

CONSULTATION RESPONSE FORM

Question 1 - The table in part 5 provides an overview of the proposals under each of the EU 2020 headings – Smart, Sustainable and Inclusive – matched against the relevant thematic objective and investment priorities. Do you think the investment priorities are the most appropriate ones for the activity suggested?

Question 2 – Section 6 sets out the linkages between Structural, Rural and Fisheries Funds as well as linkages to other EU Funding Programmes. We would welcome stakeholder comments on these linkages in order to help us develop this thinking further

Question 3 - Do you think the new proposals will have a positive or negative impact on the protected characteristics and wider issues of inclusion and participation?

The current proposals will have a negative impact on the protected characteristics and wider issues of inclusion and participation.

Question 4 - If you think there will be a negative impact on the protected characteristics or inclusion and participation please provide suggestions as to what could be done differently to diminish this impact.

The Scottish Government should Reinforce the European Commission's original commitment to tackling poverty and social exclusion by ring-fencing a minimum of 20% of ESF in line with the recommendation of the Europe 2020 Flagship Initiative and 5% of ERDF for a community led local development (CLLD) approach to facilitate direct interventions to tackle poverty in deprived communities.

In Moving On's experience as a Third Sector organisation who has successfully delivered a range of supported employment and employability services using ESF and LEADER funds, we have seen the value of how being part of the local community is key to the successful engagement of those who are most excluded and hardest to reach. In our experience those individuals who are 'hard to reach' and furthest from the job market engage more readily with voluntary sector organisations because they are seen as more approachable and caring. Offering an individualised,

person centred holistic approach obtains longer lasting and better outcomes for participants than the 'one size fits all' offered by larger programmes. The Third sector can also take a more flexible and innovative approach to developing and delivering employability services that are right for their local area.

We note that there is no clear proposal for Poverty and Social inclusion. We strongly urge the Scottish Government to listen to the views of SCVO and other Third sector organisations in developing and designing proposals for Poverty and Social inclusion. They are uniquely placed to design services to best meet the needs of the local communities they serve. This is particularly relevant to remote and rural/island communities where the reach of national organisations is very limited.

Empowering local communities to tackle Poverty and Social inclusion through programmes led and designed by local Third sector organisations using a bottom up approach is fundamental to affect the change required to reduce the levels of Poverty and Social inclusion currently experienced throughout Scotland. A centralised approach will not tackle the deep seated social problems found within sections of our society and will be a missed opportunity.

Question 5 - Please provide your views for improving the process for design, procurement, delivery, monitoring and evaluation to strengthen delivery of sustainable development.

In view of the centralised delivery mechanisms proposed, Moving On is concerned that there will be a lack of opportunity for smaller organisations, such as those in the Third Sector, to engage with funding opportunities in new programmes. The Third Sector has a well established track record in the delivery of ESF projects in the Highlands and Islands and accounted for 22% in value of approved projects during the 2007-2013 programmes. Third Sector organisations are a key part of our communities, so are well placed to work with hard to reach groups who are further from the labour market and at increasing risk of social exclusion. The Scottish Government need to be mindful that a move to a unit cost methodology will demand significant up-front effort and expenditure from Delivery Agents putting pressure on their cash flow/business models. This may deter many smaller organisations from taking part in the 2014-2020 programmes due to the high level of financial risk inherent in such payment by results type systems. This could leave many potential beneficiaries particularly in remote and rural parts of the Highlands and Islands, where Third Sector organisations are the only service providers, without access to employability services thus adding an additional barrier to them attaining employment.

The proposed adoption of a payment by results type system by the Scottish Government for its 2014-2020 Structural Funds programmes is cause for concern for an organisation such as Moving On which delivers employability services to vulnerable people and hard to reach groups using a person centred approach. The work undertaken by Moving On in supporting hard to reach groups into sustained employment is labour intensive and time consuming. With recent welfare reform this process is now more complex. Funding models need to reflect the time required to support beneficiaries within hard to reach groups to overcome their long standing multiple barriers to employment. Failure to resource these services properly could result in sub optimal outcomes with individuals who are easier to help

progressing into employment at the expense of those who are harder to reach/help. Funding models also need to recognise the additional costs of providing services in remote, rural and island locations where transport and geography present additional barriers to employment and additional costs to those organisations providing services. Funding models also need to recognise that in remote, rural and island locations unit costs will tend to be higher due to a lower number of participants and a higher level of fixed operating costs.

It is not clear whether SDPs will determine the type of services to be provided by Delivery Agents and what level of discretion and flexibility there will be at local level in designing projects/services. Moving On recommends that funding models need to be flexible enough to take account of innovative delivery solutions which are necessary in remote, rural and island locations.

Question 6 – Do you have any further comments on the proposals outlined in this document?

We are in touch with people on a daily basis who require our support to overcome their barriers to employment and become economically independent. We see firsthand the increased pressure that welfare reform and benefit changes are having on these vulnerable individuals and their families. We are very frustrated that the current Scottish Government proposals for ESF funding will almost certainly lead to a significant reduction in the capacity of our organisation to help those most excluded and hardest to reach in our community. There is a great willingness to continue to provide specialised services to an increasingly marginalised group in our society. We hope our comments and feedback and those of SCVO are considered as part of this consultation.