

Appendix 1 - Proposed response to Scottish Government Structural Funds Consultation

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

No, the Partnership Agreement is suitably comprehensive.

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

There is some confusion over the thematic objectives and the funds' strategic objectives. Paragraph 10 identifies four thematic objectives proposed across the ESI Funds:

- Increasing investment in R&D&I
- Climate change adaptation
- Sustainable transport
- Capacity building

However, the rationale for selecting these four themes is unclear from the preceding text – e.g. there is no link made to capacity building (though presumably this translates into the social inclusion fund).

Paragraph 5 is also confusing as it ambiguously refers to the European Commission's 11 thematic objectives applying to all the European Structural Investments, whereas we understand the above 4 of the 11 themes have been identified as priorities for Scotland.

Nevertheless, the three Scottish Theme Funds do appear to be comprehensive in scope. The proposals for promoting a low carbon economy will need to be further developed in detail, as this is an area which has been less fully addressed through structural funds than the other thematic objectives.

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

No

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

Yes, in that the listed actions appear comprehensive from the economic development perspective. Clearly, Structural and Investment Funds cannot, and should not seek, to address all the challenges which Scotland faces. However the eligibility rules that apply to the specific EU programmes may constrain what is possible in practice. This is particularly the case with European Agricultural Fund for Rural Development (EAFRD). Based on current experience with Rural Priorities and LEADER it is difficult to envisage how these instruments will be fully integrated into the three Scottish Themed Funds in the way envisaged.

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

It is particularly welcome that there is recognition of the potential lead roles of local authorities and community planning partnerships (CPP). Local Authorities understand the needs of their territories and can provide strategic coordination of all projects in their area - e.g. West Lothian's proposed SOA and Economic Growth Plan maps out the key challenges and opportunities for growth in the area's economy and the labour market.

Local Authorities can provide both local strategic leadership within CPPs and deliver specific services/project activity - across all three of the themed funds.

It is unclear from the consultation as to how the strategic delivery partnerships would operate in practice and, indeed, at what geographic level. Local Authority partnerships for employability, skills and regeneration are usually organised at local authority level, tailored to meet the needs of local communities within local authority areas. In West Lothian, the

current LEADER programme and the Skills Pipeline ESF and ERDF packages have been managed in an integrated way under the aegis of the West Economic Partnership Forum. It would make sense for Social Inclusion and Local Development Fund to be managed through CPPs across Scotland - i.e. as Strategic Delivery Partnerships.

The Competitiveness and Innovation and Jobs fund could see groupings of Local Authorities operating as Strategic Delivery Partnerships. The Business Gateway Plus packages currently being finalised under the current LUPS ERDF programme, demonstrate that this collaborative approach can work.

The council welcomes the move to unit costs and contracting. It is important, however, to ensure that key local delivery partners who have access to match funding (including LAs) can continue to operate as Delivery Agents. Simplified cost arrangement need to be devised that can be applied to both contracted and partner based delivery arrangements.

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

As outlines in the answer to Question 5, the role of the council could be both to lead and co-ordinate within one or more Strategic Delivery Partnership and operate as a Delivery Agent across a number of operational and project areas. These include:

- an opportunity to make integrated use of ERDF and ESF Funds to promote business innovation and growth linked to the creation of jobs and employment for those marginalised in the labour market;
- scope to build on successful CPP Skills Pipeline programme which has been targeted predominantly on opportunities for young people; and
- potential to integrate environmental sustainability and low carbon economic opportunities.

The council recognises that there might be a greater role in commissioning provision, but the council would seek to retain the scope for direct delivery of key interventions.

The opportunity to free up more resources to focus on project and service delivery away from onerous time-consuming bureaucracy is welcomed.

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?

It is hoped that the proposed strategic delivery partnerships will not impose additional administrative burdens through complicated multi-partner structures.

The more match funding that can be marshalled at source by Scottish Government the better – to streamline and simplify access to the funds.

Ensure road-testing of any successor management information system (post EUROSYS) on both experienced and new applicants and project managers.

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

Youth employment is likely to continue to be a top priority for Scotland and West Lothian and, as outlined in the consultation document, the competitiveness and Social Inclusion/Local Development Funds appear to have the scope to support practical actions to address this issue. As noted in the responses to Question 5 and Question 6, West Lothian Council has been at the forefront of developing practical project solutions through the Skills Pipeline model and by investing in Employment Recruitment Premiums for young people.

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

Provision of clear, concise and consistent guidance. Consider means of reducing the scale of supporting documentation resulting from integrated guidance across all the funds.

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

No.