

CONSULTATION RESPONSE FORM

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

As a Local Authority with a remit for Economic Development, Stirling Council has a strong interest in the future of the ESI funds in Scotland. It has been a successful recipient of ESI funding through previous Programmes and would be keen to maintain its involvement.

We believe the broad themes of the Partnership Agreement appear to be addressing the major areas of challenge facing the Scottish economy. However, this will only become truly apparent when the detail of the individual Operational Programmes are fully developed showing the broad 8 – 12 activities that the Strategic Delivery Partnerships have identified.

It is important that the Partnership Agreement reflects all the relevant funding distribution options including Community Led Local Development as a key mechanism for the distribution of EU funds in Scotland for the 2014-2020 period – based on the 3 themed funds identified.

There is also a requirement to ensure that the Scottish chapter of the Partnership Agreement reflects the extremely high quality natural environment that makes Scotland stand out from other EU member states, and the business growth opportunities this presents. The challenge which needs to be met by the Structural Funds and SRDP is how to do this with efficiency and effectiveness, and how Scottish businesses can be best supported to maximise these opportunities.

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

The 3 Thematic Objectives will assist in forming an element of the funding that will be required to address the challenges facing Scotland’s economy in the short and longer term.

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

Whilst recognising that to address sustainable transport would require a significant amount of resources, the decision not to include that as one of the objectives is perhaps misguided given the rural nature of a huge part of Scotland including the hinterlands around many of the Cities. Local sustainable transport can potentially be the only form of transport available to communities. Many of these have already proved to be successful under previous programmes and it seems unfortunate not to have the ability to expand this under the new Programme.

Rather than substituting one type of funding for another, we need to explore ways to make our transport more sustainable, or coming up with new low carbon transport solutions. This is an issue that affects the more rural areas in particular due to rural routes being less attractive to commercial operators. Given that one of the proposed Scottish themed funds will be focussed on Low Carbon, it would seem paradoxical to remove sustainable transport as an objective here.

Climate change adaptation should be integrated into any environmental protection and resource efficiency considerations to ensure maximum impact for environmental sustainability. The impacts associated with a changing climate are already being felt. From more frequent and severe flooding, to changes in annual snowfall amounts and the shifting ranges of plant and animal species, these changes are affecting built, natural, and social environments and the impacts are expected to increase. Within a few decades, the climate in many parts of Europe is expected to be significantly warmer than even the warmest years of the 20th century, increasing the risk of drought, flooding, disease, wildfires, and other impacts across the continent. We have a critical opportunity to start preparing now for the impacts of climate change, whilst also collectively continuing to reduce current and future greenhouse gas emissions. If we wait for more severe climate change impacts before integrating preparedness strategies we risk being poorly equipped to manage the economic, social and ecological consequences, or of taking advantage of any potential benefits.

Building capacity within businesses and communities to maximise the potential of economic and business opportunities as they arise is much needed in Scotland. This requires learning new skills, new experiences, new horizons, greater confidence, at a business level (as opposed to at the individual level) and it is business growth that will create jobs. It is also important to acknowledge that not all skills acquired are evidenced by an SVQ to prove it.

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

They will go some way to addressing the challenges. However given the limited and reducing resources that will be available across all the relevant sectors to co-finance activities the overall impact maybe less than anticipated.

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

The arrangements will have a significant impact on the Local Authority sector it would appear that the proposed delivery has been designed for ease of administration rather than for greatest effectiveness and impact. It would also appear that there will be a requirement to bring together a number of Community Planning Partnerships into super CPPs to sit upon the Strategic Delivery Partnerships. There will be a requirement to identify how many seats on the each of the 3 SDP will be open to CPPs. The creation of these super CPPs will require negotiations between the various individual CPPs to determine who should take on the position of being the representative and how channels of communication etc will operate. This will require a significant amount of lead in time to achieve this. It is unclear exactly how this will operate with the proposed shadow Strategic Delivery Partnerships that will be created in the next few months. A similar scenario exists around the proposal for Lead Partners to provide the co-financing in the first instance this would take time for any agreement between the individual CPPs to allow co-financing to be aggregated up to the Lead Partner.

In anticipation of these required changes Stirling Council has begun having discussions with Falkirk and Clackmannanshire Councils concerning the development of super CPPs and a possible expansion of CLLD activity to include an urban Local Action Group.

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

There is the potential for these arrangements to have a positive impact since there is likely to be a less onerous audit requirement with the move towards unit costs for calculating expenditure. Welcome the requirement for it to be more outcome focused with payment for results. Concern that being a smaller Authority the level of influence at the strategic delivery level will be lost which in turn may reduce the potential for addressing identified local needs as greater influence will rest with the larger partnerships. One possible route to mitigate this would be through greater influence and drawdown through Community Led Local Development (CLLD)

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?

One possible arrangement could be an enhanced role for CLLD through LEADER Local Action Groups. Currently the Local Action Groups only draw down LEADER funds from the SRDP – but they do have experience of managing other funds too (Rural Broadband Challenge Fund and Rural Priorities Community Services and Facilities). Due to the make up of Local Action Groups where 51% are community or business members and 49% are public agency representatives, a wide and representative range of knowledge and skills sit round the table to discuss area wide issues and to appraise projects (projects are appraised according to specific criteria and contribution to the Local Development Strategy).

If the Local Action Groups were able to draw funds down from each of the Themed Scottish Funds, according to the needs and objectives of each project coming forward, then the Local Action Group (and the officers supporting it) can ensure perfect complementarity between the different Structural Funds. It should be noted however that there would be a requirement to enhance the capacity of the Local Action Groups to undertake this activity and this would need to be considered within the context of SOA outcomes, and the commitment to participate and engagement.

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

The Scottish Government have just implemented a support for Youth Employment through the CPPs which have a proven track record of delivery on activities through P5. It would seem pertinent to at least consider this as an option. Third Sector organisations would still have influence through their involvement in the CPP. Also given the management and audit requirements being sought for the other Structural Funds unsure whether third sector be in a position to meet these requirements.

A further possibility would be through Community Led Local Development (CLLD) is an effective way of finding local solutions to local issues. It isn't currently employed within the Structural Funds, but there is no reason why it can't be for the next programme of EU funding (and indeed is being encouraged by the European Commission). There is also the advantage that the organisations which have most experience of managing CLLD delivery are the same organisations that work with young people and are constantly looking for employment solutions (ie Local Authorities) and already work closely with the organisations who work with young people.

Question 8b – What other measures could be taken to reduce the audit and control pressures?

It will be essential with this new Programme (particularly with the new method of accounting for expenditure) to ensure that there are clear National Guidance Notes that detail out the relevant eligible expenditure items for its lifetime. This will reduce the need for projects to amend and alter expenditure that can be very resource intensive to undertake. Helpful that moving towards outcome based accountability. However for certain activities particularly within the ERDF revenue it is possible that it may be a longer timeframe before the outcome is actually achieved. It would clearly have implications for cash flow for an organisation. In that instance could there be some form of interim or staged payment

Question 9 – Do you have any further comments on the proposals?

The 3 thematic funds have a significant number of potential activities listed beneath them however there appears to be duplication across the 3 themes eg Access to Finance for SMEs. It is unclear therefore which stream should be used when supporting an SME. Is the Competitiveness Theme more for National Projects? 95% of SMEs in Scotland are supported through Local Initiatives therefore why allocate funds in an National Theme that are unlikely to be utilised by that sector.

The visitor economy is a major and growing sector within Scotland and we welcome the potential within aspects of the themes to undertake areas of activity. However there is a clear interdependency within food and drink on the culture and heritage elements and that indeed neither of these would flourish without the sustainable environment of Scotland's natural beauty. This doesn't appear to have been recognised within and across the 3 operational themes.

We welcome the fact that different sectors across Scotland will have an input into how the funding will be used. However there are concerns as to what level within the various organisations will be selected to sit on the SDPs. It is essential to ensure that maximum impact is achieved and that whoever is there has a significant understanding of the funding streams and the varying nuances between them. It would be extremely unfortunate if due to the understanding of those within the SDP we were unable to deliver activity (as happened within ERDF Priority 3 and 4 within the current Programme)

It is disappointing that the Shadow Strategic Delivery Partnerships have been drawn up and in some cases have met prior to the conclusion of this consultation process. Concern around how the Local Authorities have been identified to sit on the Partnerships and how given their sizes in some cases they will be in a position to respond for all the other Local Authorities and/or CPPs. It may have been more appropriate to wait until the consultation process had been concluded before entering into this exercise.

It is unclear how the administration of the Strategic Delivery Partnership Lead Partner will be undertaken given the limited and reducing resources that are available across the public sector. Are organisations going to be willing to take on the additional burden of undertaking the Management and Audit responsibilities without some financial incentive? Therefore will an element of the Programme resources be lost delivery activity to cover this cost?

Similarly as the Public Sector reduces there are concerns about the resources and capacity to carry out the administrative activities? It would appear that there may well be a requirement to create the equivalent of 3 East of Scotland European Partnership Organisations which will cost a very significant amount of money and who would cover that cost?

Whilst welcoming the proposed move towards using Unit Cost methodology for the declaration of expenditure in the next programme, there are concerns around the existing time frame together with the fact that the proposed system has not been confirmed as acceptable by Scottish Government Audit and Compliance. Therefore it doesn't seem to be at a stage where it can be presented to Europe as the means by which expenditure calculations will be made in the new Programme. There are concerns that we may either enter into a new Programme with a methodology which is deemed to be unacceptable in the future, and the implications for any expenditure that has already been incurred, or there be a delay in the implementation of the Programme causing implications for N+2 expenditure, as happened with the current 2007 – 13 Programme.

In this current Programming period the major recession hit the country and it took a very significant amount of time to make the necessary amendments to the Programme to enable any mitigating actions to be undertaken. We are concerned that by committing funds early in the new Programme there will not be any flexibility with it to address any major issues that may arise during this Programming period.

Communication from the current Programme Monitoring Committee is not always as good as it should be. Given the new structure for delivery will there be a communication channel identified and used from the outset. Similarly has consideration been given as to how Lead Partners communicate with other members of the Partnership and delivery agents around what is being required from the agents?

We welcome the consultation opportunity and the involvement stakeholders have had to date. However, when looking across at the 2 current consultations there appears to be no clear synergy between them. The rural consultation does not appear to refer to the proposed structure that is being outlined in this consultation. It is extremely important if there is an intention to have linkages across the funding streams that references are being made within the 2 consultations