

Mclsaac C (Cathy)

From: seumas.macfarlane@west-dunbarton.gov.uk
Sent: 09 January 2007 14:42
To: Structural Funds Consultation Mailbox
Subject: Consultation Response

 This email has been received from an external party and
 has been swept for the presence of computer viruses.

Future European Structural Funds Programmes in Lowlands & Uplands Scotland 2007-2013**RESPONDENT INFORMATION DETAILS**

Name: Seumas Macfarlane on behalf of Irving Hodgson
 Acting Director HRES

Organisation: West Dunbartonshire Council

Address: Council Offices, Garshake Road, Dumbarton

Postcode: G82 3PU

Email: seumas.macfarlane@west-dunbarton.gov.uk

Telephone Number: 01389 737166

Responding as: on behalf of a group or organisation

Individual Permission:

Confidentiality:

Group or Organisation: Yes

Share Response Permission: Yes

Questions and Answers

Question 1: Are there any additional socio-economic

Clearly there will be a major reduction in the amount of Structural Funds available in the LUPS area and therefore, to ensure a measurable and significant impact, West Dunbartonshire Council believes that the funds should be concentrated in an even more focused and deliberate way than before. While the analysis given in the document offers a broad picture of the strengths, weaknesses and opportunities in Lowlands & Uplands Scotland it does not sufficiently highlight the disparities within the programme area itself, which are only likely to be addressed by a focused approach. All the evidence shows that regional economic performance within

<p>factors to be considered – and which Structural Funds can address – in assessing the strengths, weaknesses and opportunities of Lowlands & Uplands Scotland?</p>	<p>Scotland is weakest in the West of Scotland. The Western Scotland Objective 2 Programme 2000-2006 Mid Term Evaluation stated in its conclusions that, “The conditions in the Programme area have improved in absolute terms, but in relative terms there is little sign of convergence. Since the Programme was approved, the Region’s economic position relative to Scotland, the UK, and the EU has not changed fundamentally. In that respect, the issues and challenges facing Western Scotland have not shifted dramatically although there have been shifts in context.” This statement remains true for West Central Scotland in the present context of the LUPS area’s economy and evidence of this challenge is further detailed in the response to question 3.</p>
<p><i>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?</i></p>	<p>The proposed priorities address these issues to a limited extent but in terms of budgetary allocations and spatial targeting they may well not ensure that those areas most in need will be able to gain from the benefits of Structural Funds. Essentially the weakness of the priorities as specified in the document is that they do not give enough weight to the spatial distribution of economic need in the programme area.</p>
<p>Question 3: Do the proposed priorities for the 2007-2013 ERDF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?</p>	<p>No they do not. The purpose of ERDF is to reduce regional disparities. All available evidence in terms of deprivation, skills base, business start-up etc clearly demonstrates that there is already a significant disparity between West Central Scotland and the rest of the LUPS area. In addition, whilst West Central Scotland falls well behind both the Scottish and UK averages for many of these issues, the rest of the LUPS area is very much closer to the UK and Scottish averages. Given that there is much less finance available, without spatial targeting, the money is more likely to drift to the already more successful economic areas of LUPS. The historical experience of SMART, SPUR and the SCIF support this line of argument.</p>
<p><i>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?</i></p>	<p>The issues around spatial targeting as discussed in Q3 apply equally here. In addition, the impact of demographic change has not been adequately accounted for.</p>
<p>Question 5: Do the proposed priorities for the 2007-2013 ESF programme in Lowlands & Uplands Scotland show appropriate coherence and concentration?</p>	<p>Whilst welcoming the links between ERDF and ESF priorities, the Council does not feel that a clear argument has been made for a separate lifelong learning priority. It would appear quite feasible to incorporate the activities envisaged under the other two priorities.</p>
	<p>The Council believes that structural funds should be concentrated on communities and themes to ensure they have maximum impact on those areas which face the greatest socio economic challenge within the LUPS region. Our concern with the proposed lack of spatial targeting in ERDF Priority 1 has been made clear. The Council is also concerned that if this proposal is implemented, almost half the ERDF funds will be</p>

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

available to areas which have prospered, relative to West Central Scotland, without support from structural funds in the current 2000-2006 programme. This will have the effect of widening rather than reducing regional economic disparities within Scotland – the opposite of the purpose of ERDF. The Council fully supports structural fund assistance being available within the LUPS area for company formation and growth as well as for the greater use of innovation and research and development activity by business sector. However the experience of recent programmes is that uptake of these funds can be slow and there is a risk that quality issues (as well as the need for spatial targeting – cf response to question 3) could be overtaken by the pressure to meet N+2 targets. In terms of the relative allocations between priorities two and three it is difficult to make a definitive judgement on the balance in the absence of detailed clarification from the Scottish Executive as to which parts of the country are considered “urban” and which “rural” for the purposes of this exercise. One of the concerns that the Council has is that many areas of need in the West of Scotland do not fit neatly in either category and there is therefore a danger that they will be unable to access support from either priority. The discussion of rural issues within section 2.4 of the Operational Programme does not define areas which might be eligible for funding under the proposed rural Priority of ERDF. The analysis appears to focus on remote rural areas as if these were the rural areas most in need. The proposal within the Operational Programme for the relative allocations of funds to the three ERDF Priorities suggests an allocation of funds to rural areas which, if only remote rural areas are eligible, is disproportionate to the scale of the problem and would fail to allocate funds where they would have maximum impact. The Council is concerned, therefore, that if the level of funds proposed for ERDF priority 3 is confirmed, the definition of eligible areas needs to be as wide as possible. In particular, we note that, within the broadest definition of rural areas, those areas with highest levels of deprivation, as demonstrated in the SIMD, are in the small towns and villages in accessible rural areas rather than in remote rural areas. If Priority 3 is to be effective at all, it must include these communities. Over two thirds of the population of the LUPS area live in areas that are either “large urban” or “other urban”. However 89% of the 15% most deprived data zones fall into these two categories. This is equivalent to a population in excess of 700,000. As a comparison, the more rural classifications contain areas with a combined population of just over 60,000. The small businesses and enterprises which traditionally helped form the character of these smaller places are consistently being squeezed by the increase in competition from large businesses and changes in patterns of consumption. The communities facing this challenge all contribute to the

	<p>balanced development of the region and the small businesses which make up their centres are vital for their future sustainability. As indicated elsewhere in the response the important point is to focus assistance or areas of economic need, irrespective of population densities or settlement patterns. Overall a split of monies along the lines of 40%/40%/20% would be a better response to the economic and SWOT analyses contained in the draft programme document.</p>
<p>Question 7: What are your views on the proposed balance of funding between priorities for the future ESF programme in Lowlands & Uplands Scotland?</p>	<p>The Council does not consider that the case for three priorities under the ESF programme has been made. If it is finally decided to proceed with this structure then we would argue that the resources allocated to priority three should be reduced to around 10% of the budget. Overall therefore a 50%/40% 10% allocation might be envisaged.</p>
<p>Question 8: Do the proposed priorities outlined in the draft Operational Programmes focus sufficiently on the right priorities in Scottish domestic policy?</p>	<p>It is disappointing that only Scottish Executive strategies are mentioned in the text of the document – some reference should be made to regional and local strategies promoted by other bodies including local government. It is through these local strategies that much of the real activity will take place. The analyses of the socio-economic and policy contexts contained within in the Operational Programmes, accurately capture the major issues for Economic Development and Regeneration in the LUPS area. However, the proposed Priorities within the ERDF Programme, in particular, fail to reflect these issues in the proposed direction of funds in the new Programmes. The proposed actions are not consistent with the valid conclusions of the analysis.</p>
<p>Question 9: What are your views on how the principle of environmental sustainability has been integrated into the Operational Programmes?</p>	<p>The Council welcomes the continued integration of environmental sustainability into the programmes.</p>
<p>Question 10: What are your views on how the principle of equal opportunities has been integrated into the Operational Programmes</p>	<p>The Council recognises the part that Structural Funds have played in encouraging good practice in this area and agrees that it should continue to be targeted horizontally through the Programmes.</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>The proposal discussed on page 66 of the ERDF document seems to imply that the Scottish Executive would meet with itself once a year. This does not seem appropriate and also seems to be at odds with the proposed role of the PMC outlined on page 74/5.</p>
<p>Question 12: How can the challenge-fund approach be improved to make it more effective in delivering outcomes and more efficient in operation?</p>	<p>It is important that the challenge fund approach be delivered in a way which ensures transparency, even-handedness and consistency throughout the length of the Programme. In particular, in order to prevent any repetition of problems with N+2, full weight should be given in awarding funds to the experience, capability and track record of the applicant and the creation of an evidence based performance related system. In developing the appraisal systems for the challenge fund process more emphasis should also be placed on the fit</p>

	<p>between the applications and relevant local and regional strategies and plans.</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 Council welcomes the proposal that delivery of Structural Funds could be effectively managed in this manner. The Council believes that this could be an effective and innovative way to further integrate local regeneration with Community Planning. In view of the reduction in funding and the need to focus this on areas most in need it is perfectly logical that an existing and proven partnership should be utilised for delivery of certain elements. Community Planning Partnerships could also have a role in verifying the fit between project applications and local strategies</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>Spatial targeting under this priority will be essential. The document points toward the 15% most deprived data zones as potential targets. These may be the beginning of a sound basis for spatial targeting but they do not offer the flexibility that these priorities will want to have to ensure that funds go to the areas where community regeneration is actually required and where it would be effective. There would be limitations in terms of spatial targeting if only SIMD 15% most deprived is utilised as, within a given Partnership area, the worst 15% data zones may be widely dispersed. Such an approach could make the development of regeneration or labour market projects problematic. There will be a need under Priority One ESF to maintain some degree of flexibility so that not all participants in supported activities need be residents of the designated areas (15% most deprived data zones or whatever alternative zoning regime may be put in place). Having this leeway would achieve a wider range of training and related provision and deliver some economies of scale.</p>
<p>Question 15: What are your views on spatial targeting for rural development under ERDF Priority 3?</p>	<p>Spatial targeting based on addressing market failure is just as important under this priority as in the others. Areas should not be eligible for funding merely because of their “rural” nature but rather on the basis of proven economic circumstances. The proposal to allocate an unspecified proportion of the monies available under this priority to the South of Scotland requires much more rigorous justification – there is no evidence put forward to indicate that the problems in this part of the LUPS area are any more acute than those in other parts of rural Scotland.</p>
	<p>The proposal to “commission” projects from the Scottish Enterprise network under Priority One ERDF represents a major change in programme management and views from stakeholders should have been specifically sought as one of the consultation questions. The Council is unconvinced of the merits of this approach and the arguments put forward in its favour in the consultation document rely on assertion more than evidence. For example it is not clear how the quality of financial control would be of a higher quality in a</p>

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

commissioned project as opposed to a challenge fund project. Both types of project would in any case have to comply with the same monitoring and audit arrangements to satisfy the structural funds regulations. The indication that the projects commissioned would be “region wide” in scope reinforces the Council’s concern that these activities would take place in the parts of the LUPS area where there is already a dynamic private sector and a high level of innovation and RDT activity. The Council welcomes the analysis of the Socio-economic background provided in the Consultation version of the Operational Programme for the LUPS area. However, we would support a much stronger reflection in the Programme Priorities and funding allocations of the clear conclusions which can be drawn from the analysis. The reduction in structural funds in the new programme means that the available ERDF and ESF should be carefully targeted on the areas most in need. Structural Funds should not be used to maintain the existing imbalance between different parts of the Programme area. Funds should not be awarded to commissioned projects where the past performance of these projects in terms of absolute outputs and addressing spatial imbalances has not been proven to be superior to the performance of challenge fund projects. Where projects are commissioned, this decision should not be taken by the Executive, but by the PMC. The process for this should be transparent and include alternatives for which projects are to be commissioned, based on an independent options appraisal of the socio economic and performance data. Spatial targeting in ERDF priority 1 and ESF priority 2 should be used to support business and innovation in areas such as West Central Scotland, rather than funds from this priority supporting business in areas which have already prospered without structural funds support. Funding within ERDF priority 2 and ESF priority 1 should be based on the 15% most deprived data zones, but targeting should permit the flexibility to ensure coherent project development in the vicinity of eligible areas. Spatial targeting of rural areas in ERDF priority 3 needs to have the flexibility to include areas such as the rural parts of West Central Scotland, which faces the same challenges as the more peripheral rural areas in Scotland.

PLEASE NOTE: THE ABOVE MESSAGE WAS RECEIVED FROM THE INTERNET.

On entering the GSI, this email was scanned for viruses by the Government Secure Intranet (GSI) virus scanning service supplied exclusively by Cable & Wireless in partnership with MessageLabs.

In case of problems, please call your organisational IT Helpdesk.

The MessageLabs Anti Virus Service is the first managed service to achieve the CSIA Claims Tested Mark (CCTM Certificate Number 2006/04/0007), the UK Government quality mark initiative for information security products and services. For more information about this please visit www.cctmark.gov.uk