

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?

Broadly speaking, the proposals are appropriate to the needs of Scotland – and the Highlands & Islands. UHI would be able to make a contribution to the aims of the Strategic Initiatives.

However, there must be the flexibility to tailor them:

- a) To suit regional requirements
- b) As the programmes evolve and economic circumstances change, either positively or negatively

The commitment to Smart Specialisation is welcomed – but again must have flexibility to allow tailoring to regional specificities. The focus and support must include new/existing businesses with potential for future growth, not just those which are already in successful areas, given the different economic circumstances and lower numbers in the Highlands & Islands.

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

Proposals for greater linkages are welcomed – UHI has the potential to support these (eg R&D&I and skills provision in fisheries and agriculture) and would be keen to promote greater alignment.

However, there must be clarity at the start about how these linkages would work, with good communications across the Managing Authority, Lead Partners in each of the funds and Delivery Agents. There needs to be some form of facilitation of this process, with signposting to opportunities and guidance on compliance, etc.

UHI has had some positive experience in this area through the current SDB arrangements, which fostered excellent alignment between ERDF and ESF activities and into other EU Funding Programmes, e.g. INTERREG Northern Periphery and IVc. Research capacity building in the SDB also led to the award of a major FP7 Regions of Potential grant and has provided a platform for engagement in the new Horizon 2020 Programme.

From this positive experience, we would encourage use of linkages and the new tools available to promote them, such as Joint Action Plans. This might help to address the issue of one of UHI's Academic Partners (Perth College) being located outwith the Highlands & Islands programming area.

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?

As per Question 1 – there is potential to have positive impact, but it is imperative that we have the ability to tailor them to suit regional specificities, thus ensuring full inclusion and participation, extending to remote, rural and coastal communities.

Different regions and sectors will have different target groups and priorities. If there is insufficient flexibility in the proposals the impact will be limited, particularly in the more sparsely populated areas, where options are restricted.

For example, in education and training in the Highlands & Islands, there remain issues around IT infrastructure and wider access, which limit full inclusion and participation.

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.

- Ensure regional flexibility and involvement of Delivery Agents early on in the process to maximise positive regional impact, taking account of regional disparities.
- Given the designation of the Highlands & Islands as a Transition region on the basis of regional disparities – lower GDP – ensure the proposals are delivered in ways that will reduce these disparities, addressing regional and institutional capacity limitations.
- Build on the tradition of partnership working in previous structural funds programmes, so that agencies are able to work together to address common targets, eg support for micro businesses in rural areas, having FE/HE skills provision working alongside Business Gateway, including support for new business formation.
- Take account of external factors – eg public access to services and restricted broadband coverage in the Highlands & Islands will limit skills provision, business development and competitiveness as well as social inclusion; delivery of the Strategic Initiatives must take such factors into consideration.
- The TA Project ‘Lessons Learned in the Highlands & Islands 2007-13 Convergence Programmes’ provides a useful analysis of challenges from previous programmes and how these may be addressed in the new ones.

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

Again, some useful pointers are provided in the TA Project referred to above, particularly the option for an Integrated Territorial Investment (ITI).

UHI has been involved in 3 projects in the current ESF programme piloting the use of unit cost methodologies. On the basis of delivery to date and audit reports, this approach has many advantages and contributes greatly in terms of simplification. However, it also holds many potential challenges and it will be imperative that Delivery Agents are fully aware of the detail of this new process and their differing responsibilities before taking it on.

The output-driven approach will allow Delivery Agents to focus on ultimate impact (and longer-term sustainable development) rather than process issues. However, there must be clarity from the start on roles and responsibilities, emphasising the difference compared to previous models. In particular, Delivery Agents must be aware of their audit and compliance responsibilities - although different in the new structure, they do not disappear altogether!

UHI's experience as an SDB, which included ERDF and ESF investment from the current programmes, was mostly positive and serves as a useful platform for the direction and process outlined in this consultation. Internal and external evaluation of this experience provide useful details, however regarding longer term sustainability, the SDB undoubtedly facilitated a more stream-lined, strategic approach, focussing on key regional priorities and exit strategies, so that collectively it comprised more than a collection of projects with limited long-term impact.

UHI welcomes the further development of this approach, but notes that it needs to take account of previous structural funds priorities and delivery and not work in isolation.

The new approach should also alleviate previous difficulties in aligning match funding, which is welcomed.

Continuation of the Monitoring & Evaluation Group would provide an overview on such issues, identifying where support and guidance is required.

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

For the Highlands & Islands, it is essential that the concept of the Integrated Territorial Investment (ITI) is developed to ensure a structured and holistic overview of the activities being delivered in the region. This will address many of the concerns raised above and lead to maximum impact, as well as addressing requirements as a Transition region.

UHI will play a full part in the ITI, building on the success and experience of the SDB in the 2007-13 programmes, and looks forward to working with partners across Scotland to deliver successful programmes for 2014-20.