CONSULTATION RESPONSE FORM

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

Focusing activity and decision-making on projects around these three themes should lead to increased demarcation between the four EU programmes (ERDF, ESF, EAFRD, and EMFF) and improve programme synergies, though a lot will depend on yet to be defined details of how this might work in practice. However, we would recommend that sufficient flexibility is built into the Partnership Agreement to be able to review these priorities if need be to address currently unforeseen opportunities or challenges.

It would also be useful if the Partnership Agreement could explain the relationship it intends to have with other EU funds and programmes particularly Territorial Cooperation programmes and the Research and Innovation Programme Horizon 2020.

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

Yes, we support the choice of these thematic objectives.

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

Sustainable Transport should be added as an eligible priority particularly in relation to inter-city or regional scale projects. Such a priority should be limited to delivering activity which the transnational funds cannot fund. We would see a role for ERDF and/or EAFRD under the Low Carbon theme.

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

We appreciate the difficulty to bring together four different EU funds with different rules and regulations in a coherent way, even with the existence of a common provisions regulation and common strategic framework. The identified themes are therefore a helpful and

constructive way of bringing together the main priorities of these different funds. It is even more important to avoid confusion around terminology and we would prefer the terminology of 'Scottish Strategic Themes'.

As the themes are currently presented they would address Scotland's key economic, social and environmental challenges. The broad listing of activity is useful to allow flexibility if we have to face unforeseen challenges or opportunities.

We would also like to point out that the selection or de-selection of activities by the Shadow Strategic Delivery Partnerships ought to go out to wider consultation, as a step before the Operational Programme consultation, as a way to test their appropriateness with wider networks and communities of interest. We also believe that there should be an on-going mechanism to feedback Shadow SDP work to wider stakeholder networks. Shadow SDPs should provide evidence and rationale on why an activity is included or excluded during their discussions assess his against impact on delivery.

Care needs to be taken to ensure that activities within the themes are properly demarcated as there are a few areas of duplication. Equally, care needs to be taken with the use of terminology so expectations are not unduly raised regarding what is actually going to be fundable.

More specific comments on the identified activities under each theme are:

Business Competitiveness, Innovation and Jobs

Whilst future skills development is well placed within this theme, wage subsides should be a feature of local development theme only. Having this in two different priorities, defeats the purpose of trying to ensure that national and local providers are entirely in-tune with one another. This would happen more effectively if it was within the one theme.

It makes sense to place business growth pipeline support activity under this theme. However, it would be important to clarify the definitions of business development support vis-à-vis business support start-up/entrepreneurship support within the third theme.

Low carbon, resource efficiency and the environment

The terminology used emphasises renewable energy. We think it would more useful to use the wider terminology of environmental, renewables and clean technologies as it will offer greater scope in relation to resource energy efficiency, but bringing added by applying some of these technologies to Scottish key economic sectors such as food and drink. The addition of sustainable transport as an activity could enhance that dimension.

Some of the terminology would need clarification such as 'Low Carbon rural and urban community development plans' or 'Eco-innovation'.

Local development and social inclusion

Wage subsidies should be focused within this priority.

It would be beneficial to ensure that the outcomes of the Scottish Rural Development Programme re. small business grants dovetails with the proposed Business support start-up/entrepreneurship support within that theme, possibly via LEADER.

The membership of SDP seems to indicate that Scottish Cities Alliance strategic programme would be delivered under this theme. It may be more appropriate under the 'Low Carbon' theme taking into account the type of possible activities supported by SCA.

We would welcome clarity around what "marketing support" would entail.

In terms of Local Action Groups for fisheries and rural communities, cognisance needs to be given within the governance and delivery arrangements for wider activities, that they need autonomy to choose their own priorities and themes. Care is needed not to restrict their menu or options too much and coordinate the work of this SDP with plans to draft LEADER business plans and strategies.

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

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

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?

Local government is likely to find it hard to respond to the governance and delivery models proposed as it cannot act as a single unit, unlike the national agencies and government directorates who are also identified as Lead Partners. Whilst we welcome that local government has been identified to act as an equal partner with other stakeholder groups on the three strategic delivery partnerships, we think it would be difficult for local government to fulfil some of the SDP responsibilities as they are currently worded.

Our preference is that there is recognition of the fact that the sector cannot identify match-funding as a block and expect more of a coordinating role from local government representatives taking part in the Strategic Delivery Partnerships and could be the catalyst to identify budget on a case-by-case project/opertaion basis. When key projects have been identified and agreed, the Project Lead Partner could take the legal responsibility through a series of agreement with project partners and Delivery Agents. There is therefore timing and phasing issues which need to be recognised. The Shadow SDP could act as the forum to facilitate the emergence of projects and when identified and agreed, the membership of SDP could be align and include the projects' Lead Partners. Trying to do both at the same time had led to confusion and frustration. Initial representation on shadow SDP could be facilitated by using regional consortia such as ESEC in consultation with Cosla.

The best project (or operation) partnerships tend to be bottom-up and take considerable time to bed in to become effective. However, that said, partnerships often need a catalyst to form, and a tweaked version of the governance and delivery proposals could offer that opportunity.

Our Council have been collaborating on a couple of regional ERDF projects involving other sectors (Rural Tourism Business Support and Rural Renewables Supply-Chain Support) and is part of the Scottish Cities Alliance. Given the time it takes to develop partnerships, we believe we should be looking at the evolution of current existing partnerships where possible.

We think it is premature to define a strict number of operations and that should come through the facilitation phase that we hope SDP would undertake.

Clarification should also be provided in relation to the role of Delivery Agents and how they would be selected. In that context, It is unclear how this the 'LEADER' model of delivering funds will fit into a relatively top-down management and delivery structure unless LAGs are seen as Delivery Agents/Operations with Scottish Government Rural Communities team as Lead Partner but with the autonomy to manage their own budget and oversee actual delivery to community-led projects (as per LEADER regulations).

This approach could also be replicated for CPP-led strategic skills pipeline projects, with a lead organisation such as a Local Authority acting as the Delivery Agent on behalf of its associated CPP. The CPP itself would then be given control or autonomy of how to spend its allocation of funds, provided that these meet with the fund rules. However, this could potentially require Scottish Government Communities Directorate to act 'Lead Partner' on the SDP if no willing Local Authority is found.

In terms of transparency and accountability, there are some risks with the approach proposed which need to be addressed to avoid conflict of interest and confusion due to lack of communication or breakdown in communication.

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

Given the large volume of funds the West of Scotland is anticipating to address youth unemployment though the YEI, it would be preferable to us if that meant they were restricted to that pot of ESF for youth unemployment and that they were not able to access mainstream ESF for that particular area.

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

One of the biggest barriers to implement the proposed model will be audit and compliance as it seems to force one organisation to take responsibilities and therefore risks for other organisations. From an audit point of view, such model could only work based on specific projects where roles and responsibilities could be clearly stated and therefore risks managed more easily. In that context, the opportunity to move away from output to outcome-based monitoring, facilitated through the use of lump sums, flat rate costs and unit costs.
In light of difficulties in the LEADER Programme it is important to ensure EU audit regulations are applied without more prescriptive requirements in Scottish context which inevitably leads to additional audit scrutiny. Involving auditors at the outset should improve this in the next programme period and ensure alignment of the EU regulations, partnership agreement and operational plans and any technical guidance issued.