

FUND MATTERS



STRATEGIC DIRECTION LAID OUT

With the introduction of the Government's Economic Strategy last year, the context for the implementation of the new Structural Fund Programmes in the Highlands and Islands changed.

The strategy's overarching purpose is 'to focus the Government and public services on creating a more successful country with opportunities for all Scotland to flourish, through increasing sustainable economic growth.'

It is anticipated that Structural Funds will make direct and indirect contributions to all five of the strategic priorities deemed critical to economic growth which include learning, skills and well-being; a supportive business environment; infrastructure development and place; effective government; and equity.

Actions will include ensuring the most remote areas of Scotland can contribute to and benefit from

economic growth and developing a more strategic approach to the growth of Scotland's rural and island areas. Both the Transitional Programme and the 2007-2013 Programmes are wholly in line with the purpose, objectives and priorities of the new strategy.

Nor do we expect the changes made by the new Government to the organisational landscape for economic development to have any significant impact on existing funding commitments or Strategic Delivery Body arrangements. A new relationship between central and local government also confirmed the role of the local authorities in the delivery of 'local' business development.

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WELCOME TO 'FUND MATTERS'

Since our last issue a great deal of progress has been made. We are now well into our second round of applications, designed in response to partner concerns to have some flexibility in accessing the funds and, crucially, to provide a boost to the commitment and expenditure levels of programmes. The Strategic Delivery Bodies are also approved and the first drafts of Community Planning Partnership proposals are about to be considered.

The Programmes do provide new opportunities for applicants. They are of course set in a more focused context and we would encourage partners to think innovatively in the design of projects and also consider how best to integrate between the respective ERDF and ESF Programmes.

An immediate challenge is how to ensure effective coordination between the Operational Programmes, LEADER and the Scotland Rural Development Programme and we hope to be able to provide clearer guidelines on this in the not too distant future.

If you have a project idea, please get in touch. The sooner we can discuss matters of eligibility and fit with the Programmes, the quicker we can make progress.

I look forward to hearing from you.



Dennis Malone
Chief Executive



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FOCUS ON KEY SECTORS

The Government's Economic Strategy gives particular attention to building critical mass of activity in key sectors that will help create the right environment for their competitiveness and growth. This will help attract and retain the talented workforce that will, with help from Skills Development Scotland, ensure these sectors reach their full potential.

Structural Funds will continue to have a role to play in ensuring the development of these sectors. ESF in particular should be used to support them in a properly structured manner. Highlands and Islands Enterprise and the local authorities will continue to tackle issues relating to fragility and disadvantage. The sectors include:

CREATIVE INDUSTRIES:- New digital technologies offer opportunities for small, often remotely located businesses, the chance to take part in this fast growing sector with the Gaelic language in particular benefiting from investments in broadcasting and production.

ENERGY:- The Highlands and Islands constitute the greatest abundance of potentially exploitable renewable energy resources in the UK including wind, tidal, wave and biomass.

FINANCIAL AND BUSINESS SERVICES:- Although the region hosts a number of key operators, it is currently under-represented in this sector. Opportunities to add capacity ought to be pursued.

FOOD AND DRINK:- Food processing and the primary sectors including agriculture, aquaculture, fisheries and forestry are major components of the economic base. Added value and enhancement of the sector can be achieved by investing in management and workforce skills, building supply chains and addressing environmental sustainability.

LIFE SCIENCES:- Following significant investment in one major business, a growing number of small businesses and spin-outs with high growth potential are emerging. Further opportunities exist in marine biodiversity, natural products and diagnostics.

TOURISM:- Priorities for the region's tourism product which employs 13 per cent of the workforce include strengthening business leadership and improving the quality of visitor experiences.

In addition to the sectoral focus, Highlands and Islands Enterprise and the local authorities will continue to support development opportunities in disadvantaged and fragile areas where these offer benefits to local communities.

HOW CAN YOU HELP?

The new Programmes are significantly different from their predecessors not least because of the marked



(largely positive) socio-economic changes in the region, and the scale of the funds available. The Programmes offer different opportunities for different forms of investment and the challenge for Partners is to be more innovative.

Up to 60 per cent of investment is now required to directly support job creation and there is an increased emphasis on research and development, technological innovation and training, learning and knowledge and business development. There is also a significant reduction in opportunities for 'traditional large scale infrastructure' like transport and tourism facilities.

Against this backdrop, we are encouraging partners to think about how Structural Funds might add value to the key sectors as represented in your area, and about how ESF might be used to improve the quality of sector performance. A series of workshops will be arranged shortly to encourage new thinking and exchange ideas on the types of activity that might be developed in your area that can deliver major benefits both locally and for the region as a whole.

CROSSING BORDERS FOR PROSPEROUS REGIONS

Lochaber, Skye and Lochalsh and Argyll and the Islands are eligible areas that are taking part in a Programme which aims to support strategic cross-border cooperation for a more prosperous region and enhanced quality of life.

The Cross-Border Territorial Cooperation Programme for Northern Ireland, the Border Region of Ireland and Western Scotland 2007-2013 – known as Interreg IVA – is a EU Supported Structural Funds Programme which seeks to address the economic and social problems which result from the existence of borders.

Recognising the challenges of developing partnerships that straddle boundaries, the Programme provides a chance to build on traditional cultural, economic and social links and offers financial support for project preparation. It will be delivered through two Priorities:

Priority 1: Cooperation for a more prosperous cross-border region, brings between €60 million to €105 million of ERDF, at a 75 per cent intervention rate, in support of enterprise and tourism;

Priority 2: Cooperation for a sustainable cross-border region, provides between €75 million to €115 million of ERDF, at a 75 per cent intervention rate, in support of development and infrastructure.

INTERREG IN PRACTICE

Sabhal Mòr Ostaig has been successful in obtaining assistance under Interreg to help develop a project that utilises the Gaelic language as a means of creating economic opportunities in the creative and cultural industries. Significant investments in television and digital broadcasting offer new opportunities for long term, high value employment – particularly in those areas which have been marginalised in terms of economic development.

With the recent opening of its new Fàs centre, by the First Minister (pictured) – and supported by ERDF from the former Transitional Programme – Sabhal Mòr Ostaig is uniquely placed to drive a tri-partite partnership with two Irish agencies in delivering training in new technologies.

Contact for the Cross-Border Programme

» *The Scottish contact for the Cross-Border Programme is Caroline Coleman who can be contacted on 0141 228 2202.*



A GREAT DEAL
OF POTENTIAL

FOCUS ON TOURISM

With tourism proving to be twice as important to the Highlands and Islands economy as it is for Scotland as a whole, we focus on some of the recent approvals being made under the Highlands and Islands Structural Funds Programmes 2007-2013 in this edition of 'Fund Matters'.

Despite tourism's importance to the north economy for several decades, there is still a great deal of potential for this sector to exploit. As the following case studies demonstrate, innovative, imaginative and extraordinary tourism products and experiences are emerging thanks to collaboration from the public and private sectors who together aim to achieve 50 per cent growth in tourism revenue by 2015.

HOMECOMING SCOTLAND 2009

A global tourism marketing initiative aimed at attracting visitors to celebrate Scotland's first homecoming year has received approval of £1,487,620 of ERDF towards a range of activities in the Highlands and Islands.

Homecoming Scotland 2009 invites Scots, people of Scottish descent or anyone who simply loves Scotland to take part in a wide range of activities and events between Burns night (January 25th) and St Andrews Day (30th November) during 2009.

The Scottish Government initiative which is led by Event Scotland in partnership with VisitScotland and a number of other partners has received the funding to undertake one major event along with involvement in several other themes of the Highland tourism product.

These themes – known as the five pillars of Homecoming – include celebrating Scotland as the home of Burns; the home of your ancestors; the home of whisky; the home of golf and home of the enlightenment. This final pillar will celebrate key Scottish figures that have shaped global politics, economics and philosophy.

Scott Armstrong, regional director for VisitScotland Highland said: *"Homecoming Scotland 2009 will deliver a range of focussed marketing activity in the UK and internationally, and is based on research which shows there are 50million people worldwide with Scots ancestry. Homecoming Scotland 2009 is about increasing visitor numbers to the Highlands and Islands during the quieter shoulder months, as well as helping to disperse them away from the busier tourism centres."*

Ancestral related activity is aimed at Scots abroad whose legacy will be in bringing business tourism, skills exchange and inward investment to Scotland. Whisky events and promotion are scheduled to run throughout the year supporting whisky trails and festivals. New golf initiatives and products in the Highlands and Islands will also be featured.

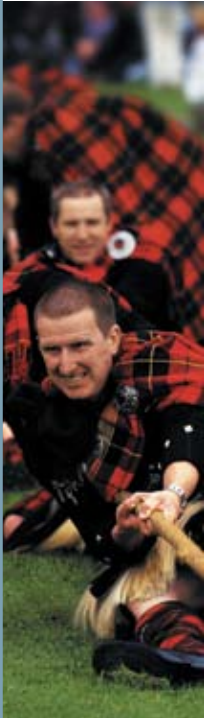
Homecoming Scotland 2009 will meet the objectives of Priority 2 of ERDF 2007-2013 – Enhancing Key Drivers of Sustainable Growth, and in particular the sustainable economic use of the natural and cultural assets of the region.

TOURISM GRANT SCHEMES GET UP TO SPEED

Two grant schemes that aim to speed up growth in the Highlands and Islands tourism sector have received a £682,209 ERDF approval to provide financial support for new and local tourism initiatives that are business-led.

Businesses can receive up to £65,000 under the Tourism Growth Accelerator for marketing and product innovation initiatives. Tourism Event Grants of up to £100,000 are also available for regional Homecoming Scotland 2009 events (see previous story).

The schemes will fund approximately 84 new initiatives across the Highlands and Islands involving up to an estimated 400 individual businesses and generating the potential to create up to 60 new jobs.



HOMECOMING
SCOTLAND 2009



Grant awards will be made to projects which develop sustainability, increase the amount of visitors and promote equal opportunities. Those that support collaborative partnerships, specific niche markets like 'green tourism' and national initiatives like Homecoming Scotland 2009 may also be eligible.

The schemes will be managed by VisitScotland who have recruited two managers that are responsible for developing and supporting businesses and partnerships, as well as the grant application and monitoring requirements.

Lynn Hamilton from VisitScotland said: "We are confident the Highlands and Islands tourism sector will embrace these schemes which will contribute to the ongoing target of increasing the value of tourism by 50 per cent by 2015. It is exciting to see these projects come to fruition, adding to the diversity of the Highlands and Islands tourism product and therefore making it an even more attractive location to visit."

The project will meet the objectives of Priority 1 of ERDF 2007-13 – supporting businesses, creating jobs and increasing tourism incomes and creating sustainable growth in the Highlands and Islands.

FUTURE LOOKS GOOD FOR CHEFS

Improving the skills of people working in the hospitality sector in Lochaber is the theme for a project managed by Lochaber College which has been awarded up to £50,513 of ESF.

The 'Future Chefs' programme has been set up to help enhance the sustainability of the hospitality sector which is an important economic driver in the Lochaber area. Work with established chefs will be undertaken to help develop their training and assessment techniques in order that they can gain the necessary qualifications to effectively train and assess others.

Georgina Morrison from Lochaber College explains:

"We will be working with SMEs in the Lochaber area to develop this programme which will ensure people gain the basic skills to do the job and help them realise their full potential while training towards nationally recognised qualifications."

The programme will deliver a suite of courses which offers various levels of food related qualifications throughout the year. An annual event which brings a high profile guest to the area to help inspire people even further will also take place as part of the project.

The funding will meet the objectives of Priority 2 of ESF 2007-13, Investing in the Workforce and in particular to increase skills and earning levels in all sectors of the regional economy, with particular reference to priorities identified under the ERDF programme, fostering the growth of enterprises and entrepreneurship.



THE RIGHT STAFF

Practical solutions to the recruitment and retention needs of tourism employers in the Highlands and Islands are being implemented thanks to a new initiative that has received £112,131 of ESF money.

'The Right Staff' will support employers with tailored advice that identifies their needs by undertaking a recruitment and retention audit while providing support materials to improve processes and practices.

The initiative also recently saw the first industry recruits graduate from an innovative and unique chefing course called 'Quick to the Cut'. The course was designed as a response to the high number of chef vacancies across the Highlands and Islands and demonstrates that it is possible to achieve a level two qualification, gain practical experience and be industry ready in just 12 weeks of training and development.

The Springboard Charitable Trust which works closely with the tourism industry and education sectors to make the hospitality, leisure, travel and tourism industry a great place to work is behind these projects.

Roisin Taylor from the Trust said: "The 'Right Staff' aims to get people into work within the tourism industry and to ensure these individuals have the necessary skills to allow them to progress within it. The programme is receiving a lot of positive comments and most of the graduates of 'Quick to the Cut' are already embarking on successful careers within the industry."

The programme meets the objectives of Priority 1 of ESF 2007-13 – Increasing the Workforce and broadening and increasing sustainable participation in the area's workforce, particularly for groups facing severe and multiple disadvantage.

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» OUTDOOR CAPITAL OF THE UK

TOURISM COURSES TAKE TO THE ROAD

The North Highland College in Thurso is set to deliver a series of short courses at local venues across the North Highlands to help communities maximise the impact they have in attracting visitors.

The three-year project which has been assisted with a £167,148 contribution under ESF will see a road show deliver the materials and short courses more normally associated within the college setting, to a number of community facilities from village halls to local hotels

The courses centre on empowering the community to make better use of local resources they may take for granted. Subjects covered will include marketing existing resources better, using e-business skills to improve business management, archaeological and environmental interpretation, recognising visitor wants and needs, and customer care.

Rognvald Taylor from North Highland College said: "The aim is to engage with small, local groups of interested individuals and communities to deliver the location centred training they want at a time and location that suits them. This will help create lively, confident and sustainable communities as well as encourage them to take responsibility for the management and improvement of their own community assets."

The project was approved under Priority 3 of ESF 2007-13, Improving Access to Lifelong Learning, increasing the range of quality education and training provision available, and participation rates especially through the UHI Millennium Institute.

OUTDOOR CAPITAL OF THE UK

A well established marketing brand has received approval of £84,104 of ERDF to support and develop a two year destination management plan which will include projects that improve the sustainable use of Lochaber's physical, cultural and natural heritage experience to visitors.

The funding will help The Outdoor Capital of the UK to increase its competitiveness in national and international tourism markets, as well as develop new products within Lochaber's tourism industry that lead to growth in the area's tourism market.

Anna Trafford from Outdoor Capital of the UK Ltd said: "Our role is to coordinate and lead the management of the natural and physical environment to realise the tourism potential in Lochaber which is currently estimated at £173million each year."

A wide range of projects are being funded under the ERDF award from the provision of new information to enable walkers and cyclists to enjoy the best views of Ben Nevis to the promotion of tourism in outlying areas such as the Small Isles where a project to provide additional mooring for yachts is under consideration. Enhancing the visitor experience and promoting sustainability will also be achieved by providing workshops on the area's outstanding natural heritage to local activity and accommodation providers.

Promoting the all year round use of historical and natural heritage assets like Ben Nevis, Glencoe and Glenfinnan and developing new products to encourage viability in more fragile areas will be achieved by sensitively using the natural environment; providing high quality services and amenities; providing innovative, high quality, high profile events; and working in partnership with existing agencies and businesses.

Focussing on ancestral tourism which will support Homecoming Scotland 2009 (see story on page 4) and promoting the sustainable use of natural and cultural assets with young people are other areas of work being addressed. An industry-led quality initiative that provides customer satisfaction feedback to identify areas of improvement will also be implemented.

The approval meets the objectives of Priority 2 of ERDF 2007-13 – Enhancing Key Drivers of Sustainable Growth and in particular the sustainable use of the natural and cultural assets of the region.



COMMUNITY SUPPORT ON COMPLEMENTARITY

The Monitoring Committee recognises the need to distinguish the relevant provisions of the ERDF Programme more sharply with the provisions of other European Programmes.

It has therefore invited the Programme Review Group in conjunction with colleagues from Rural Affairs to consider how this might be best achieved in order to avoid confusion among potential applicants, ensure effective complementarity and to optimise absorption given the challenges applicants may face in identifying appropriate co-finance.

The four funding streams which include LEADER, the Scotland Rural Development Programme (SRDP), Axis 4 under the Fisheries Programme and parts of the ERDF/ESF Convergence Programmes address the same or similar territories, sometimes with quite similar activities particularly in the field of community based support. Together, these funds deliver less than the equivalent in the Transitional Programme, however they are potentially less connected to each other in their four separate programmes. Previously only LEADER was delivered separately.

There is therefore a much more complex challenge on complementarity. The challenge is best illustrated by the degree of alternative funding available for activities covered by ERDF Priority 3: Enhancing Peripheral and Fragile Communities. Every one of the elements covered under this Priority is also available to some degree from the SRDP whether it be under the Rural Priorities section of the Land Management Contracts (LMCs) provision or under LEADER. Adding to the potential confusion is the availability of different grant rates and the parameters regarding project size.

It is anticipated that Guidance will be issued across the partnership by the end of the summer. A summary will appear in the next edition.

€UROSYS UPDATE

As reported in the last edition of 'Fund Matters', The Scottish Government is developing a new web-based IT project management system to manage the application and claims process for the Scottish Structural Funds Programmes

The new £500,000 IT project management information system called €UROSYS will deliver substantial improvements for applicants, through more user-friendly web-based technologies. It will provide a more intuitive 'project lifecycle' approach, allowing projects (and other users in your organisation) to be part of the system from the embryonic stages of development to physical and financial completion, final evaluation and project closure. €UROSYS will also provide more robust 'ongoing' monitoring information for your projects, through a much improved reporting facility.

Following assessment of the currently operating €UROSYS pilot, we hope the live system will be rolled out in time for the Autumn 2008 funding rounds. HIPP will run a series of

workshops on €UROSYS over the next few weeks. Dates and venues are confirmed on Page 8 and on www.hipp.org.uk

HIPP and the Scottish Government are grateful to partners for their support in this important element of managing the new programmes.

We'd welcome your views of €UROSYS.

» Email: europeanstructuralfunds@scotland.gsi.gov.uk

» Contact: Billy McLaren 0141 242 5800

» We will continue to update you on progress through 'Fund Matters' and the website www.hipp.org.uk

CPP PLANS >>

CPP Plans have now been received from Argyll & Bute Council and The Moray Council. These will be appraised by an Advisory Group on 6th August with decisions being recommended by the Programme Review Group at its meeting on 13th August 2008.

TIMETABLE & WORKSHOPS

PROGRAMME
CONFIRMED

HIGHLANDS AND ISLANDS ERDF AND ESF 2007-2013 PROGRAMMES APPLICATION ROUND 3

The Round 3 timetable for ERDF and ESF applications under the Highlands and Islands Scotland 2007-2013 Programme has now been confirmed.

ROUND 3 APPLICATION ROUND TIMETABLE

Deadline for new Round 3 Registrations	22 August 2008
Deadline for the submission of Stage 1 Applications	05 September 2008
Notification of outcome of assessment of Stage 1 Applications	By 17 September 2008
Deadline for the submission of Stage 2 Applications	10 October 2008
Advisory Group meetings	Mid December 2008
Programme Monitoring Committee (for decisions)	February 2008 Date TBC
Ministerial Announcement	TBC

SUMMER WORKSHOPS

A programme of workshops will take place during late August/early September across the region and these will cover Programme development, eligibility, the application and progress report systems and monitoring and audit requirements. It is vital that applicants attend these to learn about the new system if applying for new projects and to learn about the new progress report (claim) system for those applicants with approved projects. Venues and dates are provided below.

Inverness	Monday	25/08/08
Orkney	Tuesday	26/08/08
Shetland	Wednesday	27/08/08
Stornoway	Friday	29/08/08
Oban	Tuesday	02/09/08

Delegates can opt to participate in either or both of the morning and afternoon sessions.

Morning Session

- » Introduction and Strategic Overview of the Programmes
- » National Rules/Eligibility Update
- » Registration and Stage 1 Process
- » Application Stage 2 Process

Afternoon Session

- » Progress Reports (Claims)
- » Article 60b – Monitoring and Audit

For further information contact Rosemary Currie on 01463 279 500

DISCLAIMER

Although every effort has been made to ensure that the information contained in this publication is correct at the time of issue Highlands and Islands (Scotland) Structural Funds Partnership Ltd cannot accept liability for any errors or omissions, or for the consequences thereof.

Your comments and views on 'Fund Matters' would be appreciated so please contact Sandra Armstrong on 01463 279 512 or email sandra.armstrong@hipp.org.uk

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GLOSSARY OF TERMS

- ERDF – European Regional Development Fund
- ESF – European Social Fund
- IAB – Intermediate Administration Body (HIPP)
- SDB – Strategic Delivery Body
- CPP – Community Planning Partnership

