

Ashton M (Mark)

From: Thomson, Sharon (DRS) <Sharon.Thomson@glasgow.gcsx.gov.uk>
Sent: 07 December 2015 16:52
To: Ashton M (Mark)
Cc: Rush, Kevin
Subject: RE: GCC European projects

Hi Mark

Please find details below in relation to the changes we wish to make to the Glasgow Works 11-13 Programme - LUPS/ESF/2011/4/5/0015.

Current Approved Project Costs
£20,625,380 – Total
£11,812,607 – Match Funding
£8,812,773 – ESF Award

The 3 projects that included JBG staff costs which we wish to decommit from the programme are detailed below

	Match Funding	ESF	Total Project Costs
ROMA Support Project	£ 418,967.47	£ 336,332.74	£ 755,300.21
Youth Employability Service	£ 1,279,798.82	£ 1,029,784.34	£ 2,309,583.16
Bridging Service	£ 1,000,529.07	£ 803,463.79	£ 1,803,992.86
Total	£ 2,699,295.36	£ 2,169,580.87	£ 4,868,876.23

This would reduce the overall Glasgow Works programme costs as detailed below
£15,756,504 – Total
£9,113,312 – Match Funding
£6,643,192 – ESF Award

I hope this is clear but let me know if you want to discuss?

Thanks

Sharon

Sharon Thomson
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From: Mark.Ashton@gov.scot [mailto:Mark.Ashton@gov.scot]
Sent: 07 December 2015 15:01
To: Rush, Kevin
Cc: O'Donnell, Annemarie (CED); Thomson, Sharon (DRS); Brown, Richard (DRS); Brown, Lynn (Finance); Black, Duncan (Finance); Shane.Rankin@gov.scot
Subject: RE: GCC European projects

Kevin

Thank you for this update. As we have discussed previously we have the Glasgow Works as one large project – LUPS/ESF/2011/4/5/0015 but you have detailed the 3 parts as individual projects that will be decommitted - Roma Bridging Service; Youth Employability Service. We will require a breakdown of total expenditure to be deemed ineligible for each part as well as details as how this affects the large ESF project. Sharon said she can provide this.

Mark Ashton
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From: Rush, Kevin [mailto:Kevin.Rush@glasgow.gcsx.gov.uk]
Sent: 07 December 2015 14:19
To: Ashton M (Mark)
Cc: O'Donnell, Annemarie (CED); Thomson, Sharon (DRS); Brown, Richard (DRS); Brown, Lynn (Finance); Black, Duncan (Finance)
Subject: GCC European projects

Mark,

Following confirmation from the Chief Executive, I can confirm that GCC will be decommitting the following projects, due to the inclusion of staffing costs for Jobs and Business Glasgow:

- Roma (ESF - part of Glasgow Works);
- Bridging Service (ESF - part of Glasgow Works);
- Youth Employability Service (ESF - part of Glasgow Works);
- Glasgow's Employer Engagement Team (ERDF);
- Enterprise Creation in Disadvantaged Communities (ERDF); and
- Enterprise Growth in Glasgow (ERDF)

I would be grateful if you could confirm the process for decommitting these projects, in particular in relation to the Glasgow Works programme, where we will submit a final claim for the other 14 projects within the overall programme for which there are no staffing costs for JBG. I would be grateful if Sharon Thomson could work with you on the best way to submit the final GW claim. Once the projects are formally decommitted, we will work with our finance colleagues to identify how repayments of earlier claims can be made.

Kind regards,
Kevin

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Glasgow - UK Council of the Year 2015

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Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

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Your Ref:
Our Ref: amod/MK/scotgov/erdf

16 December 2015

Via email: john.mason@gov.scot

John Mason
Director of Business
Scottish Government

Dear John

JOBS AND BUSINESS GLASGOW (JBG) – EUROPEAN FUNDING

I write to provide an update on the issues relating to Jobs and Business Glasgow (JBG) and European funding, in advance of GCC's final claim for the Glasgow Works 2011-2013 programme.

The Council wrote to the Scottish Government on 7th December 2015 decommitting the following projects, due to the inclusion of staffing costs for Jobs and Business Glasgow:

- Roma (ESF - part of Glasgow Works);
- Bridging Service (ESF - part of Glasgow Works);
- Youth Employability Service (ESF - part of Glasgow Works);
- Glasgow's Employer Engagement Team (ERDF);
- Enterprise Creation in Disadvantaged Communities (ERDF); and
- Enterprise Growth in Glasgow (ERDF)

Now that these projects have been decommitted, we will be submitting a final claim for the Glasgow Works 2011-2013 programme. This programme consisted of 17 projects, of which there were JBG staffing elements only in the three ESF projects above. The remaining 14 projects were delivered by a variety of partners, in both the public and third sector.

In order to submit a final claim, we require the Scottish Government to update the Eurosyst system and remove those projects with JBG staffing costs as below:

	Match funding	ESF	Total
Current Approved Total	£11,812,607	£8,812,773	£20,625,380
JBG projects which have been decommitted	£2,699,295.36	£2,169,580.87	£4,868,876.23
Final Glasgow Works programme	£9,113,312	£6,643,192	£15,756,504

Our officials can supply the Scottish Government with all of the revisions to the various sections on Eurosysto allow these changes to be made which would allow an accurate final claim to be submitted.

We have removed all references to JBG from our Strategic Intervention applications for the 2014-2020 programme. The JBG Board met on Monday 14th December and have launched an internal investigation into the issues identified over the last few months. Glasgow City Council will not be providing any further European funding to JBG until we are satisfied that appropriate action has been taken. I wrote to the Chair of JBG on 3rd December to set out the Council's position and I have attached a copy for your information.

Given the tight timescales, I would be grateful if you could confirm support for the position above as a matter of urgency to allow the Council to submit an accurate final claim before the Christmas shutdown and the Scottish Government to approve the Council's Youth Employment Initiative Application (YEI) before the end of the year.

Yours sincerely



ANNEMARIE O'DONNELL
CHIEF EXECUTIVE

Director-General Enterprise, Environment & Innovation
Graeme Dickson

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Annemarie O'Donnell
Chief Executive
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21 December 2015

Dear Ms O'Donnell

European Structural Funds

Thank you for your letter to John Mason on 16 December. Let me first assure you that Scottish Government has approved Glasgow City Council's Youth Employment Initiative application and expect to issue a formal grant offer before 31st December. We will attach to the offer some additional conditions relating to your current investigation and the need for a clear and satisfactory outcome from that.

With regard to final claims and de-commitments, the projects you are proposing to de-commit are not all discrete projects, some are parts of the large Glasgow Works structural funds project. The significance of this is that structural funds projects can only be de-committed in their entirety. Where expenditure within an approved project, such as JBG's spend in the Glasgow Works project needs to be removed then this would be adjusted by means of formal Notifications of Change. So your staff need to formally request appropriate notifications of change. When they do this they should be mindful that they may wish to adjust the match funding and must make a legitimate and credible case for adjusting the match funding. Otherwise the match funding would remain as proposed in the original application, and less grant would be payable than you will be expecting. Mark Ashton from Structural Funds Division has been explaining this to Kevin Rush and Sharon Thomson on your staff. He will talk them through the process.

This means that for the 6 projects you have identified, the three complete projects will be removed by Structural Funds Division staff and you will not make any final claims for these projects. The three other projects are all part of the much larger Glasgow Works project and a final claim for this project should be submitted after any notifications of change have been agreed. This final claim should be submitted as soon as possible and if it isn't submitted by say early February it may not be possible to verify the claim and declare the expenditure legitimately and your claim may be returned unpaid or funds paid will be recovered.

However as we have not yet received the final report of your investigation into the original concerns it is difficult to be certain that no other Glasgow City Council (GCC) or Jobs and Business Glasgow (JBG) structural funds projects are affected by the actions of managers within the Council or JBG. You did provide us with a hard copy of the emerging report of the investigation but it did not identify the manager(s) responsible for the false claims made nor explain why only managers in JBG were responsible for these claims. The false claims were for a Glasgow City Council project and were submitted by Council officials. The sooner you can clarify and explain these outstanding issues then the sooner we can check that no other GCC or JBG projects are affected by the actions of the managers responsible.

I hope this is helpful.

Yours sincerely



Graeme Dickson
Director General, Enterprise, Environment and Innovation



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Your Ref:
Our Ref: amod/MK/sgovt/dickson

22 December 2015

Via email: DGEEI@gov.scot

Graeme Dickson
Director General Enterprise,
Environment & Innovation
Scottish Government

Dear Mr Dickson

EUROPEAN FUNDING ISSUES

Thank you for your prompt response to my letter of 16 December regarding the submission of a final claim for the Glasgow Works programme.

I am pleased to note that our YEI application has been approved and also for the very helpful confirmation of the process with regard to removing the JBG elements from Glasgow Works Programme through the Notification of Change process. Sharon Thomson will progress this early in the new year, and adjust the match accordingly.

In relation to your final point, I can confirm that three JBG senior managers remain under investigation for their role in the submission of inaccurate information to GCC regarding the staff hours worked on the JBG projects which have now been fully de-committed. Whilst it is correct to say that GCC submit these claims to SG, this was done after the receipt of certified but inaccurate information provided to GCC by JBG. The level of inaccuracy was exposed after an Internal Audit investigation and all action that has followed reflects the findings of the audit.

The JBG Board have also now initiated their own investigation so that they can respond to my letter dated 3 December. I do not wish to jeopardise or prejudice any ongoing investigation, however I can confirm that the Council expects the JBG Board to reach a swift conclusion in the new year.

I look forward to working with the Scottish Government on future programmes.

Yours sincerely

**ANNEMARIE O'DONNELL
CHIEF EXECUTIVE**