

# SCOTTISH EUROPEAN STRUCTURAL FUNDS FORUM



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## MINUTE OF MEETING HELD IN ROOM G05/06, MERIDIAN COURT, GLASGOW

MONDAY 3 NOVEMBER 2003

### Present:

Lewis Macdonald MSP	Chair, Deputy Minister for Enterprise and Lifelong Learning
Graeme Dickson	Head of Enterprise & Industrial Affairs Group, Scottish Executive
Diane McLafferty	Head of European Structural Funds Division, Scottish Executive
David Patel	Head of Analytical Services Division, Finance & Central Services Department, Scottish Executive
Sam Baker (secretariat)	European Structural Funds, Scottish Executive
Jim Millard	European Structural Funds, Scottish Executive
Nigel Lindsay	European Structural Funds, Scottish Executive
Phil Raines	European Structural Funds, Scottish Executive
Gordon Currie	European Structural Funds, Scottish Executive
Billy Renfrew	European Structural Funds, Scottish Executive
Ray Ebbers	Regional Selective Assistance, Scottish Executive
Jim Hunter	Chair, Highlands and Islands Enterprise
Clr David Parker	Leader, Scottish Borders Council
Clr Alison Magee	Leader, Highland Council
Clr Linda Gow	Deputy Leader, Falkirk Council
Frank Pignatelli	Learndirect Scotland
Sir Ken Collins	Chair, SEPA
Veronica Macdonald	Scottish Trades Union Congress
Martin Sime	Director, Scottish Council for Voluntary Organisations
Alan Wilson	Chief Executive, Scottish Council for Development and Industry
Liz Connolly	Chief Executive, Scottish Enterprise Lanarkshire
Paul Ballantyne	Scottish Urban Regeneration Forum

### In Attendance:

Muriel Mackenzie	Equal Opportunities adviser
Calum Macleod	Sustainable Development adviser

### Observers:

David Simpson	Assistant Clerk, European & External Relations Committee of the Scottish Parliament
Silke Isbrand	CoSLA
Kevin Buchanan	Office of Bill Miller MEP

### Apologies:

Richard Lochhead MSP	Convener, European & External Relations Committee of the Scottish Parliament
Irene Oldfather MSP	Deputy Convener, European & External Relations Committee of the Scottish Parliament
Cllr Malcolm Green	Glasgow City Council
David Martin MEP	Member and Vice President of the European Parliament
Bill Miller MEP	Member of the European Parliament
Cllr Drew Ratter	Conference of Peripheral and Maritime Regions
Cllr Pat Watters	CoSLA President
Esther Robertson	Scottish Further Education Funding Council
Lord Sewel	Vice Chancellor, Aberdeen University
Campbell Christie	Chair, Scotland Europa
Rowena Arshad	Equal Opportunities Commission

## **Welcome**

1. The Deputy Minister for Enterprise and Lifelong Learning welcomed everyone to the meeting and invited members to introduce themselves.

## **Minutes of 30 June meeting and matters arising**

2. The Forum approved the minutes of the last meeting and Mr Macdonald asked for updates on matters arising. In relation to the Business Process Review, Diane McLafferty reported that final claim forms would be installed on 7 November to complete the online systems. Procedures for all Funds and Programmes had been streamlined and feedback had been positive. Guidance for applicants had also been revised to improve clarity and consistency.

## **Financial Performance of the 2000-06 Scottish European Structural Fund Programmes**

3. The Minister introduced paper 1, which provided an update on how close Scottish Programmes were to meeting their 2003 N+2 targets. He noted the joint effort that the Executive, the PMEs and partners had put into meeting the targets.

4. Gordon Currie circulated an updated summary of the N+2 position to the end of October 2003. He informed members that Highlands and Islands ESF and the South of Scotland Objective 2 Programme had already achieved their 2003 N+2 targets. The Objective 3 PME had passed sufficient claims to the Scottish Executive to meet its N+2 target and these claims would be processed by the end of November. He anticipated that the targets would also be met in the Highlands and Islands for ERDF, EAGGF and FIG.

5. However, although it was hoped that the targets would be met, there was still a risk that ERDF spend in the East and Western Scotland Objective 2 Programmes would fall short of the targets. The URBAN II Community Initiative could fall about £200,000 short of the N+2 target, although this would be dependent on the outcome of discussions with the European Commission. Diane McLafferty explained that the Commission was unwilling to admit contributions to a key fund as declared expenditure. The UK and other Member States were making representations to the Commission on this issue.

6. Martin Sime asked for further details regarding how the Scottish Coinvestment Fund had worked. Diane McLafferty explained that work on establishing the Fund had been

successful and might be used as a model for a future Regeneration Fund. This issue was under discussion with the Commission's DG REGIO.

7. Cllr Parker highlighted the excellent spending record of the South of Scotland Programme and hoped that Performance Reserve funding would be awarded to the Programme.

8. Cllr Magee asked about retrospection and whether its use would be extended. Diane McLafferty assured the group that rigorous eligibility criteria had been applied and explained that retrospection was designed to attract applications that were eligible but had not applied for Structural Funds in earlier rounds. It was not anticipated that it would be needed in future.

9. The Minister concluded by asking Forum members to note the paper and reminding them that it would be important to look ahead to the 2004 and subsequent N+2 targets.

### **Mid-term evaluations – update and presentation on the horizontal themes**

10. Billy Renfrew introduced paper 2 by explaining that the mid-term evaluations were the main opportunity during the Programming period to consider and make changes to the aims and implementation of the Structural Funds Programmes. He said that the evaluations found that the Programmes were broadly relevant in the current socio-economic climate and noted that key recommendations included the simplification of processes and that further work was needed on identifying projects which would be successful in the long term. The Programme Monitoring Committees were considering a number of proposals for virement between priorities and these would need to be agreed with the Commission.

11. Muriel Mackenzie and Calum Macleod gave a presentation on mainstreaming the horizontal themes in the Structural Funds, with Muriel Mackenzie giving an overview of their roles as advisers on equal opportunities and sustainable development respectively. She explained how mainstreaming had been approached in Scotland and then Calum Macleod talked about the emerging findings of the mid-term evaluations, which showed that partners were generally supportive of mainstreaming, although some were unsure of the direct relevance to their own projects. It was clear that the profile of equal opportunities and sustainable development within applicant organisations had been raised as a result of mainstreaming and there had been discernable cultural change. As next steps, the advisers would work with PMEs and partnerships to implement the recommendations of the evaluations.

12. The Minister asked the Structural Funds Programme Team Leaders to outline briefly particular conclusions coming from the evaluations of their individual Programmes. Nigel Lindsay explained that the Objective 2 Programme evaluations raised two main sets of issues. The first was that the Advisory Groups should now move from concentrating on appraisal of projects to a wider role, including the evaluation of projects and what they contributed to the wider economy. The second set of points related to virement. Pressure had been noted on Priority 2 in all Objective 2 Programmes. Various virement proposals had been made, which tended to suggest transfer of resources from Priorities 1 and 3 into Priority 2.

13. Jim Millard told members that the evaluation of the Highlands and Islands Special Transitional Programme recommended greater concentration on priorities and consideration

of higher levels of assistance to support key activities, such as ICT and renewable energy, even though project applications had been slow to come forward in these areas.

14. Phil Raines told the group that the Executive was in discussion with the Commission regarding the outcomes of the Objective 3 Programme evaluation. The evaluation recommended a degree of virement of funds, especially to the social inclusion priority, due to underspend in some priorities. The Business Process Review had already addressed many of the evaluation recommendations relating to the bureaucratic nature of procedures, but further scope for simplifying processes was being considered.

15. In discussion the following points were raised:

- Work should be carried out to measure the effectiveness of mainstreaming. Indicators offered some evidence on the tangible impacts of mainstreaming the horizontal themes, but cultural change was difficult to measure.
- Some current projects are specifically focused on capacity building in the areas of sustainable development and equal opportunities.
- Many organisations which had not traditionally applied for Structural Funds were becoming involved as a result of mainstreaming.
- The horizontal themes advisers would do further work to identify suitable case studies. These could be disseminated via Forum members along with guidance documents, such as the Equal Opportunities mainstreaming toolkit, which was currently being updated.

16. The Minister thanked Calum Macleod and Muriel Mackenzie for their input and told members that the Executive would report back to the Forum next year on the changes made to Programmes as a result of the mid-term evaluations.

### **Annual Summary Document**

17. The Minister reminded members that Annual Implementation Reports (AIRs) were submitted to the Commission on 30 June and paper 3, the Annual Summary Document 2002, brought out the key points from the AIRs and other activities carried out in 2002.

18. Martin Sime felt that the section on the EQUAL Community Initiative was quite short and highlighted SCVO involvement in the important work taking place under EQUAL. It was agreed that, as EQUAL was an initiative co-ordinated at GB-level, good practice would be publicised in UK documents. Members were asked to note the Annual Summary Document.

### **European Commission's 3<sup>rd</sup> Report on Economic and Social Cohesion**

19. David Patel introduced himself and paper 4 by informing members that the Scottish Executive proposed to set up a small analytical working group after the 3<sup>rd</sup> Cohesion Report was published. The Group, which he would chair, would consider the implications of the Report for Scotland.

20. Cllr Magee suggested that local government and the Highlands and Islands would be keen to be involved in the working group. The Minister told members that, although the group would not be set up until after the Cohesion Report was published so it was clear what analytical skills would be needed, members would be welcome to send details of relevant analytical experts to Mr Patel in advance for his consideration.

21. Regarding the UK proposals for the future of EU regional policy, the Minister told members that the details of the proposed EU Framework still needed to be 'fleshed out'. He also informed the Forum that the First Minister had represented the UK alongside DTI Minister Jacqui Smith at an informal Ministerial meeting on cohesion policy in Rome.

**Date of Next Meeting**

22. The Minister thanked members for their input and suggested that the Forum should meet again in the spring. A date would be proposed by e-mail.

**SCOTTISH EXECUTIVE  
European Structural Funds Division  
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