

Margaret Kerton
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-----Original Message-----

From: Margaret.Kerton@glasgow.gov.uk [mailto:Margaret.Kerton@glasgow.gov.uk]
Sent: 17 July 2015 16:05
To: Kerton, Margaret
Subject: Scanned from a Xerox multifunction device

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Directorate for Economic Development

F/T: 0131 244 5598

E: dgee@scotland.gsi.gov.uk



Annemarie O'Donnell
 Chief Executive
 Glasgow City Council
 City Chambers
 George Square
 Glasgow
 G2 1DU

August 2015

Dear Ms O'Donnell,

European Structural Funds
Reference: LUPS/ERDF/2010/4/2/0088
Enterprise Creation in Disadvantaged Communities

Thank you for your letter of 17 July 2015 which clarified the 4 points I had raised in my letter of 6 July 2015. I appreciate your prompt response and the detailed information provided.

I would like to focus on the 3rd bullet point that deals with recovery of ERDF grant in relation to the claiming of unsubstantiated staff costs for the Jobs and Business Glasgow Business Advisors'. I previously stated that unless there were signed and approved timesheets available to verify time spent on the ERDF project then all costs relating to the business advisors would be ineligible. I conclude from your letter of 17 July 2015 that timesheets were not kept and as this is a breach of the European Structural Funds National Rules a full recovery of grant paid in relation to these costs is required. My colleagues in the European Structural Funds Division have calculated that claimed expenditure relating to Business Advisor costs amounts to £892,725.21, with the ERDF grant element of £291,653.32 (32.67%). This expenditure is 57% of total project costs. This is the minimum amount of grant that we are required to recover. Consideration will also have to be given as to whether other indirect support costs should also be considered ineligible and recovered and whether or not the removal of the activity relating to these costs would leave enough other project activity to deem the whole project unviable which would result in the recovery of the entire grant paid on this project.

As this decision has such serious potential implications for Glasgow City Council and Jobs and Business Glasgow I suggest that colleagues and I should meet with you and Lynn Brown in the immediate future to discuss further. We should also discuss your proposed action plan, intended changes to your management and financial processes and the checking of other EU funded projects.

Yours sincerely

GRAEME DICKSON

Copy to:

Alyson Stafford, Director-General Finance, Scottish Government
Lynn Brown, Director of Finance, Glasgow City Council
John Mason, Director Economic Development, Scottish Government
Shane Rankin, Head of European Structural Funds and State Aid

Ashton M (Mark)

From: Rankin S (Shane)
Sent: 25 November 2015 20:11
To: Mason JK (John); Henderson L (Leslie); Millard JE (Jim); Taylor B (Brian); Thomas N (Nigel); Ashton M (Mark)
Subject: FW: EU FUNDING

See below.

Shane Rankin | Head of European Structural Funds and State Aid | Deputy Director – Economic Development Directorate | Scottish Government – Glasgow | T. 0300 244 1135 | BB. [REDACTED]

From: Brown, Richard (DRS) [mailto:Richard.Brown@glasgow.gcsx.gov.uk]
Sent: 25 November 2015 15:27
To: Rankin S (Shane)
Cc: Hamilton, Lynn (DRS); Rush, Kevin
Subject: EU FUNDING

Hi Shane

Thanks for taking my call earlier regarding the above.

As discussed we too have had an enquiry from the Herald newspaper regarding JBG and are currently pulling together a finals statement to issue later today. I'll ensure our Head of Communication sends a copy to you for information so that our positions are aligned. It would be good to have sight of your response in advance of issue also.

Secondly as discussed we have received a claim from JBG today. This was then discussed at their board meeting at lunchtime. Upon checking some of the figures within this claim my staff have identified some errors and I would therefore like some additional time to go over these claims in more detail so that the final claim to the SG is credible. As agreed given the size and scale of the task I will not be in a position to submit these before lunchtime of Monday 30th November.

Thanks and regards

Richard

Richard Brown
 Executive Director
 Development and Regeneration Services
 Glasgow City Council
 231 George Street
 Glasgow G1 1RX
 Tel: 0141 287 6000

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Ashton M (Mark)

From: Rush, Kevin <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

Kevin Rush
Head of Economic Development
 Development and Regeneration Services
 Glasgow City Council
 Exchange House
 229 George St, Glasgow
 G1 1QU
 0141 287 4613
www.glasgow.gov.uk

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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
Group Manager - Employment and Strategy
Development and Regeneration Services
231 George Street
Glasgow
G1 1QU
Phone 0141 287 6484
Fax 0141 287 7267
Email sharon.thomson@drs.glasgow.gov.uk

www.glasgow.gov.uk

sharon.thomson@gcsx.glasgow.gov.uk Please note new email address for any mail being sent over the government secure network.

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
Scottish Government
 Directorate for Economic Development
 European Structural Funds and State Aid Division
 Inclusive 1 Team
 3rd Floor
 5 Atlantic Quay
 150 Broomielaw
 Glasgow G2 8LU
 TEL: 0300 2441127
mark.ashton@gov.scot

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Kind regards,
Kevin

Kevin Rush
Head of Economic Development
Development and Regeneration Services
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