

**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	IR	N+3 Target (€)	Current Projection	End 2018 (€)	Diff
Highlands and Islands (H&I)	1	00%	2,582,075.42	1,277,708.02	1,304,367.40	2,582,075.42	1,277,708.02
Lowlands and Uplands Scotland (L&US)	1	05%	13,889,324.21	5,220,022.35	8,669,301.86	13,889,324.21	8,669,301.86
Highlands and Islands (H&I)	2	00%	3,209,287.84	0	3,209,287.84	3,209,287.84	3,209,287.84
Highlands and Islands (H&I)	3	00%	4,209,142.20	0	4,209,142.20	4,209,142.20	4,209,142.20
Highlands and Islands (H&I)	3	00%	19,209,792.70	21,180,133.29	1,970,340.59	19,209,792.70	1,970,340.59
Highlands and Islands (H&I)	4	00%	3,820,212.00	1,483,524.29	2,336,687.71	3,820,212.00	2,336,687.71
Highlands and Islands (H&I)	4	00%	14,401,348.87	27,822,522.74	13,421,173.87	14,401,348.87	13,421,173.87
Highlands and Islands (H&I)	6	00%	2,121,122.26	0	2,121,122.26	2,121,122.26	2,121,122.26
Lowlands and Uplands Scotland (L&US)	6	05%	5,710,549.18	6,031,427.08	4,218,381.89	5,710,549.18	4,218,381.89
Highlands and Islands (H&I)	12	00%	202,857.76	0	202,857.76	202,857.76	202,857.76
Lowlands and Uplands Scotland (L&US)	12	00%	1,146,464.71	1,771,008.52	624,543.81	1,146,464.71	624,543.81
<b>Lowlands and Uplands Scotland (L&amp;US)</b>			<b>54,971,314.55</b>	<b>59,724,798.02</b>	<b>4,753,483.47</b>	<b>54,971,314.55</b>	<b>4,753,483.47</b>
<b>Highlands and Islands (H&amp;I)</b>			<b>17,076,632.79</b>	<b>19,869,008.34</b>	<b>2,792,375.55</b>	<b>17,076,632.79</b>	<b>2,792,375.55</b>
<b>ERDF</b>			<b>72,076,632.79</b>	<b>79,593,806.36</b>	<b>7,517,173.57</b>	<b>72,076,632.79</b>	<b>7,517,173.57</b>

### 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
<b>T</b>					
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	Transition	10,826,354	8,503,257.39	25%	78%
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	24	22	92%
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	1.92	15%
3	Transition	Total participants (employed, unemployed, inactive) with ISCED level 2 or below of	679	191	28%
3	Transition	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifi	968	205	21%
3	Transition	Total participants with ISCED level 5 and above qualifications	254	20	8%
3	More developed	Expenditure (€m)	56.15	11.63	21%
3	More developed	Total participants (employed, unemployed, inactive) with ISCED level 2 or below of	3,652	1,895	49%
3	More developed	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifi	4,361	971	22%
3	More developed	Total participants with ISCED level 5 and above qualifications	1,092	123	11%
4	VEI	Expenditure (€m)	138.93	6.85	5%
4	VEI	Participants aged 16-24 who are unemployed or NEET	13,428	6,538	41%
4	VEI	Participants aged 25-29 who are unemployed or NEET	3,070	1,317	37%

### Performance Framework ERDF

Priority axis	Category of region	Milestone for 2018	Projected total end-2018	Projected end-2018
<b>T</b>				
1 - Strengthening Research, technological development and innovation	Transition	8,695,946	3,323,302.06	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%
3 - 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	3,246,241.98	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	3,672,468.00	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 mark	60	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 mark	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	27.06	40%
3	More developed	Enterprises receiving support	180	39	22%
4	Transition	expenditure (€m)	11.00	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	2	0	0%
4	More developed	expenditure (€m)	56.11	2.53	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	157	371	236%
5	More developed	expenditure (€m)	23.58	7.65	32%
5	More developed	Organisations receiving non-financial or financial support	752	1336	178%
5	More developed	Projects delivering new/improved green infrastructure which have commenc	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

## 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

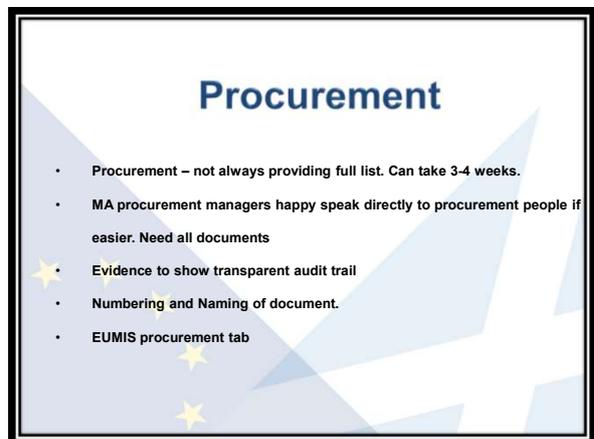
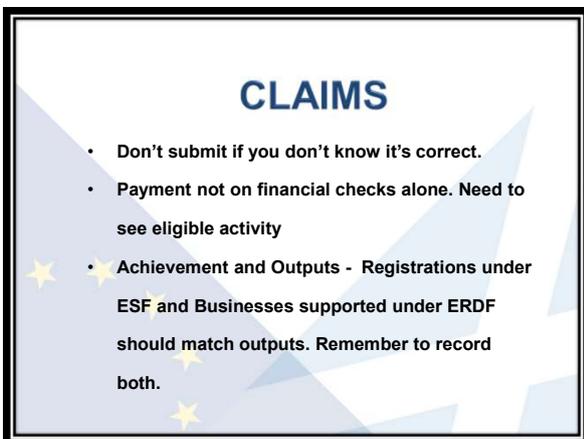
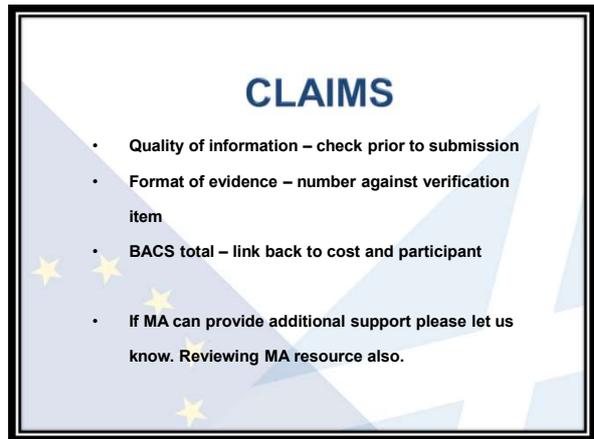
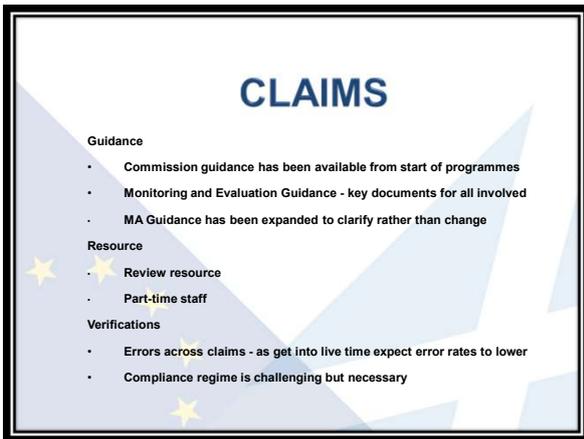
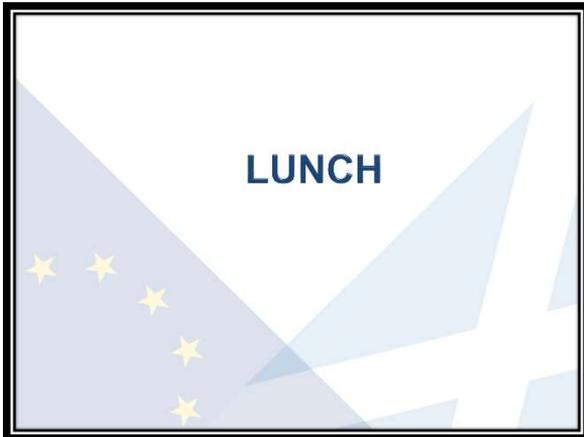
## Article 125(5)(b) Management Verification On The Spot Checks

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



## 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