

**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?**

The proposed programme has identified the challenges concerned with worklessness, hard to reach groups and the low skills, low wage economy.

However, the socio-economic analysis presented gives little consideration of low productivity in Scotland, compared to the UK and the even lower rate in the West of Scotland.

Any reference to the knowledge - economy seems missing from the analysis. Any reference to e-business or to e-skills development is not clear.

“The UK National Reform Programme” lists the effective development of ICT throughout the economy. How the use of ESF funds can be used to support the development of ICT and help productivity growth is not explained clearly in the proposed plan.

The activities to address these issues and to enable the priority groups to re-skill and up-skill are presented only in summary form, additional work needs to be done to ensure that higher level skills development is promoted to support growth and competitiveness in the economy

**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?**

**Priority 1 ERDF**

The value of innovation is too narrowly defined in the references to the enterprise sector, references are made about increasing entrepreneurs, addressing bottlenecks and improving RTD/innovation. However, there appears little to support the activities of many SME's, no indication of how capacity may be built using the Funds and no special targeting of how and where the Funds should be spent.

**Priority 2 ERDF**

The issues relating to capital and to business support services for SMEs should be limited in the programme. Past experience shows that this is not very successful, given the depth of urban challenges in this priority more needs to be done to show how the Funds will be allocated linking deprivation to opportunity for the communities.

In general, we consider that competitiveness and support for the SME base is necessary. The inclusion of e-business in Priority 1 would support ICT development and aid its development and use in the small to medium company sector.

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

The College believes that the suggested ERDF priorities for Lowland Scotland show appropriate coherence and concentration, although we would suggest more concentration and spatial targeting of the funds. The major priorities should cover the entire programme area, so that all target groups can be accommodated. This would allow projects to be prioritised based on a transparent policy of spatial targeting.

**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?**

The proposals in the document focus clearly on employability and show how the funds may be used to support those sections of the community requiring maximum assistance.

However, the programme is a “Competitiveness” programme, supporting the Lisbon agenda. Again the question of productivity is not clearly stated, therefore there is little relationship between appropriate skills training and the need to solve skills gaps in the economy. The development of higher level skills is fundamental to meeting the Lisbon agenda, The use of the Funds to support skills development needs reinforced in the proposed plan. Any reference to working with employers, trade unions and social partners is weak or indeed absent from the text.

Further clarification of issues and a clear focus on what is required as priorities is essential.

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

The ESF priorities are as those stated in the Community Support Guidelines show both coherence and concentration and do not require changes in their configuration in the draft document.

However, in examining Priority 1, our experience in previous programmes indicated that recruitment and retention of disadvantaged groups involves resources and support well beyond the scope of ESF. More innovative solutions need to be explored and a clear indication of outputs is required throughout the draft document.

Priority 2.

Past experience has shown that the move from low to intermediate skills is of more benefit to the economy than the move to higher level skills. This will be essential to meet the replacement demand in the economy, particularly in the West of Scotland.

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

There are some concerns on the IDB status being assigned to Priority 1. As with the Community Planning Partnerships, it must be clear that the Structural Funds are additional and must respond to the aims and priorities of the proposed programme. A clear strategy must be produced to show how the Funds will be managed and how effectively additional benefits and outputs will be achieved.

We note also that there are no obvious attempts to introduce spatial targeting in this Priority.

Priority 2. In this Priority, the allocation of funds would appear to be low given the challenges faced, again no attempt has been made to introduce spatial targeting based on need.

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

Priority 1

We would agree that the balance of funding in this Priority (43%) should receive the largest share to allow synergy with Priority 2 ERDF.

Priority 2 must link with the business creation agenda of Priority 1 ERDF but we would recommend that this should be allocated 32% of the fund and the balance used to increase Priority 3 to 25% given the importance of mobilising SME's in this area of skill development where engagement in previous programmes has been historically difficult.

Access to Learning must also serve the wider post school lifelong learning agenda. The Funds must support continuous improvement and innovation if the outputs in Priority 1 and 2 are to be achieved.

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

The proposed priorities in the draft operational programme would appear to focus on the right priorities in the Scottish domestic policy.

However, it would appear that the available funding resource may be spread too thinly to be really effective. There are insufficient funds to support the many strategies outlined in the proposed plan. Clearly defined priorities with deliverable outputs are essential. A review of key Scottish priorities, focussing on 'Lisbon' outputs should be made. This would produce a more targeted approach, encourage effective delivery and bring additional benefits to the Scottish economy.

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

With less monies available in the new programme the aim must be to be more flexible in how funds are distributed.

In ESF Priorities 1 and 2, more frequent application rounds should be offered, perhaps 3 or 4 in the calendar year.

In Priority 3 the use of a rolling – programme is recommended. This will help to ensure that funds are continually committed and maximum outputs achieved for the Priority.

We believe that the challenge fund application process cannot be separated from efficient appraisal, approval and monitoring of projects supported by an equally efficient claims monitoring process. The Managing Authority and IAB must ensure that the administration systems developed maintain or improve the time between claims and payment for all organisations.

**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?**

Given that Structural Funds are an additional resource, Community Planning Partnerships must respond to the aims and objectives of the new programme. They must, therefore be encouraged to produce clear strategies, showing how they will effectively manage the Structural Funds.

Support from the Managing Executive and IAB as well as local partners, will be essential if CPPs are to effectively deliver the appropriate outputs in the plan.

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

The College believes that many of the benefits and much of the experience gained in previous programmes has been lost in the development of this draft programme plan.

In previous programmes, development took place in a more inclusive basis involving all sectors and partners. In addition, the socio – economic analysis benefited from input from the experience of partners, gained in most cases from involvement in Structural Funds over many years.

Any significant recommendations from the ex – ante evaluations will not be available until the new programmes are published, this is a real concern, given that ex - ante evaluations have in the past been of considerable benefit in helping frame future programmes.

**The status of this consultation is a matter of concern**

**Dantua Hubner** - Commissioner Regional Policy has stated : -

*“It is increasingly evident that effective strategies for regional development cannot be devised or imposed in a top down fashion”.*

The current consultation for the 2007 – 2013 does not reflect the Commissioners view.

Also there has been no effective response from the Managing Authority to the views expressed for the stakeholders events and the current on-line consultation is therefore to an extent self – serving.

However, given the timescale to react to this consultation exercise it will be increasingly difficult for the Managing Authority to put their final plan out for further comment.

The proposed plan has much to commend it and will bring real benefits to Lowland and Upland Scotland. We do recommend, however, that a summary of the proposed changes to be made to the plan should be posted on the Executives website as soon as they are available, not to extend the consultation, but to keep stakeholders informed bringing a degree of transparency to the process.

**Reid Kerr College**  
**20 December 2006**