

ESF THEMATIC NETWORK ON SIMPLIFICATION

REPORT ON SCO PRACTICES

(Draft for the 6th Meeting of the Thematic Network - The Hague – 8-9 June, 2017)

References:

Member State / Region	Italy
Reference number (TN's map of SCO practices)	7

Contact details:

Name of the Institution	ANPAL – National Agency of Active Labour Policies
Address	Via Fornovo 8, Roma, 00192
Name of contact person	Marianna D'Angelo, Martina Rosato, Francesco Pistillo, Claudio Oddi
Telephone	+39 06 4683 5522 / 4444 / 4512 / 4005
Email	MDAngelo@lavoro.gov.it , Martina.Rosato@anpal.gov.it , Francesco.Pistillo@anpal.gov.it , Claudio.Oddi@anpal.gov.it

Type of SCO reported <i>(Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).</i>	STANDARD SCALE OF UNIT COSTS
Type of activities covered by the SCO <i>(Please indicate what type of activities is targeted by the SCO).</i>	JOB COACHING

A. PROJECT DESCRIPTION

A1. Description of the type of operation <i>(Please describe in brief what types of operations are covered by SCO)</i> The aim of the operation is to design and activate job placement measures, supporting young NEET/unemployed people to start a work experience. To reach this goal, is provided support to the young NEET / unemployed targeted by the operation through several activities, e.g.: Identification of the most suitable job opportunities for the candidate, Promotion of profiles, skills and professionalism of youth people; Pre-selection; Access to identified measures; Assistance of the candidate in the access to the identified path and activation of the associated measures; Assistance of the candidate in the first phase of integration within the

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business; Assistance of the candidate in the definition of a possible training project; Assistance of the candidate in the identification of an appropriate contract (open-ended, fixed term, apprenticeship etc).

A2. Definition of outputs/results *(Please give a short definition of outputs and/or results)*

The recipient of the operation starts a job experience with one of the following types of contract: a) second level of apprenticeship or fixed-term or temporary contract for ≥ 12 months; b) fixed-term or temporary contract for 6-12 months; c) Open-ended contract.

A3. Beneficiaries *(please indicate the types of beneficiaries involved in the operations covered by SCO)*

Employment Services and other entities authorised and/or accredited to employment services pursuant to Legislative Decree n. 150/2015. Services may also be provided under subsidiarity, in agreement with the Region/P.A. interested.

A4. Target group(s) *(Please list target groups within projects covered by SCO)*

Young NEET; Unemployed people

B. METHODOLOGY AND CALCULATION METHOD

B.1 Methodology *(please indicate which methodology/ies has/have been used: Fair, equitable and verifiable method / use of existing EU schemes for similar types of operation and beneficiary / Use of existing own national schemes for similar types of operations and beneficiaries / use of rates and specific methods enshrined in the regulation or in a delegated act / use of a draft budget /combination of methodologies).*
Please indicate if the concerned SCO has been covered by Art. 14(1) ESF)

The standard scale of unit costs has been defined by using a fair, equitable and verifiable method according to Art. 67.(5).(a) of the CPR.
The standard scale of unit costs has been covered by a Delegated Act adopted under Art. 14(1) ESF.

B.2 Calculation Methods *(please describe how the calculations have been made)*

The calculation of the SCO (as cost per hour) was made through a combination of simple and weighted average of regional SCO used for similar operations (see point B.3) updated as at 2014. The adjustment of regional values was made by using the FOI index (consumer price index).
In order to ensure the robustness of the calculation of the national Standard Cost identified, the values of regional SCOs considered as “extreme” were eliminated. This elimination was made without taking into consideration the SCOs of the two Regions with the highest and the lowest values within the calculation.
The national SCO (as cost per hour) so identified was multiplied for the number of hours provided for the carrying out of the activities. The number of hours needed

for the carrying out of the activities was identified according to the profiling of the young NEET / unemployed targeted by the operation and to the employment result achieved (see point B.3). This calculation led to the identification of 12 different SCOs, as combination of different profiling levels (4) and different types of contract (3), directly linked to the result expected by the operation.

B.3 Data source *(please indicate the type of data used and the data source)*

To define the cost per hour value of the activity, useful to identify the total value of the SCO linked to the employment result achieved, has been taken SCOs used from similar operations in programming period 2007 – 2013 by several Italian Regions: Abruzzo, Basilicata, Emilia-Romagna, Friuli Venezia Giulia, Lombardia, Marche, Piemonte, Veneto. To ensure the robustness of the Regional SCOs, regional data bases used for their definition were analysed. If necessary, data bases were corrected of any detected error. The use of data taken by these Regions has ensured a good level of national representativeness for the entire methodology.

To define the number of hours needed for proper service delivery, diversified according to the profiling of the recipient of the operation and to the employment result achieved (e.g. the type of contract), has been considered the Decree 8617/2013 of the Lombardy Region.

C. IMPLEMENTATION OF SCO

(Please describe in brief what implementation rules and conditions have been set out)

After the registration to the program and after being taking in charge, recipients can access different employment paths (e.g. training, self-employment, etc.). In the case of job coaching, the employment services (or other authorized or accredited entities) actively assist the young / unemployed in job searching, providing support in: the enhancing of the owned experiences/know-how; the identification of the best career path given the recipient's profile; the increase of the skills needed to cover the job desired. Once these services have been performed, on the basis of parameters described in point B.3, to obtain the recognition of the SCO the service provider will only need to show the documentation attesting the class of profiling of the recipient and the copy of the employment contract or the copy of compulsory communications attesting the employment contract activation and the type of contract activated. The SCO will be recognized in a different value depending on the different combination of these two variables (see point b.2).

D. AUDIT TRAIL

(Please provide a brief description of the audit trail for the concerned SCO, including documents, key contents/conditions and procedures)

Regional and/or national units in charge of controls under their relevant procedures carry out the verifications. Verifications accompany the entire lifecycle of the operation and are divided into: on desk, entailing administrative-documentary verifications of the operation, and *in loco*, aimed to the physical and financial control

of each operation, made on a sample basis. These verifications guarantee a timely assessment of the quality of operation.

In particular, the documentation to be produced for the purpose of on desk controls is the following:

- service pact signed by the recipient and by the services in charge and/or centralized taking in charge implemented by the Central Administration, that specify the class of profiling of the youth;
- copy of the employment contract or copy of compulsory communications or any other documentation attesting the notification of the employment contract activation (if applicable).

In loco verifications are performed on a periodic basis and must evaluate the validity of the operation as a whole and all the relevant documentation, even beyond documentation foreseen for on desk controls.

Administrative verifications are included in the national and regional information systems guaranteeing the registration of data and of the outcomes of controls.

E. ASSESSMENT BY THE AUDIT AUTHORITY(IES) INCLUDING EVENTUAL EX ANTE ASSESSMENT

(If relevant, please explain how the audit authority has been involved in preparation and assessment of the SCO).

Managing Authority has defined the SCOs for NOP YEI without consulting any other Authority, as it is not expected. However, the audit and certification authorities were promptly informed of the possibility of using SCOs for the PON 2014-2020 and of the adoption of the SCOs with Delegated Act under Art. 14(1) ESF.

F. IMPACT OR ADDED VALUE FOR THE MA, BENEFICIARIES AND OTHER STAKEHOLDERS

(Please explain how you have perceived impact/added value of the SCO for the MA, beneficiaries and other stakeholders).

1. Verifications carried out by the MA are focused on outputs/results achieved – by setting out rules for documenting units attained the MA has decided to focus on the achievement of policy objectives instead of being concentrated on collecting and verifying financial documents;
2. Assurance on the goodness of the methodology used to define the SCOs, that will not be audited by Commission after the submitting of the expenses;
3. Less documentation required to beneficiaries for obtain the reimbursement of the expenses, since it is only necessary to certify that the expected output has been reached.

G. SPECIFIC ISSUES FACED WITHIN CALCULATION AND IMPLEMENTATION OF THE SCO

(Please indicate any issues/problems/challenges you have experienced when setting out or implementing the SCO, i.e. high workload, state aid, public procurement, national legislation, revenues etc.)

1. Issues were faced in the setting out the standard scale of unit costs. The process has been lengthened because of difficulties on the negotiation with the European commission, which has led to misunderstandings about the methodology and data used for calculation. Once these problems have been solved, further delays have been due to the difficulty in the process of regional data bases collection and their verification, carried out with the aid of the European Commission.
2. Difficulties for non-PA service providers in the understanding the way of implementation of SCOs. These difficulties are strictly linked to the attitude still focused to a real costs accounting

H. LESSONS LEARNED AND POINTERS

(Please indicate any unforeseen practical implications that have emerged and any key lessons you have learned from the development and implementation of the concerned SCO practice).

Many of the problems faced in SCOs definition were linked to the launch of the process by the MA without speaking previously with the EC for show the intent of request the adoption of a delegated act.

A better attention, since the early stage of the process, in the sharing of information with the EC on how cost will be defined and on the quality of data bases used could have led to a significant reduction in the approval timing of the Delegated Act itself. Indeed, without such sharing of information the entire process, since the first submission of the fiche to the EC, has taken 2 years, leading to several delays on the implementation of the SCO.

I. ANNEXES OR LINKS TO ONLINE DOCUMENTS

(Please list documents or links to online documents like complete methodology, calculation methods, documents submitted to the Commission, guidance for MAs and beneficiaries, calls for proposals, audit trail, legal acts etc.).

Calculation methods, documents submitted to the Commission – fiches submitted to the Commission including annexes with regional data bases used to calculate the SCO are available at the request.