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Future European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013**RESPONDENT INFORMATION DETAILS**

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Questions and Answers

The socio-economic factors considered and the breadth they cover are adequate and thorough. However, many of the indicators are described as 'regional' and do not adequately highlight differences over the rather large and diverse LUPS area. Issues that affect central Scotland are not the same as those in areas such as North East Scotland and not enough distinction is made about the differences. It is realised that in order to show the LUPS area as being coherent many nuances need to be overlooked and assimilated into a broader picture, but it is felt that this is often done to the detriment of rural and northern parts of the LUPS area. An additional

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?

social-economic factor which should be strengthened in the background to the programming document is the impact on Scotland of migrant labour particularly from the accession states. The Grampian area has experienced a significant influx of people in this respect – an example of this is Polish NI registration migrants to Grampian totalled 400 in 04-05 compared to over 1600 registered in 05-06. The skills issues which relate to migrant workers should also be clearly identified e.g. language barriers and recognition of qualifications. The City Region/Metropolitan Scotland approach could be portrayed in a more positive way throughout the programme document. It is suggested that this be amended, underlining the positive aspects of the approach and the fact that rural areas will also benefit from this approach.

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?

On the whole the priorities do address many of the strengths, weaknesses and opportunities of the region. We are pleased that Priority 1 will be accessible to all areas of the LUPS. This priority aligns well with the strengths and opportunities in RTD displayed by companies and research institutes in Aberdeen City and Shire. The area also has strengths in sectors where RTD is key i.e. energy, food and drink, life sciences). It is however felt that some other significant strengths of the region are missed out in the priorities e.g. tourism plays an increasingly important role in rural and urban areas and has been identified as a priority industry by Scottish Enterprise. Whilst there is some reference to it within the priorities this could be more heavily focused/targeted as this would provide a long-term legacy for the programme. Furthermore, the importance of agriculture and rural activities, again, although present, are not given sufficient focus. Local produce, local industries, the specialist and national importance of sectors such as fishing and forestry etc. are not particularly well covered.

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

The proposed 2007-2013 ERDF programme does show appropriate coherence and concentration to a degree. The priorities covered by the programme do cover a relatively broad spectrum of related activities. There is some concern, however, over the narrow focus of some of the priorities, namely Priority 1, and the lack of in-depth detail on Priorities 2 and 3 making these difficult to determine. There is an obvious lean towards helping high-growth sectors to achieve the Lisbon goals but this gives ERDF Priority 1 too narrow a focus at the expense of more traditional industries. Traditional industries are present across Scotland and these too have the potential to develop and benefit from the sorts of activities planned in this programme. We would question the idea of targeting SIMD data zones to encourage more people in them to become entrepreneurs. The solution in entrepreneurship will not necessarily be found within the boundaries of disadvantaged areas but through enabling them to link with opportunities in the wider

	area.
<p><i>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?</i></p>	<p>The proposed priorities for the 2007-2013 ESF programme will address most of the strengths, weaknesses and opportunities of part of the Lowlands and Uplands Scotland region. However, ACSEF has reservations about some aspects of the proposed ESF activities. ESF Priority 1: ACSEF feels that two target groups - beneficiaries with learning disabilities, and migrant workers - have been unnecessarily excluded from ESF Priority 1. People with learning disabilities face multiple barriers to entering sustainable employment which are often as, if not more, difficult to overcome than the barriers faced by other target groups. Many organisations have been very successful in leading beneficiaries with learning disabilities into employment with ESF support. These projects have clearly demonstrated additionality and added value in the past, given that ESF support has enabled innovative projects to get off the ground and increased the number of beneficiaries and/or activities which could be undertaken. ACSEF would like to see a continuation of this work, and to offer opportunities to those with learning disabilities who are currently outside employment. Migrant workers will play a key role in enhancing Scotland's economic competitiveness in the coming years. The 2004 (and forthcoming 2007) enlargement(s) of the European Union have helped to address Scotland's problem of a declining population. Migrant workers, like the proposed target groups for ESF Priority 1, face multiple barriers to entering employment, notably language and recognition of qualifications. Finally, ESF Priority 1 does not sufficiently address sectors where there is a shortage of workers e.g. construction, engineering, manufacturing, financial sector and energy. Supporting unemployed/inactive people into sectors with an employment shortfall should be actively encouraged through ESF Priority 1. In particular, equipping people with specialised SVQ qualifications/apprenticeships for key sectors could support this aim. The sectors in need of workers will vary during the lifetime of the programme, hence a degree in flexibility in defining eligible sectors would be welcomed. ESF Priority 2: As with ESF Priority 1, ACSEF would like to see the needs of those with learning disabilities supported by the next ESF programme. We are pleased to see that migrant workers have been included as a target group. ACSEF would like to see more emphasis placed on promoting the development of higher end skills within ESF 2 and would like actions within this priority linked more explicitly to Scotland's priority industries. ACSEF would also like to stress the importance of the quality of jobs when helping disadvantaged groups progress through employment. Employees would be better helped into quality jobs with more specialised qualifications (for example, in the field of childcare provision, ICT, management), in addition to improving</p>

	<p>basic literacy and numeracy skills. As with the comment under Priority 1 more emphasis should be placed on addressing sectors where there is a shortage of workers. ESF Priority 3: ACSEF broadly supports the objectives and proposed activities for ESF Priority 3, but feels that these could be sufficiently incorporated into ESF Priority 1 and ESF Priority 2.</p>
<p>Question 5: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?</p>	<p>By and large, the proposed priorities for the 2007-2013 ESF programme are broadly coherent with European and national strategies. ACSEF recognises the need to address the problems faced by disadvantaged urban areas with high concentrations of unemployment/inactivity. However there are potential problems in project delivery terms, where the proposed spatial targeting could prove exclusive and create barriers for the most in need but living outside the defined areas. There seems to be a contradiction between the ERDF programme priorities and those of ESF with approximately 50% of ERDF funds being targeted on high value activity whilst this bias is not reflected within the structure of the ESF programme e.g. leadership and management development training.</p>
<p>Question 6: What are your views on the proposed balance of funding between priorities for the future ERDF programme in Lowlands & Uplands Scotland?</p>	<p>The activities outlined under Priorities 1 and 2 are largely urban in scope: RTD, high-growth enterprises and the use of SIMD further restricts activities under Priority 2 to urban areas that have large concentrations of SIMD areas. As a result it would appear that over 75% of the funding is likely to be allocated to urban areas. The small amount (23%) of funding to be administered for rural areas is a concern. Large parts of the LUPS area are rural. Many of the communities within it also have problems, although not the same as those in urban areas. The weighting between Priority 2 and Priority 3 should be equal.</p>
<p>Question 7: What are your views on the proposed balance of funding between priorities for the future ESF programme in Lowlands & Uplands Scotland?</p>	<p>ACSEF believes that progressing people into quality jobs should be a fundamental goal of the ESF programme. Moreover, given that unemployment is not a particularly large problem in Scotland as a whole ACSEF would like to see more funding directed towards ESF Priority 2 – Progressing through Employment It may prove difficult to fully utilise the proposed budgetary allocation for ESF Priority 3, given that this area has been difficult for organisations to draw down funding from in the past. Hence, ACSEF advocates reducing the budget for Priority 3 and transferring this to other ESF challenge fund activity in Priority 2.</p>
<p>Question 8: Do the proposed priorities outlined in the draft Operational Programmes focus sufficiently on the right priorities in Scottish domestic policy?</p>	<p>ACSEF feels that the priorities outlined in the document do reflect those of Scottish domestic policy.</p>
<p>Question 9: What are your views on how the principle</p>	<p>It is felt that there is an over emphasis on the Lisbon Agenda (jobs) to the detriment of the Gothenburg Agenda (sustainability). The crosscutting theme of sustainable development should be strengthened</p>

<p>of environmental sustainability has been integrated into the Operational Programmes?</p>	<p>throughout the document. It may, therefore, be worthwhile to clearly define all cross-cutting themes at the start of the document and how they will be incorporated in the Priorities.</p>
<p><i>Question 10: What are your views on how the principle of equal opportunities has been integrated into the Operational Programmes</i></p>	<p>The principle of equal opportunities fits very well into the Operational Programmes through its inclusion as a cross-cutting theme. However, the restriction of ESF activity to a rather limited number of target groups has led to the exclusion of some disadvantaged groups who had previously benefited from ESF interventions, for example those with learning disabilities. The spatial targeting of portions of ERDF and ESF resources also runs contrary to the spirit of equal opportunities by excluding the populations of large areas of Scotland from the opportunity to apply for ESF support, solely on the grounds of their address. This could be overcome by assessing projects qualitatively, perhaps with additional weighting given to the most deprived areas.</p>
<p>Question 11: What are your views on how the Operational Programmes will ensure complementarity between Structural Funds and other EU funding streams?</p>	<p>Priority 1 of the ERDF programme clearly demonstrates strong links with the 7th Framework Programme (FP7). Where projects are eligible for support from both programmes, companies should be encouraged to apply to FP7 in the first instance. With the limited resources available under the LUPs programmes, ERDF could be used to assist companies to a point where they can successfully access FP7 for R&D activity. DG Enterprise's Competitiveness and Innovation Programme (CIP) is another area with potential for both synergy and overlap with ERDF. However, use of the CIP's risk-capital and exchange of best-practice could build upon ERDF interventions which help to encourage an innovative culture in Scotland's key sectors.</p>
<p><i>Question 12: How can the challenge-fund approach be improved to make it more effective in delivering outcomes and more efficient in operation?</i></p>	<p>There are some reservations and concerns about changing the programme structures so radically in a relatively short time period, especially when the existing programme arrangements in Scotland have been highly successful in delivering programme outputs and in particular achieving partnership objectives. The Scottish challenge-fund system is held in high esteem across Europe as an effective, efficient delivery mechanism with a strong local component (as found in the Hall Aitken report on delivery mechanisms across Europe). Efficiency is an area where improvements to the challenge fund approach could be made. Indeed, there is some merit in replacing four PMEs in Lowlands and Uplands Scotland with a single IAB, provided that the local dimension which made the PMEs so successful is maintained. The overall level of administration required is not likely to be significantly reduced for the 2007-2013 period and may in fact increase as organisations get used to a new hybrid system partially delivered through challenge funds and partially delivered through Intermediary Delivery Bodies.</p>
	<p>Proposals to introduce Intermediary Delivery Bodies (IDBs), including local partnerships are a welcome</p>

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?

addition to the preliminary programme proposals set out in the Draft National Strategic Reference Framework (NSRF) for Scotland. In the absence of locally-accountable PMEs, IDBs have potential to ensure that the local dimension in implementing national strategies is taken into consideration. Moreover, partnerships between neighbouring areas/local authorities with similar priorities (e.g. rural development) should be actively encouraged. In this way, thematic partnerships can address common issues in a more cohesive, strategic way than geographically-bound partnerships. Local partnerships within local authority boundaries should not be dismissed however, as some issues are best tackled at this level. In short, a degree of flexibility and openness to innovation is desirable when considering the type/role of IDBs in the 2007-2013 period. The Equal Local Development Partnership has been mooted as a possible model on which to build IDBs. ACSEF welcomes this development, as partnership working with all relevant stakeholders is to be encouraged and will inevitably help to ensure that Structural Funds are effectively targeted towards citizens' needs. Some concerns with this model do exist, however, given the high administrative burden and complexity of facilitating co-ordinated activities among diverse organisations. Clarification as to how the Scottish Executive would propose to finance IDBs, and the likely costs involved in their incorporation in the Structural Funds architecture would be welcomed.

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

It is welcomed that linkages are exhibited between ERDF and ESF and that these have been explicitly identified in the Operational Programme. However ACSEF wishes to express concerns about this. Delivering ERDF Priority 2 through a limited number of IDBs could restrict access to funds for areas outwith the IDB areas. ERDF Priority 2 'Community Regeneration' is an urban priority, whilst ESF Priority 1 deals with 'Progressing into Employment'. ESF Priority 1 should not be restricted to urban areas as people in rural areas will also suffer barriers into employment. To restrict ESF Priority 1 to urban areas seems unnecessary. As the Operational Programme highlights in its socio-economic analysis large geographic areas of the LUPS region are rural in nature.

ACSEF has reservations regarding the spatial targeting of funds under ERDF Priority 3. The concerns centre around the percentage and eligibility of the South of Scotland area and the definition of 'rural'. These are expanded upon more fully below: Definition of Rural - There appears to be some confusion in the document regarding what 'rural' actually covers, given the multiple definitions of rurality used by SEERAD. This needs to be clarified. We are concerned that small rural towns such as Peterhead and Fraserburgh will fall between ERDF Priority 2 and ERDF Priority 3. This obviously depends on the final definitions used for

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

Priority 2 and Priority 3 but we would ask that in determining the final definitions that the needs of small towns such as Peterhead, Fraserburgh are not overlooked. Furthermore, some of the statistics are misleading. For example on page 23/table 10, the statistics for Aberdeen City and Aberdeenshire are presented as one. We recognise that this is due to the NUTSII grouping that has been used (although in that case Moray should be referred to as well). However presenting the data in this way detracts from the fact that there is a very strong rural element to Grampian. Even with the Aberdeen City figures included 46% of Aberdeen City and Shire is still classified as rural. We would therefore propose that Aberdeenshire be added to the list of rural areas on page 24. South of Scotland ACSEF recognises the specific challenges facing the South of Scotland, however it is concerned that the ringfencing of ERDF funds for this specific area will mean there is little left for other rural areas in Scotland where challenges also exist. There appears to be little or no specific justification in the programme as to why the South of Scotland is being treated as a special case. To a similar extent the North East is also disadvantaged by virtue of its northerly position, the impact of BSE on beef producers, distance from markets and transport infrastructure. Furthermore, there is no indication as to whether the South of Scotland, if this proposal went ahead, would be able to apply for further funding through the challenge-funding element. Added to this is a lack of information as to how much of an already relatively small amount of money will be ringfenced for the South of Scotland. It is also felt that there is a heavy reliance on the South of Scotland strategy when reading ERDF Priority 3. The examples used in the text are examples from the South of Scotland with little from other areas.

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

ACSEF has no additional comments.

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