

21 December 2006



FAO Emeric Heydel
European Structural Funds Division
1F Meridian Court
5 Cadogan Street
Glasgow
G2 6AT

Corporate Services

Director: Bob Jack

Stirling Council

Viewforth

Stirling

FK8 2ET

LP No. 2 - Stirling2

Tel. 01786 443351

Fax. 01786 443474

E-mail macleodf@stirling.gov.uk

Dear Mr Heydel

**Lowland and Uplands Scotland Operational Programme 2007 – 2013 –
Consultation Response**

Please find enclosed the Respondent Information Sheet together with Stirling Council's responses to the 16 Questions that form the Consultation on the Operational Programme for the delivery of European Structural Funds for 2007 – 2013. This will be considered by our Management Team on 9th January 2007 and in the event of any changes, I will write to you again early in the New Year.

We welcome this opportunity to highlight the concerns and issues that we have with the proposed Programme. Given these issues and the timescale required for implementation we do wonder how realistic the proposed advisory group meeting towards the end of March 2007 is for the "Shadow Round" of funding and wonder if this meeting should be brought forward.

If you require any further information or clarification please do not hesitate to contact me

Yours sincerely

A handwritten signature in black ink that reads "Fiona MacLeod".

Fiona MacLeod
Head of Strategy and Governance

Encs

FUTURE EUROPEAN STRUCTURAL FUNDS PROGRAMMES IN LOWLANDS & UPLANDS SCOTLAND 2007-2013

RESPONDENT INFORMATION FORM

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name:

Postal Address:

1. Are you responding: (please tick one box)
- (a) as an **individual** go to Q2a/b and then Q4
- (b) **on behalf of** a group/organisation go to Q3 and then Q4 - Yes

Individuals

- 2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?
- Yes (go to 2b below)
- No, not at all We will treat your response as confidential

- 2b. **Where confidentiality is not requested**, we will make your response available to the public on the following basis (**please tick one of the following boxes**)
- Yes, make my response, name and address all available
- Yes, make my response available, but not my name or address
- Yes, make my response and name available, but not my address

On behalf of groups or organisations:

- 3 The name and address of your organisation **will be** made available to the public (in the Scottish Executive library and/or on the Scottish Executive website).
- Are you also content for your **response** to be made available?
- Yes
- No We will treat your response as confidential

Sharing responses/future engagement

- 4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?
- Yes
- No

FUTURE EUROPEAN STRUCTURAL FUNDS PROGRAMMES IN LOWLANDS & UPLANDS SCOTLAND 2007-2013 - SUMMARY OF CONSULTATION QUESTIONS

Question 1: Are there any additional socio-economic factors to be considered – and which Structural Funds can address – in assessing the strengths, weaknesses and opportunities of Lowlands & Uplands Scotland?

There are wide ranging socio economic factors included in the Operational Programme however utilising the top 15% of SIMD does mean that areas that experience severe deprivation and difficulty are missed because they are masked by other more affluent areas perhaps better to take this slightly wider. Not all individuals live in areas that suffer from multiple deprivation and this Programme should be about support individuals who face multiple issues and should not be dependent on their postcode

Hugh don't know whether you have anything else that you could possible want to add here. Paul came back with nothing more to add

Question 2: Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands & Uplands Scotland address the strengths, weaknesses and opportunities of the region?

- Priorities do appear in part to address the strengths and weaknesses of Lowland and Upland Scotland
- Priority 1 – Enterprise Development – does appear to be very much focussed towards the activities that are supported by the Enterprise Companies and organisations that have a significant R & D element. Concern about the support for indigenous SMEs who continue to need support for growth and development and are significant employers within our area. Recognition does not appear to have been given to the divergent economy that Scotland has and its dependence and need to develop the Service Sector which in large parts of the Country is the major employer.
- Priority 2 – Community Regeneration – As previously identified focussing in on such a finite level of deprivation does exclude significant other areas that face difficult issues and without sufficient support face the possibility of regression.
- Priority 3 – Rural Development – Welcome the activities that are eligible within the Priority and Measures. However feel it is important to recognise that within the rural area communities and individuals can be affected by the same levels of deprivation and are just as likely as urban areas to require regeneration support.
- Research shows that infrastructure development is key to economic growth in the rural area. With the restriction on the level of permitted grant against infrastructure unclear exactly what the overall impact of this funding will be.

Question 3: Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?

- Priority 1-Concern about the level of proposed funding through this Priority almost half of the possible pot. It is essential that what is regarded as R & D and innovation is given its broadest interpretation. This will enable a far greater “take up” of funding. Also concern around reality of Scottish Enterprise being in a position to allocate and spend the allocation against R & D because the area of need is in infrastructure and the amount identified against infrastructure is very limited.
- Priority 2 – Community Regeneration – As previously identified only using the SMID indicators masks other significant issues. Also using spatial targeting alone it will be difficult to manage projects across small postcode areas come down to street level. Even developing strategic partnership across different areas and sectors would not assist in addressing this issue.
- Priority 3 – Rural Development – Welcome the activities that are eligible within the Priority and Measures. However feel it is important to recognise that within the rural area communities and individuals can be affected by the same levels of deprivation and are just as likely as urban areas to require regeneration support.
- Unclear how significant settlements that may act as hubs within rural areas will fit within the rural priority and if they are to then be included in the Urban Priority 2 they will obviously be at a disadvantage against the other major cities.
- Research shows that infrastructure development is key to economic growth in the rural area. With the restriction on the level of permitted grant against infrastructure unclear exactly what the overall impact of this funding will be.

Question 4: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands & Uplands Scotland address the strengths, weaknesses and opportunities of the region?

Yes

Question 5: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?

- Priority 1 – Concerns about equity of access to this level of funding given it being tied to Priority 2 ERDF and lack of clarity and transparency around disbursement system.
- Also whilst some Development Partnerships do exist. Perhaps many areas may not have partnerships able to readily access funding
- If proposal to only have limited funding calls then many areas and organisations will not be able to access funds because of that position
- Priority 2 – Don't have any particular issues with this priority. Would agree with the principle of focussing support at up-skilling low and medium skilled workers to increase the number of higher added value job opportunities in any sector.
- Priority 3 – This priority should not duplicate any activities that can be funded through the Priority 1 and 2 ESF. It should be focussed on identifying and disseminating best practice type thereby improving the effectiveness of projects delivered under Priorities 1 and 2. Also improving the lifelong infrastructure.

Question 6: What are your views on the proposed balance of funding between priorities for the future ERDF programme in Lowlands & Uplands Scotland?

Priority One appears to have a very high percentage – concern around the amount that may be co-financed towards Scottish Enterprise particularly given the narrow focus of the activity. Therefore feel that this should be reduced and the balance should be redirected at urban and rural level.

Priority Three – Concern around the level of funding that appears to have been identified to go to the South of Scotland area. Will obviously have an impact funding support for other areas.

Question 7: What are your views on the proposed balance of funding between priorities for the future ESF programme in Lowlands & Uplands Scotland?

On the whole would suggest that the balance is about correct. However given the issues around the allocation of money for lifelong learning in the 2000 – 2006 Programme it may be more relevant to reduce that percentage by 7% to 15% and enhance the level going through Priority One to 50% -

Question 8: Do the proposed priorities outlined in the draft Operational Programmes focus sufficiently on the right priorities in Scottish domestic policy?

The Operational Programme has identified a wide range of Policies and Strategies that it intends to be its focus and would confirm that they address sufficiently Scottish Domestic Policy.

Question 9: What are your views on how the principle of environmental sustainability has been integrated into the Operational Programmes?

Despite the welcome references to various sustainable development documents and extracts from the Scottish Sustainable Development Strategy, it is disappointing that the operational programmes then revert to discussion of 'Environmental sustainability'. The crux of sustainable development is the integration of environmental, social and economic concerns to ensure an overall balance so that no strand dominates to the detriment of the others. To separate out 'environmental sustainability' implies this is an area which can be dealt with separately, almost as an afterthought for consideration after business as usual. Such an approach entirely misses the point of sustainable development. The recent Stern Review concluded the business as usual approach was no longer an appropriate way forward and that integrated sustainable development is the only way to ensure that the global environment, on which we all depend, can be maintained at a stable enough state to support all our communities. Only then will there be suitable conditions for sustaining a stable economy over the long-term.

Question 10: What are your views on how the principle of equal opportunities has been integrated into the Operational Programmes?

- In principle Equal Opportunities have been integrated within the Operational Programme however would have to say that it still focussed heavily on the issue of gender equality as with previous Programmes. Feel that lessons can be learnt from the guidance around race and disability that have been placed on public services recent years.
- Also given the fact that a significant number of the vulnerable groups who would be the focus of diversity and equal opportunities are supported by the voluntary sector their ability to access funding is being severely curtailed by the delivery proposals outlined in this Programme. Particularly accessing Priority One ESF – Supporting into Employment.

Question 11: What are your views on how the Operational Programmes will ensure complementarity between Structural Funds and other EU funding streams?

- In general need to build on the initial attempts at complementarity that were undertaken with the current Programmes ie close discussions between the different funding stream administrators to ensure that there is no duplication across the funds since funding is limited.
- In particular - ERDF Priority 3 – Issue particularly around how this complements and integrates with the other rural funding available through SERAD and in particular LEADER which will be delivered through Rural Development. Given the limited amounts of money likely to be available it is imperative that there are clear lines about which each funding stream will support to avoid duplication.
- Also there is a requirement to ensure that the eligibility boundaries between LEADER and Priority 3 are co-terminus.

Question 12: How can the challenge-fund approach be improved to make it more effective in delivering outcomes and more efficient in operation?

On the whole would say that partners have a very positive view of challenge funding and given the limited amount that will actually be available through this delivery method I would suggest that the systems put in place with the current Programmes have made things more efficient and the in Programme monitoring and support have helped to make things more effective.

Excellent relationships and a depth of knowledge and experience have been built up through the various advisory groups across the Programmes and it is imperative that this is not lost and this could be a reality if significant changes are made to the delivery of Challenge funding.

There are a significant lessons that the non-challenge must take on board from previous challenge fund programmes particularly Objective 3 ESF to ensure that they as effective and efficient at delivering outcomes

Question 13: What would be the most effective approach to using Community Planning Partnerships and other local partnerships for the delivery of elements of the programmes?

- Local Community Planning Partnerships have engaged with a variety of local organisations and are best placed to assess need and identify with communities the best way of meeting that need. That said not all Community Planning Partnerships are at the same level of maturity

across Scotland. Community Planning Partnerships could provide detailed local knowledge to influence where money is best spent. Alternately partnerships could be invited to bid for grant on a geographically or thematic basis.

- If this element of Programme is to be piloted then it is essential that there is as wide a range of pilots as possible to ensure that effective delivery of the Programme across geographical and thematic groups.
- If there are to be pilots there should be a formal invitation issued through Community Planning Channels to undertake this activity.

Question 14: What are your views on spatial targeting for community regeneration under ERDF Priority 2 and ESF Priority 1?

- It does appear to make sense that there are linkages between the 2 priorities however as previously outlined concerns around solely spatial targeting as many vulnerable beneficiaries live out with designated 15% and it is essential that funding support is beneficiary focussed.
- However concern that significant numbers of vulnerable individuals as highlighted by the Operational Programme will not be supported because they are out with 15% SIMD areas and the organisations who support them are unable to access the essential additional funding
- Also as previously outlined unclear how given the tight designation for SIMD areas the implementation will take place in other areas apart from those in Glasgow and Edinburgh.

Question 15: What are your views on spatial targeting for rural development under ERDF Priority 3?

- Spatial targeting in sparsely populated rural areas will not necessarily highlight the needs of vulnerable individuals. It is essential that funding support is beneficiary focussed around beneficiary need.
- Previous experience has shown that locally based projects are very effective at sustainable rural economic development and it is essential that this is supported within the Operational Plan.

Question 16: Do you have any additional comments on the draft Structural Funds Operational Programmes for Lowlands & Uplands Scotland?

Need clarification as to how the proposed "Shadow" Funding round for ESF Priority One fits with the Prolongation Process currently being undertaken by Objective 3. If an organisation has secured prolongation funding clarification is needed on whether or not they will be eligible to bid for funding for the remaining period of 2007 through the shadow round.