In effect, it would combine Priorities 1 and 2 as well as providing a bridge between the two priorities in allowing the most disadvantaged individuals who enter employment (after pre-employment support) to receive continued support and further training once in the workforce, without being lost from the tracking systems already in place at local level. This approach fits clearly with the new joint Supported Employment Framework for Scotland “A Working Life for all Disabled People”, agreed between Scottish Government and Local Government through COSLA, which outlines a clear structural approach from initial engagement to in-work support for disabled people and those with long term health conditions, with outcomes focussed on job entry and retention. (**Annex A** provides additional material on the value of amalgamating Priority 1 and Priority 2).
- 5.5 Only strategic coordinated bids would be accepted for this new Priority 5, which would offer a “Menu” of various activities contributing to a sustainable strategic skills pipeline offering transferable competencies to individuals. (See Annex A). The entire menu of actions would be available in the most deprived (Spatially Targeted) areas. This would cover employability help for those furthest from the labour market, measures to progress them into employment in areas of the economy where future long term career progression opportunities exist, and offer vocational and higher level training where appropriate. Other strategic bids from outwith these spatially targeted areas would concentrate on those entering the labour force and would have to show clearly that they were taking forward key areas of the Scottish Skills Strategy in a way which co-ordinated the bid’s activity with local authority economic development agencies and with the activities of Skills Development Scotland based around skills needs identified by the Scottish Skills Councils (SSCs).
- 5.6 This approach would have the following advantages:
- ♦ The final tranche of Programme monies would focus largely on developing individuals’ skills that support key local and national priority sectors and growth areas. In addition to their importance to Scotland’s future economy, this would give the Programme considerable legacy value;
  - ♦ Skills resources would wrap around and add value to existing mainstream interventions across both the area of pre-employment training and post employment / in work skills such as Modern Apprenticeships and other SDS interventions, HNC/HND college provision, STUC learning fund, and work with employers carried out by Local Authorities’ Business Development arms, Chambers of Commerce, and other employer organisations;
  - ♦ To maximise the impacts on poverty reduction the programme would support the development of more deeply embedded and comprehensively available mechanisms for Linking Opportunity and Need (LOAN);

- ♦ Using a **Demand side push** rather than a supply side bidding process would mean that Colleges, other training providers and Third Sector organisations would be providing the services required to bring more disadvantaged groups - older workers, young unemployed, BME, disabled etc into the skills pipeline through the LOAN process;
- ♦ There is a LOAN toolkit available for Community Planning partnerships (CPPs) which could be utilised as part of the labour market information gathering. This approach would allow for better planning of skills interventions and training which would be procured from various providers – Colleges, Third Sector, STUC, etc – ensuring they deliver appropriate, responsive and flexible provision that matches local and national skills needs; and,
- ♦ It would support new ways of working for those disadvantaged in the labour market through disability and long term health conditions through supporting the implementation of the Supported Employment Framework for Scotland as part of the employability pipeline.

## 6. A New ESF LUPS “Strategic Skills Pipeline” Priority

6.1 The new strategic skills pipeline is a relatively simple concept. The eligible groups to benefit would be those covered by the current Priority 1 and 2 in the ESF LUPS programme. The indicators and targets would encompass all those in the current Priority 1 and 2. (See Annex B for indicators and results for a new Priority 5). It would be available to assist all individuals, from those far away from the labour market to those in it. The focus would be on equipping people with the flexible competencies they require to access and hold on to jobs now and prepare them for the job opportunities of the future. Instead of isolating client cohorts, we would create a skills pipeline and people would move on different journeys along the pipeline, depending on their need and that of their spatial economy. Such an approach would place little additional demand on applicant bodies. We are simply seeking a higher quality and more integrated intervention for participants that is also a clear investment in the skills we need now and for the future.

6.2 Given the relatively modest £79 million of ESF funding remaining (prior to a decision being made on Paper LUPS/10/02/11, also being considered at this meeting), and the need to move to a demand led system, a limited number of strategic bids would be required. This would put the responsibility for management of the process and the commissioning of demand-led relevant employment and skills services for individuals with the following groups:

- **CPPs** where The Local Authority’s Employability Sections would work closely with their Local Authority Economic Development sections and Skills Development Scotland to create a plan for local workforce development. CPPs would also be able to more closely align a proportion of their mainstream services - such as education, community learning and development and health - to generate a combined employment, skills and support service to more disadvantaged individuals in the priority sectors skills pipelines. Delivery of the services required would be largely through the local partners who could be contracted to provide the specific training and support needed. In this context the **Third Sector** and the **Education Sector** will be particularly important. An analysis of the Phase 1 bids already supported shows that over 30% of the

CPPs' ESF projects have been delivered by the Third Sector, and almost 17% by local Colleges. The CPPs which have already received ESF funding have now set up monitoring and compliance systems and have sophisticated tracking systems. A substantial evaluation of their effectiveness is well underway. (See Annex C for the Key points from the CPP Evaluation Interim Report from Blake Stevenson and up to date CPP outputs). This linking of need and opportunity at a local level clearly follows the Commission Agenda of New Jobs New Skills and links into the revised Scottish Government Skills Strategy.

- The **STUC** through the Scottish Trade Union Learning Fund plays a vital role in reaching individuals in the workplace to deliver the learning that they want at a time and place to suit their needs. This learning offers both the worker and employer potential benefits. For the worker, learning can offer opportunities both within their workplace (e.g. career progression and job satisfaction) and in their personal lives (e.g. literacy and numeracy skills to help children with homework). For employers, it can improve the morale and drive of their staff as well as increasing profitability. By assessing learning needs and making arrangements for the delivery of that learning, Union Learning Representatives in workplaces help make learning a reality for thousands of workers. The revised Skills Strategy envisages the Scottish Government working closely with and supporting the STUC as they continue to develop the Fund as an effective vehicle for delivering learning opportunities and in helping to encourage workplace cultures that enable workers to develop and use their skills effectively. Close linkages could be built up between the local development plans and the training in individual workplaces so that best value is achieved. See Annex D for key points on STU Learning Fund).
- **Skills Development Scotland (SDS)** is the designated body responsible for strategy and delivery of much of the training for all ages, for career advice, for addressing redundancies, for training the long term unemployed, and for young people seeking careers guidance and vocational training at the start of their working lives. It is vital that they produce this co-ordinated skills pipeline as they work with the Local Authorities and with the STUC and employers to strengthen the economy and to leave a legacy from the use of ESF funding at this stage of the Programme.
- **The Scottish Funding Council (SFC)** should also be able to contribute to this strategic approach, particularly if further action is required to help offer additional College places beyond the academic year 2010-2011.

**6.3** In every ESF programme some projects underspend or fail. The **underspends** which would return to the fund could be reused to extend the best of the challenge bids in Priorities 1,2 and 3, or used towards the end of the programme period for another strategic project such as further College places or apprenticeships if young people leaving school are still unable to get into jobs. Even so, effectively this limited round of funding would lead to the PMC making recommendations on the award of all the remaining LUPS ESF funding early in 2011.

## **7. Recommendations**

**7.1** The Committee is recommended to agree the following:

- 7.1.1 The creation of a new ESF LUPS “**Strategic Skills Pipeline**” Priority 5. The eligible groups to benefit from activity under this priority would be those currently covered by Priority 1 and 2 in the ESF LUPS programme.
- 7.1.2 The interventions available to these groups would be those which would equip individuals with the flexible transferable competencies they require to access and hold on to jobs now, and enable them to acquire the skills needed for the job opportunities of the future.
- 7.1.3 Spatial targeting would continue to apply on the current basis. A more restricted “menu” of Priority 5 activities, largely around activities immediately prior to entry into the labour market and workforce development and higher skills, would be available to all LUPS areas.
- 7.1.4 Up to £79 million which currently remains unallocated in Priorities 1, 2, and 3 would be vired into the new Priority 5.
- 7.1.5 A single call for co-ordinated area specific or national bids for this new Priority 5 would be limited to 4 groups – All Community Planning Partnerships, STUC, SFC and SDS.
- 7.1.6 Bids would be subject to a negotiated process to produce the required demand side connections and partner delivery, and could cover the whole of the LUPS area, or an area covering several Local Authority areas, or a Single Local Authority area.

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**ANNEX A**

**Joining Priority 1 and 2 into a Skills Pipeline**

The ideal approach is to support a continuous journey from unemployment to employment and beyond. Currently that joined up approach is difficult due to the different support available under Priority 1 and Priority 2 ESF. Funding drives behaviour and if the funding is not joined up then the customer journey will be equally disjointed.

Ideally funding should follow a person throughout their journey into the workforce and then allow for upskilling while in work. This implies working with the local and national skills and business services that are currently engaged with companies. This could allow the joining up of employability services and employer engagement activities with business support services. This could link into some of the interventions being delivered through Priority 2 and Priority 3 ERDF, and even into opportunities for support through a JESSICA Fund.. The key factor here is the importance of the customer journey and being able to use European funds to support seamless interventions. Joining up a menu of interventions into a new Priority 5 would facilitate the offer of new additions to the toolkit of interventions currently available in the CPPs e.g. "workforce development" grants attached to individuals.

Recent experience has shown that over exposure to low skill, low wage occupations leaves local economies vulnerable. The need for a step change in skills levels is clear for areas to attract higher skilled industries and increase their competitiveness. This move up the skills ladder is best delivered "in-work" as the final piece of the customer journey.

An example of the "Menu" of activities which might form this continuous skills pipeline approach is given below.

Formerly CPP Priority 1				Formerly CPP Priority 2
<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>	<u>Stage 5</u>
<u>Not job ready</u> Early engagement activity	<u>Not job ready</u> Barrier removal	<u>Job ready</u> Vocational activity	<u>Job ready</u> Employer engagement to enable entry into employment Employment Aftercare	<u>In Work</u> Upskilling/Workforce Development Vocational training Apprenticeships

**Spatial targeting**

Pulling the remaining ESF funds together into one new Priority would facilitate the staged model shown above. The current 13 spatially targeted areas would be able to access funding for all the stages and the other LUPS local authority areas would be able to access funding for Stages 4 and 5. This would bring the advantages of strengthened partnership working for these areas, a negotiated funding process for a longer time period and funding intervention at an earlier stage when the client is job ready. There is also the potential to transfer some of the best practice that is emerging in the existing CPP monitoring and tracking systems to other LUPS areas. It may well be appropriate for groupings of local authorities to bid so that some of the non-spatially targeted areas can join with a spatially targeted authority for stages 4 and 5 types of activities.

### **The Integrated Skills Demand Led Approach**

The unequal distribution of skills has adverse affects on income equality and constrains social mobility, which has deteriorated in the UK over the past two decades. Evidence suggests that skills gaps exacerbate social deprivation including poverty, poor health and crime. These include addressing the stock of adults who lack basic literacy and numeracy skills; reducing the stock of adults without the equivalent of a good school-leaving qualification; and increasing the numbers of young people with a degree. This will remain a priority for the ESF programme. However, making the link between emerging economic opportunities and the skills which are on offer to those entering and progressing in the labour market is essential.

It is important to remember that the outcomes in the labour market are driven both by the supply of appropriate qualifications and the demand for those qualifications from employers. Focussing on either of these alone is likely to limit the benefits that can be derived from ESF interventions. Furthermore, employers' demand for skills is based on where and how they choose to do their business. Employers, and in particular businesses in the private sector, are the key link between the skills of the population and economic performance. If we are to meet our economic growth goals then we must ensure that individuals with the transferable skills businesses require for our future sustainability and growth are available and that the best possible use is made of those skills.

The approach needed is therefore to focus on the types of skills needed for the priority sectors for growing the Scottish economy in the coming decade. We know that skills such as communication, and IT skills will be the basic building blocks for many sectors. However, it is important to focus on flexible transferable skills that can then be tailored to the sectors which are emerging in the coming years. The approach taken has to be able to respond to the needs of key sectors but not to be focused too narrowly on any particular sector. This runs the risk of exposure to the dangers of having "All eggs in one basket" and tying the hands of local employability teams delivering on available local jobs.

**ANNEX B**

**Targets and Results for Priority 5**

	Indicator Name	Type
1	Number of participants receiving support.	Output
<b>Characteristics of participants</b>		
2	Number of participants with multiple deprivations.	Output
3	Number of participants in the NEET group.	Output
4	Number of participants with disabilities or health difficulties.	Output
5	Number of male participants without basic skills.	Output
6	Number of female participants without basic skills.	Output
7	Number of male participants without level 2 skills.	Output
8	Number of female participants without level 2 skills.	Output
9	Number of male participants without level 3 skills.	Output
10	Number of female participants without level 3 skills.	Output
<b>Jobs</b>		
11	Number of participants entering employment.	Result
12	Number of participants entering education or training.	Result
13	Number of <b>(previously non-employed)</b> participants in employment six months after leaving.	Result
<b>Qualifications</b>		
14	Number of male participants gaining basic skills.	Result
15	Number of female participants gaining basic skills.	Result
16	Number of participants gaining a full qualification.	Result
17	Number of participants gaining a partial qualification.	Result
18	Number of male participants gaining level 2 skills.	Result
19	Number of female participants gaining level 2 skills.	Result
20	Number of male participants gaining level 3 or above skills.	Result
21	Number of female participants gaining level 3 or above skills.	Result

	Indicator Name	Type
<b>Addressing under-representation in the workforce</b>		
22	Number of women in projects addressing better gender balance.	Output
23	Number of men in projects addressing better gender imbalance.	Output
24	Number of women going into gender-imbalanced sectors.	Result
25	Number of men going into gender-imbalanced sectors.	Result
<b>Improving Entrepreneurial, Managerial and Social Enterprise skills</b>		
26	Number of participants in projects addressing entrepreneurial managerial skills.	Output
27	Number of participants from social enterprises.	Output
28	Number of entrepreneurs and new managers gaining a full qualification.	Result
29	Number of entrepreneurs and new managers gaining a partial qualification.	Result
30	Number of participants from social enterprises gaining full qualification.	Result
31	Number of participants from social enterprises gaining partial qualification.	Result

**ANNEX C**

**Key Points form Blake Stevenson Interim Evaluation Report into CPP Delivery of ESF and ERDF Plans**

- ♦ Overall the CPP model is working well , with some very encouraging and positive signs of the potential of this model of European Funding to be a very real contributor to helping CPP's achieve the terms of their Single Outcome Agreement
- ♦ Where the model is working at its best , it is making a very real difference to the lives of unemployed people in some of the most disadvantaged areas of Scotland
- ♦ There is some excellent practice in place where there is a clear strategic focus supporting moves towards integrated delivery of employability support
- ♦ This added value is demonstrated by new shared funding bids for employability and health; by non employability partner organisations such as Social Work making referral for clients to employability support organisations a condition in their commissioning process; by improved cost effectiveness from greater efficiency in engaging with beneficiaries, retaining them and supporting them to progress
- ♦ All the CPP's have monitoring and compliance systems in place which are operating satisfactorily
- ♦ A number of the CPP's have relatively sophisticated web based or electronic tracking systems in place which are impressive and provide a depth of information.
- ♦ Some of the CPP's which are strong on their strategic approach recognise that the fundamental purpose and value of monitoring is to drive up the quality of the experience and the outcomes for the individual and to improve the capacity of the providing organisations and are using the monitoring requirements of the structural funds to make sure this happens.

## ANNEX D

### Scottish Trades Union Congress (Lowlands and Uplands Scotland) European Social Fund – Post 2011

#### Background

In 2008 the STUC secured funding for a period of 3 years to develop and embed an infrastructure which would support lifelong learning in the workplace throughout Scotland. There are two ESF funded projects - one under Priority 3 Improving Access to Lifelong Learning and a second project under Priority 2 Progressing through Employment. Both projects will run until 31<sup>st</sup> March 2011. The projects operate in conjunction with parallel projects in the Highlands and Islands.

The main focus has been in establishing **a learning fund** which will directly finance collective learning provision to meet the demands for workplace learning.

In order to support the learning fund and improve the capacity of trade unions to deliver learning and skills **a development fund** has been set up which will support workplace initiatives. This activity directly leads to applications to the learning fund.

#### Activity to Date

To date over 100 applications for training courses have been approved through the learning fund. The learning fund allows workers to have an input into what type of learning is delivered, where it is delivered and when it is delivered. It can also meet additional requirements for learners such as providing a BSL interpreter for hearing impaired learners to undertake an IT course. Over 2,000 learners have already benefited from learning or are currently undertaking courses. This number is expected to rise substantially to meet the target of more than 5,000 learners by March 2011.

The extension of the development fund will further improve the capacity of trade unions and workers to agree with employers on the delivery of learning in new geographical areas or new workplaces while also improving learning opportunities for harder to reach groups such as part-time workers or night shift workers.