

CONSULTATION RESPONSE FORM

Question 1 – Are there other areas you think the Partnership Agreement should address, and;

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

UHI is broadly in support of the areas addressed and the thematic objectives and considers that they will address short- and long-term challenges. However, reference could also be made to:

- Strategies for smart specialisation – there is a strong story to tell at Scottish and Highlands & Islands levels and this should feature prominently in our 2014-20 planning.
- The impact of Regional Aid Guidelines.
- The need for flexibility over the 7 year period – cf the impact of the economic crisis on the current programmes.
- There should be more specific reference to alignment with other EU funds, particularly INTERREG and Horizon 2020.
- The issue of geographic disparities, which is not fully addressed and is of great relevance to the Highlands & Islands.
- The commitment to improving business-to-academia linkages and commercialisation is strongly welcomed – but this is one example where the specific situation in the Highlands & Islands needs to be addressed and a 'one size fits all' approach for all of Scotland cannot work.
- Similarly, in low carbon, resource efficiency and the environment – there is huge potential in Highlands & Islands in this area, which could benefit the whole of Scotland – but the development challenges will be distinct and need to be addressed so that structural funds investment can maximize the impact.
- The challenges in ensuring alignment with match funding – the priorities fit well with wider Scottish priorities, but work needs to be done to coordinate ESI planning.
- The benefits from simplified integration of the funds across Scotland are considerable – addressing the many shared development challenges and opportunities. However, the Highlands & Islands have distinct characteristics which continue to affect these – which is why the region qualified for transition status. As well as separate reporting requirements, there is a need to recognize these distinctions and the possibility of different prioritisation and delivery mechanisms within a Scotland-wide approach.

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

- The big, underlying challenges, such as transport links and connectivity – cannot be funded through the ESI, but the document should refer to how these will be addressed elsewhere.
- UHI welcomes the cross referencing to SRDP and EMFF – but this approach does not seem to feature so highly in the current SRDP consultation and planning.
- There are outstanding requirements and opportunities in climate change and strategic transport, which could be addressed within the low carbon Thematic Fund.

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

- If properly targeted and managed, the 3 Thematic Funds could play an important role in addressing Scotland's key challenges – however, the sums of money are relatively small in comparison with mainstream budgets and there needs to be a realistic view taken on how much impact they can have.
- Where it could make a real difference is in aligning activities across the different funds and with other EU and non-EU budgets, so that each can make an appropriate contribution towards shared objectives.
- There will need to be greater targeting on specific areas of skills development for ESF in each of the 3 Themed Funds.
- Overall, there will need to be greater clarity on the objectives of the 3 Themed Funds.

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

- In general, the approach is good in that it is involving key partners in the planning and delivery of the programmes and there is the potential for better alignment across the different funds and beyond.
- However, there will need to be greater clarity in the roles and functions of the proposed PAMC, SDPs and Delivery Agents, as well as where responsibilities for compliance and audit lie.
- Interaction across the 3 Themed Funds will be critical, to ensure they complement each other, avoiding duplication and a 'silo' approach
- A key concern is on how the distinct characteristics and specificities – and Transition Funding package – for the Highlands & Islands will fit and how full engagement can be ensured.
- Consideration will need to be given to match funding and how this can be coordinated across different Themed Funds and SDP planning with individual partnership organisations.

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

- The relationship between the Delivery Partnerships and the Delivery Agents is crucial – quality projects and outcomes will only be achieved if there is cooperation on programme/project development and access to match funding.
- There needs to be a structure for ensuring that the Delivery Partnerships will engage with the Delivery Agents.
- Again – flexibility will be needed in the governance and delivery arrangements. The approach proposed should make it easier to achieve the objectives of the Partnership Agreement – but once further detail is available on the Operational Programmes, there has to be an option to review this area and check if arrangements are still fit for purpose.
- There is a need to avoid the structure becoming too remote and removed from good programme/project delivery at local level.

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?

- UHI welcomes the new approaches to reduce audit and compliance burdens and allow efforts to be concentrated on quality programme/project delivery.
- There is a lot of work currently underway in the Highlands & Islands (HIEP) TA project 'Lessons Learned in the Highlands & Islands Convergence Programmes 2007-13' which should be able to feed into this development.
- One general point which has emerged from current evaluation of the UHI SDB is that there is a difference between governance for a *programme* of activities rather than individual *projects*. New delivery arrangements will have to take account of this difference.
- Match funding issues addressed at programme level by the Development Partnerships.

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

- The underlying problem in the Highlands & Islands is that large numbers of young people still leave the region when they can't access employment or education/training – so again we need flexibility to find local solutions.
- Planning in this area should also recognise the crucial role that Colleges play in skills development and provision, in support of labour market requirements.
- Providing support for innovative approaches to developing work experience linked to training in remote and rural areas should be included as a target.

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

- Experience to date of simplified unit costs is encouraging – however there is analysis currently being carried out on this and other measures in the TA Simplified Unit Costs project, which needs to feed into future planning.
- Consistency and clarity of information provided is essential – if Delivery Agents are fully aware of the pressures at the start and are given support to ensure mechanisms are in place to deal with audit and control, error rates will reduce and efforts can be targeted on quality project delivery.
- Concise, clearly-defined (and achievable) outputs, targets and indicators should be in place from the start.
- A more outcome-based approach – with greater use of procuring/contracting key programme activities – would allow resources to be concentrated on what projects actually achieve rather than piles of bus tickets and timesheets.
- Once programmes are up and running, more liaison and accurate information needs to be produced and analysed on the impact of adjustments to PRCs.

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

- The possibility of an ITI for the H&I should be considered; this would take into account the separate reporting requirements for the Transition Package as well as the need to address specificities of the region.
- It is essential that sufficient time is dedicated to agreeing a comprehensive understanding of terms of reference for all levels involved in the preparation, delivery and monitoring of ESI interventions.
- UHI is keen to have input to this process and supports the general approach being taken.
- Training, education, research and knowledge exchange are inseparable operationally, and ensuring that eligibility rules in programmes encourage the inclusion of all of these features would be very helpful.