

## **CONSULTATION RESPONSE FORM**

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

The three themes set out in the Scottish Partnership Agreement are supported, but there needs to be considerable efforts made to apply these to the South of Scotland and other rural areas. This is because it is areas with larger populations such as cities that have the capacity in terms of nationally significant economic opportunities, university institutions with research and development units, and financial capability of public and other bodies to benefit from this funding.

It is also considered strongly that the Scottish Partnership Agreement should address support for:

- Business infrastructure including the provision and re-development of business sites and premises.
- Tourism marketing and tourism facilities including outdoor, heritage, and environmental tourism facilities.
- Town regeneration.

These types of interventions remain vital to improving the competitiveness of the economy of the South of Scotland and other rural areas within Scotland.

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

It is considered that whilst the themes are in line with current thinking on improving economic competitiveness, considerable efforts are required to ensure that they can be applied to the different parts of Scotland. This is because of the different levels of capacity of public, voluntary and business organisations particularly between urban and rural areas, and the differences in assets such as natural assets, human capital and the degree of diversity of local economic bases.

As mentioned above there is also a need in some parts of Scotland, including the South of Scotland, to have support for business infrastructure, tourism marketing and facilities, and town regeneration to improve their long term competitiveness.

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

It is considered that there should be a theme in relation to support for urban and rural economic regeneration as there is a need to improve the quality of 'places' across Scotland.

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

As mentioned above there is a major challenge to ensure that the themed Funds are made relevant to the different parts of Scotland, particularly rural Scotland.

The apparent lack of a 'challenge fund' component in future funding allocations puts rural areas at a major disadvantage because of the relative lack of match funding that can be secured. There is a considerable risk that national agencies, who are more likely to have such match funding, will concentrate their programmes and projects in larger more populated areas.

'Challenge funding' programmes have worked well for the whole of Scotland in the past, including the rural areas. Challenge funding has encouraged innovative projects, new partnerships and a better local/national dialogue. There is a risk that these benefits are lost with the current proposals.

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

These delivery arrangements represent a very significant centralisation compared to previous arrangements. The move away from challenge funding to commissioning is likely to reinforce this centralisation of approach even further. It is therefore vital that the governance arrangements and particularly the proposed Strategic Delivery Partnerships represent the whole of Scotland and reach out to the regions of Scotland.

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

There is a danger that it will be seen as very remote from individual Councils. For this reason it is considered that there should be strong regional representation in the governance and delivery of the programmes. The South of Scotland Alliance should be represented on all three theme Strategic Delivery Partnerships.

**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?**

There is a need for input to delivery arrangements from the different parts of Scotland and it is considered that this can be achieved by including representatives from the different parts of Scotland such as the South of Scotland Alliance.

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

The delivery of the youth unemployment initiative should be through Community Planning Partnerships.

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

Audit and control pressures are technical issues and should be built into the management of programmes and projects, and gain assurance from pre-existing public sector internal and external audit arrangements.

The development of the proposed programmes seems to have been overly influenced by trying to reduce audit and control pressures. This has led to a focus on commissioning, with match monies to be provided up front for projects, rather than challenge funding which predominated in the past. This is likely to mean that the Scottish Government and national agencies receive European funding for their programmes to the disadvantage of local and regional bodies. It could also significantly stifle innovation and the ability to respond to changes in the economy by not providing the opportunity to submit projects during the life of the programme.

Audit and control can operate effectively in challenge funded European programmes, as long as the audit requirements are built into the programmes from the outset, and assurances gained from pre-existing public sector internal and external audit arrangements. The success of this approach can be seen in the example of the South of Scotland Objective 2 ERDF programme 2000 - 2006.

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

There should be more opportunities for challenge funding of projects outside of the LEADER initiative. The lack of challenge funding will significantly reduce opportunities to take forward innovative development opportunities.

It understood that the EU rules allows some flexibility to areas close to the NUTS (European Statistical Region) 2 areas which will benefit from increased funding for youth unemployment, which is likely to include South Western Scotland NUTS 2 area. It is considered that the opportunity should be taken to include the Scottish Borders in this possible derogation as it is part of the South of Scotland Alliance with Dumfries and Galloway.