

## Structural Fund Programmes 2007-2013

### Lowlands and Uplands Scotland

1. *Are there any additional socio-economic factors to be considered – and which structural funds can address – in addressing the strengths, weaknesses and opportunities of Lowlands & Uplands Scotland?*

The socio-economic analysis contained within the LUPS document provides a fair overview of the area covered.

However, a noticeable omission exists in a number of tables and text throughout the document concerning Argyll and Bute Council. Helensburgh and Lomond (Argyll and Bute) are part of the Dunbartonshire LEC area which includes East and West Dunbartonshire. The Helensburgh and Lomond area of Argyll and Bute Council should be added to the list of areas within the South Western Scotland NUTS 2 region.

2. *Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands & Uplands Scotland address the strengths, weaknesses and opportunities of the region?*

The priorities can be seen to reflect the strengths, weaknesses and opportunities of the region in a very general sense. However, in detail they do not reflect the geographic characteristics which were highlighted in the analysis section. This relates specifically to geographic targeting (see question 3 response).

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

The priorities and strategy do not indicate whether or not the priorities will aim for coherence at LUPS level or whether the programme will seek to improve the poorer performing sub-regions. Under Priority 1, we can see from the analysis and table 3, that corporate stock in South West of Scotland is the lowest amongst the LUPS areas. It may be logical therefore, to introduce geographic targeting under Priority 1 favouring those areas which the analysis has identified as problematic.

The strategy identifies the distinction between urban and rural areas but it lacks recognition of the economic and social differences throughout the LUPS area as per the analysis. Geographic targeting in order to maximise the impact of the funds and reflecting the geographic differences identified in the analysis would make the whole programming document more coherent and would show relevant concentration.

There needs to be further clarity as to the proposal for delivering funds under Priorities 2 and 3 on a geographic basis. It has to be clear how urban and rural areas will be identified or indeed, have they been identified? In Priority 2, the document contains no detail as to which areas are specifically targeted, and under Priority 3 one area of Scotland is specifically identified (Dumfries and Galloway) in the introduction section. The naming of one area within the LUPS area seems at odds with the rest of this section. Within the analysis, there is no strategic justification for this and at the same time, there is no further detail as to how other rural areas in the LUPS area will be targeted. Further detail with regards targeting under this priority is required.

Close working with Community Planning Partnerships will ensure that prioritisation and targeting takes place in a balanced and integrated manner, reflecting the priorities identified by partners in the local area.

4. *Do the proposed priorities for the 2007-2013 ESF programmes in Lowlands & Uplands Scotland address the strengths, weaknesses and opportunities of the region?*

The proposed priorities appear to sufficiently reflect the strengths, weaknesses and opportunities of the region.

5. *Do the proposed priorities for the 2007-2013 ESF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?*

The proposed priorities show relevant coherence and concentration.

6. *What are your views on the proposed balanced of funding between priorities for the future ERDF programmes in Lowlands & Uplands Scotland?*

The balance between the funding allocations for each priority is too focused on Priority 1. It would be useful to know how Priority 1 complements the 7<sup>th</sup> Framework programme and how duplication can be avoided. We suggest that a more strategic and fair split would be 40%/40%/20% as opposed to the proposed split of funding between priorities of 48%/29%/23% in order to reflect absorption rates in the current programme (Priority 1) and the urban/rural population split of the LUPS programming area. It would be useful to have a clearer definition of which areas would be within the Priority 2 urban classification, and which in the Priority 3 rural classification. This is of particular concern as some areas may not fall neatly into either category. However, further information is required in order to comment fully on this.

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

The split in the proportion of funding between the ESF priorities gives too much weighting to Priority 3, both in terms of comparison with the current Objective 3 programme and the need within the LUPS area for Priorities 1 and 2. A more appropriate apportionment would be an allocation of around 10-15% of the ESF budget. We would support an allocation between the priorities of 50%/40%/10% for Priorities 1, 2 and 3 respectively.

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

The draft Operation Programme mentions only Scottish Executive strategies which we feel is insufficient and does not add local dimension nor elaborate on any of the strategic targeting within the document. Relevant regional and local strategies such as those of local government would demonstrate that the Operational Programme is aligned to domestic policy at both Executive level but also at the local implementation level. The Council believes that Community Planning, as a core

pillar of Executive Policy, is fundamental to the effective implementation of structural and other public sector funding, achieving best value.

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

The continued mainstreaming of environmental sustainability is a positive continuation from the 2000-06 programme. Specific inclusion of objectives within the three ERDF priorities is also welcome. These should, however, be balanced with the general aims of the programme so that projects supported address the challenges of regional development first and foremost, as well as specific environment themed projects. Strong horizontal inclusion of environmental sustainability should ensure that all projects follow the ethos of environmental sustainability as described in the draft Operational Programme.

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

The continued approach to the mainstreaming of equal opportunities in the new programme is welcomed.

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

At present, the Council is concerned that there is little transparent co-ordination between funds. As previously stated, the table contained within the EFF draft programme document is helpful and should be a core component of all Operation Programmes, with the obvious addition of ESF eligible activities.

In Argyll and Bute Council, a general funding approach to complementarity through the Community Planning Partnership is currently being explored and developed. This would ensure integration across European funds and additional complementarity with other public sector funds available. The Council considers that, through this process, a more local funding complementarity approach would assist and enhance the proposed annual monitoring committee meetings, through regular reporting. Part of this development process involves the co-ordination of the various sources of Structural Funds via a CPP process (ERDF, ESF, EAFRD and EFF). This should not only ensure local complementarity but will also simplify the application process locally. This process demonstrates an innovative approach to funding co-ordination within Argyll and Bute and support for this process from the Scottish Executive as part of its complementarity commitments for the Structural Funds would be greatly beneficial. A draft depiction of the approach suggested for local funding complementarity within Argyll and Bute has been included as an appendix to this response.

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

The challenge fund approach used in the 2000-06 programme was broadly effective and provided a transparent basis for the selection of projects.

Co-financing arrangements could be a positive additional mechanism for the strategic allocation of funding across the programme. It is, however, essential that this process is considered by the partnership decision making process. The Council considers that this is an ideal mechanism for CPPs to become fully integrated into the Structural funds partnership management process. CPPs are in an ideal position to deliver integrated programmes of funding according to agree local priorities, funded through a co-financing type arrangement. The Council would welcome an opportunity to discuss the role of CPPs with the Executive.

*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?*

As stated previously in several responses, the Council considers CPPs to be a natural evolution of the partnership process so well developed and effective under the structural fund programmes. In Argyll and Bute we envisage taking this pioneering Scottish partnership approach to a local level, and delivering a legacy of process from structural funds to CPPs. European funding can be seen as a catalyst which will enable both the CPP partnership process and the locally agreed delivery of development activities. This will assist in achieving best value, through the integration of funds, European and other, and contribute to improved governance.

The attached appendix depicts how Argyll and Bute envisage that this will work. The Council considers that the CPPs can contribute in strategic and delivery terms to the effective implementation of the structural fund programmes 2007-13 and would welcome a dialogue with the Executive on this.

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

Spatial targeting under ERDF Priority 2 and ESF Priority 1 will be necessary for the reduced funds to make a significant impact.

The draft programming document indicates that Priority 2 will be urban focused. Further detail about how this targeting will be achieved is required.

With regards ESF targeting, spatial targeting to some extent will help to focus assistance, however, there should be some degree of thematic targeting. One suggestion is to split this on a percentage basis, with 80% of funding allocated to geographic and thematic targeting using SIMD data as a basis, with the remaining 20% allocated to thematic targeting. SIMD data should be used as the main basis for the delineation of eligible areas.

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

Again, spatial targeting may be necessary to improve the effectiveness of this priority. As with the response to Question 14, clarification is required as to how rural areas will be defined. The draft programme document has specified that an

allocation of funding will be given the Dumfries and Galloway area. Full transparency of the data and methods used for this decision needs to be provided as well as details about coverage in the remaining rural LUPS areas.

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

The consultation process would benefit, in the absence of an integrated funding programme for this period, from a table, such as that contained within the EFF consultation paper, identifying the respective areas of proposed support from ERDF, ESF, EAFRD and EFF.

The process would also benefit from a clear strategic view from the Scottish Executive on the role of structural and other European funding. The consultation papers repeatedly refer to the low level of funding available, but there is no clear strategic focus for the targeting of these funds geographically or thematically to maximise complementarity and synergy of public sector spend.

Argyll and Bute Council strongly believe that European funding must be closely aligned with the Community Planning process in order to achieve best value, effective local partnership working and an integrated approach to sustainable development. It is at this level that local fund integration can take place, ensuring complementarity and simplification of public sector funding assistance to communities. This process will bring the positive, highly successful and well respected partnership process which has been developed through structural fund delivery in Scotland to Community Planning Partnerships. This will be an excellent demonstration of process as legacy, which will continue after structural fund support ceases to be available in Scotland.

## **Appendix Community Planning and Structural Fund Delivery**

### **Community Planning**

#### **Statutory Framework**

The Local Government Scotland Act 2003 provides a statutory basis for Community Planning in Scotland. The Act provides a framework to enable the delivery of better, more responsive public services and gives Local Authorities more responsibility to work in partnership with other bodies and the communities they serve.

The main components of the framework are:

- A duty to secure "Best Value" in local government service provision.
- A statutory basis for "Community Planning" to ensure long-term commitment to effective partnership working with communities and between local authorities and other key bodies and organisations.
- A "Power to Advance Well-Being" to enable local authorities to work in a more innovative and creative way in responding to the needs of their communities. This supports the community leadership role of local authorities in the Community Planning process.

Community Planning Partnerships are based geographically upon local authority boundaries.

#### **Structural and other European Fund Delivery**

The Scottish partnership model for the delivery of structural funds has been extremely effective in delivering both excellent projects and facilitating efficient and constructive partnership co-operation in terms of regional development.

This model has matured over a period of time, and, because of its effectiveness, would be of positive benefit if transferred to other partnerships. As CPPs can now be identified as the main process by which public sector partners work together and through which, applying the principle of simplification, all partnership activity should be channelled, it is logical that integration between European funding and CPPs takes place.

The 2007-13 structural funds programmes are all being developed as separate programmes as are those INTERREG programmes for which Scotland is eligible. This presents a potential barrier to integration and effectiveness of fund delivery, creating the potential for duplication of effort and a cluttered funding landscape. CPP as a local co-ordinating body would enable local integration of funds and effective application and allocation of resources.

A number of Scottish Executive and partner initiatives are channelled through CPPs (eg Regeneration Outcome Agreements) in pursuit of agreed strategic objectives. European funding processes when applied to CPP delivery would bring financial additionality to strategic actions and a strong partnership process to overall delivery. Conversely, European Funds would be proven to be delivered directly to the areas of agreed priority across the programme area. CPPs can thus be considered as a natural evolution of the structural funds partnership management process at a local strategic level.

In essence, as the availability of European Funding has facilitated effective joint partnership working across programme areas, the funds would now become a catalyst for targeted regional development action in CPPs. The legacy from structural funds to Scotland would therefore be in process as well as in project outcomes.

### **Delivery Mechanisms**

CPPs could be involved in European Funding in a number of ways, each with varying degrees of impact on the current delivery models:

#### Project Applicant

The simplest and least radical option would be for the CPP or constituent partner to apply through challenge funding to the programme to deliver a project developed by partners to address a strategic aim.

#### Scheme Manager

The CPP or constituent partner would develop a scheme to deliver smaller scale actions through grants to deliver outcomes on a number of strategic priorities. This scheme would be open to applications from communities (geographical or interest) in the CPP area.

#### Intermediate Delivery Body

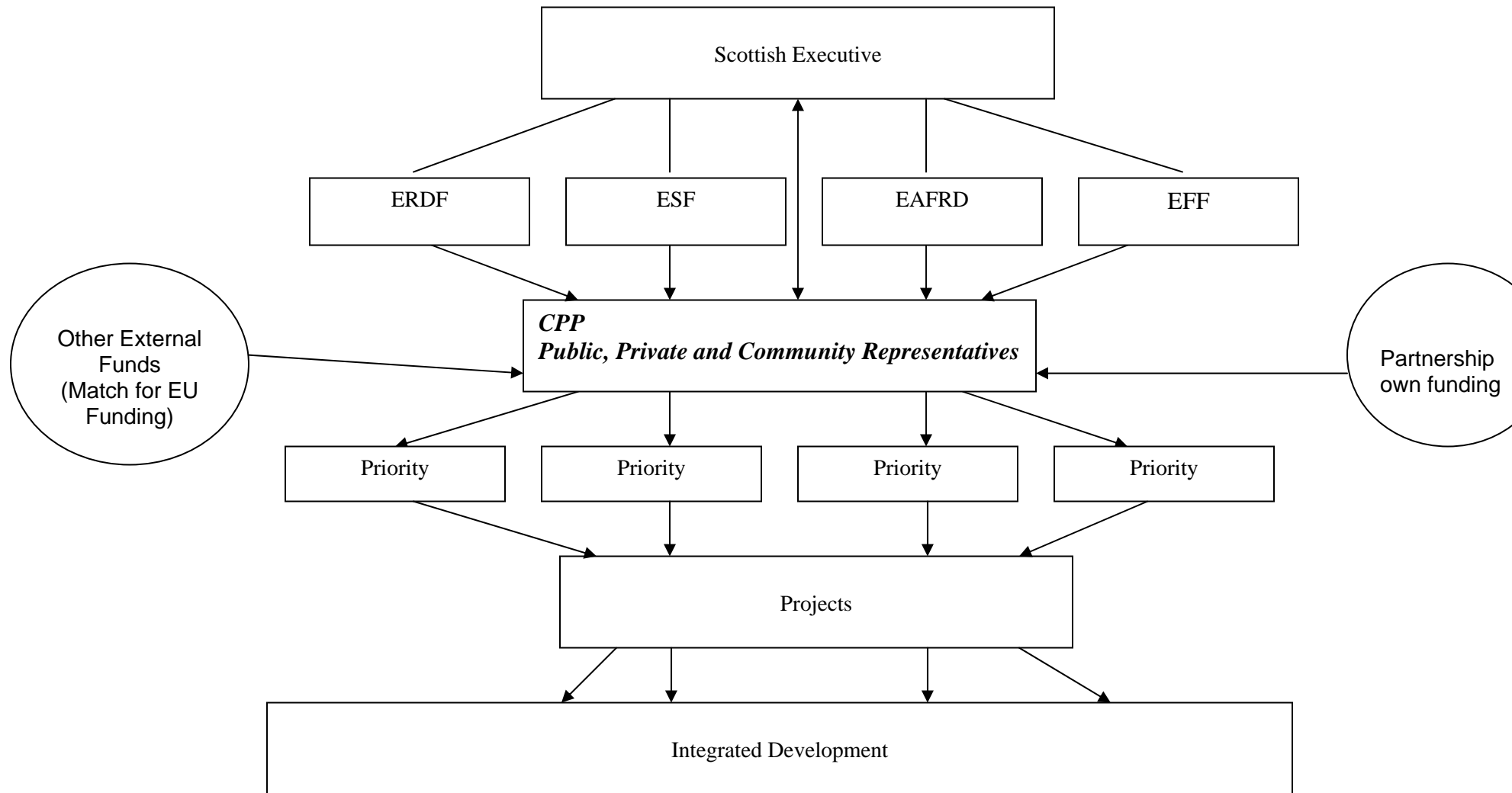
The most radical approach to CPPs and European funds would be for the CPP (or constituent partner such as the local authority) to become an IDB, with a locally based secretariat, which would deliver a locally developed programme to deliver a broad range of strategic outputs for the CPP.

#### Combination Approach (including some or all of the above)

### **Future Developments**

Argyll and Bute Council are currently exploring ways to maximise the effectiveness and efficiency of external funding through the Community Planning Partnership. This has been driven to a large extent by potential availability of funding through the 2007-2013 European funding programmes (ERDF, ESF, EAFRD and EFF). We are confident that the Community Planning process provides an ideal structure for local co-ordination and delivery of a component of these funds.

We would welcome the opportunity to discuss this with the Scottish Executive should they be interested in exploring the concept of CPP delivery of European funding in more detail.



There are variations as to the role the CPP could have in delivery of European Funding:

- Project applicant
- Scheme manager with local secretariat support
- Intermediate Delivery Body with local secretariat support
- A combination of the above with local secretariat support