

CONSULTATION RESPONSE FORM

Question 1 – Are there other areas you think the Partnership Agreement should address?

‘Connectivity’ is key to economic sustainability. This should be a separate priority in the Scottish Chapter so it is clear and explicit. The removal of bottlenecks, whether for transport or ICT, is critical to Scotland’s global competitiveness. Developing more effective connections to emerging markets, better education of those markets regarding Scotland’s strengths is vital especially given our UK and EU primacy in science and technology. Show how additionality of funds will be demonstrated.

The Partnership Agreement needs to clearly state how the co-ordination between the three Scottish Funds (SDPs) would be secured, how these would integrate with other funds and how the potential for funding gaps and duplication would be avoided.

Question 2 – Do you think these thematic objectives will best address Scotland’s short-term and long-term challenges?

Structural Fund investment should address both ‘challenges’ and ‘opportunities’ given it is about the future direction of Scotland’s economy not just the present situation. The width of the thematic objectives are reasonable in terms of addressing Scotland’s economic needs, however the depth of action required is not clear enough for each objective in terms of future opportunities.

In 7 years the Scottish economy will have changed in which case thematic priorities will need to change to match changing economic conditions. There should be a mechanism to allow review and addition of thematic objectives as the programme progresses.

The Thematic objectives need to reflect regional and local differences.

Question 3 – Do you think there are any other thematic objectives which should be addressed?

Capacity building is vital to ensure local communities gain fair and equal access to the ESI funds. Although Scottish Govt has rejected this thematic objective at this stage, it is not clear how changing local communities who in the past have gained significantly from EU funds through direct access will be able to without significant capacity building between 2014-2020?

There should be some allowance for capital objectives as infrastructure development is regarded by most EU Govts as key to stimulating the economy at present.

Question 4 – Do you think the Scottish Themed Funds will address Scotland’s key challenges?

Partly. In 7 years time these themes may not be appropriate and far too ridged. Greater flexibility is required in terms of adaptation to themes as need arises and according to local requirements. Given Scotland’s place in the EU single market and globalised economy more specific support for cross border activity by land or sea is required.

Closer integration with other EU investment instruments is required such as Horizon 2020?

Question 5 – How do you think the governance and delivery arrangements will impact on your sector?

Badly. It is impossible to determine how the additionality of the ESI funds will be measured? Given the centralised nature of the proposed funding management plan what is to prevent funding substitution by the lead partners in each SDP? This will impact severely on the ability of small organisations to access the investment they would have been able to under the previous open competition, direct access model? There is a danger of the same situation arising in Scotland as happened in 1993 regarding the failure to meet the principle of additionality and the EC withdrawing funds for 3 months.

The CPPs are currently not legal entities therefore cannot take on contract liabilities. What will prevent the local authorities monopolising and becoming judge and jury over their own ESI assisted operations and funding priorities to exclusion of all others in particular the third sector? There is a lack of transparency in how operations will be assessed for quality given the SDPs and lead partners are the same.

Question 6 – How do you think the governance and delivery arrangements will impact on your organisation?

Badly. Lack of clarity about how 3rd sector is going to be effectively or meaningfully included in the governance and delivery. Unless the CPPs are legal entities the whole process will become an LA led activity which essentially makes them judge and jury over their own projects taking Scotland back to the approach between 1988 and 1994, which was felt by the EC to be discriminatory to the 3rd sector.

There is no representation for Business either. Given the priority for economic development it is not acceptable and counter to the purposes of the investment and the stated priority of the EC to include SMEs.

Question 7 – Are there any unidentified governance or delivery arrangements that could aid simplification of the future programmes and ensure that the Structural Funds complement each other?

More local or regionalised assessment with the power to veto. Requirements for cross border liaison between CPPs particularly given cross boundary organisations such as FE and HE who are members of CPPs as well as accessing funding from SFC in more than one CPP area.

Question 8 – What other delivery options do you think would be feasible for delivering youth employment initiatives?

Open calls for funding for non-affiliated, accredited training providers in particular third sector and social enterprise sector.

Formerly include the private sector in assessment and delivery options as was achieved previously in Scotland. Legally constituted CPPs would allow this to happen

Question 9 – What other measures could be taken to reduce the audit and control pressures?

If centralising the whole investment process to arms of Govt helps simplify the administration for end users the challenge is to ensure end users have clear effective and meaningful input into the determination of how the funds are spent with the power of veto.

Clearer guidance on the purpose of audit and control and simplified advice on aspects such as State aids and Procurement. Fewer checks and more online reporting. Perhaps have an annual report which is subject to audit not continuous audit checks.

There should also be sufficient funding available to provide a range of central support services (Third Sector TA and a Global Grants programme) that can transfer administrative burdens upwards in line with available capacity, experience and expertise.

Question 10 – Do you have any further comments on the proposals?

Whilst recognising the scale of investment in Scotland no longer warrants the sophisticated systems we had in the 1990s, the current suggested structure lacks transparency, potentially breaches the additionality principle and excludes the 3rd sector whilst handing over more power and control to the local authorities who themselves as service providers are looking for more money to fill gaps. The other strategic bodies such as SFC, SDS and SE are funding distributors not service providers, therefore are not necessarily trying to fill service gaps the way LAs are.

CPPs must be constituted as independent legal entities with rotating chairmanship. Membership must be widened to include private sector not only umbrella organisations such as chambers of commerce.

The EC wishes to see closer integration across all funding instruments to increase the quality and flow of innovation to market. Demonstration projects are needed sector to sector to show how this works?