



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

Project Appraisal and Selection Report from the Scottish Government

1. Purpose

- 1.1 To request that the Committee consider and approve the proposed selection criteria and scoring system for the ERDF and ESF 2007-2013 Programmes; the application procedure and timetable, and the limited application of retrospection.

2. Project Appraisal and Selection

- 2.1 Technical checks will be undertaken on every submitted application form by the IAB, focusing mainly on compliance with the National Rules on eligibility of expenditure and ensuring all the necessary sections are complete to allow the project to be appraised.
- 2.2 All applications will be appraised under the same scoring system. The appraisal will be undertaken by the Managing Authority, the IAB Programme Managers, Advisory Group members and Scottish Government policy experts. The policy experts will provide in particular input into the fit with the strategic policies of the Scottish Government, the IABs will focus on past performance, and the Horizontal Themes and Advisory Group members will appraise the project in the round.
- 2.3 The Managing Authority will chair all Advisory Groups with the IAB providing a secretariat function.
- 2.4 Selection criteria were developed for the Shadow ESF Round and this has been further enhanced for the forthcoming first application round.
- 2.5 The criteria are based on the assessment of information provided under the Justification Section of the application form (Section 4) The scale for scoring is 0-5 with a further weighting factor applied as follows:
- 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.

For Horizontal Themes a scoring of 0-6 applies as three areas are assessed: environmental sustainability, equal opportunities and social inclusion. A score of 2 will be applied to each of these three areas and if any individual project

fails to score any mark under two or more of the Horizontal Themes then the application will be rejected.

2.6 Under the Justification Section the following criteria are therefore scored and weighted as follows:

Strategic Fit (weighting High)

Evidence of Demand (weighting High)

Need for Grant (weighting High)

Project Structure and Management (weighting High)

Partnership (weighting Medium)

Horizontal themes (weighting High)

Outputs, Results, Impacts and Evaluation (weighting High)

Past Performance (weighting Low)

Innovation and Value Added (weighting Medium)

2.7 A quality threshold will be applied, above which projects will be recommended for approval. This threshold will be set for each application round and Advisory Group.

2.8 Project Summary Statements will be provided detailing the Advisory Group comments and recommendations with the overall score for the Programme Monitoring Committee's consideration. The Programme Monitoring Committee will make final decisions on projects and forward recommendations to Ministers in respect of the award of grant.

2.9 The system has changed substantially from the previous programmes, in particular with the introduction of the weighting system. However, it is considered that the process will be seen as more objective and transparent.

3. Application Procedure and Timetable

3.1 The Scottish Government has designed a two stage application process which will be used in the current and future rounds. The key features include:

(i) a generic application form to cover ESF & ERDF and also both Highlands and Islands and Lowlands and Uplands Scotland Programmes and all Programme Priorities will be covered;

(ii) a first stage application form must be completed by all applicants containing a five hundred word summary and basic costings. This must be agreed by the IAB and the Scottish Government before the applicant can proceed to the second stage application. (The first stage application form was launched on the 29th August 2007 with a deadline for submission of the 5th October 2007 and a copy has been attached to this report for information);

(iii) a second stage application form was launched on 5 October and must be completed by Friday 9 November 2007; and

(iv) applications for multi-annual funding will be accepted for ESF projects up to a maximum of three years with an annual review of progress and annual confirmation of match funding. It is anticipated that only projects of a strong strategic nature will be recommended for approval.

4. Timetable for First Application Round

4.1 The proposed timetable for requesting applications for both ERDF and ESF funding has been drafted in consultation with the Scottish Government. It should be noted that the timetable for Highlands & Islands differs from that proposed for Lowlands and Uplands Scotland. Within the Lowlands and Uplands Scotland Programmes it is hoped to have formal Programme Monitoring Committee approvals of projects by 19 March 2008.

4.2 The key dates for the first round are shown in the appended table, but members should note the date of 19 March 2008 for a meeting of the Committee to consider the first round Advisory Group recommendations.

5. Multi Annual Approvals

5.1 It is recommended that applications for multi-annual funding will be accepted for ESF & ERDF (Revenue) projects up to a maximum of three years with an annual review of progress and annual confirmation of match funding. It is anticipated that only projects of a strong strategic nature should be considered for approval for more than a single year.

5.2 The introduction of up to three years of multi annual funding will allow more effective strategic planning in high quality projects.

6. First Application Round Timetable

Launch of <u>Registration of Organisations</u> process	15 Aug 2007
Launch of <u>First Stage Application</u> process	29 Aug 2007
Ministerial Launch of new ESF and ERDF Operational Programmes	1 Oct 2007
Closing date for Registration of Organisations process	5 Oct 2007
Closing date for submission of First Stage Application Forms	5 Oct 2007
Call for <u>Second Stage Application</u> Forms for successful First Stage Application projects	15 Oct 2007
First meeting of Programme Monitoring Committee (PMC) to agree its rules of procedure and to approve the criteria for selection of projects	8 Nov 2007
Closing date for submission of Second Stage Applications	9 Nov 2007
Technical and eligibility checks completed by IAB and applicants notified	17 Dec 2007
Submission of revised Second Stage Application Forms by applicants	9 Jan 2008

Applications to Advisory Groups for scoring	16 Jan 2008
Advisory Group meetings	18-29 Feb 2008
Programme Monitoring Committee meeting to agree recommendations of Advisory Groups	19 Mar 2008
Ministerial announcement of approved projects	20 Mar 2008
IAB issue Offer of Grant to approved projects	27 Mar 2006
Deadline for all acceptances of Offer of Grant by applicants	10 Apr 2008

7. Retrospection

7.1 The incorporation of eligible expenditure prior to the approval of a project is permissible under the regulations for expenditure incurred and defrayed from 1st January 2007.

7.2 Having regard to the need to demonstrate additionality, and the need to achieve N+2 targets, it is proposed to apply retrospection only on the following limited basis:

- (i) for projects brought forward by the Strategic Delivery Bodies and incorporated in outcome agreements, retrospection will apply on eligible expenditure incurred from 1st August 2007;
- (ii) for projects approved under the ESF Priority 1, Shadow Round retrospection will apply on eligible expenditure incurred from 1st January 2007;
- (iii) for all other projects, ERDF and ESF (excluding Technical Assistance), retrospection will apply from 1st January 2008, as award decisions will not be taken until into the new year; and
- (iv) in respect of Technical Assistance from the Scottish Government, retrospection will apply from 3rd January 2007. This is driven by the need to support the contractual obligations with the Intermediate Administrative Bodies including promotional and IT provision.

7.3 Retrospection on the basis proposed will allay potential concerns over additonality, provide a degree of continuity, particularly in respect of ESF and support efforts to generate early expenditure.

8. Recommendations

8.1 The Committee is invited to:

8.1.1 consider and approve the selection criteria and scoring system;

8.1.2 consider and approve the application procedure and first round timetable; and

8.1.3 consider and approve the proposals regarding limited retrospection.

LOWLANDS AND UPLANDS SCOTLAND PROGRAMMES 2007–2013

First Stage Application

This summary should be completed and submitted to the IAB before the deadline of 5 October. No formal applications will be processed unless this form has been approved by the IAB in conjunction with the Scottish Executive.

Please note that this form does not constitute registration of the organisation. The appropriate registration form must be completed if the organisation has not yet been confirmed as eligible to apply directly for European Structural Funds assistance.

Proposed Programme	ESF		ERDF	
CPP application¹	ESF (P1)		ERDF (P3)	
Similar project seeking funding in another structural funds Programme Area	Yes		No	

Proposed Title	
Organisation	
Proposed Priority	

Proposed Total Project Costs	
Proposed Total Eligible Costs	
Proposed Grant Rate (%)	
Proposed Grant Requested	

Provide a breakdown of your Proposed Total Project Costs under the following cost items:

Staff Costs	
Participant Costs (ESF only)	
Other Costs	

Project Start Date	
Date co-finance expected	
Sources of co-finance	

¹ Please state whether you are also applying under the umbrella of a CPP in ESF P1 and/or ERDF P3.

PROJECT PROPOSAL

(In no more than 500 words outline your project paying particular attention to; timescales, objectives, target groups, geographical coverage, partnership, outputs, results).

DECLARATION	
Name of Certifying Officer	
Certifying Officer Signature	
Position in Organisation	
Contact e-mail	
Contact Telephone Number	
Contact Address	
Date Submitted	

Once completed, please submit this form to ESEP Ltd. You should send the form electronically as a file attachment to stage1@esep.co.uk and a signed hard copy to either of the following address:

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G1 3DX

FOR IAB USE ONLY	
Date Received	
Date Checked	
IAB Officer	
IAB Officer Signature	
Comments	
Action Taken	
Date Response Returned to Applicant	
Date Advised SE	

FOR SCOTTISH EXECUTIVE USE ONLY	
SE Portfolio Manager	
SE Portfolio Manager Signature	
Comments (please include names of any SE policy contacts you have liaised with)	
Approval Date	