



European Structural Funds 2007 - 2013

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How much?



- Regional Development Fund [ERDF] - £100 m
Notional Public - £140 m
Total - **£240 m**

- Social Fund [ESF] - £40 m
Notional Public - £40 m
Total - **£80 m**

Programmes



- Front loaded Expenditure Profile;
- Fundamental Change to approach of L.U.P.S.;
- More strategic approach;
- Larger period of re-adjustment for key stakeholders;
- “New” initiatives – Strategic Delivery Bodies, Community Planning Partnerships;
- New Compliance regime – audit driven;
- Hiatus – exit strategy;
- Match funding;
- Harder sell?

Where are we now?



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- 130 ERDF (including SDBs);
 - 150 ESF (including SDBs), but
 - Small scale – contrary to strategic vision;
 - Revenue – slower spend;
 - Multi annual – loss of match in year 3;
 - Limited engagement from local authorities in particular;
 - Miss annual expenditure targets for 2009;
 - Unlikely to achieve N+2 2010 – not enough big projects on the stocks;
 - Particular challenge around ESF;
 - Behind where we would normally be.

What have the funds achieved?



- Significant contribution to key sectors and response to recession;
- Marine Science in Oban,
Greenspace in Western Isles,
Mareel in Shetland,
Engineering Centre in Thurso,
Modern Apprenticeships;
- Benefits outwith the Moray Firth.

Where to from here?



- Significantly different environment from even 18 months ago;
- Public expenditure cuts – absorption;
- Funds become more important relatively.

Revised Monitoring Committee approach involving -



- Fewer but larger projects;
- Strategic re-focus around ICT, renewables, and selected tourism and transport infrastructure where benefits are immediately generative;
- Parallel activity with challenge;
- £46m ERDF/£25m ESF;
- Utilisation of private sector as a match;
- Substitute for or additional to notional public;
- Next couple of months get Commission on side.

Post 2013



- Stakeholder discussions;
- Establish key themes for reduced levels of funding;
- Seek to align spend in 2012/2013 to priorities post 2013; e.g. ICT, Renewables, Carbon Capture;
- Key is investment in skills.