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If calling ask for: Catherine Toy (01698 453809)

Date 5/1/07

Emeric Heydel,
European Structural Funds Division,
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Glasgow,
G2 6AT

Dear Sir,

**Consultation on Future European Funds Programme
in Lowland and Uplands Scotland 2007-2013.**

The South Lanarkshire Community Planning Partnership (SLCPP) welcomes the opportunity to comment on the consultation paper on the future of European Structural Funds in Lowland and Upland Scotland for the period 2007-2013.

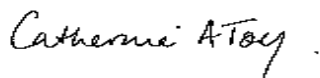
The Partnership recognises the importance of European Structural Funding and the benefit that South Lanarkshire has had from previous Structural Fund programmes. It values the opportunity to input at this stage to the development of the new LUPS programme so that we can continue build upon previous progress and continue to add value to the work currently being undertaken by partners.

The Partnership acknowledges that in this programme there will be less money available and it would strongly support the idea that what is available focuses on need, complements existing strategies and supports the priorities already identified at the local level. The SLCPP therefore welcomes the proposal to pilot strategic linkages with Structural Funds by promoting itself as an Independent Delivery Body (IDB). SLCPP would like to confirm its interest in bidding to become a pilot IDB.

Our comments are attached overleaf and take the form of general comments followed by specific answers to the 16 questions posed in the consultation. I would ask that consideration is given to these comments in the preparation of the final version of the LUPS programme.

If you require clarification of any of the points, please feel free to contact me by telephoning 01698 453809 or by e mailing me at catherine.toy@southlanarkshire.gov.uk.

Yours sincerely



Catherine A Toy
Community Planning Co-ordinator

General Concerns

- There is concern that with less funding available and a bigger area identified for eligibility, what little funding there is will be spread too thinly to achieve demonstrable impact unless targeted sensibly.
- There is the opportunity under this programme to address inequalities in terms of economic performance, however as it is currently proposed there is a strong chance that economic disparity in the West of Scotland will increase rather than decrease thereby reducing competitiveness.
- Pressure therefore must be applied for programmes to be more focused in their spending towards the west. However in both the ERDF 1 and ESF 2 there appears not to be adequate and the opportunity for 'closing the gap' may be lost.
- The Partnership supports the idea that the programme should seek to support those projects which will leave an economic development legacy and add value to the Scottish Economy. However it feels that recognition should also be given to the economic development legacy of previously funded programmes by increasing the potential to add value by allowing further development of these.

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?

South Lanarkshire Community Planning Partnership is aware of the reduced nature of funding coming to the area as part of this programme and is aware that what is available will be spread more thinly. The Partnership is therefore concerned that without effective targeting of these limited resources to those areas which demonstrate the weakest economic performance in Scotland, South Lanarkshire may be disadvantaged in the long term. However with effective targeting, the programmes could make a real difference if concentrated on a small number of communities and or specific Themes. The Partnership would therefore argue that more consideration should be given to targeting resources to increase competitiveness.

However if targeting is based on the worst 15% of geographies it is not flexible enough to address the problems that exist in South Lanarkshire. We need to balance need with capitalising on opportunities and this may be achieved by taking a dual approach of looking at deprivation but also promoting opportunity around specific areas or themes such as employability. Focussing exclusively on data zone geography imposes unnatural constraints which are difficult to overcome when delivering programmes. The Community Planning Partnership has considered this issue in its own service delivery and considers that flexibility should be given to CPPS to deliver in line with locally defined priorities and need.

No reference is made of Business Growth in the socio-economic overview despite the fact that evidence shows that Scotland lags behind other regions in the number of growth companies and companies of scale.

Migrant labour is not included as a socio-economic factor despite the fact that they are net contributors to the economy, and fill skills/labour gaps across Scotland. The migrant labour pool includes both highly educated and skilled individuals as well as those who, while very motivated to work, have no formal education. There are a number of issues around integrating these ethnically and culturally diverse workers into the workplace and being able optimising their impact on the economy, which do not appear to be recognised here.

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?

There is concern that as a result of the focus of this programme on Lisbon priorities, it reduces the potential for structural funds to address derelict or contaminated land or to help improve inadequate or degraded infrastructure. Considerable opportunities exist in South Lanarkshire to reclaim derelict land particularly in the Cambuslang and Rutherglen area. The inability of Structural Funding to be used for these activities will lead to funding problems for some of the key projects e.g. the Clyde Gateway and the M74 Extension and may act as a barrier to the area genuinely being able to fulfil its potential to participate in the Lisbon process. Thus the reduction in the availability for ERDF for such activities is of concern and the Partnership would hope that the Scottish Executive gives consideration to alternative funding mechanisms to support this activity in its next spending review.

It would also be helpful if management and leadership training could be included as a driver in supporting innovation and business growth.

Tourism is important to both urban and rural areas but this is not recognised in the document.

Priority 1 -Enterprise Growth

There is enormous potential for innovative development in the funding available under Priority 1. However few firms in South Lanarkshire at present have the capacity or the research linkages with higher education establishments to be able to take full advantage of this funding. We would therefore hope that the majority of the initial expenditure should go towards establishing feasibility, building capacity, developing business/research linkages and developing market potential.

There is a concern that if there is limited geographical targeting of scarce resources in respect of Priority 1, what little there is could be spent in areas which are relatively affluent and areas with a greater need, such as South Lanarkshire, may miss out. Thus intervention is not tackling the real weaknesses in the economy.

Priority 2 - Community Regeneration

The South Lanarkshire Community Planning Partnership sees this priority as a real opportunity to tie in and add value to the regeneration priorities identified nationally and delivered at the local level through the ROA by partners. It also would tie in well with any proposed Single Outcome Agreement that might be developed in South Lanarkshire in future.

Priority 3 - Rural Development

In the Rural area it is essential that there is a clear understanding of how ERDF Priority Three and the EAFRD can operate in a complementary manner to take the opportunity to assist in the delivery of the South Lanarkshire Rural Strategy to ensure that there is no overlap of objectives or activity.

Sustainability seems to be linked into the Rural Development priority. Does this limit its application to rural areas? The Partnership holds the view that sustainability is equally applicable to rural as to urban situations.

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

There is concern in terms of coherence that allocations to each ERDF priority and the lack of appropriate targeting do not fully ensure that the regional imbalances within the LUPS area are addressed.

ERDF Priority 1 offers no targeting and under the new programme funding would be available to areas which have managed effectively without Structural Funding in the past. The concern is that this will reduce the amount of funding available for areas such as South Lanarkshire which are still catching up.

Targeting under **ERDF Priority 2** should be on the basis of need and opportunity. Therefore while the worst 15% SIMD is a good starting point there should be flexibility built in to consider priorities identified by Community Planning Partnerships and opportunities that present themselves for regenerating communities and developing themes.

ERDF Priority 3 - South Lanarkshire has a large rural hinterland that has real challenges relating to accessibility to services, employment opportunities and to improving quality of life. In terms of coherence the South Lanarkshire rural area has great affinity with the rural area in Dumfries and Galloway and the Borders and should have equal access to rural development funding. Then rural area accounts for 156,336 hectares with a population of 75,477 giving a population density of 0.48 people per hectare well below the density of 1 person per hectare as often used as a definition of rurality.

With Priority 3 we would hope to build on the considerable success of the South Lanarkshire Rural Partnership in delivering Leader+ funding and on agreed priorities in line with an agreed rural strategy. Access to Priority 3 Funding would help build on a successful track record of delivering quality projects. This opportunity will only present itself if South Lanarkshire is defined as rural in terms of this programme. The Partnership's greatest concern is that depending on how rural is defined, South Lanarkshire's rural area could fall into a policy void between 'urban' and 'rural' and qualify for neither. The Partnership would therefore urge you to consider that the rural part of South Lanarkshire is eligible for Priority 3 funding along with Dumfries and Galloway and the Borders.

We would like to see consistency in the opportunities for funding between ERDF priorities 2 and 3. For example, while community renewable energy projects are mentioned in Priority 2 they are not in Priority 3, despite the fact that these could have significant impact on promoting sustainable rural communities.

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 and should they be configured differently?

South Lanarkshire has benefited from ESF to carry out programmes to tackle specific needs and would hope to use ESF to build and further develop programmes which tackle local needs and priorities.

So far as workforce development and getting people into the labour market, progressing into and through employment is seen as a continuum rather than as two separate activities. Is the division between Priority 1 and 2 therefore somewhat artificial?

Also the term "hard to reach groups" has not been well defined in the document. There needs to be a clear understanding for this term across the country. There is concern that if the definition is too narrow it may limit the ability for EU funding to be used along side other partners funding to address the problem as identified at the local level.

In 2006 the SIMD identified 42,000 people in South Lanarkshire as income deprived. The number out of work due to a number of factors are as follows :

- Out of work and claiming benefits (33,500)
- Sickness and disability related benefits (24,500)
- Those in hidden unemployment (12,000 approx)

South Lanarkshire's priority is to move a number of these people back into the workforce. As this is 6% of South Lanarkshire's working age population, it is hoped that the eligibility of these will not be restricted through the definition of "hardest to reach". South Lanarkshire sees a real opportunity for ESF money to be aligned with money from Partners in addressing priorities identified through the Community Plan and the ROA. Therefore they would want 'hard to reach groups' to include, out of work claimant benefits, sickness and disability/incapacity related benefits and those in hidden unemployment.

The lack of targeting in ESF priority 2 is a concern. In the same way as ERDF Priority 1, there is a concern that resources will not be targeted to the communities in greatest need. Again if targeting were introduced, as well as looking at targeting the worst 15%, consideration should be given to have the flexibility to consider other approaches that line up with other Community Planning priorities as identified through the ROA or any new SOA. .

The focus on Life Long Learning, as ESF Priority 3 is welcomed and will help to support the Lifelong Learning priority in South Lanarkshire's Community Plan and align with partners funding to add value by providing greater opportunities to raise achievement for all learners.

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

The Partnership welcomes the more integrated approach proposed by linking ERDF Priority 1 and ESF Priority 2 and by linking ERDF Priority 2 with ESF Priority 1.

We feel that there are issues with the lack of targeting in ESF Priority 2 and 3 but also issues if focusing on the worst 15% as this is a measure about targeting individuals not geographies.

We feel there may be a case to link ESF 3 into Community Planning Partnerships acting as IDBs.(See Q13) In S Lanarkshire Lifelong Learning is an integral part of the Community Planning process through the Community Lifelong Learning and Development Plan. Linking funding for Objective 3 with the Community Planning Partnership would make sense and would enable Lifelong Learning funding to be integrated with both Scottish Executive and Partners money as part of any new Regeneration Outcome agreement or any proposed South Lanarkshire's Single Outcome Agreement.

Also a contradiction exists between ERDF programme priorities and those of ESF. While a large portion of the ERDF funds are focused on high value activity this is not reflected in the ESF programme e.g. leadership and management development training. This could be addressed by linking ESF activities and economic opportunities presented by high growth businesses, priority industries and metro regions.

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

Firstly we are happy with the proportional split between ERDF and ESF and believe that this split reflects the overall need of the LUPS area. We are comfortable with the balance of funding between ERDF priorities and are particularly pleased to see a meaningful level of support within Rural Development Priority 3.

Concern has already been raised about

- The lack of spatial targeting in ERDF Priority 1.
- Whether there are enough firms in S Lanarkshire with the capacity to benefit from Priority 1 funding at this time which may affect the capacity to spend the budget.
- Lack of information on spatial targeting in Priority 2 and 3
- Lack of recognition that S Lanarkshire's rural area is similar to that of Dumfries and Galloway and Scottish Borders.

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

The SLCPP broadly agrees with the balance of funds between the ESF priorities. However some clarification of eligible activities under Priority 3 would be welcome.

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

The priorities outlined in the LUPS Programme support national and local priorities as identified in Stronger Together South Lanarkshire's Community Plan and support the community based approach that the Partnership has adopted to strategy development and project delivery.

We are particularly pleased to see the level of support given to Rural Development and to Life Long Learning.

It is encouraging that sustainability and sustainable communities, is highlighted which we consider to be a central and fundamental component of community well being. However we would stress that sustainability is as important in urban areas as well as rural. (See also Q9)

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

The partnership welcomes the high profile given to sustainability however would question its containment within the rural development priority. The partnership sees sustainability as an underlying principle in all of its activities and would expect that sustainability is an integral consideration in everything undertaken by this programme.

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

Equal Opportunities is an underlying principle of the South Lanarkshire Community Plan. Thus the partnership would support Equal Opportunities being targeted horizontally as part of an integrated approach across the Programme. However we would like to see the Structural Funds expanding equal opportunities beyond their current focus on gender to widen the spectrum to include disability, race, age etc.

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

There is a real opportunity to align Structural Funds and EARDF funding to make them mutually supportive. The Rural Partnership which is part of the Community Planning Partnership has argued for greater linkages between the two SRDP delivery mechanisms in order to ensure that available resources are applied in an effective and strategic manner maximising their utilisation and ensuring complementarity.

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

There are always concerns about the Challenge fund process in terms of the time taken in preparing the application and the fact that successful projects may reflect European priorities but may not necessarily sit well with local community planning priorities.

The Partnership feels that there is a need to speed up and simplify the decision making process and integrate European funding streams to complement existing local strategies to achieve “added” value”.

Any decisions needs to consider the European, the national and the local context and determine how funding will be used to complement existing activity which is already focused on local strategies and actions. This approach would tie in well with the current move towards Single Outcome Agreements and the SLCPP’s ambition to develop a Single Outcome Agreement, around the priorities identified in the South Lanarkshire Community Plan “ Stronger Together”. It would lead to all public sector moneys being used to deliver strategically developed priorities, at the local level , in an integrated and resource efficient manner.

There is also a need to give more support to applicants at the project design stage with a more collaborative approach to project development and less focus on getting the application right for advisory scoring.

In developing the appraisal system for the challenge fund process more emphasis should be made on the fit between the applications and relevant local and regional strategies and plans. The CPP may have a role to play in this see Q13.

We also need to ensure that the best practice gained from the existing PMEs is not lost in the establishment of IAB/IDB.

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?

The South Lanarkshire Community Planning Partnership welcomes the recognition of the role CPPs could play in the delivery of Structural Funds. It would strongly support the proposal to deliver some of the structural funds through Community Planning Partnership IDBs and sees it as a real opportunity to integrate and align funding around commonly agreed priorities as expressed in the Community Plan. Care should be taken that only CPPs with a successful track record should be considered to pilot the process. With 8 years experience of partnership working and a track record of successfully delivering partnership projects, the SLCPP would be keen to bid to become an IDB. The Partnership has demonstrated strong performance in complex Partnership Initiatives such as Regeneration Outcome Agreements, in developing a partnership hub to support lottery projects, in drafting a Single Outcome Agreement , and in its effective use of Structural Funds to date. The integration of the Leader + Local

Action Group within the South Lanarkshire Rural Partnership, a Theme Partnership within the SLCPP, is an example of this. In the challenge funding situation, the SLCPP could also have a role in advising on the fit between project applications and locally agreed strategic priorities.

Linking the delivery of EU Structural funding with other funding streams coming from the Executive and from partners mainstream budgets would tie in with the Single Outcome Agreement proposal currently being pursued by the Scottish Executive. It makes good sense and will help to achieve a more integrated approach to local priorities and service delivery.

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

The document suggests that the worst 15% of data zones would be the target areas. However our experience of delivering the ROA suggests that this is not always manageable. Data zones often identify small non cohesive areas. This is a particular problem where it is difficult to get the critical mass to run some programmes. In South Lanarkshire's Draft SOA we are arguing that the target is more flexible to take in people as well as places.

"Flexibility will be built into the SOA to consider other areas (other than the worst 15%) e.g. rural parts of South Lanarkshire and some parts of East Kilbride, and people in excluded groups, not necessarily those living in deprived communities. The Single Outcome Agreement will therefore concentrate on both area and client based forms of deprivation."

SLCPP Draft SOA Dec 2006

If the means of delivering part of the EU funding is through the Community Planning Partnership as the IDB and perhaps through a Single Outcome Agreement in South Lanarkshire there may be merit in letting the Community Planning Partnerships define their own spatial priorities to be able to bring together areas of need with localised areas of opportunity.

This flexibility is particularly important for ESF Priority 1, as it is about groups of individuals facing particularly severe employability challenges, relating to entering the labour market and staying in work. It is unlikely that all these people will live in the worst 15%, therefore there must be flexibility to address the needs of this group as individuals rather than by geography.

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

SLCPP welcomes the idea that Rural Development is a Priority under ERDF yet there is no clear indication in the Consultation whether South Lanarkshire will be included as rural. Inclusion in the Leader+ programme and membership of the Southern Uplands Programme alongside Scottish Borders and Dumfries and Galloway is evidence that South Lanarkshire is considered rural and exhibits similar characteristics to Dumfries and Galloway and Scottish Borders.

The South Lanarkshire CPP has built up a strong Rural Partnership which is being very successful engaging rural communities and delivering services in the rural area. The Partnership would hope that EU funding would help deliver some of actions associated with its recently revised Rural Strategy. It would be very concerned lest the numerous small rural communities that exist in South Lanarkshire are disadvantaged on the basis of the final criteria used to define rural.

The SLCPP would also argue that there would be merit in channelling ERDF Priority 3 through a South Lanarkshire CP Partnership IDB to align strategies and funding at the local level.

There is concern that depending on the definition used some rural parts of South Lanarkshire would fall between urban and rural and be eligible for neither.

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

- The reduction in structural funds in the new programme means that the available ERDF and ESF should be carefully focussed on the areas most in need.
- South Lanarkshire lags behind more prosperous parts of the LUPS area and would be looking to EU Funding to help address the balance.
- Spatial Targeting is required in ERDF priority 1 and ESF priority 2 to ensure business innovation is supported in South Lanarkshire rather than supporting areas which are already prospering.
- Spatial targeting within ERDF 2 and ESF1 should be based on the worst 15% of data zones but with greater local flexibility when being delivered through a Community Planning Partnership to ensure coherent project development.
- Spatial targeting of resources under ERDF 3 should include the rural parts of South Lanarkshire
- The Community Planning Partnership is supportive of the proposal to channel funding through CPPs and has agreed to bid to become an IDB.