

CONSULTATION RESPONSE FORM

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

The Scottish Chapter of the Partnership agreement should highlight that across Scotland there are many variations at the local level and therefore flexibility is necessary to ensure that local solutions are not excluded from the Operational Programme. While attainment of national outcomes is the aim, it is necessary to ensure that a bottom up approach to structural funds is not completely prevented. Further consideration should also be given to the role of local authorities within the Management, decision making and delivery of the Structural funds, as the role appears somewhat undefined at present.

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

There are 11 thematic objectives which appear broad enough to support almost any challenge, whether short term or long term. When it comes to providing specific detail within the operational programmes it is important to note the key roles which both local authorities and the third sector have played in successfully delivering structural funds in the past. If the Operational Programmes fail to take into account local variations then there is a real risk that the funds will struggle to have a local impact, which is necessary to support implementation of national objectives. It is worrying that such a large emphasis already appears to be shown towards a centralised use of the funds which will not allow local conditions to be fully taken account of. The main point here is that there must be a degree of flexibility and not to restrict the funds to much that they serve too limited a purpose.

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

Across the three themed funds there are a large number of areas of activities identified which cover the 11 thematic objectives. In some cases, such as business support, there is a concern that a lack of demarcation within each theme might lead to duplication of action across different funds.

Energy efficiency does not appear to be as strongly supported as may have been expected given that it features quite prominently within the EU 2020 strategy. We would hope that the detailed Operational Programmes will provide a clear role of support towards actions supporting energy efficiency.

The other area which appears to be missing is Transport. Although it may be covered within some of the objectives relating to low carbon, and renewable investments, strengthened inclusion within the Operational Programmes would be welcomed if transport activities are to be eligible.

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

As a local authority our main focus is local challenges and opportunities and these are supportive of Scotland’s key challenges as identified within SOA’s. The menu of supported areas is broad enough to suggest scope for impact in a number of areas, and if delivered locally they will support implementation of Scotland’s key challenges.

The key to ensuring delivery of relevant challenges will be the make up of the SDP. Ensuring the Local Authorities have a fair sufficient representation on the SDP will be important to ensure that local impact is made. Failure to ensure adequate representation on the SDP could well be detrimental to both local authorities and also to third sector organisations as there will not be as strong a local dimension on the focus of the funds. The introduction of a top down approach makes it very difficult to deliver bottom up solutions, and therefore the role of local authorities becomes less clear.

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

The Strategic Delivery Partnership is likely to control the use and awarding of the funds to a large extent. It is unlikely that 32 Local Authorities will be present on a Delivery Partnership, therefore the formation of these need to be carefully put together, otherwise there is a large risk that they may be excluded from having a meaningful input to influence the areas which the funds are used to support. If the representation of 32 individual local authorities is seen as being too parochial, then consideration might instead be given to regional representation through existing bodies, such as the East of Scotland European Consortium. Alternatively it may be the case that Scottish Cities Alliance is seen as being able to adequately represent the views of urban areas, with a similar body able to represent the views of rural areas.

Given the role of the SDPs we want Scottish Government to ensure that the representatives on the SDPs are not simple hand picked and are in fact selected through a process which is transparent and can allow for regional representation as well as some of the national bodies that are expected.

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

The development of three “Scottish Funds” will mean that delivery will have to be focused on the achievement of Scottish Objectives. While this is understandable, it further suggests a centralisation of the use of Structural Funds. This fits well with the strategic national delivery bodies, but for local authorities it presents a big challenge to demonstrate the local impact whilst delivering national objectives. The word “Strategic” continues to be emphasised in relation to structural funds, and therefore it can be anticipated that partnership working between local authorities and others sectors will be necessary to ensure that projects are seen as strategic and not only supporting local priorities. Looking at smaller third sector partners, it is very hard to see where they fit in with this proposed structure. It is unlikely that they will be able to act as a delivery agent due directly to the scale of projects likely to be commissioned by the SDPs. Therefore it is likely that they will become a kind of sub-partner to a local authority or a larger third sector agent. This is the result of a top-down approach which will favour those organisations which are not reliant upon grants to co-finance their services. While support for SMEs is being welcomed, it seems that the very fund for this is squeezing out the third sector organisations which can provide the specific support to the SMEs in favour of seeing large scale bodies provide directly, or commission other providers to undertake those services.

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?

The role of the delivery partnership and of lead partners is not yet clear and must be fully defined so that all stakeholders are aware of their potential to participate in the delivery partnerships and similarly to act as lead partner.

When it comes to audit and verification it is important to be clear from the outset about the role here of lead partners and of the delivery partnership. The delivery partnership is unlikely to have a legal basis and therefore it is assumed that the risk would lie with a lead partner, which in turn means that the delivery partnership is able to commission projects without fear of any liability should there be failings in the verification or monitoring of the project. The role of lead partner does not appear to be one which would appeal given the high level of risk, and the additional administrative burden upon the lead partner in projects with larger partnerships.

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

Themes one and three both appear to offer wage subsidies/recruitment initiatives. It would make sense for individual CPPs to participate in theme three using the structures which already exist from the current period, and are supported through ESF priority 5 at present. The very nature of the CPPs means that they can tailor their support towards the local needs and ensure that the funding has a strong and positive local impact.

This approach is likely to differ from that of national organisations which also play a role in providing such support. However, they should be encouraged to forge closer links to the existing CPPs to ensure that there is no duplication of effort. This would also reduce the risk on them as the local authority would act as lead partner on behalf of the CPP and any third sector partners.

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

The existing audit burden in the 2007-13 Programme is already too high for many bodies and is a deterrent for them to participate in projects supported by Structural Funds. The proposed measures and structure mean that in future, lead partners will take on the responsibility for ensuring that projects are compliant with the requirements. Not only does this pose a large financial risk to the lead partner, but it will also come with a high resource demands and it will require staff time to pull together, check and present all of the information necessary. On the positive side, the number of compliance and verification checks to be undertaken by Scottish Government is likely to be reduced considerably, although this will be little consolation to lead partners.

A move to unit costs could help to reduce this burden, but the extent to which these can be introduced is unclear, and therefore it is unknown at present whether we are in favour of this.

The move to “Themed Funds” means that funding from a number of programmes is available within each theme. The Strategic Delivery Partnership (SDP) will be commissioning projects, presumably following approval from the Partnership Agreement Monitoring Committee (PAMC). The structure of the SDP and the PAMC is not yet clear; therefore it is essential that representatives on these bodies have full knowledge of all the various regulations to ensure that a technical eligibility check is still provided.

In the current programme there are advisory groups on each priority area of ERDF and ESF. These groups are there to scrutinise projects at application stage and to determine whether they fit the criteria and requirements of the priority and the wider programme. In the proposed structure this step appears to be removed, and therefore it is hard to see where this scrutiny will come from. If it is to come from the SDP then there may be challenges to the transparency of this as a decision making process as some of the lead partners of delivery agents are likely to be on the SDP. If this role is to be undertaken by the PAMC then there will be a very narrow pool of experts to choose from who have sufficient knowledge of all the programmes included.

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

The proposals indicated that match funding will be requested to be “delegated” to the SDP. The SDP are responsible for the commissioning of projects, and there is a real risk that an organisation may give match funding to the SDP but then not have any projects commissioned. From the point of view of a local authority this would be unacceptable. Further consideration needs to be given about the match funding arrangements, for example ring fencing match funding from local authorities so that it is only used to commission projects within the local authority area.

Further clarification is also sought on how the PAMC and the SDP will be made up. While we don't expect all 32 Local Authorities to sit around the SDP table, we hope that at least regional representation will be agreed.