



Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

DELEGATED AUTHORITY TO VARY GRANT AWARDS

1. Purpose

- 1.1 To ask the PMC to delegate authority within specified limits to the Managing Authority (MA) to vary the conditions of grant for LUPS ERDF and ESF projects.

2. Background

- 2.1 At the moment if a project needs to make a substantive change to the level of grant after it has been approved, the MA has to put a recommendation to the PMC for approval before we can issue an amended offer of grant. A change to allow an element of delegated authority will avoid the PMC having to deal with ever increasing volumes of changes, and will also allow applicants to get a quicker response.
- 2.2 Currently the main reason for a project asking for such a significant change is either a change in project costs or match funding. Although increased grant must be fully justified a blanket refusal to allow a variation to the level of grant will impact on the achievement of the project and programme outputs/targets. It seems highly likely that Issues around the commitment of match funding will increase over the rest of the Programme period as project sponsors reassess priorities.
- 2.3 Since the start of the 2007 programmes the Commission and Managing Authorities have been working on a simplification and streamlining agenda to improve a number of aspects of the administration of the programmes without compromising the outputs and results or the confidence in the level of compliance and financial assurance. This change would be one which would contribute to the simplification agenda.

3. Proposal

- 3.1 To support the simplification of the delivery of the funds it is proposed that the PMC delegate authority to the MA to allow the MA the following permissions:
- 3.1.1 The MA can approve a change in the level of grant up to 20% of the value of the project, up to a maximum of £500K without recourse to the Standing Advisory Group; and
- 3.1.2 The MA can approve a change in the level of grant up to 50% of the value of the project or up to £750K but only after considering the input of the appropriate Standing Advisory Group for the Priority.

- 3.1.3 Any more substantial change would be taken back to the PMC for formal approval. The PMC would be informed at the next appropriate meeting of any use of this delegated authority by the MA.
- 3.1.4 In all cases the project outputs would remain commensurate with the revised project value being considered.

4. Recommendations

4.1 The Committee is invited to:

- 4.1.1 approve the proposals to delegate authority as proposed in Section 3.1 above.
- 4.1.2 agree that ESEP would report on changes using delegated authority and on decommitments as a regular Annex to the PMC Programme Financial Progress Report paper at each meeting.

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October 2010