

EUROPEAN STRUCTURAL FUNDS PROCESS NOTE 1: ADVISORY GROUPS (AGs)

1 Introduction

1.1 The following note sets out the agreed process, formulated by the Business Continuity Group by October 2007 and agreed by the ESFD Steering Group on 5 November and amended in August 2008 in the light of comments on the first round process, for Advisory Groups (AGs) in the 2007-13 Programmes. This note covers the 4 mainstream programmes – ERDF and ESF Programmes for the Highlands & Islands and Lowlands & Uplands Scotland – and not the cross-border/transnational programmes under the Co-operation Objective.

2 Remit and scope

2.1 AGs are not required under by EU regulation, however it has been agreed that AGs will operate from the outset of the 2007-13 Programmes, subject to any future review. The role of AGs provides peer review and additional compliance assessment to assist the process of recommending European Structural Funds applications, assisting PMCs in making recommendations of project awards. It is a role that has been performed historically in previous programming periods. The terms of reference and rules for procedure for the AGs are provided in an annex to this note.

2.2 The effective operation of the AGs is the joint responsibility of:

- the Managing Authority (who chair AGs);
- the Programme Monitoring Committee (PMC) who agree in advance the Advisory Group members' Terms of Reference; and
- the Intermediate Administrations Bodies (IABs) who provide AG secretariats.

2.3 3 priority AGs have been established in the Highlands & Islands and 7 priority AGs in Lowlands & Uplands Scotland.

Highlands & Islands (H&I) Programmes

- ERDF Priority 1/ESF Priority 2/ESF Priority 3
- ERDF Priority 2
- ERDF Priority 3/ESF Priority 1

Lowlands & Uplands Scotland (LUPS) ERDF Programme:

- Priority 1
- Priority 2
- Priority 3
- Priority 4

LUPS ESF Programme:

- Priority 1
- Priority 2

- Priority 3

For Community Planning Partnership applications in the first round under Priority 3 of the ERDF Programme and Priority 1 of the ESF Programme for LUPS, a special Advisory Group will be established, as discussed in more detail section 6 below.

3 Process of appointing members

- 3.1 There are two groups of AG members: external members and those drawn from the Scottish Government and the IABs.
- 3.2 At the start of the programming period, external AG members were chosen through an open selection process. Applications were invited from individuals in external partners who provided CVs citing relevant experience and cover letters indicating for which AGs they wanted to be considered. Sifting boards consisting of Managing Authority and the IABs were set up to review the applications. A formal note of the sifting boards was recorded and stored in Objective. By December 2007, full AGs for all AGs were set up with members selected to serve a term up until the end of June 2010.
- 3.3 Should existing external AG members step down before June 2010, they will be replaced at the initiative of the relevant Managing Authority. (Members stepping down should do so in letters addressed to the chair of the relevant AG.) Replacement candidates will be jointly identified by Programme Teams and IABs and invited to submit CVs. It is recommended that more than one potential candidate is approached so selection can take place, but a full-scale advertising process is not necessary. The CVs should be formally reviewed by a sifting board chaired by the chair of the relevant AG and consisting of representatives from the Programme Teams and the IABs. A formal note of the sifting board's decision should be recorded and stored in Objective. If additional members are required for some Advisory Groups to increase the numbers or to balance the skills across the Group, the process for replacement members will be used.
- 3.4 By June 2010 at the latest, membership of all AGs should be reviewed, though Managing Authority may review the membership more frequently. Following the end of the 2009-10 programming round, Managing Authorities should formally assess number, size and composition of AGs for the remainder of the programming period. On the basis of their conclusions, existing AG members should be asked if they wished to be considered for continuing membership, but at the same time, general adverts should be placed on the Scottish Government's and the IABs' websites, inviting CVs and covering letters. The advert used for selecting members for the 2007-10 period can be found here:



Advisory Groups -
Terms of Ref...

The same process for sifting should be put in place for each of the programmes as set out in paragraph 3.1 above. The selection process should be concluded by the end of August 2010 if possible, allowing plenty of time for training of new members for the forthcoming application round.

- 3.5 Internal AG members consist of members of the relevant Managing Authority and Scottish Government officials with relevant policy experience. These should be identified and selected at the initiative of the Managing Authority as appropriate.

4 Training

- 4.1 The IABs (H&I and LUPS) will provide training for all Advisory Group members with relevant input from the Managing Authority. This training will cover:
- Overview of the 2007-13 Programmes
 - Terms of Reference/Rules of Procedure for Advisory Group members
 - Appraisal Process (including Virtual and Standing Advisory Groups)
 - Scoring and Appraisal Framework (including scoring criteria and weightings)
 - Special arrangements for the appraisal of CPPs and SDBs
- 4.2 Training should be scheduled for all members – even on a ‘refresher’ basis – as required for each programming round.

5 Rules of procedure

- 5.1 The rules of procedure of the AGs are set out in an annex to this note. Different rules apply to AGs in different programmes and have been approved by the relevant PMCs. (LUPS agreement by written procedure following the November 2007 PMC meeting). All AG members should be given the appropriate terms of reference when they are formally invited to join the AG and they should be reiterated at the start of each programming round, either at the training session or at the first meeting, by the chair of the Managing Authority.
- 5.2 Where an applicant appeals the IAB and Managing Authority decision on the eligibility of a project, the appropriate AG will be asked for advice. A consensus view will then be formed on whether the application should be rejected as ineligible, or should go forward for scoring and consideration within that round.

6 Treatment of Community Planning Partnership (CPP) applications

- 6.1 For the first round of the programme, special provision has been made for applications from Community Planning Partnerships (CPPs) in the LUPS area into Priority 1 of the ESF programme and Priority 3 of the ERDF programme. CPPs in the eligible LUPS areas for these priorities have been invited to put in linked applications for substantial funding for two years. This invitation is for the first round only. Decisions on future Structural Funds allocation arrangements for CPPs will be reviewed in 2010.
- 6.2 Under this arrangement, CPPs will make separate – but linked – applications to each of the 2 Priorities. These will be considered by a specially-convened AG comprising officials from the Managing Authority, relevant Scottish Government policy officers and the IAB. This AG will importantly use the same scoring procedure for all other projects as set out in Section 9. In recognition of the fact that these CPP bids were multi-partner/multi-sectoral partnerships it was not possible to involve external stakeholder members due to conflict of interest. Particular attention will be given to scoring

criterion 1 (Strategic Fit), criterion 5 (Partnership) and criterion 7 (Outputs) of the Justification section in the context of the role of the CPPs as local partnerships and the delivery of local employability and regeneration strategies. At the initiative of the chair, representatives of the CPPs can make presentations of their co-ordinated plans and answer AG questions on the applications.

- 6.3 CPPs can apply in the H&I programmes – as well as to other priorities in the LUPS programmes. Their applications are also subject to special AG arrangements: the AG will assess the framework prior to making a recommendation. Once approved, the MA and the IAB will ensure individual components are relevant before allowing to proceed.

7 Treatment of Strategic Delivery Body (SDB) applications

- 7.1 Strategic Delivery Bodies (SDBs) are organisations that have been specially-commissioned by the Managing Authority to undertake outcome agreements under specific priorities. These outcome agreements are larger than normal project applications and consist of a range of strategic projects. There are 3 SDBs:

- Scottish Enterprise: under Priority 1 of the LUPS ERDF programme
- Highlands & Islands Enterprise: under Priority 1 of the H&I ERDF programme
- UHI Millennium Institute: under Priority 2 of the H&I ERDF programme and Priority 3 of the H&I ESF programme

The outcome agreements last for 3 years. The first set of outcome agreements will be submitted in the first round of the programmes. Subsequent outcome agreements will be determined in light of the performance of the first set of agreements.

- 7.2 Outcome agreements will be considered by the relevant AG for that priority using the scoring procedure set out below. All outcome agreement applications will be discussed by AGs at their meetings. At the initiative of the chair, representatives of the SDBs can make presentations of their outcome agreements and answer AG questions on the applications. Relevant Scottish Government policy officials involved in scoring under that priority will be invited to take part in the AG meeting to discuss the outcome agreements.

8 Treatment of the global grant agreement

- 8.1 Dumfries & Galloway Council has been designated an 'Article 42 body' (with reference to the Council Regulation 1083/2006) to deliver a global grant for the South of Scotland (Dumfries & Galloway and Scottish Borders Local Authority areas) under Priority 4 of the LUPS ERDF programme for 2008-10 (in the first instance). No other global grants are currently envisaged at present. There is no need for global grants organisations to 'apply' for funding – the Managing Authority can simply determine an appropriate organisation as a global grants body. However, the agreement between the Managing Authority and the global grants body – which should include all the information normally expected in an application – needs to be approved by the PMC. As a result, the agreement should go through AG appraisal.

- 8.2 The global grant agreement will be submitted by Dumfries & Galloway Council to the Managing Authority via ESEP Ltd to the same deadline as the second stage of the first

round. The agreement should be fast-tracked for appraisal, as a decision on the agreement will be taken by the LUPS PMC. The agreement should be appraised by the LUPS ERDF Priority 4 AG, using the same scoring procedures as set down in section 9. Special guidance on the differences between scoring a global grant agreement and a project application will be given to Priority 4 AG members as part of their training.

9 Scoring procedure

9.1 AG members score on the basis of what has been submitted by applicants in each Stage 2 Application. There are 6 main parts to every application. These are:

- Part 1: Project Summary Document
- Part 2: Participant Characteristics (only for European Social Fund projects).
- Part 3: Indicators and Targets
- Part 4: Justification (split into 9 categories)
- Part 5: Project Costs
- Part 6: Compliance and Declaration.

9.2 AG members will be provided hard copies or CDs of the applications for the first round applications. EUROSYS, the new IT system under development in 2007/8, will provide password controlled on-line access for AG members to access papers for subsequent rounds.

9.3 Each of the sections in Part 4 are scored. The scoring structure is based on a 0-5 sliding scale (low to high), as shown at Table 9.6.

9.4 In addition Parts 4.1 to 4.9 are each weighted with either a High, Medium or Low category, as shown at Table 9.6.

- High provides a multiplier of 1.5;
- Medium provides a multiplier of 1, so keeps the score constant; and
- Low provides a multiplier of 0.5.

So, for example, a score of '3' would be counted in final assessment as '4.5' (if in a High Category) as '3' (if in a Medium Category) or as '1.5' (if in a Low Category).

9.5 Particular attention is drawn to the Part 4.6: Horizontal Themes section, which has a slightly different scoring scale. Each of the 3 Horizontal Themes (social inclusion, environmental sustainability and equal opportunities) can attract a score of up to '2' per Theme. This can give a maximum total score of '6' (as opposed to '5') for Section 4.6, reflecting the important influence they are expected to have in the delivery and impact of the project. If any individual project scores a '0' on 2 or more of these horizontal themes, then the application will be rejected.

9.6 The full scoring system – included the weighting employed for the different criteria – is summarised in Table 9.6.

Table 9.6

Criteria	Scoring	Weighting	Maximum score
4.1: Strategic Fit	0 - 5	1.5	7.5
4.2: Evidence of Demand	0 - 5	1.5	7.5
4.3: Need for Grant	0 - 5	1.5	7.5
4.4 Structure and Management	0 - 5	1.5	7.5
4.5: Partnership	0 - 5	1	5
4.6: Horizontal Themes	0 - 6	1.5	9
4.7: Outputs/Results/Impact/Evaluation	0 - 5	1.5	7.5
4.8: Past Performance	0 - 5	0.5	2.5
4.9: Innovation/Value Added	0 - 5	1	5
Total max score			59

0.5 = Low; 1.0 = Medium; 1.5 = High

9.8 The Managing Authority will set the arrangements for distributing and discussing scorings for each AG. Different procedures may be employed, depending on the volume and complexity of applications.

- For the Highlands & Islands, two members of each AG will score an application jointly and discuss their scores at AG meetings. The AG as a whole would agree a consensus score.
- For LUPS ESF and ERDF, Virtual AG members score their relevant criteria individually. These scores are submitted to the IAB by a specific date. The IAB collates the scores against each application and calculates an average score as follows:-
 - i) External AG members scores for each section are added and an arithmetical average produced
 - ii) All other scores for that section from SG policy officials, IAB and/or SG Managing Authority are added and an arithmetical average produced.
 - iii) The 2 average scores at (i) and (ii) above for each section are added and averaged to give a score for each section.
 - iv) The weighting for that section (see 9.6 above) is applied to give a final weighted mark for that section.
 - v) The total score for the application is the addition of the final weighted marks for each section.
- Checks are undertaken at this time of any significant variances, and where necessary individual scorers may be asked to explain any divergent scores. Once the average scores are generated, the appropriate weighting factor is added giving a total score for each application. Standing Advisory Groups are called for each Priority to provide recommendations to the PMC, discuss ranking and specific cases, to ensure quality control of the scoring and advise on projects requesting grant of more than an average of £1 million per annum.
- At the initiative of the chair, representatives of the applicant or other relevant organisations can be asked to make a presentation and answer AG questions on the application.

10 Scoring procedure

10.1 Scottish Government and IAB members will score different sections (as discussed in sections 11,12 and 13 below). The responsibility for scoring as a whole is summarised in the

following table. As there are no Virtual Advisory groups under the Highlands & Islands Programme, the IAB contributes to the scoring discussions arrived at by the Standing Advisory Group.

Criteria	Responsibility for scoring for Virtual Advisory Groups
4.1: Strategic Fit	External AG members Scottish Government Policy Officials
4.2: Evidence of Demand	External AG members Scottish Government Policy Officials IAB
4.3: Need for Grant	External AG members ESFD, Managing Authority IAB
4.4 Structure and Management	External AG members IAB
4.5: Partnership	External AG members Scottish Government Policy Officials IAB
4.6: Horizontal Themes	External AG members IAB
4.7: Outputs/Results/Impact/Evaluation	External AG members ESFD Managing Authority
4.8: Past Performance	ESFD, Managing Authority IAB
4.9: Innovation/Value Added	External AG members Scottish Government Policy Officials

Scoring procedure: External Members

10.2 External AG members are asked to score the application in 8 of the 9 Justification sections of Part 4 of the Application. These are:

- Part 4.1: Strategic Fit
- Part 4.2: Evidence of Demand
- Part 4.3: Need for Grant
- Part 4.4: Structure and Management
- Part 4.5: Partnership
- Part 4.6: Horizontal Themes
- Part 4.7: Outputs, Results, Impacts and Evaluation
- Part 4.9: Innovation and Added Value

10.3 AG members can request clarification of certain issues in the applications from the IAB or the Managing Authority (eg. eligibility issues).

Scoring procedure: Scottish Government

10.4 Members of the Scottish Government, either as part of the Managing Authority, or as key policy contacts in relevant subject areas, also score applications.

10.5 Scottish Government members of AGs will include direct members of the Managing Authority from the European Structural Funds Division. Members of the ESFD who participate in AGs will only score the following sections:

- Part 4.3: Need for Grant
- Part 4.7: Outputs, Results, Impacts and Evaluation
- Part 4.8: Past Performance

10.6 Other Scottish Government policy members will score applications, where the application is relevant to their policy area (the Managing Authority will determine which applications should be distributed to which policy contacts). For this type of role policy contacts will only score the following Parts:

- Part 4.1: Strategic Fit
- Part 4.2: Evidence of Demand
- Part 4.5: Partnership
- Part 4.9: Innovation and Added Value

Scoring procedure: Intermediate Administration Bodies (IABs)

10.7 Where there are Virtual Advisory Groups the IABs also directly score on the following parts of the application:

- Part 4.2: Evidence of Demand
- Part 4.3: Need for Grant
- Part 4.4: Structure and Management
- Part 4.5: Partnership
- Part 4.6: Horizontal Themes
- Part 4.8: Past Performance

11 Secretariat for the Advisory Groups

11.1 In addition, the IABs provide a key role as the secretariat to the AGs. This role involves:

- Undertaking technical and eligibility checks and pass on the results to AG members scoring the applications.
- Distributing copies/CDs of applications relevant to each AG member and scoring sheets for first round. Following rounds providing AG members with information to access applications on the EUROSYS IT system.
- Collating scores from AG members and reporting these to Managing Authority (see 12.1).
- Scoring relevant parts of the applications, as set out in 10.1 above
- Arranging any AG meetings.
- Preparing briefing for the Chairs of the AGs.



- Providing technical expertise to the AGs
- Preparing, agreeing and issuing the AG minutes on-line

12 Ranked Lists and Recommendations to PMC

12.1 It is the responsibility of the Managing Authority to ensure that the collated scores and the Advisory group rankings result in a coherent, consensus set of award recommendations for the PMC.

Annex

Terms of Reference and Rules of Procedure

H&I Advisory Groups

Groups will apply the thorough appraisal and scoring mechanisms developed by the Scottish Government for projects submitted under both funds on the basis of the procedures approved by the Monitoring Committee;

Groups will apply agreed selection criteria and therefore rank projects. This will involve taking into account technical checks undertaken by the IAB and policy issues raised by the Scottish Government;

Groups will submit a list of project applications with recommendations on funding to the Monitoring Committee, having regard to Priority level financial commitments;

Groups will be required to approve the operational details of all schemes including the regular reporting requirements prior to the approval of that scheme;

Groups will ensure that projects are consistent with the objectives of the respective Programmes and comply with all relevant EC Directives and Regulations including in particular, State Aid and Procurement; and

In terms of the participation of Advisory Group Members, the following will apply:

- Membership will be for up to three years. At the end of 2010, members wishing to continue on the group will need to re-apply.
- Members will be expected to participate fully in all relevant advisory group activities, including the training provided before any applications are sent for appraisal. Consistent inability to do so will result in a re-assessment of membership.
- Members will require to act in an objective and non-partisan way.
- Members must not advocate projects within their constituency or interest.
- In the event that a project application, under consideration by an advisory group, derives from the employing organisation of a member of the advisory group, that member cannot speak to the project in question and will be asked to disengage themselves from the appraisal process – including removing themselves physically from the room during any discussion.
- No member of the advisory group can advocate or represent a project in any way where their employing authority has a financial or other formally expressed interest in the project. The advisory group member can neither advocate for the project nor speak in answer to points of clarification or matters of technical or factual nature. As with all project applicants questions of clarification and requests for additional information will be formally raised in writing with the applicant organisation following the meeting of the advisory group.
- Where appraisal groups meet to discuss specific projects, discussions will be recorded in a summary, unattributable, minute. This minute will be available to any person requesting it in order to conform with the Freedom of Information (Scotland) Act 2002,

which introduced important rights for all to access information held by Scottish public authorities.

- The names of advisory group members, and their organisations will also be published pro-actively on IAB websites, also in line with the Freedom of Information (Scotland) Act 2002.
- In order to promote objectivity and the exchange of frank and impartial views and comments, it is essential that advisory group members respect the confidential nature of the proceedings of any meetings that take place.
- Accordingly, members must not report the context of any part of an application or of any detailed discussion to any third party, and in particular must not attribute any discussion, score or comment to any one or more members of the advisory group.
- In the event that a member of an advisory group is unable to appraise applications or attend any specific meeting no substitution will be allowed, as this appointment is on an individual basis.

LUPS Advisory Groups

Membership

1. Advisory Groups will be chaired by a member of the Managing Authority and will comprise a number of experts appointed by the Scottish Government.
2. Members will be appointed for their knowledge, expertise and experience and shall not act as representatives of any agency or sector.
3. Members will apply the thorough appraisal and scoring mechanisms developed by the Scottish Government for projects submitted under both funds on the basis of the procedures approved by the Monitoring Committee.
4. Members will submit their individual scores and comments to the IAB for the applications which they have appraised. The IAB will collate the scores for all the applications received.

Place and Frequency

5. A Standing Advisory Group will normally meet at a particular stage in the application cycle, at a convenient location, normally in the Programme area. It will consider the total scores for the relevant applications and the comments received from the full Advisory Group membership. Members from this group will be drawn from the full Advisory Group membership as appropriate.

Agenda

6. The Convener, with assistance from the IAB, will draw up an agenda for the Standing Advisory Group meeting including any items which might be requested in writing by a member of the Advisory Group. The agenda shall be issued to the Standing Advisory Group members, along with papers necessary for the meeting, normally ten working days before the date of the meeting.

7. If the Standing Advisory Group members agree, an applicant may be requested to attend an Advisory Group meeting to provide additional technical or other information to enable the Group to come to a more informed decision on the recommendation to go to the Programme Monitoring Committee.

Secretariat

8. The Advisory Group secretariat will be provided by the IAB.

Written Procedure

9. Any issue that cannot be dealt with in normal business may be dealt with by written procedure. Members will be required to give their views within ten working days unless there is justification for a shorter deadline. The absence of objection from any member of the Advisory Group will generally indicate approval for the course of action proposed.

Record of the Meeting

10. The IAB shall produce a record of each Standing Advisory Group meeting and this shall be submitted in draft to the Convenor within ten working days of the meeting. Draft minutes shall be issued to the Group within twenty working days of each meeting.
11. Draft minutes will be made available for circulation on the ESEP Ltd web-site following clearance from the Convener.

Decisions and Conclusions

12. Decisions and conclusions of the Advisory Group shall be reached, wherever possible, by consensus. These will form the basis of the recommendations to go to the Programme Monitoring Committee on the applications for funding.

Terms of Reference

1. Membership will be initially to the end of 2010, members wishing to continue on the group will need to re-apply.
2. Members will be expected to participate fully in all relevant advisory group activities, including the training provided before any applications are sent for appraisal. Consistent inability to do so will result in a re-assessment of membership.
3. Members will require to act in an objective and non-partisan way.
4. Members must not advocate projects within their constituency or interest.
5. In the event that a project application, under consideration by an advisory group, derives from the employing organisation of a member of the advisory group, that member cannot speak to the project in question and will be asked to disengage themselves from the appraisal process – including removing themselves physically from the room during any discussion.
6. No member of the advisory group can advocate or represent a project in any way where their employing authority has a financial or other formally expressed interest in the project. The advisory group member can neither advocate for the project nor speak in answer to points of clarification or matters of a technical or factual nature. As with all

project applicants questions of clarification and requests for additional information will be formally raised in writing with the applicant organisation following the meeting of the advisory group.

7. Where appraisal groups meet to discuss specific projects, discussions will be recorded in a summary, unattributable, minute. This minute will be available to any person requesting it in order to conform with the Freedom of Information (Scotland) Act 2002, which introduced important rights for all to access information held by Scottish public authorities.
8. The names of advisory group members and their organisations will also be published pro-actively on IAB websites, also in line with the Freedom of Information (Scotland) Act 2002.
9. In order to promote objectivity and the exchange of frank and impartial views and comments, it is essential that advisory group members respect the confidential nature of the proceedings of any meetings that take place.
10. Accordingly, members must not report the context of any part of an application or of any detailed discussion to any third party, and in particular must not attribute any discussion, score or comment to any one or more members of the advisory group.
11. In the event that a member of an advisory group is unable to appraise applications or attend any specific meeting no substitution will be allowed, as this appointment is on an individual basis.

Date	Issue	Status	Author
24 January 2008	1	Final	Phil Raines
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