

CONSULTATION RESPONSE FORM

Question 1 - The table in part 5 provides an overview of the proposals under each of the EU 2020 headings – Smart, Sustainable and Inclusive – matched against the relevant thematic objective and investment priorities. Do you think the investment priorities are the most appropriate ones for the activity suggested?

The investment priorities listed at section 5, we believe the level of work carried out over the summer months by stakeholders given the time restrictions to develop strategic projects, are generally appropriate. However, it is clear that substantial development work is still required on many of the interventions albeit some are more developed than others and appear to be extensions of project activities that currently exist.

We would expect that flexibility to be built in to these investment priorities to enable strategic projects to evolve, develop and change to reflect the economic and social needs over the programme period 2014-2020.

Issues around overlaps and potential for duplication across the three themes noted below still exist and require to be clarified with regard to EU Regulations, Operational Programmes, management, roles, demarcation etc.

- competitiveness, innovation and jobs
- environment/resource efficiency and low carbon
- social inclusion and local development

Also during the summer officer-based discussions identified a package of six measures that could be led by Local Authorities on the basis of the added value they can provide to communities and the expansion of some already well tested programmes:

- Business Accelerator (£70m EU funds requested)
- Local Business Loan Funds (£30m requested)
- Youth Employability (£24m requested)
- Low Carbon Communities (two requests of £45.7m and £7m)
- CPP Employability Skills Pipelines (£192m)
- Regeneration Capital Grant Fund (£70m)

It is our understanding that there is a notional overbid for resources, however, lack of any financial information within the consultation document makes it difficult to assess whether the allocation of resources to the three themes above represents an appropriate response to the development challenges facing Scotland as a whole.

It is disappointing to note that the second stage consultation has not provided clarification around matters of lead partners, match funding, legal responsibility etc as per our previous response at stage 1. The issue still remains around domestic funds being utilised as match to deliver national priorities at local levels and subsequently achieve the desired outcomes.

We are very supportive of the Green Infrastructure (section 13) and look forward to working with SNH on a project that has social and economic outcomes for the area and region.

We are also supportive of the strategic intervention (section 11) Poverty and Social Inclusion which is at very early stages of development. The third sector are identified as having a significant delivery role however as the intervention is around community, family and households we would hope that local councils would also have a role in developing this programme in partnership with the third sector and others.

It is welcomed that sustainable transport has been included within the new 2014-2020 programme.

Question 2 – Section 6 sets out the linkages between Structural, Rural and Fisheries Funds as well as linkages to other EU Funding Programmes. We would welcome stakeholder comments on these linkages in order to help us develop this thinking further

The Partnership Agreement (Scottish Chapter) would have been a useful appendix to the consultation document to facilitate comments on the main features of the document in terms of linkages and focus.

Further clarification is required on EU Regulations and how they may impact on the development of synergies between funds. It would seem that the rigours of EC Regulations will still cause demarcation between the use of funds and without further detail it is difficult to comment on how these might be developed. Also given the potential for duplication (as at section 1) across the three themes clear technical guidance will require to be developed to support the operational programmes.

The European Territorial Co-operation, Thematic Objectives and Investment Priorities which include employability, youth, poverty and social inclusion, transport, SMEs, low carbon etc would seem to have synergies with the strategic interventions at section 5. Detailed consideration from Scottish Government's perspective on the potential interaction between these seems to be lacking in the document.

Also lacking in detail is the potential development of Integrated Territorial Investment (ITIs), and how this may impact on the relevant regions and EU funding strategies, lead partner roles and legal responsibilities, etc e.g. SW Scotland.

It is welcomed that the priorities of EAFRD complement the priorities and objectives of the Structural funds. In particular, SME, micro and small business support, skills development, protection of forests and woodlands and start-up grants for new farmers. It is hoped that a co-ordinated approach to marine and rural funds will provide a great opportunity to maximise the local impact of these interventions however there is still the potential for duplication and overlap between the structural funds (three themes), rural and fisheries funds.

The LEADER programme whilst a bottom up approach will essentially work with a top down strategy framework resultant of the priorities, aims and objectives of the EC, Scottish Government, the ESIF and strategic priorities. Translating these into a local development strategy (LDS) that focuses on strategic economic, environmental and social objectives aimed at delivering targeted outcomes may challenge FLAGs/LAGs. Especially, when supporting smaller local projects in delivering outcomes that have a strategic fit. Further guidance from Scottish Government is required on the ways in which the Structural, Maritime and Rural funds can complement each other is required that takes account of the EC Regulations and Operational Programmes.

Through COSLA, negotiations with Scottish Government and the EC on EU Funds, there has been an emphasis on strengthening the role of Local Government, CPPs, LAGS and Business Gateway in the new 2014-2020 EU programmes. There has also been much discussion on the role of Lead Partners/Local Government, in particular with regard to Structural Funds e.g. match funding, financial management, legal responsibility, reduced reporting etc.

We understand that Scottish Government (Rural Division) may be considering other delivery models that may include e.g. a direct relationship between the LAG and the Managing Authority or other European delivery models going forward in the 2014-2020 Programme. Does Scottish Government anticipate differing models of delivery for EU funds across Scotland as an option in the new Programme? Clarity/advice on this would be welcomed in particular, with regard to the LEADER Programme and the role of Lead Partner, financial responsibility, audit etc.

We already know that structural funds/rural and maritime are operating with different timelines. Funds have already been allocated to broad activity headings regardless of the uses to which ERDF and ESF will be utilised. This could have a detrimental impact on the development of meaningful synergies between all of the funds in the way the EC intended.

We are aware that Operational Plans for EAFRD (LEADER) and EMFF are still at preparatory stages. It would be useful if there could be some commonality and alignment between these to aid the LAG/ members manage and deliver outcomes that will fit not only with the LDS but also strategic priorities in a more streamlined fashion.

Similarly as Operational Programmes are developed for the Structural Funds commonality, alignment and simplification of the rules and audit requirements would help the process of developing synergies across the various funds. The role of Auditors in this process at an early stage would also be useful to ensure anomalies in technical/desk top guidance are not present in the new programme. The role of Lead Partners, in particular under the LEADER programme, requires to be further clarified by Scottish Government (Rural Division) at early stages in the iterative process that is currently underway to develop new LDS.

We would reiterate that SRDP budget not currently earmarked could be allocated to LEADER or Business Gateway to support rural and local community regeneration e.g. diversification, village renewal, business development, knowledge transfer, small scale capital investments through collaboration with Local Government, Business Gateway and LAGs/FLAGs.

We are keen to promote partnership working and collaboration that ensures LAGs and CPPs co-ordinate and complement their strategic interventions and delivery arrangements either by using the EU provisions for CLLD or equivalent local arrangements. Strengthening partnership working and collaboration locally along with additional funds for LEADER/Business Gateway and Maritime monies should engender complementarity and focus on addressing issues like e.g. rural / coastal development, skills development, unemployment, poverty, and business support etc.

Question 3 - Do you think the new proposals will have a positive or negative impact on the protected characteristics and wider issues of inclusion and participation?

It is difficult to answer this question with any real meaning based on the information within the consultation document. At this stage it is almost impossible to answer positively or negatively.

Question 4 - If you think there will be a negative impact on the protected characteristics or inclusion and participation please provide suggestions as to what could be done differently to diminish this impact.

Scottish Government has proposed a single Scotland Partnership Agreement and Monitoring Committee (PAMC) to oversee the implementation of all of the EU funds. Appropriate membership of the PAMC with relevant skills, knowledge and experience of EU funds and equalities may assist in diminishing detrimental impact.

Strategic interventions will require to be scrutinised by the PAMC in terms of reducing inequalities relating to protected characteristics or inclusion. Further guidance from Scottish Government would be useful at early stages.

Question 5 - Please provide your views for improving the process for design, procurement, delivery, monitoring and evaluation to strengthen delivery of sustainable development.

More guidance would be useful to raise awareness of 'sustainable development' in particular what this may mean for the delivery of new EU funding programmes across Scotland at national and local levels.

Sustainable development in its wider sense encompasses economic, environmental, social (ecological), and cultural development. However, this is generally guided by policy at political level. Also financial sustainability of projects once funding comes to an end should be a consideration. Some guidance potentially could be built into the operational programmes/technical guidance similarly for monitoring and evaluation purposes.

Question 6 – Do you have any further comments on the proposals outlined in this document?

There has been some focus on reducing the audit and reporting burden across EU funds. This requires to be tempered and projects appropriateness should not be driven by an emphasis on these issues. A balance between strategic interventions and local need requires to be struck as a reduced number strategic intervention may in fact generate as many audit, compliance and reporting issues as a larger number of small projects.

Project development across geographical areas requires to be determined for the activities concerned. Whether this is under local led developments or at national, regional or local level it should be relevant to need. The text of the consultation document at some sections does not provide links between the evidence base and the proposed actions are unclear. For example, in the case of social inclusion and combating poverty, there is reference to focussing on areas of multiple and complex need but this is not followed up in the description of the actions in the relevant activity at part 5. There appears to be poor correlation between these.

The issues of Lead Partner role, legal responsibilities, match funding etc still require to be addressed by Scottish Government.

The case for an Integrated Territorial Investment (ITI) to collectively deliver EU funds in an area seems to have been accepted by Government. It would appear that the South West of Scotland area (as defined by Eurostat) comprises the Clyde Valley, Ayrshire and Dumfries and Galloway may also be eligible for an ITI to deliver social inclusion projects. We believe that discussions with partners will take place to assess if an ITI provides more added value for those areas than the Lead Partner strategic intervention model.