

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?

South Lanarkshire Council recognizes the considerable work that has been undertaken to reach this point and has welcomed the creation of the shadow Strategic Delivery Partnerships and acknowledges the partnership approach adopted by the Scottish Government to develop consensus on the key themes and investment priorities.

The Council notes that, unlike the SRDP consultation, Strategic Interventions have no notional budgets set and as a grouping are currently substantially over bid. Therefore the potential match to need, impact and the “balance” of the new programme cannot be fully judged as yet.

We believe there are some potential gaps either in the detail or within the activities listed in some of the Strategic Interventions.

Specifically we have concern around the support and linkages for SME support. The Structural Funds Programme offers support through Scottish Enterprise /Local Authorities, Visit Scotland for high growth companies and potentially through Financial Engineering although the detail of the latter is not developed within the consultation.

The SRDP consultation also identifies £20m for Small Rural Business Support offering start up grants and business development grants. It is our belief firstly that £20m within the SRDP programme is insufficient to aid the stimulation and development of SMEs in rural Scotland and that potentially insufficient support has been identified within the Structural Funds Consultation to tie in with the SRDP. The new programme requires to simplify the business support tools and standardised aid for basic SME support grants around competitiveness, environmental sustainability and use of technology support for the broad base of SMEs and not just high growth SMEs. Grant support to SMEs is key to broadening entrepreneurship and the SME base across Scotland supporting employment within urban and rural areas.

It is unclear if ‘Scotland’s 8th City – the smart city’ will be restricted to the Scottish City Alliance grouping or open to other Urban areas within Scotland. This Strategic Intervention should be open to other urban areas within Scotland to maintain EU funding towards communities with high levels of need.

The programme appears to have a low priority set on addressing urban poverty and deprivation and in stimulating the growth potential within urban areas. The Scottish Regeneration Capital Grant Fund Strategic Intervention is to be welcomed and could be matched with Scottish Government Regeneration funding to offer a significant support to disadvantaged areas.

The Employability Pipeline delivered by CPPs currently tackles key issues of poverty, training and employment. The pipelines are closely linked to local poverty and social inclusion activity by local authorities and local and national 3rd sector partners. The important factor while this is developed is to recognise that Community Planning Partnerships are undertaking significant work and support in this area and any new development needs to link and not duplicate with local services or provision. Furthermore activity requires to be

targeted at the communities and people most in need and understand the existing networks and structures that currently address this.

The inclusion of green infrastructure as a Strategic Intervention is interesting if linked to targeting communities most in need. It may strengthen some of the other Interventions such as the Skills Pipeline, Poverty and the Scottish Regeneration Capital Grant Fund. However converting good environmental projects into EU measurable outcomes may be difficult. Funds for environmental land management and tree planting also exist within SRDP so the role and differentiation requires to be established.

A considerable amount of work remains to be done to present these interventions to meet the EU Commission's requirements particularly how they will deliver ambitious outcomes. Given the timescales the delivery of an approved Operational Programme by Summer 2014 will be challenging.

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

As stated above we have concern over the linkages between Rural and Urban SME support and the level of funding in both.

The green infrastructure Strategic Intervention may deliver useful projects but appears to overlap SRDP type funding a real problem within the 07 – 13 programme existed were projects that were eligible for both SRDP and Structural funds ended by being accepted by neither because the other could fund the project.

LEADER funding offers an excellent and beneficial method of offering small scale local support to small communities, 3rd sector organisations and small businesses around Environmental, Social, inclusion and Economic support especially where CPPs are connected to the LAGs strong partnerships can be developed that bring together activity. To improve the efficiency of the delivery of EU funds within local areas LAGs and other deliverers of EU activity CPPs, 3rd sector, SE SDS, Forestry Commission etc. must share knowledge and activity at a better level than previous programmes.

The reference to the proposed single portal for EU funds on page 25 (paragraph 18) is welcome and we hope that the Scottish Government will actively support the development and long term implementation of this concept.

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?

The information set out gives little reason to believe there will be a positive or negative impact on the protected characteristics. Previous Structural Funds have strongly supported activity to support the protected activity with projects targeting minority groups and little can be seen of the imbalance of gender in specific jobs within the current document. Opportunity

exists for clear guidance in certain Strategic Activities such as Developing Scotland's Workforce, Business Competitiveness, Poverty and the Enhanced Employability pipeline to prioritise people, projects or businesses that address these groups.

It would be useful if the Equality Impact Assessment referred to on page 26 was published online.

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.

As noted above projects within Strategic Activities can set priorities for target groups. For example addressing gender imbalances within the care sector or ICT could be prioritised within the Developing Scotland's Workforce or the Enhanced Employability pipeline. This needs to strike a balance between a "tick box" exercise on the one hand and imposing unrealistic requirements on the other.

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

As with Protected Characteristics, the Environmental Sustainability aspect of EU funding has been mainstreamed although this has reduced innovation or targeting around these horizontal themes and as recognised in the consultation have had a lower profile in the 2007 – 2013 programme. Improving procurement networks and the knowledge and skills of SMEs to access public sector procurement is one key element of business support activity.

Producing hard data to evidence generally good environmental practice is extremely difficult. Climate Challenge Fund has a wealth of data around modal change and energy efficiency however a lot still contains best estimates of CO2 reduction. The easiest CO2 reduction projects to evidence are conventional energy efficiency projects within public buildings or housing stock.

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

Because of a lack of detail it is difficult to comment on much of its content.

Although not specifically detailed within the consultation document, the direction of the Partnership Agreement away from local and geographic targeting raises cause for concern. This could create a movement to prioritise areas of opportunity over areas of need which would not necessarily influence EU funds being best used to change the structural problems within the Scottish economy.

The movement towards larger delivery structures and programmes has been a key aspect of the development of the new programme and this should result in some efficiencies. However this rationale will not work for all aspects of the programme. Currently large scale employability pipeline programmes are managed by CPP areas focusing delivery on local need and controlling finance and claims locally.

The suggestion made at several briefings that CPPs must operate regionally is of great concern. This seems to have arisen from a view that that the complexity of the employability pipelines and claims process can be simplified by regionalisation of the delivery management structure. This seems to be a misunderstanding of where efficiencies in delivery can be made. The EU's guidance and drive for simplification through procurement, unit costs and direct and indirect costs offers CPPs and the Scottish Government opportunities for audit simplification which should be pursued. CPPs employability structures should be allowed to join together where it is agreed locally that there are natural synergies or efficiencies to be gained. Forcing regionalisation of the structures and claims process at this time risks disruption to skills and employability services that could have a potentially negative effect on services their administration and ultimately beneficiaries. Delivery structures around employability at a CPP level can be incredibly complex and aggregating these at a regional level will increase this further without necessarily creating any benefits or savings in administration and audit. It may also diminish opportunity for flexibility in local service design and innovation that responds to local needs.

The Council also notes the absence of any information regarding how the additional EU Youth Employment Initiative (YEI) monies will be deployed in the South West Scotland *NUTS 2 region*. This is despite the eligibility of the region for such support having been confirmed as long ago as May 2013. Given that YEI will be front loaded in the early stages of the Programme, the need for dialogue with stakeholders in the region is urgent.