

**STATE AIDS SCHEME** (*Scheme ref to be supplied here*) **EUROPEAN STRUCTURAL FUNDS SUPPORT FOR TRAINING FOR DISADVANTAGED GROUPS TO PROGRESS THROUGH EMPLOYMENT**

SCHEME TITLE

European Social Fund Scotland 2009 - 2013 Programme – Priority 2

LEGAL CONTEXT

European Community Act 1998

[http://www.opsi.gov.uk/acts/acts1998/ukpga\\_19980021\\_en\\_1](http://www.opsi.gov.uk/acts/acts1998/ukpga_19980021_en_1)

OBJECTIVES OF THE SCHEME

The objectives of the scheme are;

- a) In terms of Article 38-39, to enable undertakings to access training, both specific and general for disadvantaged groups, including for disadvantaged and disabled groups. This support will be targeted towards the following groups;
  - *Employees who lack basic core skills, including those having low levels of literacy or numeracy, and those for whom English is not their first language.*
  - *Employees without qualifications at SCQF Level 5 and 6 (SVQ Level 2 or Level 3)*
  - *Specific groups, particularly women returners*
  - *Potential and new entrepreneurs and new managers of (both new and existing) SMEs*
  - *Key staff in social enterprises*
  
- b) In terms of Article 40-42, to encourage the recruitment and employment of disadvantaged and disabled workers in the form of wage subsidies.

ELIGIBLE SECTORS

The scheme shall apply to all sectors with the exception of Article 1 of the EC general block exemption regulation, hereafter the ‘regulation’

ELIGIBLE COSTS

Aid for training under Article 38-39 may be awarded to enterprises up to the following amounts:

Specific training (Art. 38(1))	25% (+ 20% bonus if SME + 10% if disadvantaged or disabled worker)
General training (Art. 38(2))	60% (+ 20% bonus if SME + 10% if disadvantaged or disabled worker)

Aid for disadvantaged and disabled workers (Art. 40 – 42) may be awarded to enterprises up to the following amounts;

Aid for the recruitment of disadvantaged workers in the form of wage subsidies (Art. 40)	50%
Aid for the employment of disabled workers in the form of wage subsidies (Art. 41)	75%

Aid for compensating the additional cost in employing disabled workers (Art 42) can be granted at a rate of 100%.

#### DEFINITIONS

“Small” and “medium” sized enterprises shall be defined in conformity with Annex 1 of the regulation.

Disadvantaged or disabled workers shall be defined in conformity with the Commission Regulation No 800/2008.

#### BUDGET

The overall budget for the scheme is **£200.42 Million**. This figure is split between ESF at a value of £90.2 Million (maximum intervention rate of 45%) and Match at a value of £110.2 Million (remaining 55% of costs).

The ESF element of the scheme (£90.2 Million) for the LUPS and H&I regions has been broken down by region as follows;

Highlands and Islands:           £14.7 Million  
Lowlands and Uplands:           £75.5 Million

The overall budget is broken down by year in the table below;

<b>Year</b>	<b>ESF (£ Millions)</b>	<b>Match (£ Millions)</b>	<b>Total (£ Millions)</b>
2009	8.2	10.02	18.22
2010	20.5	25.05	45.55
2011	20.5	25.05	45.55
2012	20.5	25.05	45.55
2013	20.5	25.05	45.55
<b>TOTALS</b>	<b>90.2</b>	<b>110.2</b>	<b>200.42</b>

#### DURATION

The scheme will operate from 1st January 2007 - to 31<sup>st</sup> December 2013.