

CONSULTATION RESPONSE FORM

Argyll and Bute Council welcomes the opportunity to respond to the Scottish Government's proposals as set out in the European Structural and Investment Funds 2014-2020 Consultation Document.

Argyll and Bute Council is a member of two regional consortia:

- **The Highlands and Islands European Partnership (HIEP)** which represents the interest of the Highlands and Islands area of Argyll and Bute, and;
- **The West of Scotland European Forum (WSEF)** which represents the interest of the Helensburgh and Lomond area of Argyll and Bute.

As such we would like to note our support to the consultation responses submitted by our regional consortia. Beyond this we would like to submit the undernoted **officer level** response.

Question 1 - The table in part 5 provides an overview of the proposals under each of the EU 2020 headings – Smart, Sustainable and Inclusive – matched against the relevant thematic objective and investment priorities. Do you think the investment priorities are the most appropriate ones for the activity suggested?

Unfortunately Part 5 of the consultation document does not provide any financial information/allocations and as such only general comments can be made:

In broad terms, and within the scope of the ESIF for the 2014-2020 period, the themes and activities set out in Part 5 should be capable of addressing Scotland's development opportunities and needs over the programme period.

However we feel it is important that **sufficient flexibility is built into the Partnership Agreement and Operational Programmes** to tailor them to suit:

- Regional variation and requirements, and;
- Reflect changes as the programmes evolve and economic circumstances change, either positively or negatively.

In this vein, and in reflection of the regions **Transition Status**, we believe that an **Integrated Territorial Investment (ITI)** is an appropriate mechanism to tailor the Scotland-wide Strategic Interventions to meet the specific opportunities and needs of the Highlands and Islands region, while addressing the disparities between our region and the rest of Scotland.

As an example of how the Scotland-wide Strategic Interventions need to be tailored to meet the specific opportunities and needs of the Highlands and Islands region we would highlight:

Whilst agreeing with support for high growth industry and business, we would like to see the proposals specifically include micro businesses which are a fundamental and economically important part of the economic make-up of remote communities. In peripheral communities micro businesses are important aspects of the business supply chain and are part of the economy which supports larger growth companies. To this end Argyll and Bute Council is actively involved in the work of the HIEP to develop an ITI for the Highlands and Islands region.

Question 2 – Section 6 sets out the linkages between Structural, Rural and Fisheries Funds as well as linkages to other EU Funding Programmes. We would welcome stakeholder comments on these linkages in order to help us develop this thinking further

We believe a matrix is needed to identify the linkages between the funds so that it is clear what each fund will deliver, who will be responsible for delivery and at what level, and how these funds can be accessed. Once this is known, Argyll and Bute will be in a better position to identify where gaps and/or duplication exist. This will also then enable us as a Council to maximise funding into our area through our own local partnerships and groups.

An initial example of how Argyll and Bute Council is currently working to develop linkages is our joint Local Development Strategy for LEADER and Fisheries Funding in order to integrate the Local Action Group (LAG) and the FLAG (Fisheries Local Action Group) and ensure no duplication.

Question 3 - Do you think the new proposals will have a positive or negative impact on the protected characteristics and wider issues of inclusion and participation?

We feel it is difficult to answer this question based on the information provided in the consultation document. Many of the proposed interventions will have the objective – either explicitly or implicitly – of addressing social, economic and territorial (particularly in the Highlands and Islands) inequalities.

To this end it might have been helpful for stakeholders to have been given sight of the Equality Impact Assessment referred to on page 26 of the consultation document.

We believe that issues of wider inclusion and participation as well as the region’s underlying disparities will be best addressed via an ITI for the region. As part of that process we would seek assurances that where there is an National Lead Partner Organisation for a particular S.I then these organisations should **actively engage** with Highlands and Islands partners to help ensure that activity in the region aligns with the objectives of the ITI.

Question 4 - If you think there will be a negative impact on the protected characteristics or inclusion and participation please provide suggestions as to what could be done differently to diminish this impact.

Given the designation of the Highlands and Islands as a Transition region on the basis of regional disparities – lower GDP – ensure the proposals are delivered in ways that will reduce these disparities, addressing regional and institutional capacity limitations.

Again we believe these disparities will be **best addressed via an ITI** for the region and the active engagement of National Lead Partner Organisations with Highlands and Islands partners to help ensure that activity in the region aligns with the objectives of the ITI.

Question 5 - Please provide your views for improving the process for design, procurement, delivery, monitoring and evaluation to strengthen delivery of sustainable development.

We feel it is difficult to answer this question based on the information provided in the consultation document but we offer the following comments:

- Sustainability should not be seen solely in terms of the environment but also needs to encompass **financial sustainability** (ie how will the activity be continued after the period of EU funding ends).
- In terms of delivery we also think it is essential to **clarify responsibilities** between lead partners and delivery agents, and ensure that local objectives can be delivered.
- On the basis of delivery to date and audit reports, the use of **unit cost methodologies** has potential advantages and could contribute to simplification. However, it also holds potential challenges and it is essential that unit cost methodologies take account of the **higher costs** of delivery in the Highlands and Islands as compared to the rest of Scotland.
- In this vein, we would call for the Scottish Government to reconvene the meetings of the Monitoring and Evaluation Group with its existing membership.
- We believe that Governance, Management and Administrative structures need to be **inclusive and responsive** to take account of the differing needs and priorities throughout Scotland and as such we would call for all structures to have memberships which reflect **sectorial and geographic balance** (this includes both the SDPs and the PAMC). This is particularly important in the context of the Highlands and Islands ITI.

Question 6 – Do you have any further comments on the proposals outlined in this this document?

Overall we believe it is imperative given that the European Commission has designated the Highlands and Islands as a Transition region that the **Highlands and Islands ITI is adopted** and supported by an **appropriate and geographically representative governance structure**. This will address many of the concerns raised above and lead to maximum impact for the region and Scotland as a whole in seeking to help meet the EU's 2020 Goals.