

Consultation: Future European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013

Angus Council welcomes this opportunity to provide comments on the draft operational programmes for European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013.

We have addressed the questions but would make the following additional comments on two key issues which we hope can also be considered:

Key Issues:

- Urban and rural split across priorities
- Urban and rural definitions

One of the main concerns for Angus Council is the urban-rural split identified in the programmes. This does not reflect the reality of the Scottish geography or indeed current policy. While the Commission's desire for an urban focus in the Structural fund programmes is recognised, as it currently stands, small towns which are key to rural areas and have pockets of deprivation, will be excluded from both priority 2 and 3 ERDF. In practice Angus is regarded as neither rural nor urban. This means Angus is at risk of being marginalised from EU, UK and Scottish govt economic policy as well as the City Regions being promoted by Scottish Enterprise. We would argue that tightly defined definitions of rural or urban are a barrier to producing coherent areas for delivery and that local partnerships are better placed to identify areas of need. Projects should not be geographically targeted, restricted by tightly defined boundaries, but rather should meet the programme criteria and focus on the benefit to areas of most need.

In particular, the difficulty in defining rurality causes serious concern. With Dundee and Angus being in the same NUTS 3 area this would seem to suggest that Angus is less rural than it is and masks issues of rurality such as the ageing population, low wage rate etc.

These issues will be dealt with in more detail throughout the consultation response.

Response to the questions from the Operational Programme

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?

In general the socio-economic factors reflect the key priority issues for Angus ie:

- ◆ Population decline predicted
- ◆ Increase in population above working age
- ◆ Significant increase in foreign nationals living and working in Angus
- ◆ Significant levels of out migration amongst 16 – 34 year olds despite high levels of educational attainment

- ◆ Stubborn pockets of high long term and 50+ unemployment
- ◆ Lower rates of pay than the Scottish average
- ◆ Lack of activity in emerging sectors and above average levels of activity in traditional industries eg manufacturing and engineering

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?

Key Issues

- Concern at over geographical targeting.
 - Our main concern is the strong urban focus across priorities 1 and 2 and the need to define rural area in priority 3. The issues identified are not urban or rural specific and as such these priorities should be available to all areas.

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

Priority 1 – Enterprise Growth

Key Issues:

- Over- emphasis on Research and Technological Development
- Should be retained as thematic and not introduce geographical targeting
- Enterprise growth should be linked to sustainability

- The focus of this priority on Research and Technological Development
- is towards urban areas where there is research capacity. There is an over-emphasis on Research and Technological Development and we suggest that greater emphasis be given to enterprise development in a wider context with particular emphasis on sustainability and the new business opportunities that will emerge. The focus on small business development in Priority 3- Rural Development should be retained.
 - We would stress that this priority should be thematic and not geographically targeted, focusing on renewables, tourism and food and drink in particular.

Priority 2 – Community Regeneration

See question 14

Priority 3 – Rural Development

Key Issues:

- Too strong a South of Scotland focus

- Need to ensure complementarity with Scottish Rural Development Programme both in terms of eligible activities and eligible areas
 - Clearer guidance required on the difference in eligible activities for enterprise development between priority 1 and 3 ERDF
 - Clearer guidance required on the difference in eligible activities in this priority and priority 3 ESF
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- We are concerned at the focus on the South of Scotland within this Priority. Most examples given focus on the South of Scotland.
 - The Priority gives some very specific examples of eligible activity rather than providing general scope for eligible activity.
 - The wording of this Priority requires attention, for example, replace key rural industries with key rural businesses or enterprises.
 - At this stage it is difficult to comment fully on this proposed priority when the definition of rural and the scope for activity under the Scottish Rural Development Programme is still unclear. It is important that these programmes and the definitions of rural areas are coordinated to ensure complementarity and not duplication
 - This priority gives no explicit reference to the possible funding of capacity-building support to assist communities to develop and initiate successful projects.
 - We welcome however the inclusion of enterprise development but would request clearer guidance on the difference in scope of eligible activity between priority 1 and 3. Angus has lower levels of start up businesses than the national average. Most of the employment in Angus is attributable to small enterprises (i.e. those that employ less than 10 employees), and therefore it is likely that whilst a degree of entrepreneurship exists in Angus, the economic climate is supportive to smaller scale operations, and this may well explain the high incidence of self-employment. Although high levels of self-employment are sometimes used as an indicator for levels of entrepreneurship we would exercise caution in making assumptions of this sort.
 - In terms of support for the development of key shared rural services we welcome the inclusion of scope to 'improve the higher and further educational resources of rural areas', as a specific aim of the Draft Rural Angus Strategy is provision of outreach ICT and on-line learning. We would however seek clearer guidance on the difference between what is proposed here and in Priority 3 ESF.

Many HE and FE institutions have received substantial ERDF from the current Objective 2 ERDF programmes and we would not wish to see funding being awarded for continuation projects. Likewise there has been substantial investment in learning centres already and we would need to ensure additionality and sustainability

- We would also welcome greater emphasis on the need to improve telecommunications networks as highlighted in the Regulations. The Scottish Parliament is committed to promoting social justice and equality of opportunity for everyone in Scotland. One of the milestones to achieve the target of 'reducing inequalities between communities' addresses the issue of digital inclusion, being aimed at 'accelerating the number of households in disadvantaged areas with access to the Internet'.

There is a significant potential role for ICT in promoting local democracy, assisting teleworking, providing access to financial services, providing vulnerable and isolated people with access to communication and support networks, and involving those vulnerable to exclusion in the creative process of developing their own ICT content such as web sites and ensure a digital divide does not form between rural and urban areas.

The data transmission service was the first telecoms service not obliged to abide by the terms of the Universal Telephone Service, which ensures non-discriminatory pricing regardless of location for telephone service, hence disadvantaging rural areas. The remoteness and lower population of rural areas make the implementation of ICT infrastructure more difficult and proportionately more costly compared to urban areas. This has meant that telecoms companies have concentrated initial broadband investment activities on urban projects. Broadband provision in Angus was slow to take off, with several exchanges not being upgraded until 2004. All BT exchanges in Angus are now Asymmetric Digital Subscriber Line (ADSL) enabled, however, this does not mean that there is equality of provision. Some exchanges are only capable of providing broadband at a speed of 512Kbps. In addition to this, there are some locations where Broadband is not available due to the length of the phone line between the workstation and the exchange. On 31 March 2006, most of the exchanges UK wide were updated to be compatible with ADSL MAX. This automatically upgrades the user's package to the fastest speed possible for the address. There are only 180 exchanges in the UK which are not currently scheduled for upgrade. Three are located in Angus, namely Clova, Fern and Menmuir.

The Scottish Household Survey revealed that three in 10 (31%) of households in the most deprived SIMD quintile have home internet access compared with two-thirds (67%) of households in the least deprived SIMD quintile. Just over a quarter (28%) of adults in Scotland have broadband internet access with this being more common in urban areas. Three in 10 (30%) of adults in urban areas had broadband access compared with 15% in remote rural areas.

Angus contains 20 of the 500 most deprived datazones in Scotland, in terms of Geographic Access and Telecommunications domain rankings, according to the results of the Scottish Index of Multiple Deprivation (2004). In terms of the overall SIMD ranking, it contains none. This represents a significant inequality in

provision, and illustrates the disadvantage faced by people and businesses in the more rural areas of Angus.

- We would also encourage a broader remit for “key shared rural services” to include support for community facilities which are the focus for economic and rural community sustainability.

Under the key activities of the priority we would welcome support for activities including:

- ◆ Support for emerging businesses in renewable energy production
- ◆ Provision of technology infrastructure and services
- ◆ development of key sectors such as food and drink
- ◆ small business start up and growth including social enterprises
- ◆ support for tourism and heritage initiatives including emerging markets eg active sports and green tourism
- ◆ lifelong learning
- ◆ capacity building
- ◆ protection and enhancement of the natural, built and historic environment and biodiversity

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?

Key Issues

- Concern at over geographical targeting.
- Need for ESF to respond to current and forthcoming challenges eg migrant workers and an ageing population
- Our main concern is the strong urban focus across priorities 1 and 2 and the need to define rural area in priority 3. The issues identified are not urban or rural specific and as such these priorities should be available to all areas.
- It is key that ESF responds to the integration of migrant workers and to an ageing population, two of the biggest challenges in the forthcoming years.

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

Priority 1 – Progressing into Employment

Key issues:

- Concern that this is limited to urban areas only
- An element of challenge funding should be available to all areas

➤ Need to ensure funding is not duplicating existing provision

- We are concerned that this priority has been developed as an urban issue and linked to Priority 2 ERDF. Unemployment is not solely an urban issue. As it stands Angus, which is not classified as urban, would not be able to access funding for the target groups of Priority 1. This is outwith the scope of priorities 2 or 3. There should be an element of challenge funding available in this priority for rural areas in particular.

There is a greater proportion of people in Angus than the rest of Scotland who are economically inactive, but would like to work. There has been a decline in the number of recipients of Income Support in Angus and Scotland, although the rate of decline in Angus has been slower. The percentage of working age people in receipt of incapacity benefit has risen in both Angus and Scotland, however the rise in Angus is noticeable steeper than the national average. While levels of unemployment in Angus are below the Scottish average, there are pockets of high long-term unemployment, and high unemployment among the over 50s.

- We have concerns that there is potential duplication with other domestic funding also available to assist the identified target groups eg young people and the Big Lottery Fund. Greater alignment with existing Scottish executive funding is also required. With reduced European funding available it is important that there is no duplication and that projects are truly additional.
- There is a need to ensure this priority does not overly focus on target groups but rather on the barriers that people face.

Priority 2 – Progressing Through Employment

Key issues:

- Flexibility to respond to local needs and in particular redundancy
- Essential this remains a non geographical targeted priority

- We welcome the inclusion of migrant workers, and part time workers within the target groups but would extend this to include seasonal workers.
- The proposed target groups and eligible activities would support key activities we would seek to undertake to support those in need of support.

Angus displays the highest relative increase in migrants since 2002/03 of all Scottish local authorities, recording levels of three times the Scottish average, and four times that of the GB increase. During the summer of 2005 there were up to 4,500 migrants working in the former Tayside region area, hired

to fill specific skill requirements, with 22% of that number based in Angus. This is only set to increase with Bulgaria and Rumania joining the EU.

Nearly half of vacancies notified in Angus are in the fields of distribution, hotels and restaurants or manufacturing, sectors noted for their higher rates of part time, flexible, contract or seasonal work, and lower rates of pay. Average earnings in Angus are consistently below the Scottish average. In Angus, the average full time weekly wage for a worker employed in food and drink manufacturing and processing is 10% lower than the Scottish average and in the tourism sector the average weekly wage rate is some 36% lower and one out of every two jobs is part time. Also labour turnover in the sector is double that of other sectors, standing at 44% compared to a Scottish average of 21%.

Levels of part time working for females in Angus are 5% higher than the Scottish average.

Angus still lags behind the Scottish average of those educated to degree level. The fact that 18.8% of the Angus working age population are educated to this level, but only 7% of employees in Angus hold degrees (compared to a Scottish average of 13%) means that many of the more highly educated people from Angus have to seek work elsewhere. The high proportion of entry level jobs in Angus acts as a constraint to retention of qualified labour and has been a key component in attracting high levels of migrant workers.

- We would question the wording of "older workers who need to update their skills and *return to the workforce*" as this implies they are not in employment and this seems a better fit with priority 1. If this is to remain in priority 2 it could read "*...and be retained in the workforce*".
- We would urge flexibility to deal with employees facing redundancy or redeployment. Under the previous ESF programmes, the administration of the programme and annual deadlines meant it was difficult to react to redundancy, as this normally cannot be planned in advance.

Priority 3: Access to Lifelong Learning

Key issues:

- Justification for separate Lifelong Learning Priority is unclear
- If it is to be retained, clearer guidance is required on difference between this and priority 3 ERDF
- Concern about the exclusion of rural areas to ESF.
- We are concerned that a separate Priority for Lifelong Learning has been suggested. Lifelong learning is, as is stated in the consultation document, a cross cutting priority of domestic policy and as such should be a cross cutting

theme of the Structural Fund ESF programmes. We therefore suggest that this Priority be subsumed into the two other priorities.

Under the Scottish Objective 3 Programme 2000-2006, there was a separate LLL priority but there were difficulties in allocating the funding for this Priority and it was moved to a rolling programme rather than deadlines very early on. There were also concerns raised regarding the evaluation and success of many of the lifelong learning materials produced as a result of ESF funding. We would seek assurances that the evaluation and success of these projects be taken on board to ensure that we are not funding "more of the same".

- The difference between the scope of activity under this Priority and that of Priority 3 of the ERDF Programme in terms of access to provision needs to be clarified, if this remains as a separate Priority. The current proposals read slightly ambiguously, appearing initially to say that funding is not for actual provision but for access and infrastructural development, but then referring to provision. The balance of these will presumably be tested through actual applications but the wording of the Priority needs to be revisited.
- While we welcome the non-geographical targeting under this Priority, we are concerned that rural areas are being disadvantaged. Priority 3 ESF is focused on LLL organisations rather than final beneficiaries. If rural areas are to be excluded from accessing Priority 1 funding, which we would argue against, this places them at a serious disadvantage as there are no similar options for rural areas.
- The reference to a role for Community Learning and Development approaches is welcome, but does appear to suggest that this is only a voluntary-sector role rather than wider including Local Authority. The eligible activities which are given as examples (improving motivation and accessibility for disadvantaged groups) suggest a potential role for CLD of Angus Council.

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

The allocation for Priority 3 ERDF should be retained as a minimum. While we are not in favour of the IDB model proposed for priority 3 ERDF, should this be retained, the bulk of the funding should be available on a challenge fund basis to all rural areas.

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

We suggest this be reviewed should Priority 3 be subsumed into priorities 1 and 2.

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

- In Priority 3 ERDF we would welcome a wider focus on “key local strategies” to include others rather than just the South of Scotland Competitiveness Strategy. The local dimension is key to how programmes will be delivered and local partnerships will have their own local Strategies and Community Plans which integrate into wider regional policy. In Angus this includes the Angus Community Plan, draft Angus Rural Strategy and Angus Economic Development Strategy which set out our main priorities and issues and will act as a basis for identifying potential Structural Fund projects.
- We also have concerns with regard to current policy in terms of closing rural post offices which often provide more than just a post office service to the local community and the increase in fuel costs and tax on private cars which impacts greatly on rural areas where public transport is limited or non-existent.

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

Key issues:

- Sustainability should be wider than environmental sustainability
- Build on previous experience of mainstreaming sustainable development
- We would welcome a wider interpretation of sustainability ie sustainable development, as was the case in the East of Scotland Objective 2 ERDF programme where this was integrated as a cross-cutting theme focusing on the social, economic and environmental aspects of sustainability. The experience gained of mainstreaming the horizontal themes should not be lost.

Greater awareness raising is required to ensure projects thoroughly address all three key elements of sustainable development throughout the lifetime of a project and not simply use the guidance provided to write a good application! What we want to avoid is bold statements regarding energy efficiency, social integration etc in an application that are never implemented or monitored.

To achieve truly sustainable communities, community planning and sustainable development must be truly integrated. In Angus sustainable community planning will be the essence of the new Community Plan in 2007 and reflects efforts by partners and communities to build in the principles of sustainable development into daily activities.

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

Key issues:

- Build on previous experience of mainstreaming equal opportunities
 - See question 9 re need for greater awareness raising.
 - While the principle of equal opportunities is laudable and should be integrated where possible, this policy should not be followed to the detriment of good projects or “chasing the funding”

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

ERDF-ESF COMPLEMENTARITY

- Priority 1 ERDF complements Priority 2 ESF; Priority 2 ERDF complements Priority 1 ERDF; there is no complementary ESF Priority for ERDF Priority 3.
- Opportunities for complementarity in rural areas is difficult given the proposed geographic restrictions.
- We agree that there is a need to ensure greater complementarity between ERDF and ESF. However this was also the aim at the start of the 2000-2006 programmes and this was not fully achieved. Certainly in the initial rounds of ESF funding there was little or no attempt made by project sponsors to show linkages with ERDF projects or the wider ERDF Programme. If we are to ensure greater strategic integration and good use of the limited funding available we would suggest far greater awareness raising and support for applicants. It may be simpler with one programme executive overseeing both programmes and only one ESF programme this time round.

European Agricultural Fund for Rural Development

- We are acutely aware that with reduced funding available we need to ensure that there is no duplication with other funding streams. We are particularly concerned about the complementarity between the SRDP, including Leader and the proposed Rural focus in this programme and are not convinced that these programmes have been developed closely enough. We are unclear as to the proposals to allow developmental stage funding through one programme and follow on funding from another fund as this somewhat contradicts discussions re follow on funding. There may also be difficulties if rural area and/or Local Action Group (LAG) area definitions are different.

European Fisheries Fund

- We would question the sentence that “the main parts of the LUPS area where EFF support is available is in the coastal zones of the Borders regions”. We feel that the North East of Scotland should have a key role in this.

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- greater detail is required as to how this will be integrated and delivered.

Other

- Funding for Priority 3 ESF activity (if retained as a separate priority) should complement that available through other EU LLL programmes

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

We strongly believe that the challenge fund approach has worked well, offering transparency and equality. However as was seen at the outset of the ESF Objective 3 programme in 2000, trying to adopt a consistent and transparent approach to appraisal across a large programme area is very difficult. This reduces the local input and flexibility and can easily become a mechanistic “tick box” approach driven by time constraints and an inability to ensure consistent scoring rather than a fair assessment of the project ie writing a good application rather than being a good project. We must also ensure that greater emphasis is placed on the evaluation and sustainability of projects rather than year on year funding particularly with ESF. Lessons must be learnt from the mistakes of these early days.

The East of Scotland Objective 2 Programme model has been very successful, transparent and is a good example of effective partnership.

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?

In this answer we will also address the proposed Intermediate Delivery Body (IDB) models for each priority:

Priority 1 ERDF: Scottish Enterprise as an IDB.

Key issues:

- Concern over amount of funding allocated to IDB
- Concern over potential lack of partnership and additionality in use of Scottish Enterprise as IDB
- Angus Council is concerned that a substantial amount of money in priority 1 ERDF has been allocated to Scottish Enterprise to deliver commissioned projects. We are concerned with regard to the evidence of additional added value activities and the lack of partnership as delivery and management will

be with one agency only. Given the recent financial difficulties that Scottish Enterprise faced, they have been operating under severe financial constraints. Therefore it will be quite easy to demonstrate added value on current domestic spend. In assessing added value comparison should be made with practice pre 2005/06. We would also suggest that Scottish Enterprise should not be a lead applicant under the challenge fund element of this priority to provide greater partnership and transparency.

The allocation of resources to Scottish Enterprise for commissioned projects will also inevitably focus resources on a "limited selection of projects that are region wide in scope". In analysing the proportion of total spend by Scottish Enterprise Tayside in each of its three local authority areas on a per capita basis it is clear that the bulk of current and historical funding is targeted at the urban centres of Perth and Dundee. We fear that rural areas will be excluded further with an even stronger urban focus. The South of Scotland has an added advantage in relation to the coterminous boundaries between the two LECS and the two local authorities. Not only will the SoS Partnership be in a privileged position in having IDB status for Priority 3 but it will also have the two local LECs also with IDB status and a clear strategic rural focus.

Priority 2 ERDF and Priority 1 ESF: Community Planning Partnerships/Local Strategic partnerships as IDB:

Key Issues:

- Concern at urban focus only, excluding rural areas
 - Need for some element of challenge funding
 - Need for open and transparent selection of IDBs
- We agree that Community Planning is an effective model for ensuring local input to projects and the integration of Structural Funds into the wider funding scenario locally along with Lottery funds etc.

The concern would be that Community Planning is at different stages across Scotland and this may affect the capacity of Community Planning Partnerships to be involved in the delivery of elements of the programmes. Therefore it is helpful that other partnership models will be considered as not one size fits all.

- We are concerned however that these priorities have been developed as urban issues only. Unemployment and community regeneration are not solely an urban issue
- We feel there should be an element of challenge funding available in this priority for rural areas.
- If the IDB model is to be retained however, all areas should be able to bid for IDB status by forming thematic partnerships. This bidding process must be open and transparent.

Priority 3 ERDF - South of Scotland as an Intermediate Delivery Body (IDB)

Key Issues:

- The appointment of the South of Scotland as IDB
 - Angus Council wish to express their grave concerns regarding the proposal to allocate a portion of the funds under this priority on a commissioning basis to the South of Scotland. Whilst the underlying aims and objectives of the South of Scotland competitiveness strategy are commendable, our understanding is that this was prepared as a lobbying document to retain a separate South of Scotland Programme. Along with our colleagues from other East of Scotland local authorities, we have always been working on the basis that the delivery of the new programmes was to be simplified and streamlined. This proposal came as a surprise to us all given that there had been no call for tenders to be an IDB, no criteria issued etc and no opportunity for other areas to submit a similar bid on a cross-authority basis. The lack of transparency in this process is a cause of serious concern. All partners should have been given the opportunity to develop a similar plan and compete on an equal basis. The proposed priorities of ESF and ERDF fit well within the draft Angus Rural Strategy and the Angus Economic Development Strategy at a local level and could have formed a basis for cross boundary bid with other local authorities. It was confirmed at the priority workshop for Priority 3 on the 22nd November, that no other IDBs would be considered before the mid-term review in 2010. This is absolutely unacceptable to us as we face many of the same issues as the South of Scotland.

Ring-fencing funding for this area places other rural areas including Angus at a serious disadvantage. See also the response in relation to Priority1 above re the coterminous boundaries of the SoS Leics.

Priority 3 ESF – Partnership- based projects.

Key issues:

- Discussions regarding potential partnership approach, the model for which is not set out in the consultation document
- This should be retained as a challenge fund only priority
- At the priority 3 ESF meeting on 24 November 2006, there was discussion regarding adopting a partnership approach to funding in this priority, similar to the current EQUAL Development partnerships model. This is not expressed in the consultation document and we would be concerned if detailed discussions had already taken place regarding this.

- Whilst we appreciate the need to make effective use of the funds available we would wish to see this priority, if retained as a separate priority in its current format, being accessed via a challenge fund process.

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

Key Issues:

- Concern at tight definition of eligible areas and restriction to urban areas only
- Project should be driven by justification of need for project and outcomes and not be geographically restricted
- Exclusion of rural areas to ESF
- Should include element of challenge funding
- Should be open to all partnerships to apply if no challenge funding available

- We are concerned that proposed activity in ERDF priority 2 and ESF Priority 1 is targeted at the most deprived 15% of data zones as defined by the Scottish Index of Multiple Deprivation (SIMD). SIMD is currently used in this way to define activity in Regeneration Outcome Agreement (ROA) Areas in Scotland and only one small area of Arbroath is designated as ROA due to the fact that where population is more dispersed so also is deprivation. This very tight definition therefore causes us major concern. Experience of ROA areas suggests that such small geographical units can also make spending funds very difficult.

While we realise that there is a need to target the funds in this priority at the most disadvantaged given the limited amounts of funding available, it should be up to Community Planning Partnerships or other local partnerships to establish and show where those priority should be, given they know their areas best. Projects should be approved based on the quality of the project and fit with criteria and not necessarily be postcode driven as project activity near, adjacent or between deprived areas can contribute significantly to deprived areas, if it aids regeneration and creates opportunities for the areas with statistically the worst socio-economic indicators. Working for Families is an example of a successful initiative targeted at resolving specific exclusion issues on a non geographic (other than funding allocated on a Local Authority Basis) but rather a target client basis. Almost all efforts to reduce Multiple Deprivation have, in the past, had a Geographic focus and have only been successful in dispersing the problems rather than tackling the client based cause.

- We are concerned that Priority 1 ESF has been developed as an urban priority. Unemployment and lack of employment opportunities is not solely an urban issue. As it stands Angus would not be able to access funding for these target groups within this or any other ESF Priority and the Council and its community planning partners strongly argue that this priority should not exclude rural areas.

- An element of challenge funding should be available in this priority.

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

Key issues

- Definition of rurality unclear and possibly restrictive
- Need to include small towns
- For Angus Council the key concern is that of the definition of rurality. The analysis within Annex E of the consultation document combines Angus with Dundee which masks issues of rurality such as the ageing population, low wage rate etc. yet the same “urban” towns of Angus do not have the population concentrations of deprivation. Deprivation is more dispersed and therefore only one small area in Arbroath has Regeneration Outcome Agreement (ROA) status. The Scottish Executive definition of rural is that of an area with a population density of less than 1 person per hectare. According to the 2001 census Angus has a population density of 0.5 persons per hectare. While this definition is simple and clear it is limited in that urban pockets such as Inverness are included. In practice Angus is regarded as neither remote rural nor urban. This means Angus is at risk of being marginalised from EU, UK and Scottish govt economic policy and resources as well as the Metropolitan Regions being promoted by Scottish Enterprise.

It would appear that the Scottish Executive’s 6-fold classification is the favoured method of defining rural. Our concern is for those areas like Angus that fall between the core definitions of urban or rural (less than 3,000 population), and which affects small towns. The Angus towns of Arbroath, Forfar, Carnoustie and Montrose all fall within the simplistic 10,000+ population which defines “other Urban”. Together these towns represent 61.3% of the Angus population. Arbroath, Forfar and Montrose all have relatively independent Travel to Work Areas and provide essential services for sizeable rural hinterlands. However overall 26.5% of the Angus population live outwith the main settlements and in rural areas, compared to a Scottish Average of 18.8%. The Scottish Executive however define small towns between 3,000 and 10,000 but there are small towns over 10,000 and so flexibility is required. Given the reliance of many rural areas on small towns, a definition which excludes those small towns would as a consequence exclude and disadvantage some of the areas of most need.

This is backed up by a study commissioned by ESEP into East of Scotland small towns, which concluded that small towns in the East of Scotland are difficult to define because of their variety of function, demographics and socio-economic make-up. Given the reliance of many rural areas on small towns, a definition which excludes those small towns would as a consequence exclude and disadvantage most areas of need within Angus.

We would support an arrangement whereby rurality be set by local partnerships but targeted mainly up to 20,000 population and where the need for intervention against the priorities of the programme can be shown. Pending on the final available amounts for rural development in the Scottish Rural Development Programme 2007-2013, it may be appropriate to consider a rural community regeneration/development aspect to this priority. The idea of developing strategic region-wide projects, is in principle a good way of achieving increased value-added, but the selection of projects must be done in a transparent, accountable way and based on what the project can aim to achieve in terms of results and outputs.

- The other option, if the use of indicators to determine a rural area cannot be avoided, is to group indicators, such as population density, SIMD geographic Access & Telecommunications, manufacturing base. Using a similar methodology as utilised in determining the Assisted Areas map, would most likely be the fairest method. Angus contains 20 of the 500 most deprived datazones in Scotland, in terms of Geographic Access and Telecommunications domain rankings, according to the results of the Scottish Index of Multiple Deprivation (2004). In terms of the overall SIMD ranking, it contains none. This demonstrates the difficulty in using the SIMD statistics.

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

Alternative delivery model

Key issue:

- Support for the alternative delivery model proposed by ESEC.
- Need to retain local dimension and input
- Through the European Joint Board which includes representation from COSLA and the four regional consortia, local government have developed a model which we believe would enhance the structure proposed in the programmes by helping build in a stronger regional-dimension into the programme and continue with the technical expertise gained from the advisory groups. There is potentially an opportunity to rationalise the number of Advisory Groups, which could also help in the coordination of ESF and ERDF. The model has been submitted by the East of Scotland European Consortium. Angus Council support this alternative model.
- In becoming a single Lowland and Upland Scotland programme, there is a need to ensure that regional variations are considered. The delivery model should ensure that local or bottom-up strategies can be taken into account. To ensure that quality projects are promoted, it is important that consistent criteria are set, against which competing projects can be fairly and openly evaluated. It is also imperative that local communities should determine their own solutions against clearly defined criteria, rather than necessarily adopting a mechanism of geographical targeting.

Project thresholds

➤ Urge caution over introduction of funding thresholds

- We are concerned that suggestions to limiting projects to those above a quite high financial threshold may preclude many projects which are naturally smaller projects yet suit the scale of the community it serves and may squeeze out organisations who cannot easily provide larger sums of match funding.

Follow-on funding and Exit Strategies

- Greater emphasis should be placed on the evaluation and success of administering a project as well as spending before consideration of follow-on funding. In addition exit strategies should be integrated into applications from the outset.

General

- We would welcome the introduction of a 2-stage application i.e. a short first stage applications before proceeding to full application as is the process with many Lottery funders.
- We would also caution against radical changes to the current application and claim forms and systems. Previous versions have proved to be very time consuming and not always effective and continual changes are not helpful.