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European Structural Funds: Public consultation on draft 2007-2013 operational programmes

I am writing in response to the above consultation issued on 24 October 2006. This represents the views of the executive of the Scottish Funding Council. We have addressed all questions except question 11 on complementarity with other EU funding streams as we do not have expertise in this area. We are grateful to John Rigg for extending the deadline for our response.

The Council recently published its corporate plan for the period 2006-09, which I refer to in this response. Our corporate plan can be found on the Council's website at: http://www.sfc.ac.uk/about/about_strategies_corporate.htm. I enclose a hard copy for your information.

Lowlands and Uplands

Question 1 – socio-economic analysis

The socio-economic analysis is consistent with themes that we have highlighted in our corporate plan, eg, low business growth; low levels of private investment in research and technological development (RTD); too many individuals socially excluded; and related issues with access to employment.

Questions 2, 3 4 and 5 – proposed ERDF and ESF priorities

The priorities as set draw on appropriate Scottish strategies which we also took into account in developing our corporate plan. We also drew on two reports recently published by the

Council, “Learning for All” on access to and participation in further and higher education and “Learning to Work” about enhancing employability and enterprise skills.

As indicated in the consultation there is more focus on activities such as workforce development, encouraging enterprise, business growth and support for the innovation and commercialisation of research and development. These are also important areas in our corporate plan. Aim 2 of our plan is for learning provision and programmes offered by Scotland’s colleges and universities to be relevant to students’ lives and careers, society and the economy. Aim 5 is for Scotland’s colleges and universities to generate effective knowledge exchange that stimulates innovation and development in public and private sector organisations and enterprises.

Under aim 2 our objectives are to enhance the relevance of skills and the employability of people wishing to enter the workforce and to enhance the contribution that learners make to society. Our priority actions under this aim include investing in a rolling programme of collaborative development projects to improve the contribution that colleges and universities make to the development of skills in different sectors of the economy.

Our objectives under aim 5 are to improve the flow of knowledge, expertise and ideas to businesses, enterprises and public services and to improve the innovation system in Scotland. In particular we have as a priority action the development of initiatives within the college sector to strengthen the knowledge exchange activities of colleges and links with small and medium enterprises.

Therefore Scotland’s colleges and universities have an important role to play in delivering these structural fund priorities.

Question 6 and 7 – balance of funding

Given the requirement for “Lisbon earmarking” and the emphasis on growth and jobs we can understand the rationale behind directing a large proportion of funds towards employment and enterprise growth. The Lisbon agenda also specifically includes “improving the social inclusion of less-favoured persons”. This is very much addressed by ESF priority 3 - “Access to lifelong learning” which in turn addresses some of the underlying issues in accessing employment. Therefore if we were to suggest any changes to the balance of funds it would be to increase the proportion going towards ESF priority 3 as it addresses part of the Lisbon agenda and underpins the other two priorities (“Progressing into employment” and “Progressing through employment”).

It would also be useful when finalising the balance of funding between priorities to provide details of how the distributions were calculated.

Question 8 – Scottish domestic policy

It is very important that structural funds co-ordinate appropriately with domestic policy and we welcome such a consideration in the consultation. As mentioned above you should also be aware of the Council publications, “Learning for All” and “Learning to Work” and the priority actions relating to those set out in our corporate plan.

As this is likely to be the last structural funds programme, it is important that, although supported programmes must demonstrate clear added value to what takes place domestically, they must articulate with domestic policy in the long term if any roll out of such programmes is to be of any value to Scotland once European funds have ceased.

We have discussed previously with the Scottish Executive the possibility of regular meetings with the Council to discuss, in general, the types of projects being funded and Council initiatives. This would ensure appropriate co-ordination with Council policy.

Questions 9 and 10 – environmental sustainability and equality

Environmental sustainability is a key aspect of the Council’s cross cutting theme for sustainable investment and development at institutions. We also plan to contribute to, and implement the outcomes of, the UK and Scottish Science and Innovation Frameworks which, amongst other issues, highlights the need for greater public awareness of social scientific issues such as sustainable development and environmental change. Regarding equal opportunities, promoting equality of opportunity and respect for diversity is also one of the Council’s cross cutting themes.

We have established standing groups to implement the above objectives. In both cases, our overriding aim is to ‘mainstream’ these activities. We are therefore pleased to see environmental sustainability and equal opportunities integrated into the operational programmes. Colleges and universities, with the support of the Council, will be geared up to address these issues.

Question 12 – challenge fund approach

In a challenge funding system where funds are limited it is very important that the weight of the administration resources is not inappropriate compared to the total funds available. At

the same time we appreciate that the Scottish Executive has to conform to the European rules on the distribution of ESF.

We support the proposal to focus on partnership-based projects as this should contribute towards making best use of the reduced funding available. It would also be useful, though, if the Intermediate Administration Bodies (IABs) had a brokering role when assessing projects. As well as encouraging partnership applications IABs should be able to identify where separate project bids may work better if they were joined up.

With the above approach in mind there may be merit in adopting a two stage process for challenge fund applications where an outline proposal is first considered. At that stage potential links with other projects could be identified centrally and projects that were not appropriate to support could be identified early without the need to work up and assess a full application.

We would also welcome discussions with the Scottish Executive on how colleges and universities could work in partnership to develop innovative proposals with the help of the Council.

Question 13 – use of intermediate delivery bodies

For the delivery of elements of the programmes through Community Planning Partnerships (CPPs) and other local partnerships to work, such partnerships must genuinely involve all relevant bodies in their local area. At present CPPs do not uniformly engage with colleges and universities across the country and we understand that they are not included as statutory consultees of CPPs. If CPPs are to be effective intermediary delivery bodies then, in order to achieve best value for the use of ESF, they must be obliged to consult all colleges and universities in their areas on ESF matters.

It is important that we do not lose the impact colleges and universities can make on the Lisbon Agenda. They have a key role to play in progressing people into and through sustainable employment. Additionally universities are a vital part of the RTD infrastructure and colleges are at the leading edge in tackling access and social deprivation and providing routes to education and employment.

As mentioned above, with reduced funding, greater partnership working will be a sensible use of resources but this will only work if all relevant partners are given the opportunity to be involved. We must not create unreasonable barriers for bodies to access structural funds where they can make good use of them.

Questions 14 and 15 – spatial targeting

We agree that given the small scale of additional EU funding that some form of targeting would be appropriate.

Highland and Islands

Please note where general issues cross both Lowlands and Uplands and Highlands and Islands we will refer in this section to our comments above.

Question 1 – socio-economic analysis

The socio-economic analysis is helpful and identifies relevant issues such as RTD, access and the coverage of further and higher education. We have discussed further the latter of these issues below.

Questions 2, 3 4, and 5 - proposed ERDF and ESF priorities

The priorities as set out address general issues for the region and draw on appropriate Scottish strategies. Also see the comments on the contribution that Council funded bodies can make to ESF priorities set out under our responses to questions 2, 3, 4 and 5 and question 13 under Lowlands and Uplands.

Questions 6 and 7 – balance of funding

Our comments on questions 6 and 7 under Lowlands and Uplands apply and we would again emphasise the underpinning role that access to lifelong learning plays in increasing and investing in the workforce.

Question 8 – Scottish domestic policy

See our comments on question 8 under Lowlands and Uplands.

Questions 9 and 10 - environmental sustainability and equality

See our comments on question 8 under Lowlands and Uplands.

Question 12 - challenge fund approach

See our comments on question 8 under Lowlands and Uplands.

Question 13 - use of intermediate delivery bodies

Our comments on question 13 under Lowlands and Uplands are relevant. Additionally we welcome the plan to enhance the teaching and research capacity of UHIMI and the college network. However, in considering using UHIMI as an intermediate delivery body the Scottish Executive should assure itself that this is the most appropriate route for funds and that appropriate accountability arrangements can be put in place. UHIMI is currently funded directly by SFC for advanced level activity which it distributes to its partner colleges. Non-advanced level activity at the partner colleges (much of which will be relevant to ESF priority 3 – access to lifelong learning) is funded directly by SFC if the college is eligible for Council funds.

It is important that the Executive discuss with SFC and UHIMI the nature of the proposed projects to ensure that they are appropriate for the UHIMI funding structure, co-ordinate with Council policy and can be rolled out to articulate with domestic policies.

I hope these comments are useful.

Roger McClure
Chief Executive