

# Lowlands and Uplands Scotland Structural Funds Spot-check Report

Draft Findings  
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**Fraser Associates**

*Management and Economics Consultants*

# Process

- Reviewed socio-economic situation.
- Identified counter-recessionary policy priorities.
- Benchmarked scope of Programmes for consistency.
- Benchmarked applications for consistency
- Considered resource position.
- Generated options.

# Findings from Socio-economic Review

- Conditions to mid-2008 were consistent with Strategy.
- Better enterprise performance, but not equivalent employment gains.
- Significant structural change underlying positive evolution to mid-2008.
- Pressure on employment level through 2008.
- UK ILO unemployment now forecast to exceed 3m – further 60-70k in Scotland.

## Findings from Policy Review

- No intention to revise fundamental policy direction – desire to preserve Lisbon.
- National action leading on financial market recovery.
- Cohesion policy can help counter recession as part of wider package.
- Scottish Government primarily trying to accelerate expenditure.
- Synthetic list of counter-recessionary policy priorities.

# Current and Potential Commitment

- Estimated on basis of £=€1.131 average:
- ERDF
  - Round 1 £113.6m
  - Round 2 recommended £66.8m
  - Remaining headroom c.£144m
- ESF
  - Round 1 £88.0m
  - Round 2 recommended £24.6m
  - Remaining headroom c.£120m

# Consistency with Counter-recessionary Priorities - ERDF

- Priorities 1 and 2 are strongly centred on the Lisbon Agenda. Applications highly aligned with current emphasis.
- The Scope of Priorities 3 and 4 less overtly aligned with recovery, but a large proportion of applications are consistent.

# Options - ERDF

- ERDF will make significant contribution without alteration.
- Option 1: minor adjustments to clarify alignment.
- Option 2: Consider appropriateness of balance in applications.
- Option 3: Consider range of measures to accelerate spend.

# Consistency with Counter-recessionary Priorities - ESF

Counter-recessionary Human Resource Priorities



Existing Programme Priorities



Remote from Labour Market	Near to Labour Market	Recently Unemployed	Low-skilled Employed/ At Risk from Redundancy	Intermediate Skilled Employed	Leaders and Managers/ Higher Level Skills
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# Consistency with Counter-recessionary Priorities - ESF

- Low level of consistency in P1 but high demand.
- High level of consistency in P2 but low demand.
- Questions about the relevance of P3

## Options - ESF

- Option 1: Endorse recommendations on bids that are consistent with counter-recessionary priorities and revise criteria for future bids.
- Option 2: Endorse all recommendations and vire to meet current and future demand. Again revise criteria for future bids.
- Option 3: Revise criteria and launch counter-recessionary bidding round.
- Option 4: Close P3 and use to fund innovative actions under P1 and P2.
- Option 5: Defer endorsement of some or all applications and develop a commissioning approach.