

**Mclsaac C (Cathy)**

**From:** laurence.conner@midlothian.gov.uk  
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**Future European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013****RESPONDENT INFORMATION DETAILS**

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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?

It is important to stress that many parts of the Programme area have healthy employment figures that can mask underlying reasons for poor economic performance, such as low skills and educational attainment levels and poorly paid and part-time jobs. Midlothian, for example, whilst having a level of unemployment below the Scottish average, has one of the lowest GVAs, at three-quarters of the Scottish average. As regards skill attainment, only 25.3% of Midlothian's population are at Level 4+, compared to 32.5% in Scotland as a whole. These are the kind of issues that also need to be addressed if the economy of

	<p>the region is to grow. (Source: Biggar Economics Midlothian Economic Framework). We note that the area's coalmining/ex-coalmining communities are not referred to in the socio-economic analysis. It is important to remember that many of these communities are still facing particular issues related to economic restructuring.</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>Given the reduced budget available and the need to fit with the Lisbon Agenda, we feel that the Priorities address the various socio-economic issues. The Programme may benefit from having an emergency fund available to deal with a future sectoral collapse.</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>Again, given budgetary and Lisbon Agenda constraints, the Priorities show appropriate coherence and concentration. We agree that under Priority 1, it is important to maximise the value of the funds available by focusing them on those key economic sectors, such as biotechnology and life sciences that have major growth potential. Social Enterprises have an important socio-economic role to play in the development of both urban and rural communities. Partnerships and organisations like the Social Enterprise Alliance Midlothian, which provides support, training, guidance and services for the social economy, should be supported by the Programme. In discussing Priority 3, the Operational Programme makes no mention of community regeneration or of community economic development related activities. We feel that the Priority should also have a community focus, and that the kind of regeneration activities supported in urban areas under Priority 2 should also be eligible in rural areas under Priority 3.</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>Given the reduced budget available, the Priorities are appropriate.</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>Given the reduced budget available, the Priorities show appropriate coherence and concentration. The business/employee support element of the Programme should take into account the importance of Social Enterprise.</p>
<p><b>Question 6: What are your views on the proposed balance of funding between priorities for the future ERDF programme in Lowlands &amp; Uplands Scotland?</b></p>	<p>The balance is appropriate.</p>
<p>Question 7: What are your views on the proposed balance of funding between priorities for the future ESF programme in Lowlands &amp; Uplands Scotland?</p>	<p>The balance is appropriate.</p>
<p><b>Question 8: Do the proposed priorities outlined in the draft Operational Programmes focus sufficiently on the right priorities in Scottish domestic policy?</b></p>	<p>The Priorities comprehensively link to Scottish domestic policy.</p>
	<p>The Structural funds have a key role to play in championing the integration of environmental</p>

<p>Question 9: What are your views on how the principle of environmental sustainability has been integrated into the Operational Programmes?</p>	<p>sustainability into project activity. This is something the current Programmes do well, and we welcome the mainstreaming as proposed in the draft Operational Programmes.</p>
<p><b><i>Question 10: What are your views on how the principle of equal opportunities has been integrated into the Operational Programmes</i></b></p>	<p>We are satisfied that by integrating the Scottish Executives Equality Strategy, the principle of equal opportunity has been mainstreamed into the Operational Programmes. The introduction of equal opportunities champions as a key part of Programme delivery is a welcome development.</p>
<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>Particular care should be taken in aligning the rural development activities of the Programmes, particularly ERDF Priority 3, with the Scotland Rural Development Programme. These should be delivered using a joint approach to avoid duplication and maximise outcomes. Similarly, the RTD element of the ERDF Programme should complement the 7th Framework Programme. Increased linkage between ESF and ERDF is to be welcomed. However, we would not like to see support for ESF projects automatically tied to support for ERDF projects, as this would be restrictive and would mean that certain needy communities could be neglected because they do not have projects to link. It is also important to achieve complementarity and a joint approach with domestic funding bodies, such as the Big Lottery, to ensure a strategic approach across the board to socio-economic funding.</p>
<p><b><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></b></p>	<p>Procedures should be as straightforward as possible, while maintaining accountability. If the Advisory Group method is to be continued for assessing bids, members should receive adequate training to enable them to do this effectively. There is perhaps no need to retain a Programme Management Committee, as this adds another layer of bureaucracy to the process, without serving a significant purpose. A two-stage application process could ensure better quality applications which are more Programme focused. Stage one would be the submission of a project outline that would be assessed on the basis of eligibility, relevance and quality. The applicant would then be advised on whether or not to submit a full application and feedback would be given to enable applicants to submit quality bids. This system would also mean that applicants do not waste time preparing a full application unnecessarily. Greater clarity regarding the meaning and interpretation of the various result and outcome indicators is required. Given that the future Programmes will be Lowlands and Uplands wide, it would be helpful to retain a regional dimension through the creation of forums, one for the East, one for the West and one for the South, to act as strategic conduits for regional issues to be conveyed to the Programme Monitoring Committee. These forums would be composed of key regional stakeholders.</p>
	<p>While there is a close match between some Community Planning priorities and the priorities identified for</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?

Community Planning Partnerships in the Operational Programmes, it should be stressed that in Midlothian, the partnership works to the Community Plan. This means that priorities developed through extensive consultation with core partners and Midlothian residents will not necessarily be changed to fit the priorities of the European Structural Funds. We recognise, however, that priorities for European Structural Funds are relatively broad. Because of this, much of the work undertaken by partnership groups in Midlothian could be supported by the Structural Funds. The most effective way to deliver the Structural Funds would be in the same way as, for example, Quality of Life funding. This means that partnership groups involved in 'community regeneration' and 'progressing into employment' would be invited to apply for funding to ensure delivery of one or more Community Planning priorities. The application process would be administered by the Community Planning Working Group, which is overseen by a Steering Committee. We are opposed to the concept of selecting a small number of Community Planning Partnerships to receive block allocations to act as Intermediate Delivery Bodies. We would advocate the distribution of all money available under ERDF Priority 2 and ESF Priority 1 (including the challenge fund element) to all Community Planning Partnerships in the Programme area. This would be done on the basis of both local need and opportunity. This would ensure that the benefits of Structural Funds support are felt across the whole area whilst continuing to ensure that limited funds are effectively targeted. This would both simplify the administration procedure for these Priorities and help ensure that the funds are delivered at a grass roots level across the Programme area to provide the best fit with local strategies and priorities and to achieve a more democratic partnership based approach.

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

The Programmes should not define spatial targeting for these Priorities. It should be up to Community Planning Partnerships and other local partnerships to decide how best to target funds within their communities as they know best where support is required. Local thematic targeting for ERDF Priority 2 and beneficiary group targeting for ESF Priority 1 may well be more effective than an arbitrary spatial approach. If the proposed data zone approach is adopted, it should not be applied restrictively, limiting support to projects within the eligible data zones. These Priorities are about communities rather than limited data zone areas, and the regeneration of deprived neighbourhoods can only be achieved through the development of the communities of which they are a part. Furthermore, many projects are not workable at a data zone level, but require an element of scale. A strict application of the data zone criterion could actually be divisive to communities by creating anomalies like people on one side of a street being eligible to participate in a project while those on the other side are not. If the data zone eligibility criterion is

	<p>to be rigorously applied, it should at least be widened to cover the most deprived 20% of data zones to reflect a more community-based approach. An archipelago approach may be required where data zones are scattered. Small towns are subject to the same issues of urban deprivation as larger population centres and should have full access to these Priorities.</p>
<p>Question 15: What are your views on spatial targeting for rural development under ERDF Priority 3?</p>	<p>The Council has a serious concern with the fact that a block allocation of funding is being given directly to the Borders and Dumfries and Galloway. We are unclear as to how and why the Scottish Executive came to the decision to create an Intermediate Delivery Body in the South of Scotland. As far as we are aware, rural stakeholders from other parts of Lowlands and Uplands Scotland were not consulted on this, which raises an issue with the consultation process. We are also unclear as to how much money will be given to the South of Scotland, and how much will be left in the pot for the rest of the Programme area. We question the fact that regional preferential treatment has been deemed necessary, given that all parts of rural Scotland are facing serious issues with regard to the future of rural economies and communities. In principle, there should be a level playing field in this new Priority for the whole area. For the same reason we would not like to see further geographical targeting in the area as a whole. We believe that the six-fold definition of rurality as used by the Scottish Executive should be used as a basic geographical indicator to ensure again that all of rural Lowlands and Uplands Scotland gets the support required to diversify and strengthen local economies and to bolster local communities. As part of this process, we support the Executive's observation that small towns and market towns have a key role to play in this process as growth hubs, and that, in many cases, small rural communities on their own do not have the capacity to develop the kinds of projects that would make a difference to them. Therefore, the Council thinks that the six-fold definition of rurality should be complemented by the realisation that towns are essential to rural development and should be eligible under the Priority for support. We do not think it would be useful to target funds on rural areas using the Scottish Index of Multiple Deprivation as an indicator. Firstly deprivation in rural areas tends to be scattered and so, difficult to target. Secondly, to derive the greatest benefit from ERDF investment to develop rural communities, targeting economic opportunity is as important as targeting deprivation. Economic opportunity and multiple social deprivation are seldom to be found in the same data zones. The Council is wary of the rural/urban dichotomy in the new Programmes. It should be borne in mind that there is not always a net distinction between rural and urban areas, and that areas that are part urban and part rural face the issues relating to both. They should not be marginalised by the Programme.</p>

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

The key role of local authorities, as lead partners in Community Planning Partnerships, in the delivery of the Structural Funds should be recognised. They are directly democratically accountable bodies with extensive expertise and local knowledge regarding socio-economic issues, and with considerable experience of the Structural Funds and other funding programmes. With regard to any block allocation to Scottish Enterprise under ERDF Priority 1, it is important that a partnership approach is taken in the delivery of funds and projects. Partnership is a key element of the current Programmes and it should not be lost in any part of the future Programmes. In order to ensure an equitable distribution of the funds for this Priority, Scottish Enterprise should only be able to access the challenge fund on the condition that the project is partnership driven. The support for credit union related activity, as mentioned under ERDF Priority 2, is welcome as a means of addressing the exclusion from economic services characteristically experienced by deprived communities.

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