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Sent via email

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Dear Ms Angela Scott

EUROPEAN STRUCTURAL FUNDS

Derek Mackay, Scottish Government's Finance Secretary has announced that he will be passing on the UK Government's recently announced guarantee on European funding in full.

Your organisation has important projects part funded by the 2014-20 European Structural Funds programmes, notably through the Regional Development (ERDF) and Social (ESF) Funds. The guarantee should provide some reassurance for existing projects and projects in development for funding.

The outcome of the EU Referendum created some uncertainty around the Structural Funds programmes. The Chancellor's announcement confirmed that the UK Government will guarantee the European funding committed to projects in the period between now and the point that the UK leaves the European Union.

The Chancellor emphasised that the UK is still a member of the European Union and organisations must be entitled to apply for EU funds.

The Treasury commitment guarantees all Structural and Investment fund projects, including ERDF, ESF, Territorial Co-operation programmes, agri-environment schemes, and all projects funded directly by the European Commission through, for example Horizon 2020.

Some 45% of the 2014-20 ERDF and ESF programmes are already committed, with almost all the approved projects running to the end of 2018. Many of these projects would have been extended after the mid-term review in 2018 if they had been successful.

It is not yet clear that a formal mid-term review will still be necessary in 2018. However, as the Managing Authority we plan to report to the Joint Programme Monitoring Committee on the 30th November with options for committing the second phase of the programme funds, some £400m, before the UK exits the European Union.

I hope this letter provides some reassurance about the scope to access and use Structural Funds up the point the UK leaves the European Union.

If you, or your officials would like further clarity please contact us.

Yours sincerely



Shane Rankin
Head of the Managing Authority

CC: Mr Stuart Bews