



EUROPE & SCOTLAND  
European Social Fund  
Investing in a Smart, Sustainable and Inclusive Future



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European Regional Development Fund  
Investing in a Smart, Sustainable and Inclusive Future

## Lead Partner Event June 2018

## Overview of day

- 11:00 2018 Overview
- 11:15 Audit Authority Article 127 Visits
- 11:45 Managing Authority Article 125 Visits
- 12:15 Lunch
- 13:00 Update on EU Exit Negotiations
- 13:30 Claims – general points
- 14:00 Claims – EUMIS panel
- 14:30 Break – convene into ESF/ERDF specific session
- 14:45 Verification Sessions – by programme
- 15:30 Close

## 2018 Overview

Phase 1 operation activity increasing across both programmes, with good opportunities to celebrate the work Structural Funds supports

Systems settling into a rhythm with claims progress increasing and taking account of tighter compliance

Focus on the pace for achieving Performance Framework and n+3

Clear areas where priorities have not been met – YE1

Phase 2 applications now coming forward to aim to have programmes fully committed by March 2019

Working on the future direction and construct of areas supported by successor funding

## N+3

Decommitment at end 2017  
€22.4m

€3 million ERDF  
€19 million ESF

2018 n+3 targets require  
€149 million grant be claimed from EC  
€53 million paid to date

Forecasts received to date show €139 million, with only 2 of 5 targets projected to be met

Programme Area		Thematic Objective	N+3 Target (€)	Current Projection	End 2017 (€)	End 2018 (€)	End 2019 (€)
Highlands and Islands (H&I)	1	05%	2,542,275.43	1,271,138.02	1,271,138.02	1,271,138.02	1,271,138.02
Lowlands and Uplands Scotland (L&US)	1	05%	13,889,324.01	5,220,022.35	5,220,022.35	5,220,022.35	5,220,022.35
Highlands and Islands (H&I)	2	05%	3,750,357.84	1,875,178.92	1,875,178.92	1,875,178.92	1,875,178.92
Lowlands and Uplands Scotland (L&US)	2	05%	19,789,752.70	7,915,900.88	7,915,900.88	7,915,900.88	7,915,900.88
Highlands and Islands (H&I)	3	05%	4,208,142.20	2,104,071.10	2,104,071.10	2,104,071.10	2,104,071.10
Lowlands and Uplands Scotland (L&US)	3	05%	3,826,012.00	1,913,006.00	1,913,006.00	1,913,006.00	1,913,006.00
Highlands and Islands (H&I)	4	05%	14,431,364.87	7,215,682.44	7,215,682.44	7,215,682.44	7,215,682.44
Lowlands and Uplands Scotland (L&US)	4	05%	1,146,454.71	573,227.36	573,227.36	573,227.36	573,227.36
Highlands and Islands (H&I)	6	05%	2,142,142.36	1,071,071.18	1,071,071.18	1,071,071.18	1,071,071.18
Lowlands and Uplands Scotland (L&US)	6	05%	1,715,045.19	857,522.60	857,522.60	857,522.60	857,522.60
Highlands and Islands (H&I)	12	05%	2,542,275.43	1,271,138.02	1,271,138.02	1,271,138.02	1,271,138.02
Lowlands and Uplands Scotland (L&US)	12	05%	1,146,454.71	573,227.36	573,227.36	573,227.36	573,227.36
Lowlands and Uplands Scotland (L&US)			54,971,314.55	27,485,657.28	27,485,657.28	27,485,657.28	27,485,657.28
Highlands and Islands (H&I)			17,582,714.24	8,791,357.12	8,791,357.12	8,791,357.12	8,791,357.12
ERDF			72,076,822.79	36,038,411.39	36,038,411.39	36,038,411.39	36,038,411.39
Programme Area	Thematic Objective	N+3 Target (€)	Current Projection	End 2017 (€)	End 2018 (€)	End 2019 (€)	
Highlands and Islands (H&I)	1	05%	1,142,054.04	5,220,022.35	5,220,022.35	5,220,022.35	
Lowlands and Uplands Scotland (L&US)	1	05%	5,220,022.35	1,271,138.02	1,271,138.02	1,271,138.02	
Highlands and Islands (H&I)	2	05%	2,104,071.10	1,875,178.92	1,875,178.92	1,875,178.92	
Lowlands and Uplands Scotland (L&US)	2	05%	7,915,900.88	7,915,900.88	7,915,900.88	7,915,900.88	
Highlands and Islands (H&I)	3	05%	3,826,012.00	2,104,071.10	2,104,071.10	2,104,071.10	
Lowlands and Uplands Scotland (L&US)	3	05%	1,913,006.00	1,913,006.00	1,913,006.00	1,913,006.00	
Highlands and Islands (H&I)	4	05%	7,215,682.44	7,215,682.44	7,215,682.44	7,215,682.44	
Lowlands and Uplands Scotland (L&US)	4	05%	573,227.36	573,227.36	573,227.36	573,227.36	
Highlands and Islands (H&I)	6	05%	1,071,071.18	1,071,071.18	1,071,071.18	1,071,071.18	
Lowlands and Uplands Scotland (L&US)	6	05%	857,522.60	857,522.60	857,522.60	857,522.60	
Highlands and Islands (H&I)	12	05%	1,271,138.02	1,271,138.02	1,271,138.02	1,271,138.02	
Lowlands and Uplands Scotland (L&US)	12	05%	573,227.36	573,227.36	573,227.36	573,227.36	
Lowlands and Uplands Scotland (L&US)			48,833,280.87	24,416,640.44	24,416,640.44	24,416,640.44	
Highlands and Islands (H&I)			15,191,357.63	7,595,678.82	7,595,678.82	7,595,678.82	
ERDF			77,624,638.50	38,812,319.26	38,812,319.26	38,812,319.26	
Total			149,738,772.21	74,869,657.52	74,869,657.52	74,869,657.52	

## Commitments v Spend

	€ million	
ESF & ERDF Total	944	
2017 Decommitment	22	2%
Current Programmes value	922	98%
Approved SI	675	73%
Approved Operation	450	49%
Paid claims	49	5%
Pending claims	11	1%

## Performance Framework

Output and financial targets set at priority level

Priorities meeting targets unlock final 6%

Forecasts and data in EUMIS show unlikely to meet in number of areas

Performance Framework ESF					
Priority axis	Category of region	Milestone for 2018	Projected total end-2018	To date	Projected end-2018
T					
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	Transition	10,826,354	8,503,257.39	25%	79%
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	More developed	76,004,635	73,894,254.53	30%	97%
2 - Promoting Social Inclusion, combating poverty and any discrimination	Transition	9,446,630	4,661,721.77	2%	49%
2 - Promoting Social Inclusion, combating poverty and any discrimination	More developed	37,019,375	23,358,014.87	2%	63%
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	Transition	12,876,075	7,423,521.51	15%	58%
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	More developed	56,146,280	13,078,655.47	21%	23%
4 - Youth Employment Initiative		138,929,100	20,445,685.15	5%	15%
Red = Under 65% Bold = Over 85%					

Performance Framework ESF					
Priority Axis	Category of Region	Key Implementation Step or Output Indicator	2018 Milestone	Latest Value	% 2018 Milestone Achieved
1	Transition	Expenditure (€m)	10.83	2.76	25%
1	Transition	Unemployed and inactive participants with multiple barriers to employment	2,092	1,042	50%
1	Transition	Employed participants with multiple barriers to progressing in the labour market	30	31	103%
1	More developed	Expenditure (€m)	76.00	22.59	30%
1	More developed	Unemployed and inactive participants with multiple barriers to employment	24,464	9,851	40%
1	More developed	Employed participants with multiple barriers to progressing in the labour market	1,224	653	53%
2	Transition	Expenditure (€m)	9.45	0.20	2%
2	Transition	Disadvantaged participants in workless, lone parent or low income households	846	523	62%
2	Transition	Deprived or fragile communities supported	26	32	160%
2	More developed	Expenditure (€m)	37.02	0.75	2%
2	More developed	Disadvantaged participants in workless, lone parent or low income households	3,150	178	6%
2	More developed	Deprived or fragile communities supported	29	287	990%
3	Transition	Expenditure (€m)	12.88	1.52	12%
3	Transition	Total participants (employed, unemployed, inactive) with ISCED level 2 or below	979	191	19%
3	Transition	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualify	968	205	21%
3	Transition	Total participants with ISCED level 5 and above qualifications	254	20	8%
3	More developed	Expenditure (€m)	56.15	11.83	21%
3	More developed	Total participants (employed, unemployed, inactive) with ISCED level 2 or below	3,659	1,895	49%
3	More developed	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualify	4,361	971	22%
3	More developed	Total participants with ISCED level 5 and above qualifications	1,092	123	11%
4	YEI	Expenditure (€m)	138.93	6.85	5%
4	YEI	Participants aged 16-24 who are unemployed or NEET	13,428	5,518	41%
4	YEI	Participants aged 25-29 who are unemployed or NEET	3,570	1,317	37%

Performance Framework ERDF				
Priority axis	Category of region	Milestone for 2018	Projected total end-2018	Projected end-2018
T				
1 - Strengthening Research, technological development and innovation	Transition	8,695,946	3,323,302.08	38%
1 - Strengthening Research, technological development and innovation	More developed	55,727,591	16,805,736.38	30%
2 - Enhancing access to, and use and quality of ICT	Transition	11,593,045	-	0%
2 - Enhancing the Competitiveness of SMEs	Transition	13,483,306	14,575,372.68	108%
3 - Enhancing the Competitiveness of SMEs	More developed	67,020,293	64,336,212.49	96%
4 - Supporting a shift towards a low carbon economy in all sectors	Transition	10,696,776	3,246,241.38	30%
4 - Supporting a shift towards a low carbon economy in all sectors	More developed	56,106,203	69,069,240.10	123%
5 - Preserving and protecting the environment and promoting resource efficiency	Transition	3,153,308	3,672,469.00	116%
5 - Preserving and protecting the environment and promoting resource efficiency	More developed	23,577,497	77,679,391.88	329%
Red = Under 65% Bold = Over 85%				

Performance Framework - ERDF					
Priority Axis	Category of Region	Key Implementation Step or Output Indicator	2018 Milestone	Latest Value	% 2018 Milestone Achieved
1	Transition	Expenditure (€m)	8.70	1.53	18%
1	Transition	Enterprises receiving support to introduce new to the firm or new to the market	66	14	23%
1	More developed	Expenditure (€m)	55.73	15.53	28%
1	More developed	Enterprises receiving support to introduce new to the firm or new to the market	195	26	13%
2	Transition	Expenditure (€m)	11.59	0.00	0%
2	Transition	ICT infrastructure contract let and implementation commenced	1	0	0%
3	Transition	Expenditure (€m)	13.48	1.73	13%
3	Transition	Enterprises receiving support	520	57	11%
3	More developed	Expenditure (€m)	67.02	27.08	40%
3	More developed	Enterprises receiving support	1882	3994	209%
4	Transition	Expenditure (€m)	10.69	0.23	2%
4	Transition	Low carbon projects receiving non-financial or financial support	23	2	9%
4	Transition	Transport hubs with contracts let or construction commenced	7	0	0%
4	More developed	Expenditure (€m)	56.11	2.55	4%
4	More developed	Low carbon projects receiving non-financial or financial support	118	17	14%
4	More developed	Transport hubs with contracts let or construction commenced	4	0	0%
5	Transition	Expenditure (€m)	3.15	1.48	47%
5	Transition	Organisations receiving non-financial or financial support	151	371	239%
5	More developed	Expenditure (€m)	23.58	7.65	32%
5	More developed	Organisations receiving non-financial or financial support	752	1316	178%
5	More developed	Projects delivering new/improved green infrastructure which have commenced	4	0	0%

Phase 2	
Number extensions approved to date at SI level.	
Starting to see operations coming in.	
Need sufficient claims to be submitted and paid before can assess phase 2	
Currently aiming towards all approvals by 29 March 2019	

Questions	
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## Audit Authority

- Article 127 Visits

## Article 125(5)(b) Management Verification On The Spot Checks

- Two Stage Approach
- 100% of Operations
- Regulation and Key Requirements

## Article 125(5)(b) Management Verification On The Spot Checks

- Lessons Learned 07-13 Programmes
- Pilot Visits
- Co-ordinating Visit

## Article 125(5)(b) Management Verification On The Spot Checks

- Scheduling Visits
- Notification of Visit
- Lead Partner Guidance

## Article 125(5)(b) Management Verification On The Spot Checks

**Schedule - 2018**

- Phase 1 - 11 June to 27 July 2018
- Phase 2 - 13 August to 30 September 2018
- Phase 3 - 15 October to 15 December 2018

## Article 125(5)(b) Management Verification On The Spot Checks

- Cost and File Check
- New – Staff Interviews
- Stage 2 Report

## LUNCH

## Update on EU Exit Negotiations

David Fleetwood, Directorate for  
External Affairs Scottish  
Government

## CLAIMS

### Guidance

- Commission guidance has been available from start of programmes
- Monitoring and Evaluation Guidance - key documents for all involved
- MA Guidance has been expanded to clarify rather than change

### Resource

- Review resource
- Part-time staff

### Verifications

- Errors across claims - as get into live time expect error rates to lower
- Compliance regime is challenging but necessary

## CLAIMS

- Quality of information – check prior to submission
- Format of evidence – number against verification item
- BACS total – link back to cost and participant
- If MA can provide additional support please let us know. Reviewing MA resource also.

## CLAIMS

- Don't submit if you don't know it's correct.
- Payment not on financial checks alone. Need to see eligible activity
- Achievement and Outputs - Registrations under ESF and Businesses supported under ERDF should match outputs. Remember to record both.

## Procurement

- Procurement – not always providing full list. Can take 3-4 weeks.
- MA procurement managers happy speak directly to procurement people if easier. Need all documents
- Evidence to show transparent audit trail
- Numbering and Naming of document.
- EUMIS procurement tab

## Procurement

- Document Checklist - full narrative
- Common Missing Documents:
  - Published OJEU Notices
  - Tender Evaluation

## Procurement

- Amending contracts without proper justification.
- Evaluation – inadequate trail of evidence, for example, the process to agree the final scores
- Technical checks at evaluation stage

## Challenge Funds

- Processes have been reviewed and updated guidance published.
- Basic principles remain the same
- Processes updated to improve communication & claim processing:
  - LPs should provide a list of approved projects to the MA
  - The MA will carry out checks on the challenge fund application process
  - These checks need only to be done once for a challenge fund
  - After these checks are complete, costs are claimed as any other eligible cost

## CLAIMS - EUMIS

- Web Interface/CSV Upload Update
- CSV is sensitive but will save time and human error – can provide support to ensure set up and working
- Changes to EUMIS

## CLAIMS – EUMIS Data Accuracy

- Outputs
  - ESF – only one per participant
  - ERDF – can have multiple outputs but an output should only count once
- Consistency across a record
- Reports
- Best Practice: report all relevant barriers, name delivery organisation under 'Supported by'

## EUMIS Panel

### General Data Protection Regulations

- GDPR Privacy Notice on website
- Data sharing agreements with each lead partner
- Data collected is to evidence meet regulatory requirements and for evaluation purposes
- ★ Controlled access
- Will not transfer personal data to Commission
- Reporting to Commission is aggregated
- Commission auditors read only access to EUMIS

### Guidance Updates

- Participant Guidance
- National Rules
- Amended Application Form
- <https://beta.gov.scot/publications/esif-forms-guidance-2014-2020/>
- ★ On EUMIS:
- Change Request Guidance
- Supplementary Questionnaires and updated change request

### EU Exit

- UK/EU Draft Withdrawal Agreement: Dec 17, Mar 18.
- Economy, Jobs and Fair Work Committee launched ESIF consultation on the current programme and the future in February.
- Over 30 written submissions received and two oral evidence sessions in May.
  - Current Programme
  - Future After EU Exit

### Next Event

- Next event October
- Suggestions for group discussions
- Presentations from lead partners during day
- Please feedback ideas/comments – survey will be issued.
- ★
- Annual Event: 30 years of Cohesion Policy
- Case study booklets

### CLAIMS

### ESF and ERDF Sessions