

INDUSTRIAL COMMUNITIES ALLIANCE (SCOTLAND)

EUROPEAN STRUCTURAL FUNDS CONSULTATION 2014-2020

INTRODUCTION

The Cross Party Group on Industrial Communities members met the Deputy First Minister on Thursday 31st May to discuss Regional Aid and the current position on the European Structural Funds Programme 2014-2020. During the course of this meeting Ms Sturgeon actively encouraged the Industrial Communities Alliance in Scotland to make a full submission to the consultation. It is acknowledged that individual local authorities will wish to make their own responses however, it was agreed that it would also be helpful for the Industrial Communities Alliance to provide a response which would give additional emphasis to certain key themes. The following document is a summary of discussion at and ICA officers working group on Friday 14th June and points made during the discussion with the Deputy First Minister.

It is also recognised that there will be a further opportunity to be consulted on the specific detail of the Operational Programmes.

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

ICA conducted an exercise to identify the most pressing priorities for Scotland's Industrial Communities. It was overwhelmingly agreed that the focus should remain on improving the local economy and ensure businesses could survive and prosper, and tackle the ongoing blight of unemployment in our communities by ensuring that people living in Scotland's former Industrial Communities were provided with appropriate support and intervention to ensure that they could take up employment opportunities when they arose. The ICA is not aware of any other significant areas not addressed in the document.

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

ICA understand the reasoning behind the thematic objectives for Scotland which are restricted due to the provisions of the draft EU regulations and ICA are broadly in support of the objectives. However, it is recognised that there is a tension between delivering interventions which will demonstrate early results versus interventions that will result in long term change. ICA are keen that a balance is sought and that early intervention support for young people is sufficiently present in the Operational Programme to prevent further long term employability issues. The detail of the Investment Priorities and subsequent geographical targetting of these is of interest to the ICA.

Recent evidence provided to the Cross Party Group on Industrial Communities by the Scottish Government highlighted that certain areas (including all of Scotland's former industrial communities) have been blighted by unemployment and deprivation for over 80 years. Therefore the ICA would consider that these areas require specific spatial targetting in order to finally make a transformational change.

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

Many of Scotland former industrial communities are in areas where accessibility to effective transport links to facilitate access to employment opportunities are lacking. Support for sustainable transport initiatives would be welcomed through Thematic Objective 4. In particular, ICA would like to draw attention to the fact that there are excellent local community transport initiatives which would benefit from support. ICA are also disappointed to note that there is little recognition in the Scottish Themed Funds of the need to address the significant physical regeneration challenges in Scotland's former industrial communities, which if tackled effectively can work hand in hand with improving the local economy and providing local jobs.

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

It is unlikely that, given the decreasing amount of resources available, that the Scottish Themed Funds alone will make a significant impact on Scotland’s key challenges. True impact will arise when the Themed Funds are used effectively to complement and support other available resources and where there is a very clear picture of local priorities which has been arrived at by mutual dialogue with all of the key local stakeholders.

In addition, some of the activities identified in each of the themed funds are described in very broad terms which may encourage unrealistic expectations from stakeholders in terms of eligibility. For example, community regeneration will require a much clearer definition in terms of what type of interventions this may include.

In terms of Competitiveness and Innovation, ICA would like see increased emphasis given to growing local economies and a recognition that while there is a place for National Business Support schemes, economic conditions are not evenly distributed and that significant local and customised support should be made available in order for those small local businesses to receive the very specific support required to grow and develop. It should be recognised that in many cases the needs of SME’s will be very different from those of larger companies in the key sectors identified in national economic priorities. Locally targeted business support should be made to work through the Strategic Delivery Partnerships.

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

ICA has concerns about the practicality of a few of the proposals for governance and delivery arrangements. A Scotland wide PMC with responsibility of the all of Scotland's Structural Funds is likely to create significant practical difficulties given the wide geographical setting and the wide variety of issues to be addressed. It is difficult to see how such a large and unwieldy PMC would be able to effectively scrutinise and monitor the delivery of the Scottish Themed Funds. Significant safeguards would require to be put in place to ensure transparency and accountability which may only lead to increased bureaucracy. In particular, the specific needs of Highlands and Islands may divert attention away from the rest of Scotland.

The expectation that local authority funding regimes will be able to disaggregate funding for national priorities as identified in the document also gives cause for concern and would make it difficult for local authorities to effectively commit to the terms of the Strategic Delivery Partnerships.

Given that the Highlands and Islands programme will require to be accounted for separately, it would seem to make sense to continue with separate Programmes while ensuring that all Programmes are consistent with the common thematic objectives. This would ensure that the Scottish Themed Funds were able to be very effectively targeted at the specific needs of different regions rather than a more broad brush approach.

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

While the governance and delivery arrangements will not specifically affect the work of the ICA, it has been noted that there continues to be a momentum towards the centralisation of the administration of funds which makes it extremely difficult for ICA members to access effective data information as required.

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?

ICA recognise the need to learn from the findings of the current evaluations which should assist in identifying ongoing opportunities for simplification.

In addition, it is clear that the Scottish Government have recognised the effectiveness of new structures implemented in the 2007-13 Programme e.g. CPP Employability pipeline model and are encouraged to continue to support the ongoing development of partners working together at local level to develop and deliver key priorities for an area.

It may also be the case that there will be the opportunity to have slightly different governance arrangements for each of the themes which will be more feasible and practical. For example, in the case of the Social Inclusion and Local Development Fund it may be that a more effective approach would be for the SDP to work within a framework which agrees clear terms of reference for an area and identifies the specific local partners who would work together to deliver Projects based on a mutually agreed business plan.

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

It will be important for the Scottish Government to recognise the strengths of the various sectors in delivering support on youth unemployment. For example, the third sector may be particularly strong in some areas and less so in others. Therefore, an over reliance on the third sector in the Strategic Employability pipelines should be avoided. However, in many areas local authorities and third sector work extremely constructively together and it will be important to put in place governance arrangements which allow those partnerships to work effectively. A range of sectors and organisations should be appropriately used to provide a variety of employability interventions.

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

ICA are content to await the outcome of the significant evaluations taking place at the moment which will hopefully give the Scottish Government a clear steer on the appropriate compliance regime for the 2013-2020 programmes.

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

ICA are of the opinion that the Scottish Government have set a particularly challenging timescale for the implementation of the Governance and Delivery Arrangements. In particular, the Strategic Delivery Partnerships will require time to become properly established and it is suggested that this process commence without delay. This will allow appropriate time to be given in identification of investment priorities which will underpin each of the Operational Programmes.

Finally, the ICA are particularly disappointed to note the lack of any significant amount of geographical targeting in the document. As the Scottish Government itself places a great deal of emphasis on the concept of equity then it seems incongruent that the proposals for the next round of Structural Funds do not acknowledge the significant and ongoing economic and social difficulties being faced by many areas in Scotland, including former industrial communities. It is suggested that spatial targeting be introduced either in the form of discrete local geographic targeting or an increase in the type and range of interventions available for those communities in need of most intervention.

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