

**Mclsaac C (Cathy)**

**From:** ian.bishop@paisley.ac.uk  
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**Future European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013****RESPONDENT INFORMATION DETAILS**

**Name:** Ian Bishop  
**Organisation:** University of Paisley  
**Address:** Innovation & Research Office University of  
Paisley Paisley  
**Postcode:** PA1 2BE  
**Email:** ian.bishop@paisley.ac.uk  
**Telephone  
Number:** 0141 848 3552  
**Responding as:** on behalf of a group or organisation  
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**Questions and Answers**

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 operational programmes for ESF and ERDF give a good summary of the socio-economic factors affecting the economy of Scotland, albeit predominantly on a Scottish-wide basis. The various categorisation by NUTS and LUPS regions provide useful detail but even this analysis marks significant geographical variation. Within the general heading of employment and employability, the projected decline in school age population will impact on the availability of a steady or growing supply of entrants to work and/or HE/FE participation. Additionally, while HE/FE participation rates across Scotland now approach 50%, participation

	<p>in the West is much lower. This impacts the available pool of employees for the Company base to engage in research and innovation. The attraction of migrant workers to Scotland is an accepted mechanism to address the demographic downturn referenced above, and these workers may have specific training and skills needs in order to contribute fully to the economy. It is not clear that such specific needs form a core strand of the current socio-economic analysis.</p>
<p><b>Question 2: Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands &amp; Uplands Scotland address the strengths, weaknesses and opportunities of the region?</b></p>	<p>Yes. The priorities identified of Enterprise Growth, Community Regeneration and Rural Development provide a broad base within which a range of support mechanisms can be designed. Of particular relevance is the range of Key Programme Challenges identified within the Operational Programme.</p>
<p>Question 3: Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands &amp; Uplands Scotland show appropriate coherence and concentration?</p>	<p>Yes, the proposals outlined appear to show appropriate coherence and concentration, although in reality the distribution of the funds will be dependent on the quality and diversity of the projects submitted. Clearly, however, there are other funds currently available to SMEs through Scottish Executive schemes both directly to companies and via Research Organisations and it would be useful to ensure there is no perceived overlap of potential support mechanisms to ensure that each available funding stream is as focussed and efficient as possible. This will be particularly appropriate for funds being distributed through Intermediate Delivery Bodies so that there is a transparent added value and additionally audit trail.</p>
<p><b>Question 4: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands &amp; Uplands Scotland address the strengths, weaknesses and opportunities of the region?</b></p>	<p>Yes, the priorities identified of supporting Progress into Employment, Progress through Employment and Access to Lifelong Learning provide a wide base within which a range of support mechanisms can be designed. Of particular significance are the Key Programme Challenges identified within the Operational Programme.</p>
<p>Question 5: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands &amp; Uplands Scotland show appropriate coherence and concentration?</p>	<p>Yes, the proposals outlined appear to show appropriate coherence and concentration, although in reality the distribution of the funds will be dependent on the quality and diversity of the projects submitted. Clearly, however, there are funding mechanisms available through Scottish Funding Council to promote wider access and lifelong learning and it would be useful to ensure there is no perceived overlap of potential support mechanisms to that each available funding stream is as focussed and efficient as possible. This will be particularly appropriate for funds being distributed through Intermediate Administration Bodies so that there is a transparent added value and additionally audit trail.</p>
	<p>It is difficult given the level of detail provided to comment on the balance of funding of the ERDF proposals. The split indicated - with 23% projected to be directed towards Rural Development would appear</p>

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

ambitious, based on previous take-up of ERDF funds in rural locations. An additional factor to bear in mind will be the impact of the development of a metro-region strategy across Scotland. As the economic landscape changes with wider regions being credited for their supporting role in the development of competitive city environments, it may be necessary to have disproportionate intervention rates in order to stimulate and sustain rural initiatives. While the focus on ICT in ESF will benefit both rural and urban areas, clearly innovation in a rural economy is hampered by a wide range of factors from the availability of a skilled workforce, to business infrastructure, transport etc.

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

Again, it is difficult to comment on balance of funding of the ESF proposals, based on the level of detail provided in the analysis. However, targetting 43% of the fund towards Progress to Employment seems disproportionately high when the demographic profile of the population is considered. Scotland faces an aging population which, combined with extended retiral ages, will result in those employment staying in employment for longer and requiring more frequent changes in role which will be supported through a commitment to lifelong learning. While those currently economical inactive or workless have a low base of qualifications, the economic barriers to entry to work were identified (benefits, etc). Hence a broader range of interventions may be required which may mean that 43% of the ESF fund cannot be justified.

**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 outlined focus on a smaller number of themes than the existing Objective 2/3 programmes but appear to be wider in their potential scope. This would seem an appropriate response to the diminished availability of funding, resulting in more flexibility to fund high quality projects without the need to vire money between priorities throughout the life of the programme. However, this approach does mean that if high quality projects emerge which are designed around a small group of beneficiary types, the the full extent of the outlined priorities will not be achieved. There is little that can be done to avoid this completely but clearly the Intermediate Administration Bodies should monitor and manage the flow of funds to avoid concentration on one class of beneficiary or geography.

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

The continuation of a 'horizontal theme' of sustainability is welcomed.

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

The continuation of a 'horizontal theme' of equal opportunities is welcome and will be necessary given the simplification of priorities from ESF Objective 3. The embedding and mainstreaming of EO in all aspects of the programme is welcome.

Structural funds have always been accessible is a very broad spectrum of large and small organisations in

<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>Scotland with manageable administrative burdens. Other funds can be harder to administer but also significantly more difficult to identify and access. It would be useful if the Intermediate Administration Bodies have a key performance indicator in their contracts of identifying and stimulating synergies between Structural Funds and other EU funding streams.</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>Consistent quality becomes increasingly difficult to ensure across a wide range of priorities, assessors and projects using Challenge funding. As the number of priorities drops and the available funding reduces, the consistency of assessments should rise. Efficiency in operation should result from the introduction of IAB and IDBs, though transparency may suffer from the allocation of funds directly to delivery organisations. One interesting addition to the current assessment criteria would be the reemergence of a consistently implemented GVA calculation for all potential projects. With such a measure, the impact of projects across different priorities could be equated.</p>
<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?</p>	<p>The development partnerships which were a feature of the EQUAL stream of Objective 3 funding provides a good model of local partnership flowing from design to programme delivery.</p>
<p><i>Question 14: What are your views on spatial targeting for community regeneration under ERDF Priority 2 and ESF Priority 1?</i></p>	<p>Rurally and deprivation can both be described and measured across Scotland. Identified need should be addressed through the efficient and productive use of EU funds. It would be unfortunate if an area could not benefit from available funds because the local infrastructure lacked the capacity or vision to draw down funds. Careful consideration should be made of whether it is politically acceptable to have competitions for such projects, or whether funds should be available, subject to absolute quality considerations.</p>
<p>Question 15: What are your views on spatial targeting for rural development under ERDF Priority 3?</p>	<p>Rurally and deprivation can both be described and measured across Scotland. Identified need should be addressed through the efficient and productive use of EU funds. It would be unfortunate if an area could not benefit from available funds because the local infrastructure lacked the capacity or vision to draw down funds. Careful consideration should be made of whether it is politically acceptable to have competitions for such projects, or whether funds should be available, subject to absolute quality considerations.</p>
<p><i>Question 16: Do you have any additional comments on the draft Structural Funds Operational Programmes for Lowlands &amp; Uplands Scotland?</i></p>	<p>Higher Education provides a pivotal role in developing the human capital and company base of Scotland, HEIs and FE Colleges have a strong tradition of providing ESF and ERDF supported interventions and it is important that no changes implemented in the 2007-13 programme compromise effective partnership of education institutions and other local bodies. Of considerable concern is the financial pressure on institutions to account for the full economic cost of</p>

activities and so participation can be threatened by lowering intervention rates.

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