



**EUROPE & SCOTLAND**  
European Regional Development Fund  
Investing in a Smart, Sustainable and Inclusive Future

# Change guidance and process overview for applicants

Green Infrastructure  
Community Engagement Fund

Guidance for Applicants

October 2016



## Disclaimer

Applicants should be aware that as the Green Infrastructure Fund is a new programme, the guidance will be reviewed as the programme evolves and therefore may be subject to change. The European Union and Scottish Ministers reserve the right to amend the National Rules and SNH reserves the right to amend the published guidance during the period of the programme. Decisions to fund Projects will be based on the availability of funding, how well the project matches the Green Infrastructure Fund priorities and its contribution to outcomes as part of the whole Strategic Intervention. These priorities may change during the course of the Strategic Intervention to take into account gaps in meeting priorities in previously funded Projects and not to fund at all. The Scottish Government reserves the right not to award any support at all under this programme.

## Version Control

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# Change guidance and process

## 1. Introduction

This guidance outlines what happens after you have been awarded a grant when you need to change what has been agreed. It relates to standard operational running, not wholesale or fundamental changes to your agreed project.

We understand that change is inevitable, so we have developed a robust process to ensure a systematic approach is taken to the identification, assessment and control of change which may affect time, cost, quality, scope, risks and benefits. We need, for example, to ensure that all procurement must comply with EU Procurement Regulations and that these are not inadvertently breached by subsequent changes or extensions to your contract or by letting new contracts to existing suppliers. Any change must be agreed by the party with relevant delegated authority before it takes place.

This guidance applies where: your Project has been approved based on your Application; a Delivery Contract, that formalises the agreement between you, as the grantee, and SNH as Lead partner for the Green Infrastructure Fund has been finalised that includes, amongst other terms and conditions, your financial forecast, the Indicators and Measures that you will be reporting against; and you have received your Approval to start letter.

## 2. Types of change and causes

Change Type	Example causes
Time <ul style="list-style-type: none"><li>• Timescale change</li><li>• Schedule / timing of payments</li></ul>	<ul style="list-style-type: none"><li>• Order works undertaken in</li><li>• Delays caused by: weather, complying with legislation (Procurement periods, Nature Conservation Act (breeding birds, protected species), archaeology, etc), unforeseen construction challenges (contaminated land, abandoned mines, etc)</li></ul>
Cost <ul style="list-style-type: none"><li>• Interim claims</li><li>• Final / total amount claimed</li></ul>	<ul style="list-style-type: none"><li>• Changes to match funding package</li><li>• Increase or decrease to overall cost</li><li>• Changes to the cost of individual elements but no change to overall cost</li><li>• Difference between estimated cost in Application form and the final procured cost</li></ul>
Deliverables <ul style="list-style-type: none"><li>• Indicators</li><li>• Measures</li></ul>	<ul style="list-style-type: none"><li>• Land sold to party not interested in delivering Green Infrastructure indicators and measures</li><li>• Non-compliance (intentional and unintentional)</li></ul>
Changes to External Drivers	<ul style="list-style-type: none"><li>• PESTLE (Political, Economic, Social, Technological, Legal and Environmental influences from outside that may affect delivery of the Project)</li></ul>

Where any change to a project is required it is essential that you **inform us and get our approval before implementing the change.**

From time to time you may need to alter or adapt your project based on issues arising during monitoring, or due to changing circumstances. For example, you may need to vire money from one expenditure category to another, reprofile your output or outcome indicators, or there may be a change to your match funding profile. Some changes may be small. Others, however, might be classed as ‘material.’

### 3. Definitions

#### *Non-material change*

Provided that your outcomes remain unaffected, non-material changes can include the following:

- Substitutions (eg. if non-native planting is specified and we request the species choice is changed to native species);
- Non-cost changes;
- Revising costs downwards.

#### *Material change*

Material changes are alterations or additions that enhance an important or significant part, obligation or performance aspect of the approved Project’s purpose, including change relating to cost. Examples of material changes include:

- Change of project ownership, control or final beneficiaries;
- Change to the nature or purpose of the project;
- Change of expenditure category;
- Virement of more than 10% of category cost between individual categories of expenditure;
- Virement of any costs between capital and revenue costs;
- Change in the agreed expenditure for fees, management, administration or purchase of land;
- Any change in the agreed annual expenditure profile for the project;
- Any change to the project as a whole, involving a reduction of more than 10% of the forecast expenditure in any year;
- Any change involving a reduction in the amount or proportion of public sector funding for the project;
- Any change in the agreed annual profile for the quantifiable targets involving a reduction of more than 10% in the agreed targets for any year;
- Virement of more than 10% of project financing between funding sources (not including ERDF grant as this **may not** be vired);
- Change of more than 20% to quantifiable targets;
- Any change to the expected physical or financial completion dates;
- If irregularities or fraud are detected or suspected.

Please note that this list is not exhaustive, if unsure please always check with us first.

As long as the changes are reasonable, the Project is still delivering eligible activity and it still represents value for money, obtaining approval for changes should not usually be a problem. However, if you go ahead and make a change without getting prior agreement, there is no guarantee that a “retrospective” change will be agreed, and this could result in you losing some, or even your entire, ERDF grant. This could include retrospective reclaiming of grant.

Please note that in the following 3 circumstances, the material changes are substantial and therefore prohibited:

- The change would have had an impact on who you would have awarded the original contract to. If, during the contract period, changes are made that would have encouraged other tenderers to participate, or it would have been possible for you to accept another tender, then the changes are to be considered substantive and are not allowed;
- The change significantly expands the contract quantitatively and qualitatively to include elements that were not initially provided for at the time of tender;
- Changes make a difference to the economic balance in favour of the private party in a way that was not specified in the original terms.

#### 4. Process

Should you be awarded a grant from the Green Infrastructure Fund, the Change process will be used to manage any proposed change to ensure that:

- Good management practices are being applied; and
- The overall outcome of the Green Infrastructure Strategic Intervention will not be impacted.

##### *Issue and Change Control Procedure<sup>1</sup>*

Capture	Examine	Propose	Decide	Implement
Determine issue <sup>2</sup> type	Assess impact on Project objectives / business case and Project risk profile	Identify options	Escalate if beyond delegated authority	Take corrective action
Determine severity / priority	Check severity / priority	Evaluate options	Approve, reject or defer recommended option	Update records and plans
Log register		Recommend options		

More detailed information regarding the Change process and Change request forms will be made available when you are awarded a grant. This will include information regarding the detailed steps involved and who has the delegated authority to approve change, which depending on the severity of the issue will either be: you as grantee; SNH as Lead Partner; or the Scottish Government as Managing Authority.

Change requests will be considered in the context of potential impacts on the Project, the Strategic Intervention and how it will affect the risk rating. Changes can be approved, rejected, deferred or more information may be requested. If an agreement cannot be reached on how to proceed, the way forward will be negotiated through Independent

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<sup>1</sup> Taken from PRINCE2 “Managing Successful Projects with PRINCE”, 5<sup>th</sup> edition, page 95

<sup>2</sup> Any issue that a manager needs to resolve or escalate or a relevant event that has happened that was not planned and requires management action.

Arbitration. Once agreed, any amendment to the Delivery Contract will be signed by the grantee and the Lead Partner.

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**Scottish Natural Heritage**  
**Dualchas Nàdair na h-Alba**

All of nature for all of Scotland  
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