

## **PROPOSAL FOR USE OF TECHNICAL ASSISTANCE (ERDF AND ESF)**

### **Decisions required**

1. JPMC is asked to
  - Consider change to OP strategy for how to use technical assistance
  - Approve further consideration and consultation with lead partners and third sector bodies and representative fora to test the need and scope for a support service for smaller 3<sup>rd</sup> sector and community organisations

### **Background**

2. Scotland's ERDF and ESF programmes currently only foresee the use of technical assistance for the functions of the Managing, Audit and Certifying authorities, including IT, communication and publicity alongside control of the programmes. The Technical Assistance allocation is 2% of ERDF and ESF in Scotland. Under Articles 59 and 119 Common Provisions Regulation, Technical Assistance can be used to a range of activity to strengthen programme management and outcomes, including networking, reduction of beneficiary burden, and capacity of partners to engage with programmes.

3. The structure of the 2014-20 programmes means some past uses of technical assistance, such as supporting intermediate bodies and open calls for evaluations, are no longer relevant. However, there have been a number of suggestions that smaller third sector and community-based organisations in particular may find the new structure difficult to navigate and see their own potential role in.

### **Proposals for Support service for third sector and community organisations**

4. Over the past year, the Managing Authority for ERDF and ESF has received a number of suggestions for a support service aimed at smaller organisations. The proposals commonly include:

- facilitating small projects and organisations in scaling up and joining together;
- providing path-finding support to existing lead partners and operations which could fund potential projects; and
- supporting organisations in moving away from grant funding and preparing to respond to procurement opportunities.

5. As there are a number of possible providers across third and private sector, such a service would need to be procured. This in turn requires clear evidence of a need for the service, and careful scoping to avoid overlap with the roles of the lead partner, the applicant and the Managing Authority. From the evidence the Managing Authority currently has, that clear picture is not possible.

6. For example, whilst Lead Partners have a legal role in providing advice on eligibility of spend, it is clear from survey work that their confidence and experience in doing so is mixed. However, a separate technical advice service would duplicate and potentially conflict with advice already provided, and could lead to small organisations having to repay grant over inaccurate or disputed advice. In many instances the role of Lead Partners and increased use of procurement should also make it clearer that small organisations are delivering against those contracts and their legal terms. But unless a small organisation is adept at scanning procurement portals, they may not become aware of funding opportunities.

7. The scale of the challenge also remains unclear, as Lead Partners are in many cases out to tender or have open project calls currently. It is also unclear whether this need exists across all thematic objectives, and many of the best practice examples appear to come from areas of activity which have not previously been open to community and third sector organisations including low carbon transport and green infrastructure.

8. The Structural Funds Managing Authority would like to consult further with lead partners and with a broad range of third and community sector representatives to reach a conclusion on what, if any, additional service should be procured. This would increase the certainty that the service is required, as well as allowing smaller organisations a say in shaping their own support system. It is also likely to lead to constructive improvements in guidance and roles for both Lead Partners and Managing Authority.

9. A firm conclusion on whether a support service is needed should be reached no later than March 2017. The Managing Authority would then propose to seek further approval for any course of action, including a potential modification to the operational programmes, through written procedure.