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## Scottish Government Consultation: [The Replacement of European Structural Funds In Scotland Post EU-Exit](#)

*Submitted: November 2020*

*Consultation Report Available: [Scottish Replacement For EU Structural Funds](#)*

### **Consultation Questions**

#### Objectives

##### *1. What are the main aims that this funding should seek to achieve?*

The arts, screen and creative industries have benefitted enormously from EU Investment Structural Funds (ESIF) in the past. In May 2017, Creative Scotland published research ([https://www.creativescotland.com/\\_data/assets/pdf\\_file/0020/41753/EUFundstoScotlandCS-FINAL.pdf](https://www.creativescotland.com/_data/assets/pdf_file/0020/41753/EUFundstoScotlandCS-FINAL.pdf)) which assessed the European Union's contribution to the 'arts, media and creative industries' in Scotland.

This research found that over 380 projects had received a minimum of £23m in EU funding in the period from 2007-2016. Within this, there was an estimated total of £8.7m from the ESIF, with the majority (£6.53m) from the ERDF (European Regional Development Fund). There was a further £1.56m from the ESF (European Social Fund) and £650K from the EAFRD (European Agricultural Fund for Rural Development, including LEADER) for rural based projects. It is notable that approximately 65% of this support came from programmes which are not exclusively targeted at the arts, media and creative industries.

These figures represent a significant financial contribution towards the development of the arts, media and creative industries in Scotland. When combined with findings from comparable research undertaken by Historic Environment Scotland (<https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=4a41c670-4e72-47b6-86e6-a79200c37cd8>) and Museums Galleries Scotland (<https://www.museumsgalleriesscotland.org.uk/research/assessing-the-european-union-s-contribution-to-the-museums-and-galleries-sector-in-scotland/>), the overall contribution of ESIF to the cultural life of Scotland is marked.

ESIF have played a particularly important role in supporting cultural activity across Scotland's rural and island communities. This includes significant support for a diverse range of venues, festivals, events and creative business activity. While culturally rich, such areas often have complex social and economic challenges. ESIF have evidently supported the respective organisations to make significant contributions to their communities, including to: promote social cohesion; enhance local economies; and support individual and collective health and wellbeing. In this context, and looking beyond the figures, the nature and impact of cultural projects supported through the ESIF further demonstrates the importance of this support.

Whilst we understand that the main aims of ESIF were to address regional disparity through economic and social outcomes, as can be seen from the data above, the arts, screen and creative industries have often featured as part of these programmes, demonstrating how culture can contribute to social and economic development of communities.

We would therefore propose that, the aim of the ESIF would still be valid in any replacement funding programme. We would also support any replacement programme to still be flexible enough to accommodate working across sectors and policy areas to allow involvement of all areas which can contribute to the outcomes of the programme.

We also consider the international and inter-regional collaboration element of the ESIF to be critical, especially for those projects which involved a cultural element. Culture is international in language and benefits from international collaboration, in practitioners travelling abroad and in bringing practitioners to Scotland. We would therefore urge this element to be retained in any replacement of funds.

*2. How could funding be used most effectively to address spatial inequalities between areas and communities in Scotland?*

Whilst we appreciate that the main aim of the ESIF is to address regional disparity, we would propose that this gives an opportunity to consider wider elements which contribute to that disparity.

Spatial inequalities encompass a range of related socio-economic and demographic (and intersectional) inequalities which are just as, or even more, impactful. We know from the Scottish Household Survey that attendance and participation in cultural activity is lower in those from more deprived areas, with fewer qualifications, lower income and with a long-term physical or mental health condition. In short, not all areas are the same and tailored models are needed.

*3. Geographically, at what level would the priorities for funding be best set?*

We would suggest that it would be clearest to set national priorities or outcomes and allow projects or regions to decide how best to deliver them.

Alignment with Scottish Policy and Other Funding Streams

*4. How could the use of future funding add value to other sources of funding focussed on similar objectives in Scotland?*

Additionality is important as this fund should not be used to replace funds lost through budget reductions, but should be used to add value or services to what already exists.

Crucial to this would be to ensure that projects, organisations or communities have the flexibility to work across sectors, policy areas and internationally to enable the best solution to be found. This may include working with the cultural, economic development and education sectors, for example.

Alignment with UK and EU Policy

*5. What practical value would you see in future funding in Scotland being aligned with the UK Industrial Strategy and other spatially-differentiated UK economic policies such as the City and Regional Deals or the Industrial Strategy's sectoral approach?*

Funding for this programme should not necessarily be aligned with the above strategies, if these are already being funded to be delivered across the UK.

However, referring to the point about additionality above, funding should reference these policies and strategies to ensure that funding does not cross over into these areas.

We also acknowledge that there have been challenges in ensuring that the UK Industrial Strategy is effective across all nations and regions of the UK. For example, large aspects of the Creative Industries Sector Deal only being available in England due to interventions being channelled through DCMS and not necessarily covering areas which are devolved. If there is to be alignment with the UK Industrial Strategy there needs to be reassurances that it will engage across all nations and regions of the UK.

*6. What practical value would you see in maintaining alignment with EU Cohesion Policy?*

Maintaining alignment would be useful, as much of what is contained within the policy aligns with the National Performance Framework, which public bodies will be contributing towards in any case. In addition, maintaining alignment would allow projects with an element of international collaboration to clearly demonstrate to any EU partners how projects will contribute to the EU Cohesion Policy, allowing projects to still “speak the language” and potentially help to secure international match funding.

Evaluation and Monitoring Progress

*7. How could we best evaluate the success of this new fund?*

If the fund is to be outcomes focused, then success should be measured using a mixture of qualitative and quantitative, to capture not just the metrics of the fund, but also the impact that the fund can make on people’s lives. It should also be flexible enough to capture any unintended outcomes. In addition, there should be the facility for learning from evaluations to be shared with other projects and wider sectors, to enable shared learning.

*8. What relevant parts of the National Performance Framework should this funding be targeted towards?*

This would depend on the specific focus of the fund. If it is primarily economic and social development, then those outcomes could be the primary targets. However, we would encourage as wide a focus as possible to enable projects and organisations to support working across sectors and policy areas.

*9. Which specific aspects of the monitoring and evaluation framework from European Cohesion Policy do you consider would be beneficial to retain for any new fund?*

Allocation and Programme Duration

*10. What approach should be used to allocate the funding at programme level - including the most effective duration of the programme that would better support the identified priorities?*

We would support the retention of the longer term funding periods. Although these can take more administration to get started, it enables longer-term partnerships (including those that are transnational) and creates space to undertake projects that can learn. It would also allow for more complex projects to be delivered, working across sectors and collaborating internationally. This is especially relevant in the creative industries growth sector where the sector is predominantly comprised of micro-businesses and cluster-based activity which inevitably requires longer time frames.

*11. What would be the most appropriate partnership and governance structure to achieve the strategic objectives of the future funding?*

We would support the fund being devolved to Scotland to ensure that it could be tailored to support Scotland specific issues.

*12. What would be the most effective delivery model to ensure maximum leverage of funds from public and private sectors to regional investments?*

The fund should be flexible enough to allow for match funding from a variety of sources. This is particularly important for projects involving cultural activity, where match funding is increasingly difficult due to the pool being relatively small to start with. In addition, enabling match funding to come from local sources can ensure greater local buy in, instead of needing funding to come from larger, more nationally focussed sources.

The model should also allow different contexts to be considered. For example, it may be more difficult to leverage funding outwith the central belt than within it, so the fund should also have the capacity to fully fund projects.

Previously, the ESIF covered a multiplicity of delivery models at different levels. Whilst some of this flexibility should be retained, a simplification of funding streams would also be welcomed.

*13. What capacity-building or other support is needed to ensure the ability of local partners and communities to participate in the programme?*

We would anticipate that support would be needed around how to work towards delivering outcomes and evaluating impact of work. In addition, support may be needed around establishing cross sector or international partnerships.

*14. What can be learned from the design and delivery of the current and previous European Structural Fund Programmes in Scotland?*

We would view retaining the inter-regional and international collaboration aspects and those which focus on rural, island and “in-between” communities as crucial, especially for projects involving the arts, screen and creative industries.

In addition, we believe that the impetus for projects coming from communities of whatever size, to address the specific need in their own area should also be retained.