

CONSULTATION RESPONSE FORM

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

Moving On endorses the following view held by our local authority in their Consultation response:

“Shetland Islands Council (SIC) proposes that the Scottish chapter of the UK Partnership Agreement makes specific reference to the Highlands & Islands’ designation as a Transition region and includes details on delivery and reporting mechanisms for Transition funding. The agreed position of SIC and the Highlands & Islands European Partnership Board is that there should be a separate programme for the region reflecting its Transition status. Separate programmes have worked well in the past and it is suggested there is no reason not to continue with this model for future fund delivery.

It is noted that there is a lack of reference to islands and Article 174 within Commission Partnership Agreement proposals, despite a political agreement by COROPER [Committee of Permanent Representatives to the EU] in December 2012. SIC would propose that the Scottish Partnership Agreement has an islands dimension and recognises the differing demographic challenges of Scotland and the specific needs of areas with geographic handicaps.”

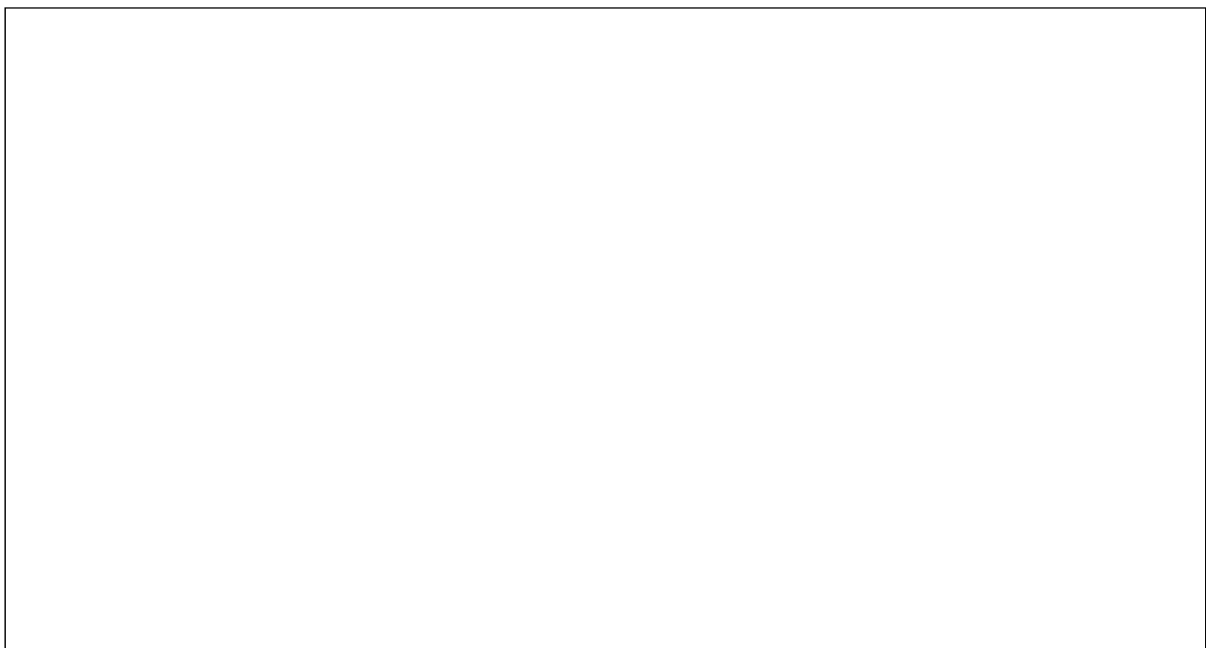
Question 2 – Do you think these thematic objectives will best address Scotland’s short-term and long-term challenges?

Moving On endorses the following view held by our local authority in their Consultation response:

“SIC endorses the broad thematic objectives proposed for Scotland. The ability to meet Scotland’s short and long-term challenges and opportunities will, to a great extent, depend on the priorities identified within these themes and appropriate delivery mechanisms. SIC proposes that there needs to be adequate flexibility to reflect sub-regional priorities and challenges.

In light of the H&I’s Transition status, the Partnership Agreement should recognise both the development needs and opportunities of the H&I’s region to ensure that delivery models are appropriate and that Transition funding is seen to make a difference. It is suggested this can be best achieved via a separate programme for the region.”

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



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

Moving On endorses the following view held by our local authority in their Consultation response:

“SIC would tend to disagree with the statement at paragraph 12 of the consultation document that the H&I’s and Scotland share the same development challenges and opportunities. In terms of insularity, 20% of the H&I’s population is located on 90 islands unlike the rest of Scotland; population density is 11 per km² compared with 128 per km² for the rest of Scotland; and all of Scotland’s vulnerable land management areas are in the H&I’s. These features highlight that different approaches will be required to address not only the key challenges but also the opportunities of the diverse geographical areas within Scotland and presumably justify the designation of H&I’s as a Transition region.”

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

Moving On endorses the following view held by our local authority in their Consultation response:

“Further detail and consultation is also required on delivery and governance mechanisms for H&I’s Transition funding. The proposals as presented do not indicate a separate H&I’s programme nor identify delivery or governance mechanisms. H&I’s elected representatives and stakeholders strongly support a programme for the region, separate from the rest of Scotland, in light of its status as a UK Transition region.

It is noted there is proposed to be a single Partnership Agreement Monitoring Committee for Scotland. This causes SIC concern as to the governance and delivery of H&I’s Transition funding which may be conducted without sufficient input from regional and sub-regional stakeholders.”

Moving On considers that further information and stakeholder consultation is required on the role and obligations of the Delivery Partners and Delivery Agents, and the relationships between the two. Clarity is also required on the level of legal and financial responsibility of Delivery Partners and Delivery Agents for delegated monies. Moving On advises the Scottish Government to work closely with SCVO in designing commissioning structures and systems which are fair, transparent, simple for small organisations to follow, allow for sharing of risk and put the needs of beneficiaries first.

Moving On has recent experience of providing employability services in Shetland using funding from both ESF and LEADER programmes. The LEADER type funding arrangements in our experience has been a better/more suitable framework for the delivery and financing of community based projects. The LEADER decision making process is simplified and closer to the community it serves. The local LEADER group live and work in their local area and are better able to know the needs of their community and what projects work best in their community. This enables them able to better monitor project performance and delivery of project outcomes as they can see firsthand the benefit of the services provided. Moving On would welcome the introduction of Community Led Local Development vehicles in managing Structural Funds for Social Inclusion and Local Development.

In view of the centralised delivery mechanisms proposed, Moving On is concerned that there will be a lack of opportunity for smaller organisations, such as those in the Third Sector, to engage with funding opportunities in new programmes. The Third Sector has a well established track record in the delivery of ESF projects in the Highlands and Islands and accounted for 22% in value of approved projects during the 2007-2013 programmes. Third Sector organisations are a key part of our communities, so are well placed to work with hard to reach groups who are further from the labour market and at increasing risk of social exclusion. The Scottish Government need to be mindful that a move to a unit cost methodology will demand significant up-front effort and expenditure from Delivery Agents putting pressure on their cash flow/business models. This may deter many smaller organisations from taking part in the 2014-2020 programmes due to the high level of financial risk inherent in such payment by results type systems. This could leave many potential beneficiaries particularly in remote and rural parts of the Highlands and Islands, where Third Sector organisations are the only service providers, without access to employability services thus adding an additional barrier to them attaining employment.

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

The proposed adoption of a payment by results type system by the Scottish Government for its 2014-2020 Structural Funds programmes is cause for concern for an organisation such as Moving On which delivers employability services to vulnerable people and hard to reach groups using a person centred approach. The work undertaken by Moving On in supporting hard to reach groups into sustained employment is labour intensive and time consuming. With recent welfare reform this process is now more complex. Funding models need to reflect the time required to support beneficiaries within hard to reach groups to overcome their long standing multiple barriers to employment. Failure to resource these services properly could result in sub optimal outcomes with individuals who are easier to help progressing into employment at the expense of those who are harder to reach/help. Funding models also need to recognise the additional costs of providing services in remote, rural and island locations where transport and geography present additional barriers to employment and additional costs to those organisations providing services. Funding models also need to recognise that in remote, rural and island locations unit costs will tend to be higher due to a lower number of participants and a higher level of fixed operating costs.

It is not clear whether SDPs will determine the type of services to be provided by Delivery Agents and what level of discretion and flexibility there will be at local level in designing projects/services. Moving On recommends that funding models need to be flexible enough to take account of innovative delivery solutions which are necessary in remote, rural and island locations.

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?

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

Moving On endorses the following view held by our local authority in their Consultation response:

“Many agencies support the youth employment agenda, and it would be very effective to have some flexibility to tailor delivery options to meet local needs. Too often each agency is tied in to a specific scheme and then the evaluation of outcomes vary depending on the particular agency’s perspective and who they report to.

One scheme won’t fit all, and so it is reasonable to have provision tailored to the employability pipeline, where some people need extensive support and others very little to make the next step into employment.

Consideration needs to be given to additional barriers to youth employment in rural areas. Key among these is limited availability of jobs in rural communities and importance of transport links to enable young people to access employment opportunities. Access to training opportunities is crucial and this is dependent on availability of local learning opportunities and supported online learning opportunities. Successful youth employment initiatives in rural/island areas will require partnership working by a web a of local agencies.”

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

Moving On's has over 4 years experience of successfully delivering ESF projects and has had experience of several random audit visits.

Moving On has found differing interpretations of ESF national rules across the Managing Authorities offices. Comprehensive guidance covering eligibility criteria and audit requirements must be available at the start of programmes so that all parties understand their obligations and responsibilities in delivering funding. Guidance must be applied consistently. Delivery Partners and Delivery Agents need to understand their obligations to the European Commission and the Managing Authority.

While accepting that funds must be properly accounted for, audit requirements should be proportionate to the scale of the funds involved and the type of organisation. Based on our experience, Moving On can offer the following suggestions with regard to audit and control requirements:

During any type of audit, materiality should be considered, so that huge amounts of time and effort are not spent reviewing items of a few pounds or pence. Audit staff should be able to apply the use of materiality techniques in judging whether defrayed expenditure is fairly stated as opposed to 100% correct. In addition, where a project is for a few thousand pounds, it seems absurd to undertake a full audit visit, which could take several days, unless there are very real issues and concerns about the delivery of the project. From our experience of standard audit visits, financial matters have had greater prominence than the projects performance and outcomes. Audit programmes need to be more risk based and focused on project performance and outcomes issues rather than concentrating a large percentage of audit effort/resources on detailed financial transactions many of which are very low in value and carry minimal risk to the European Commission and the Managing Authority. This shift in Audit emphasis should help drive up project performance standards within programmes and lead to better outcomes for beneficiaries and reduce audit and control costs.

Audits should not go over previous ground as this represents a significant cost for no additional gain. It is important that staff within an organisation being audited recognise a benefit to it, and that they are not left feeling like they are providing the same information over and over again.

Where detailed explanations of items or issues have been provided to monitoring staff, every effort should be taken to update future staff carrying out an audit to ensure that the same ground is not covered again and again with the organisation.

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

The Third Sector is in the unique position of being able to add value to delivery of projects. This added value comes through use of volunteers and support of the local community to assist and support voluntary organisations to meet their project aims. For example Moving On has a database of over 350 local employers who proactively approach the project with supportive work opportunities for participants. In our experience those individuals who are 'hard to reach' and furthest from the job market engage more readily with voluntary sector organisations because they are seen as more approachable and caring. Offering an individualised, person centred holistic approach can obtain longer lasting and better outcomes for participants than the 'one size fits all' offered by larger programmes. The Third sector can also take a more flexible and innovative approach to developing and delivering employability services that are right for their local area. By utilising their knowledge and experience European Structural Funds can be used to their full potential.