

## CONSULTATION RESPONSE FORM

### Question 1 – Are there other areas you think the Partnership Agreement should address?

No, there are no other areas that we believe the Partnership Agreement should address.

### Question 2 – Do you think these thematic objectives will best address Scotland's short-term and long-term challenges?

From our reading of the document we understand the proposed thematic objectives to be:

Increasing investment in R&D&I  
Climate change adaptation  
Sustainable transport  
Capacity building

If this is correct (the uncertainty arises in our minds from paragraph 9 on page 8 of the consultation and the three subsequent bullet points), we believe that these thematic objectives will provide us with the scope to take the action necessary to address Scotland's short-term and long-term challenges.

As our comment above indicates we do feel the relationship between these proposed objectives and the titles of the Themed Funds could be made clearer to help overall understanding of the strategic objectives and organisation of the programme.

### Question 3 – Do you think there are any other thematic objectives which should be addressed?

We do not believe there are any other thematic objectives which should be addressed.

### Question 4 – Do you think the Scottish Themed Funds will address Scotland's key challenges?

We believe that the proposed Scottish Themed Funds will provide us with the scope to address the key challenges facing Scotland with the following caveats:

- That there is scope to further refine the specific activities proposed under each fund if this proves necessary during the course of the programme: the consultation document highlights the impact of the economic downturn on the last programming round so it seems sensible in a programme of this duration to retain the principle of flexibility if required
- That there is provision to recognise and support activity that may fit most naturally into one of the Funds and which could also make a contribution to one of the other Fund areas or activities. This ability to read across could help to reduce duplication and to maximise the value and benefits arising from activity in any one area. As a specific example, activity under the heading of 'Local skills development programmes linked to local growth plans' under the Social Inclusion and Local Development Fund may also contribute to the 'Skills development in key sectors focusing on labour market needs' activity under the Competitiveness, Innovation and Jobs theme. It will be important that the principle of work contributing to more than one activity and Fund area highlighted in the consultation is able to be recognised in practice.

**Question 5 – How do you think the governance and delivery arrangements will impact on your sector?**

As for any organisation previously involved in delivery of projects supported by Structural Funds, SQA welcomes any move to simplifying governance and delivery arrangements. The approach outlined in the consultation appears to be a positive step in this respect.

The proposed arrangements should ensure that the delivery of activity funded by Structural Funds is able to benefit from strong working relationships that already exist between national agencies. They should also be used as an opportunity to reinforce the need to continue to strengthen existing and develop new working relationships. The fact that the Funds will not be awarded on a competitive challenge fund basis should increase the opportunities for them to foster strong collaborative working relationships. The close alignment between the thematic objectives and the Scottish Government's existing Economic Strategy and National Performance Framework should help to ensure that funded activity achieves its objective of the greatest possible impact for Scotland and its people.

For these arrangements to deliver in this respect it is critical that all relevant national agencies are included within the Strategic Delivery Partnerships and as Delivery Partners. The absence of any challenge fund element also places a clear responsibility on the Scottish Government and the Strategic Delivery Partnerships to ensure that all those agencies that, by their role, have a part to play in the delivery of the programme are given the opportunity to perform that role. Based on engagement to date we have some concerns that this is not the case for SQA and therefore may not be for other national agencies. We expand on this point in our response to question 6 below.

**Question 6 – How do you think the governance and delivery arrangements will impact on your organisation?**

As we note above, we support the approach outlined in the consultation although have some concerns about the degree to which the role of all national agencies which could and should play a key part in delivery has been recognised. In our own case as the national qualifications awarding body, SQA was recognised as a key delivery partner for the previous programming round and was referred to as such in the 2007 – 2013 Operational Programme. Over the course of this programme we successfully delivered four major funded projects. We are therefore surprised not to have been considered as a key delivery partner for the forthcoming programme round and would welcome further dialogue with Scottish Government on this point. We would also want to be reassured that, as we noted above, in the absence of a challenge fund element all agencies that could contribute to the delivery of activities which support the objectives of the Structural Funds are given the opportunity to do so.

**Question 7 – Are there any unidentified governance or delivery arrangements that could aid simplification of the future programmes and ensure that the Structural Funds complement each other?**

At this stage we have not identified any governance or delivery arrangements that could further aid simplification.

**Question 8 – What other delivery options do you think would be feasible for delivering youth employment initiatives?**

One other option not referred to in the consultation is the potentially key role for Scotland's colleges in ensuring the coherent operation, cost-effectiveness and quality of outcomes of these initiatives where they are needed in Scotland.

**Question 9 – What other measures could be taken to reduce the audit and control pressures?**

One point we believe would help to reduce the audit and control pressures is to give greater weight to the principle of materiality throughout the audit and control processes. This, combined with an approach which places greater emphasis on risk in determining where to focus its energies, could significantly reduce the perceived and actual pressure whilst strengthening the value for money resulting from the audit and control activity which is essential to the effective operation of the programme.

**Question 10 – Do you have any further comments on the proposals?**

We welcome the proposed focus on outputs of programme activity as part of the audit, control and monitoring procedures. To date the heavy emphasis on inputs has risked skewing the focus of funded activity and may, at worst, have jeopardised the quality and quantity of outputs. A greater focus on outputs, together with an audit and control approach which is able to take greater account of materiality and risk, offers the prospect of helping to redress this balance.