

Response to New ESF Programme Consultation

by
Anniesland College (and Project Partners)

Preliminary Remarks

We are very much obliged for this opportunity to respond in writing to the Proposals published by the Scottish Executive ESF Division and welcome the prospect of contributing to the consultation processes.

Firstly, further to our participation in Stakeholders' Events in January 2006, in Focus Seminars sponsored by the West of Scotland College Partnership (WoSCoP), in the ESF Division Priority Workshops and in the ESF Seminar held at Anniesland College on 6th December for its Community Partners, the College broadly endorses the submissions of WoSCoP to the 16 Questions posed in the Consultation exercise but would like to take this opportunity of reinforcing certain points to be raised by WoSCoP as well as adding a few of our own.

Secondly, what follows is by way of an 'initial' response and is 'without prejudice' and may be added to subsequently, or amended or withdrawn should we have erred in our interpretation of the proposals or in our understanding of what has so far been said in workshops and other forums regarding them.

Thirdly, regarding our Project Partners, particularly those attending on 6th December, we would be obliged if the views expressed in this response were not necessarily attributed to them. Though our partners broadly support this response, they admit to being unfamiliar with the subject-matter of some of the proposals and their implications, which are, admittedly, designed for the initiated. A list of Community and Project Partners can be provided if required.

General Comments

The College and its partners appreciate and understand that, given the reduction in the allocation of European Structural Funds to Scotland, much less assistance will be available to organisations and beneficiaries in the period 2007-2013. The College and its partners, given that they have promoted a significant number of ESF and ERDF Projects in the 2000-2006 Programme, and in the previous Programme, have undertaken Risk Assessments and are in the process of devising a strategy to ensure that their access, inclusion and regeneration strategies within local communities and on behalf of private and public organisations are sustained. The College and its partners also appreciate that the diminution in funds will also require a measure of rationalisation in the way the reduced funds are administered, such as the reduction in the number of Programme Management Executives. Moreover, the College recognises that, with the reality of devolution, synergy between the domestic policy

agenda and the Lisbon-Gothenburg strategy makes sense. However, the College and its partners wish to state the following general reservations:

1. As far as the rationale and implementation of the European Structural Funds Strategy is concerned, we understand that Scottish Domestic Policy is supposed to be aligned with the Lisbon and Gothenburg policy priorities, not the other way round. Even allowing for a measure of discretion under the principle of subsidiarity, this is a critical point, in that, for the purposes of European Structural Funds anyway, its priorities are supposed to inform and, to a certain extent, determine the domestic policy agenda. However, in ESF events and workshops it has been repeatedly stated that ESF priorities are to conform to the domestic policy agenda. We are not convinced that this point of view will be acceptable to the European Commission. However, we note that, broadly speaking, as far as ESF is concerned, there is coherence in respect of the Priorities, though we do not believe the same can be said for ERDF. Nevertheless we are not persuaded that the Proposals, as they stand, have paid sufficient regard to the EU regulatory requirements (viz. that imbalances 'between' as well as 'within' regions are to be addressed) or else the economic circumstances and profiles of the west of Scotland as distinct from Edinburgh and Aberdeen, for example, would not have been subsumed into assumptions about fairness or ease of administration.
2. The College and its partners, though they understand that it is the preferred option of the European Structural Funds Division, are still not convinced of the alleged merits of single-stream funding. Our major objection to single stream funding being introduced into some Priorities (as far as can be ascertained - ESF Priority 1 and ESF Priorities 1 & 2 with a CPP being the IDB for ESF P1 and ERDF P2 and SE for ERDF P2) is that it will inevitably induce a top-down approach and that there is a very real risk that qualitative criteria will be sacrificed in favour of quantitative criteria and that little if any allowance will be made for projects operating at the 'hard' end of inclusion, i.e. with beneficiaries who have a long road to travel. In any event, it is our impression that the introduction of single stream funding is for the sake of administrative convenience primarily and that it is based on the unproven and untested assumption that such a methodology will necessarily produce cohesion, better management of funds, better projects and better results. Nowhere has this been shown to be the case. Moreover, we anticipate that demonstrating 'additionality' in this scenario may prove particularly problematic.
3. We have no idea on what basis or on what criteria the relative weighting of fund allocations to different Priorities has been based. Regrettably the rationale behind the allocations has never been explained or discussed. However, we support the recommendations of WoSCoP in this regard, at least in respect of European Social Fund assistance.
4. Nor has the rationale on the ESF/ERDF split been explained or discussed. There has been no opportunity to examine this. It has been presented as a fait accompli (in effect) and not for discussion even though it is purported to be a

‘proposal’. We do not agree with the split and would prefer it to be weighted towards ESF rather than ERDF.

5. We believe that access to priorities by and the financial allocations to rural deprivation are disproportionately large and should be revised to achieve a better balance with areas of urban deprivation. However, we will not elaborate on this point here because WoSCoP will be representing our views in this matter.
6. Regarding ERDF Priority 1, we trust that Project sponsors other than Scottish Enterprise will be included. Business creation results in the west of Scotland have been singularly disappointing and more innovative approaches are required.
7. While we welcome this opportunity to submit a response in writing (and believe such responses to be more indicative of opinion and reflection than what was discussed in Priority Workshops), we have some misgivings about the process. Firstly, we recognise and accept that the Scottish Executive has at least made some effort at consultation, which, we are advised, has not been the case with some other Union members. Secondly, the Priority Workshops were useful in one important respect, and that was to gain some understanding of the views of other individuals and organisations. Thirdly, we support some of the changes being proposed by the ESF Division. Fourthly, we welcome the fact that the ESF Division is prepared to publish written responses to the Consultation on its website. However, we are concerned that the consultations, in so far as they related to the Priority Workshops, were not sufficiently substantive (in that some critical issues were not discussed at all) and that there is the worry that they may be perceived as having been conducted primarily for the sake of form, with the purpose of persuading the European Commission that a robust consultation process has been conducted. These concerns are based on the fact that the official ‘point of view’, as far as this can be ascertained, has not in fact evidenced any discernible change since it was first voiced at Stakeholder events twelve months ago and it may have constituted, indeed, the basis of the original submission to the Commission. On the other hand, we do appreciate that changes to the proposals will not be considered until after the consultation process is concluded. Even so, it has been our impression throughout that an endorsement may be being sought for what has already been decided, allowing perhaps for a few adjustments to the ‘proposals’ at the margins. It is also our impression that the tone of the consultation process has occasionally sounded like an attempt to convince project promoters and practitioners that the official proposals are the only realistic way forward if the new Programme is to get underway in the relatively near future. While we would not dispute the legitimacy of such an argument, we would dispute the view that it is the only realistic way forward. However, this is not to say that there is no room for improvement on the 2000-2006 Programme. We believe that there is. We believe that significant improvements could be made.

Specific Comments

These are not posited in any particular sequence though they endeavour to follow the pattern of the 16 Questions. They represent responses to various issues that have arisen in the course of discussions since the stakeholders' events were held 12 months ago.

1. SWOT Analysis

Firstly, we regret that the wider ex-ante evaluation was not made available during the Consultation Process and will not be published until after the Consultation Process is concluded. Consulting in such a 'vacuum' is not conducive to constructive dialogue or consultation. As it is, the SWOT does indeed encompass the themes of the Priorities but this is only to be expected since the question posed in the first instance already contains the answer sought, i.e. it is rather self-serving. Were this not the case, we would have expected important data to have been picked up.

We note, for example, that the proposals in respect of strengths, weaknesses, opportunities and threats (as indicated in the proposals published on the website and latterly available in hard copy) regarding the Scottish economy appear deficient in a number of respects and could be improved. We are concerned that insufficient regard has been paid to the Lisbon-Gothenburg priorities. The fact that, for example, Scotland has already exceeded the employment targets outlined in these priority actions, should have been noted and much more emphasis placed on what is a very serious challenge for Scotland, viz. productivity. Productivity is indeed mentioned here and there in the documents but nowhere is it at all apparent that the issue has been properly analysed and understood. We recommend that more rigorous regard should be given to this issue if only to ensure that the data on which the proposals purport to rely is accurate and much better grounded than it is at present. However, we also submit that a keener understanding of productivity would alter the shape and emphasis of certain priorities, particularly ESF Priority 2.

We also contend that the proposals reveal some questionable omissions. There is little to indicate that likely or potential developments in the Scottish economy are being 'anticipated'. The documents appear to refer to the past or the status quo. For example, one of the two major horizontal themes is 'sustainability', particularly environmental sustainability, which is commendable. However, from an economic point of view, given Scotland's natural advantages, one could have expected pilot and innovative actions in this field, on renewable energy actions for example, almost to deserve a Priority of their own (ERDF Priority 3, for example). As it is, environmental sustainability appears to envisage rural areas primarily (which is very baffling to say the least).

Another omission relates to both ICT and 'entrepreneurship'. They are indeed mentioned, almost as if a 'mention' is de rigueur, but neither is adequately understood or explicated. Nowadays ICT encompasses a much wider range of digital applications than was the case at the outset of the 2000-2006 programme. There are far more proprietary packages available that are designed for specific sectors and activities (e.g. reservation software for the travel and tourism industry such as Galileo,

Easysell, Travelcats or medical information systems) and it is as important to train beneficiaries in such sectoral applications as well as in basic IT if they are to be 'employable'. The ESF 2000-2006 Programme helped us to travel quite a distance with IT but the new Programme needs to help us travel a lot further. As global e-commerce develops further, the skills involved have to be taught and secured. Moreover, little regard is paid in the proposal documents to the Knowledge Economy and what it entails and yet it is in this area that most value added activity, employment and productivity can be gained. Scotland already lags behind other parts of the UK in web-based business activities (except for large corporate financial institutions), whether business/business or business/consumer or employer/employee, and few companies know how to harness the technology or to discriminate between one development and another as to its usefulness or otherwise in the context of their endeavours. ESF could have an appreciable impact on helping to resolve these issues, particularly for SMEs, their employees and their potential employees. It should also be noted that what growth there has been in the Scottish economy in recent years has been largely attributable to developments in ICT (on which, for example, much of the service sector now relies). With regard to entrepreneurship, the focus on business start-ups is rather outmoded and misconceived. Entrepreneurial skills should belong to both employees and self-employed and should be regarded as a core skill in as much as it would enable employees and the self-employed to understand business challenges and opportunities, innovation (particularly in utilising e-skills methodologies) and problem-solving. Accordingly, we would much rather see Priority 2 orientated towards 'skills' rather than to what reads like lots of 'bits and pieces' plucked from the air and the media. We would also expect e-skills, given their undeniable importance, to be a key feature in ESF Priority 1 as well as ESF Priority 2. With regard to business start-ups, the record on this during the previous programme is pretty abysmal. However, it might be beneficial if more attention was given to business incubation units which are a more supportive and practicable model than what has hitherto been available and which need not be 'reserved' to Scottish Enterprise. Surely this lesson has been learned by now?

2. Skills – Soft Skills and Vocational Skills

It has been stated, particularly in Priority Workshops, that employers would like employees to be trained in softer skills such as leadership, team working and problem solving. This seems to suggest that these sets of skills are not being instilled at present or can be treated separately. However, while no one denies that such soft skills, along with literacy and numeracy, are crucial, employers, particularly SMEs employers (and most SMEs in Scotland employ less than 20 people) are not noted for training their staff other than in terms of their statutory obligations (Health & Safety) and 'on the job' training. The picture is different with large corporate employers, like BAE Systems, which has over 100 apprentices in training at any one time. Engaging the employees of SMEs in training has been very problematic in the current ESF Programme. It was problematic in the previous programme though there were some successes under the Adapt Programme although though Community Initiative (both Employment & Adapt) Transnational partners frequently observed that they too found SMEs difficult to engage. There is no reason to suppose that, should we proceed on the same assumptions as the previous programme, things will change under the 2007-2013 Programme. It is therefore essential that organisations like the Federation of

Small Businesses be engaged in the Consultation process to help ascertain what measures might engage SMEs in training and dispose of the often-voiced but somewhat unfounded suspicion that a trained employee will inevitably be ‘poached’ and move on. Regrettably, our own experience continues to inform us that employers still expect colleges to produce ‘finished’ products, i.e. trainees furnished with all the skills the employer is likely to need. For most SMEs, lifelong learning is not a concept to which they are readily accustomed. In these respects, it would be helpful if the Proposals for the new programme were not so aspirational but much more realistic regarding the very real challenges that Project practitioners will face with regard to SMEs and their employees.

However, it should be noted that some organisations, such as Housing Associations, do engage in so-called soft skills training for their staff and have done so under Objective 3, Priority 4, for example, but this has always been in conjunction with vocational skills training, particularly in ICT and e-commerce. It should also be noted that few Projects involving Colleges as promoters or co-sponsors of projects in the 2000-2006 programme undertook vocational training that did not also include training in soft skills, literacy and numeracy. In other words what the proposals recommend regarding softer skills is already established practice.

3. Partnership Models (Delivery Models)

Considerable ambiguity surrounds this term. When talking of ‘partnership’, the ESF Division appears, in most instances, to be referring to ‘strategic’ partnerships. When referring to ‘delivery’ partnerships, they appear to confuse these with ‘strategic’ partnerships. For Project Practitioners, the primary model for partnership is ‘project’ partnership, whereby a group of agencies and organisations which, through acting in concert and contributing their particular experiences and expertise, are actually involved in the training of beneficiaries or the production of materials. Ultimately, these are the most important partnerships and the very partnerships on which the success of a project and the programme too depend. This has undoubtedly been our experience. What appears to matter to programme administrators is in fact a secondary concern to project practitioners. Their key concern is to be allied to partners who can deliver. Some clarity, therefore, on partnerships would be welcome, as would a more perceptive analysis of how projects function in practice.

Regarding “Development Partnerships” (and the ‘Equal Model’ is frequently mentioned in this context, and is portrayed, without any critique whatever, as a ‘successful’ model), while we have no objections in principle to such partnerships, these have to be carefully grounded. It would have been helpful if, for example, a proper analysis had been conducted on Equal Partnerships, to ascertain how much ESF assistance reached beneficiaries ‘directly’, how much was spent on staff costs in proportion to other costs and how many of the activities funded could have or would have happened anyway without the Equal Programme. This is not to say that good practice and good models cannot be derived from some Equal activities (there are indeed examples of good practice), they can, but the impression is that performance was rather patchy and not the great success that seems to be supposed. We would be wary of adopting this model without careful consideration.

Project Partnerships, properly managed, are essential to the success of project beneficiaries. Different organisations and agencies have their own areas of expertise, and are able to address specific issues encountered by beneficiaries. It would be absurd, for example, if our College imagined that it could manage the training of prisoners on release on its own account. Given the exclusions and restrictions that apply to convicted persons and their rather chaotic lifestyle, with all its negative affiliations, it stands to reason that any training has to be supported by a substantial input from an organisation specialising in resettlement and diversionary strategies. Colleges are not equipped to do that and there is no reason why they should be. In such situations, partnership is the obvious answer and it is the route we and our partners have pursued.

However, we agree with the criticism / comment voiced in workshops that partnerships may not always be in reality quite what they appear to be. Some appear to be nominal, the usual suspects, and automatically included in an application without much thought being given to how experience and expertise will be coordinated. Some are included in applications as a matter of course whether they have an input into a project or not. Partnership 'fit' as well as so-called strategic and priority 'fits' have to be an essential and demonstrable part of Project appraisal.

It is disappointing that only very rarely are private employers included in project (delivery) partnerships. We believe this has as much to do with employers themselves (too little time, too little money) as anything else. However, there is an inherent contradiction between strategic overviews (as outlined in Programme Complements) and what's happening locally. We note that in applications, in the sections pertaining to economic strategies, local employers are almost never referred to explicitly or their views authentically incorporated, but SMEs, admittedly a difficult constituency, remain outwith the parameters of most projects. The worry is that in spite of the Lisbon-Gothenburg agendas, this will continue to be the case. However, we believe that SMEs and their employees would be interested in e-skills, not least because most of them now recognise that, to be successful, they have to engage web-based business operations. Having said that, many private businesses, restaurateurs for example, are already engaged in such activities. Nevertheless, ESF Priority 2 and ERDF Priorities 1 & 2 need to be more robust and thorough in indicating "*how*" SMEs, so-called entrepreneurs and others could be engaged as partners.

4. Administration

We are concerned about the relationship between IABs and IDBs. What the relationship will be legally, contractually, administratively and operationally remains something of a mystery. Piloting a model is all very well but, even with a pilot, there has to be transparency and a clear expression of mutual responsibilities and liabilities. Nowhere is this apparent. It comes across as an idea produced without much reflection. The relationship between the two and the intent and purpose of IDBs have to be articulated as a matter of some urgency.

We are also concerned that the ESF Division will continue to view their role and the role of the IABs in purely administrative terms. By this we mean that the only real support provided in the 2000-2006 Programme by such bodies, except in some instances though they tended to be the exception and not the rule, related almost

exclusively to 'getting your claims right' and, latterly, to an inordinate emphasis on transaction lists for every claim (which one would have expected to be part of an auditor's role in a final claim, not an administrative assistant's role in every claim). Otherwise, there is no project 'support', properly so-called, due in all probability to the fact that few, if any, of those employed by programme management executives have any first-hand experience of project practice. The experience contrasts markedly with our experience of the Community Initiatives under the previous programme where programme administrators did in fact have project experience and a much better understanding of how projects actually functioned in practice, the additional challenges encountered, for example, with hard-to-recruit beneficiaries. We would therefore recommend that both the ESF Division and the IABs be encouraged to recruit an experienced and successful Project Practitioner(s) to give help and advice to those project practitioners, especially those without much experience of ESF, advice which would be much more helpful to a Project than how to fill in all the boxes correctly. Moreover, in addition to Claims seminars, the PME or IAB or the SE ESF Division should conduct Project Management seminars for Project Practitioners. This has to be something more than disseminating 'good' practice at the occasional event, events which rarely provide advice and support on project management. We must stress the point that administration is meant to support project delivery, not hinder it. The latter has been more characteristic of the 2000-2006 Programme than the former.

5. Project Selection and Appraisal

Although the Selection and Appraisal processes of the 2000-2006 Programme worked reasonably well, there are some issues with the current method of project selection:

- At present, a heavy reliance is placed on Peer Review (in respect of Challenge Funds anyway, because for IDBs the picture remains obscure). Moreover, Advisory Group Members provide their services for free and it is only natural that they should expect their efforts to be reciprocated in kind, which they are through the experience and insights gained into other organisations' projects and in assimilating good ideas and good practice. However, due to the composition of the advisory groups and the pairing of scorers, there is an assumption that each sector understands the other, which is not in fact the case.
- Some advisory group members are very experienced project practitioners. Some are not and may not realise that what may look like a good project application (well written and hitting all the right buttons) could be a disaster when delivered, especially when an experienced project practitioner would know at a glance whether or not, for example, numbers of trainees are realistic relative to the employment or occupation sector targeted. A good application does not necessarily guarantee a successful project. Scoring on Past Performance by the PME was supposed to alleviate these potential ambiguities but much depends on (a) how a project's results have been reported (b) whether members of PMEs have practical project experience (which, on the whole, they do not). Moreover, reporting results is the most problematic factor in the system, primarily because it remains vulnerable to double-counting by more than one organisation.

- It is difficult to comprehend why projects with very high Project Unit Costs manage to get funded. One can understand that certain pilot and experimental projects, dealing with a particularly difficult client group in one to one situations will generate a relatively high unit cost but, nevertheless, given the reduction in overall funds, there should be stated limits or bands.
- Relatively sophisticated organisations, those in political favour particularly, seem to do very well out of ESF; they have a much better chance of their projects being funded than those who are not quite so sophisticated irrespective of the actual merits or cost of the proposal.

Nevertheless, we would recommend retaining Peer Review though we would make the following recommendations to improve it:

Outline Proposal

To ensure that all organisations are included in opportunities to propose and effect a Project, Outline Proposals should be made prior to an application. This process need not take very long. It has the merit of enabling those who have a good idea and the will to put it into practice to have their proposal reviewed and 'developed', making sure that they do address key concerns and issues (e.g. additionality, eligibility, capacity, match, project practicalities, administration/staff costs relative to what is actually spent on beneficiaries etc.). The PME or IAB would also function as a true support agency and not a purely administrative agency, and be more realistically engaged in helping projects to succeed rather than collating data success, failure and de-commitments. The Outline Proposal would also provide an opportunity for funders to ensure that big partnerships did not assume too much just because they were a big partnership or were a CPP/SE or LEDC-sponsored activity and, as a consequence, smaller organisations suffered. More importantly perhaps, an Outline Proposal System would flag up potential synergies between one Project proposal and another, and signal potential duplications; it could also represent an opportunity to strengthen, widen or deepen partnerships. The Outline Proposal Process as currently used by the Big Lottery could be adapted to suit ESF requirements.

The role of anyone assessing Outline Proposals would be independent of ESF Division, IABs and IDBs. However, there would be no authority to accept or reject any proposal on the part of the assessor. Their remit would be to identify synergies a priori etc. and to improve a potential application ... Have you thought of this or that? Have you worked this through...not to reject it. Obviously, the person examining outline proposals and meeting promoters would have to be an experienced, credible and successful Project Practitioner(s). Apart from anything else, this would make the system appear more credible in that potential project promoters would feel they were being treated fairly and equitably and, more importantly, supported. Support, as previously stated, should not be restricted to getting your claim or your transaction list exactly right.

6. Multi-Annual / Minimum Awards?

We have no objection to this in principle, particularly for experimental or pilot projects that of their nature require 2-3 years to mature and succeed. Nor have we any

objection in principle to a minimum award. We can see benefits in both of these proposals, not least because under the old Community Initiative Programme, we had notable successes with multi-annual projects. However, we would strenuously object to both of these proposals if their justification were to be based on 'administrative convenience' (and, unfortunately, at one workshop this was stated as the justification!). Administration is at the service of the Project, not the other way round, a point that is often overlooked by civil servants. The justification for multi-annual funding or minimum awards should be based entirely on Project Rationale, not on administrative convenience, and should not automatically exclude projects of less duration, nor 'small' Projects necessarily in that small, discrete projects can often succeed where larger ones cannot, though we would be inclined to agree that small Projects should be the exception rather than the rule (though much depends on where one draws the line between large and small).

7. Voluntary Contributions

This is our final comment. While the ESF Division and, no doubt, a number of project promoters welcome the fact that the Scottish Executive will now be picking up the tab for the IABs instead of depending on 'voluntary' or 'volunteered' contributions (which, according to the European Commission were irregular and ineligible), and that the SE contribution and the Technical Assistance will cover the expenditure required for the IABs, we rather regret this decision. We may well be unusual in this regard but a degree of comfort could be derived from the fact that, by contributing to a PME, that PME was not entirely beholden to the Scottish Executive and that a measure of independence and accountability was possible. Moreover, a project promoter had a sense of being 'partnered' with the PME. Inevitably the question now arises as to whether or not the Scottish Executive, through the ESF Division, in so far as they are the paymasters, will now call the tune and not be accountable in any way to project promoters or 'partnered' with them. We believe the European Commission has failed to appreciate this ambiguity, that it is possibly another instance of dirigisme and the lack of democracy in European institutions, though one suspects that the Council of Ministers, if not the European Commission and the Court of Auditors, is well aware of the point.

Concluding Remarks

As previously stated, these comments are not exhaustive, but we have contributed to the discussions hosted by WoSCoP and we reiterate that, on the whole, we support them. Otherwise, we wish to state once again that we are grateful for this opportunity to respond to the Proposals regarding the Structural Funds Programme 2007-2013 and we hope that, once the Proposals have been finalised, that Scotland can look forward to a new and successful ESF/ERDF Programme even if it will not be on the same scale as the previous programme although, hopefully, this may offer an opportunity to focus on quality rather than quantity and the pressure of N+2 targets.

Notate Bene:

This response was compiled by Robert M. Maguire, Projects Manager, Anniesland College. Although the advice and assistance of colleagues and partners was sought throughout and incorporated as faithfully as possible, Robert Maguire, in the event

that he may have inadvertently misinterpreted such advice, apologises for any errors of fact or opinion.

*Robert M Maguire
Projects Manager
14th December 2006*

**Robert M Maguire
Projects Office
Anniesland College
19 Hatfield Drive
Glasgow
G12 0YE**

**0141 357 6121
r.maguire@anniesland.ac.uk**