**EUROPEAN STRUCTURAL FUNDS 2014-2020 PROGRAMMES**

**CALL FOR 2018 SUBMISSIONS**

Lead Partners are invited to submit both new applications and extension requests. Growth teams will be in touch with all lead partners to discuss timescales for these and MA Approval Panels will run throughout 2018. All lead partners are strongly encouraged to submit applications as early as possible in order to maximise commitment.

To ensure pace in the submission, appraisal and processing of applications MA Approval Panels will sit on a six-weekly cycle for 2018 with the next panel scheduled for 21 February 2018.

**PHASE 2**

2018 represents both a significant watershed in the implementation of the current programmes and collectively we need to prepare for this and the expected date of exit from the EU. The following outline stresses the importance of lead partners working closely on the detail with your respective portfolio managers in the MA.

When considering applications and extensions, the MA will assess the contribution towards both the target outputs and results set out in the Operational Programmes and the annual financial targets. If these targets are not met the value of the programmes will decrease. The Managing Authority therefore needs commitment to the pace of spend and delivery to minimise any losses to the programmes.

**2018 TIMELINE**

* **Jan to June:** Consider strategic intervention and operation extensions
* **April to June:** Consider new strategic intervention and operation applications
* **June to September:** Review of position and consider any remaining submissions

Please submit your change requests or new applications as soon as they are ready. If you cannot submit your application/extension within the timescales laid out above, discuss with your Portfolio Manager.

**SUBMIT NEW SI APPLICATIONS TO:** strategicintervention@gov.scot

**SUBMIT NEW OPERATION APPLICATIONS TO:** operationapplications@gov.scot

**NOTE:** NEW APPLICATION SUBMISSIONS AND RE-SUBMISSIONS MUST BE SENT TO THE MAILBOX FOR RECORDING PURPOSES. ANY SENT DIRECTLY TO AN INDIVIDUAL MEMBER OF STAFF WILL BE RETURNED.

**Operation Change Requests should be submitted through the normal process**

Submissions will undergo MA checks to ensure the application / change request forms are sufficiently detailed to allow the MAAP to consider if they are a suitable fit, will contribute towards the OP targets and provide value for money. The MA will discuss with you if there is any additional information required. Once these checks are complete, the submissions will be considered at the next available MAAP.

**EXTENSION OR NEW SUBMISSION?**

**Strategic Interventions**

Extension of existing SIs will be considered up to the end of the programme (2023) provided there are no significant changes to the currently approved SI. If the changes are designed to help meet the same broad outcomes and support the same groups, this will not be considered a major change.

**Operations**

Operations can be considered for extending if there is no major change in approach. Any change to the intervention rate or scope will require a new operation application.

MARCH 9 UPDATE: CHANGES TO INTERVENTION RATES CAN BE SUBMITTED AS AN EXTENSION RATE

Some operations in phase 2 are unchanged except for seeking an increase in intervention rate. If submitting as a new operation this would require those who would be supported across both phases to be disaggregated and complicate reporting outputs and results.

**Requests for extensions into phase 2 that are solely for an intervention rate increase can be submitted through the extension request process**. This will maintain the operation on EUMIS and simplify reporting. To make this modification to the process work, where an extension is requested with an increased intervention rate an average intervention rate will be used. Lead partners are encouraged to use this option although can opt to submit a new operation should they prefer. In either case, a clear justification is required for any change to intervention rate between phase 1 and phase 2.

More detail is provided within documents on EUMIS

Requests for increases to intervention rates will only be considered in duly justified cases and if there is the available budget. All increases in grant put pressure on delivering the outputs of the programmes and lead partners must clearly demonstrate the difference increasing the intervention rate could make. In order to assess phase 2 applications and extension requests lead partners must demonstrate progress to date. Where Strategic Interventions have no, or very little, paid or submitted delivery claimed the Managing Authority cannot consider operation extensions.

The MA is working on an **end date for all operations** of June 2023 at the latest to allow time for submission and verification of the final claim.

We ask all LPs to reflect on progress to date, time needed to compete phase one targets, and what can realistically be achieved and spent during phase 2.

**NOTE**: Operation extension requests taking expenditure to over €50,000,000 will not be considered, as this would constitute a ‘major project’. Major projects must be approved by the Commission and as this can be a lengthy process, it is unlikely we could achieve this prior to the EU Exit date. Lead partners should liaise with the MA to discuss.

**Forecast Spend**

The Managing Authority uses the forecast spend to report to the Commission, UK Treasury and within Scottish Government. It is vital that this is as realistic as possible to allow us to account for the money in budgets and also allow us to assess forecasts against N+3 targets. When submitting an extension request please ensure you re-assess projected spend to be as accurate as possible. Equally if submitting a new operation, please also submit a revised forecast spend table for your phase 1 operation if applicable.

**CHANGES TO INTERVENTION RATES**

It may be possible for operations to be approved with higher intervention rates. If you are seeking a higher intervention rate for phase 2 please set out your justification for this to the MA. Proposed increases require a new operation.

The maximum for LUPS ERDF and ESF will be 50%. For H&I the maximum will be 80%. However higher intervention rates will only be considered in duly justified cases and if there is the available budget.

**Existing Operations**

Operations should continue at their current intervention rate and the MA will not consider increases for current operations or activity unless a lead partner can demonstrate that they have been unable to deliver discrete elements of activity. Lead partners will need to set out the actions taken to attempt to deliver this at the approved rate in order for the MA to consider in increase to the operation’s intervention rate. If this applies to any of your operations please consult with the MA.

**SUBMISSION TEMPLATES**

Application forms for new submissions and the financial and outputs and results annexes can be found on our website. All guidance can be accessed at: <https://beta.gov.scot/publications/esif-forms-guidance-2014-2020/>

The change request templates and extension supplementary questionnaires can be accessed through the ‘Help’ section on EUMIS.

**Rights and Obligations**

Please note the links to the relevant section on LP and DA obligations, the National Rules and the appeals process can also be found at <https://beta.gov.scot/publications/esif-forms-guidance-2014-2020/>

**BREXIT and 2014-2020 Programmes**

As EU Withdrawal negotiations are on-going the MA continues to work to commit as much as possible prior to the date of Brexit.

It is not yet clear on the post Brexit arrangements for approved operations. Whilst we may be able to move funding between operations in the same priority, this has not been confirmed.

We are operating on the basis that movement will not be allowed and therefore request lead partners to be as realistic as possible in terms of what they can deliver in order that we maximise commitments and do not find ourselves with an underspend which we can then not commit.

**APPRAISAL TIMELINE**

If you have any questions about the phase 2 or extension process, please contact your Portfolio and Compliance Manager.