

# **NTP Covid-19 Relief Grant Instructions for MA and EF Providers**

**(September and October Only)**

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## 1. Introduction and Purpose

Scottish Government have introduced this NTP Covid-19 Relief Grant (Relief Grant) with a view to preserving continuity of service for Scotland's apprentices and Employability Fund participants (participants) during and after the Covid-19 pandemic period. It aims to provide Modern Apprenticeship (MA) and Employability Fund (EF) contract holders (providers), with grant funding to help them manage their cashflow during the Covid19 period to continue to support apprentices, learners and employers and commitment to operate flexibly to deliver different interventions that might be needed in the recovery phase.

The grant funding is paid under the COVID-19 Temporary Framework for UK authorities approved state aid scheme (SA.56841(2020/N)) and is subject to the terms and conditions of that scheme.

This Relief Grant gives providers a contribution towards their costs in continuing to support Apprentices, EF Participants and Employers during the Covid-19 period.

Providers are not permitted to use the Relief Grant towards costs which are being funded by another form of public grant or through another business support provided by the government or other public body.

The SDS NTP Covid-19 Relief Grant (Relief Grant) is available for MA or EF Providers (defined in paragraph 3.1.1 below) if needed to ease cashflow issues that have arisen as a result of the Covid-19 pandemic, and to ensure that the Provider can return to, and thereafter continue providing its contracted Services following the Covid-19 period.

- 1.1. Applications for the Relief Grant in respect of MA Contract services and EF Contract services should be made separately. (The same costs must not be claimed twice and must be allocated or apportioned appropriately across each application, if applying for funding in respect of both MA and EF).
- 1.2. Providers can apply at any time up until 12 noon on the 29 October 2020.
- 1.3. Providers who have received any Covid-19 relief funding from other public sector sources for the same underlying cashflow issue, are not eligible for the Relief Grant unless SDS has confirmed its acceptance of any such assistance. For the avoidance of doubt, this provision does not prevent the Provider from making a claim under the UK Government's Job Retention Scheme, but it does mean that it cannot use the funding to the same costs which are met by that scheme. Providers must also ensure that they have exhausted all other forms of public relief before applying for the Relief Grant.
- 1.4. It is a condition of payment that the Provider immediately informs NTP Contracts by email ([ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk)) in the event that there is any material change in the Provider's circumstances, which is likely to impact the Provider's ability to meet any of the requirements of the Relief Grant.
- 1.5. These instructions outline the details of the Relief Grant, the Application process; the information required to support a Provider's Application; information on the Application questions and next steps after the Application process.

- 1.6. SDS reserves the right to amend and/or extend the Relief Grant at any time, with or without notice. SDS will publish details of any such amendment and/or extension on SDS website ([www.apprenticeship.scot](http://www.apprenticeship.scot)).
- 1.7. If a Provider (MA or EF) has any questions, FAQs are available at [www.apprenticeship.scot](http://www.apprenticeship.scot). Any further questions should be sent to [ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk).
- 1.8. Providers will require to enter into a Relief Grant agreement with SDS if they wish the Relief Grant funding. Providers require to read and satisfy themselves on all applicable terms and conditions comprised in that agreement, including the Conditions. The Conditions set out the order of precedence of the various documents comprised in the agreement. Note that the Conditions shall take precedence over these instructions in the event of any conflict between the two documents.
- 1.9. SDS's rights under the MA contract are not affected by this Relief Grant.

## **2. Covid-19 Period**

- 2.1. The Relief Grant shall apply in relation to the Provider's cashflow during the period between the commencement of the September 2020 Active Financial Period until the last day of the October 2020 Active Financial Period – this date is 29 October 2020 ("Covid-19 Period"). SDS shall, with Scottish Ministers, review whether to extend that period. Any decision on extending the period (and any decision on any variations to the applicable conditions) shall be at the entire discretion of SDS and Scottish Ministers.

## **3. Relief Grant Eligibility**

- 3.1. To be eligible for Relief Grant: -

- 3.1.1. organisations must be a Provider of Services to SDS with a current Modern Apprenticeship (MA) and/or Employability Fund (EF) contract with The Skills Development Scotland Co. Limited (SDS), which has not been terminated or suspended at the date of Application (each a "Provider"). (Subcontractors delivering services are not eligible for support under this Relief Grant.)
- 3.1.2. Providers must have suffered hardship as a result of the Covid-19 pandemic resulting in cashflow issues for the Provider, and a need for funding to ensure:-
  - 3.1.2.1. that the Provider can continue providing the minimum level of contracted Services and grant activity required during the Covid-19 Period, and
  - 3.1.2.2. the return and continuity of the Provider's contracted Services following the Covid-19 Period.
- 3.1.3. the Provider must not have been judged during 2019/20 by SDS compliance or other monitoring as having insufficient controls in place to provide assurance over claims for payment and have not taken action to address these.

### 3.2. During the Covid-19 Period:-

- 3.2.1. for each Active Financial Period for which the Provider is seeking Grant Relief funding, the Provider must continue to provide contracted ('business as usual') Services under the MA Contract/EF Contract, and submit through FIPS at least one fully valid claim under the Provider's applicable MA Contract/EF Contract in respect of those business as usual Services;
- 3.2.2. in respect of the September and October 2020 Active Financial Periods, and with reference only to those Apprentices registered as Starts on FIPS in respect of whom a claim for business as usual Services has not been made during the September and October 2020 Active Financial Period ("Remaining Apprentices"), Providers must have conducted and evidenced 'Meaningful Engagement' with at least 60% of those Remaining Apprentices, and 60% of the Remaining Apprentices' available Employers. This requirement applies in addition to the requirement under paragraph 3.2.1 to perform and submit a claim for business as usual Services. "Meaningful Engagement" is further described in paragraphs 3.3 and 10.1 below; and
- 3.2.3. in respect of the September and October 2020 Active Financial Period, and with reference only to those EF Participants registered as Starts on FIPS in respect of whom a claim for business as usual Services has not been made during that September and October 2020 Active Financial Period ("Remaining EF Participants"), Providers must have conducted and evidenced 'Meaningful Engagement' with at least 60% of those Remaining EF Participants. This requirement applies in addition to the requirement under paragraph 3.2.1 to perform and submit a claim for business as usual Services. "Meaningful Engagement" is further described in paragraphs 3.3 and 10.1 below.

Note: to be eligible for monthly grant payment, any Provider, who has Participants who are eligible for Young Person Allowance (YPA) must be undertaking meaningful engagement with each Participant who is receiving YPA from the Provider (i.e. 100% and not 60%).

- 3.3. 'Meaningful Engagement' means that the Provider must have made outward bound contact (whether by email, telephone (but not SMS) or live web link) with the Apprentice/Employer/EF Participant (as applicable) performing the activities set out in paragraph 10.1 below.
- 3.4. Providers must not be in receipt of any other publicly funded relief for the same costs.
- 3.5. Providers must only submit a FIPS claim if the Provider is holding and able to provide to SDS immediately on demand, all supporting evidence that SDS may require to validate the claim in accordance with the requirements of the MA Contract (or EF Contract, as applicable).

#### 4. Amount of Relief Grant

4.1. The maximum amount of Relief Grant shall be calculated as follows for each Provider for each Active Financial Period during the Covid-19 Period as the lesser of:-

(a) ((Annual value of the Provider's MA Contract (or EF Contract, as applicable) for 2020/21 as at 1 April 2020 ÷ 12) less payments due to the Provider under the MA Contract (or EF Contract, as applicable) in respect of valid claims submitted by the Provider during that Active Financial Period) X 40%

i.e. (Total Contract Value/12 - total valid BAU claims) x 40%; or

(b) The Provider's eligible costs incurred for the Active Financial Period.

(c) For example, taking account of your expenditure in the monthly Active Financial Period, reviewing the business as usual claims made, the table below provides details of how the Grant is calculated.

Active Financial Period	1/12 <sup>th</sup> of contract value (excluding travel & subsistence)	Claims made via FIPS	Eligible expenditure from grant application	Maximum grant amount being the lesser of		Actual grant amount	Comments
				40% of contract (a) minus claims (b)	expenditure (c) minus claims (b)		
				(a)	(b)		
Example 1	£180,000	£210,000	£141,230	£15,508	£0	£0	No grant payable as FIPS claims exceed eligible expenditure
Example 2	£180,000	£130,000	£155,000	£20,000	£25,000	£20,000	Grant capped at 40%
Example 3	£180,000	£65,000	£200,000	£46,000	£135,000	£46,000	Grant capped at 40%
Example 4	£180,000	£30,000	£55,000	£60,000	£25,000	£25,000	Difference is less than 40% grant cap
Example 5	£180,000	£250,000	£300,000	-£70,000	-£50,000	£0	No Grant payable as FIPS claims and expenditure exceed 1/12 <sup>th</sup> of contract

Note that any Letter of Award issued will set out the maximum aggregate value for all three periods, the value will be subject to reduction in accordance with the terms of the funding agreement.

- 4.2 The aggregate of (i) all FIPS claims paid to the Provider for contracted Services under the Provider's MA Contract (or EF Contract, as applicable) for 2020/21, and (ii) total Relief Grant funding received by the Provider, shall not at any time exceed the maximum value of the MA Contract (or EF Contract, as applicable) for the period 1 April 2020 to 31 March 2021, as that maximum value may, from time to time, be varied by SDS. Providers are reminded that the value of the MA Contract (or EF Contract, as applicable) can be varied in accordance with the provisions of the MA Contract (or EF Contract, as applicable). For the purposes of these instructions, that maximum sum is referred to as the "Payment Cap".
- 4.3 Where a payment is paid or is due to be paid to a Provider under the MA Contract (or EF Contract, as applicable) which results (or would result) in the aggregate payments being greater than the Payment Cap, the Provider shall require to repay the balance to ensure that the aggregate payments do not exceed the Payment Cap. SDS shall be entitled to deduct the amount of any such repayment from any payments the Provider is due to receive under any other contract it has with SDS, including the MA Contract (or EF Contract, as applicable).
- 4.4 Where the maximum value of the MA Contract (or EF Contract, as applicable) for the period 1 April 2020 to 31 March 2021 reduces by virtue of the volumes/values being amended under the terms of the contract, resulting in the aggregate payments that have been made, exceeding the Payment Cap, without negating or reducing the rights and remedies that are otherwise available to SDS, the Provider shall not be obliged to repay the Relief Grant funding received.
- 4.5 Providers should also be aware that SDS is entitled to recover Relief Grant payments where the Provider is in breach of the applicable terms of the Relief Grant agreement, including where the Provider is deemed to have acted fraudulently, and where, following a reconciliation, the Provider has not used the funds for eligible costs. Further details are set out below.
- 4.6 Where the Provider submits a business as usual claim through FIPS (see paragraph 3.2.1), which, at any time after payment of the grant for that Active Financial Period, is deemed to be invalid, and where:-
- 4.6.1 the Provider had not by the last date of that Active Financial Period submitted any other valid claim for that Active Financial Period, the Provider shall require to repay the full funding payment made in respect of that Active Financial Period (if the funding has been paid);
  - 4.6.2 the Provider had by the last date of that Active Financial Period submitted at least one other valid claim for that Active Financial Period, SDS shall not pay any additional grant funding to the Provider to take account of the reduced value of the business as usual claim.

## **5. Conditions of Relief Grant**

- 5.1. The terms and conditions ("Conditions") of any Relief Grant offer that we make are available on the SDS website ([www.apprenticeship.scot](http://www.apprenticeship.scot)).

5.2. Providers should note that it is a condition of the funding that the Provider continues throughout the Covid-19 Period to pay all its staff and suppliers when due.

## **6. Application Process**

6.1. SDS will initially assess your eligibility to receive any grant funding under the Relief Grant. We are seeking only that information we currently require to assess for the purposes of eligibility, or that we may require when reconciling any funds paid:

6.1.1. an assessment of your organisation's eligibility for the NTP Covid-19 Relief Grant;

6.1.2. an assessment of your organisation's eligibility in accordance with the requirements of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (2020/C 91 I/01);

6.2. The grant funding is paid under the COVID-19 Temporary Framework for UK authorities approved state aid scheme (SA.56841(2020/N)) and is subject to the terms and conditions of that scheme. Providers should be aware that non-compliance with the requirements of that state aid scheme (which includes the Provider submitting inaccurate or misleading information in its Application) may result in the Provider being under a legal obligation to repay all of the grant funding it has received, together with interest.

## **7. Offer of Relief Grant**

7.1. If the Provider meets all the relevant requirements (set out in these instructions), SDS will send the Provider an offer of Relief Grant. The offer of Relief Grant comprises (includes) the following:-

7.1.1. This SDS NTP Covid-19 Relief Grant Instructions for MA and EF Providers;

7.1.2. The Provider's completed Application (including all required documentation submitted);

7.1.3. The letter from SDS offering the Relief Grant, the Conditions, any and all appendices to the Application, and any other document that may be referred to within the letter; and

7.1.4. The Provider's acceptance of the offer in the format required by SDS.

## **8. Claims for Relief Grant**

8.1. Not in use

8.2. For the Active Financial Periods of September and October 2020, the Provider shall require to submit a Grant Activity Control Sheet to [ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk) to support the requirements referred to in paragraph 3.2, 3.3 and 3.4 above.

## 9. Information Provider's Require to Supply to Support the Application

9.1. In the Application, Providers must describe the steps they are taking to deliver grant activity to their existing Apprentices and EF Participants, including contact with and support for those Apprentices, Employers and EF Participants where the contracted level of service cannot continue due to restrictions caused by Covid-19.

9.2. The Application has the following elements:

- Provider Details
- Part 1 State Aid Eligibility
- Part 2 Relief Grant Need and Activity
- Declaration
- Application Checklist

9.3. Part 1 requires Providers to provide financial information for evaluation of accounting records. This will inform analysis of eligibility, taking account of the Temporary Framework for relaxation of European rules affecting state aid and the exclusion of businesses which were already suffering solvency issues before the impact of Covid-19.

9.4. Part 2 of the Application requires Providers to supply information about the costs the Grant will contribute to and the services the Provider will deliver in order to maintain essential levels of operation for the benefit of Apprentices, Employers and EF Participants and ensure return and continuity of Services following the Covid-19 Period. Providers must ensure they provide all the information requested in the Application.

9.5. There is a Declaration that states :

“By submitting this form, the applicant submitting the Application ("Applicant") is, on behalf of the Provider identified in the Application ("Provider") confirming that the Applicant is duly authorised on behalf of the Provider to submit the Application and confirms a number of statements (see Section D below).

9.6 There is an Application Checklist which Providers must complete to state that they have completed/provided information required as part of the Application.

### SDS NTP Covid -19 Relief Grant Application Checklist

Have Read and Understood SDS NTP Covid-19 Relief Grant Terms and Conditions.
Have read and understood SDS NTP Covid-19 Relief Grant Instructions.
Have read, understood the SDS NTP Covid-19 Relief Grant Application Declaration.
Are aware that the Privacy Notice relating to the MA/EF Contracts has been updated and is available on the <a href="#">privacy pages</a> of the SDS website.
Have completed all sections of the Application.

Have provided full financial statements (statutory or management accounts) as at 31st December 2019 with prior year comparator to 31st December 2018.
Have provided last full set of audited statutory accounts (note: this may be the same documentation as "full financial statements: statutory" if prepared to 31st December 2019).
For non SME - have provided financial information to evidence two years history of book debt to equity ratio and EBITDA (earnings before interest, taxes and amortisation) interest coverage ratio (see Instructions).

9.7 The Application uses an excel template. Providers must not amend the format of the excel template in any way, for example by adding or removing rows, as this will result in the Application being rejected. If a Provider requires any support in completing the Application template the Provider should contact their SDS Skills Investment Adviser (SIA).

## 9.8. Application Provider Details

### Information about the Provider

Question	Guidance notes for completion
Provider Name	Providers must choose their name from the dropdown provided
Company or Partnership (HMRC) Number	Providers must insert number
SDS Programme	Providers must choose the relevant Programme from the dropdown provided
SDS Supplier Number	Providers must insert number – this can be found on FIPS or your Remittance Advice
Contact Details for this Application	Providers must ensure that the person completing this proforma does have the authority to request support from this SDS NTP Covid-19 Relief Grant and is authorised to sign funding agreements and contracts with SDS.

## 9.9. Application Part 1 – State Aid Eligibility

- 9.9.1. Part A - Identify whether the applicant organisation is an *'undertaking'*. Undertakings' are defined as entities engaged in an economic activity, regardless of their legal form and the way in which they are financed. <https://eur-lex.europa.eu/legal-content/EN/LSU/?uri=CELEX%3A52016XC0719%2805%29>  
Providers that are not public authorities or charities are likely to be undertakings engaged in economic activity. Public authorities and charities *may* be undertakings engaged in economic activity.
- 9.9.2. 'Undertaking in Difficulty' is defined in <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710> with specific exemptions defined in <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C.2020.218.01.0003.01.ENG&toc=OJ:C:2020:218:TOC> paragraph 15. A micro or small enterprise which meets the definition of "undertaking in difficulty" but is exempt due to the third amendment to the Temporary Framework should answer "No".

- 9.9.3. If “No” to Part A Q1 complete type of organisation (Q3a and Q3b) and proceed to 9.9.10 – Part E.
- 9.9.4. If “Yes” to Part A Q1 and “Yes” to Part A Q2 then the applicant organisation is NOT eligible for the NTP Covid-19 Relief Grant.
- 9.9.5. If “Yes” to Part A Q1 and “No” to Part A Q2 complete type of organisation (Q3a and Q3b) and proceed to 9.9.6 Part B.
- 9.9.6. Part B - Complete the SME questions (based on headcount, turnover and balance sheet).  
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L.2014.187.01.0001.01.ENG>
- 9.9.7. Part C - State whether full years of operation as a business at 31 December 2019 are fewer than three.
- 9.9.8. Part D – Fulfilling the criteria under domestic law (based on company registration) for insolvency would include organisations already in or about to start an insolvency process or are subject to a court application for administration or winding-up.
- 9.9.9. Rescue or Restructuring aid are forms of state aid.
- 9.9.10. Part E - Applicants should supply detailed accounts as at 31 December 2019; these may be audited statutory accounts or management accounts, depending on availability.
- 9.9.11. The accounts must include comparator information for the previous year to 31 December 2018, in either statutory or management accounts form.
- 9.9.12. The accounts must include an Income Statement showing profit and loss detail sufficient to analyse Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA). i.e. must include details of earnings before these items are accounted for.
- 9.9.13. The accounts must include a detailed Balance Sheet for each year, setting out assets, liabilities and forms of share capital, including share premium.
- 9.9.14. If management accounts are provided under 9.9.10 then the most recent audited statutory accounts should also be provided.
- 9.9.15. SDS will use the information provided to assess eligibility under both state aid and SDS NTP Covid-19 Relief Grant conditions.
- 9.9.16. State aid criteria includes
- 9.9.16.1. A limited company whose aggregate losses are more than half its share capital in the Balance Sheet at 31 December 2019 will be excluded, other than a small to medium sized entity in existence for less than three years.
  - 9.9.16.2. A partnership, limited partnership or unlimited company will be excluded where aggregate losses are more than half its capital in the Balance Sheet, again allowing for small to medium sized entities in existence for less than three years.
- 9.9.17. Businesses will also be excluded if already and still benefitting from government funding support for the same activity, under Covid-19 response measures.
- 9.9.18. Part F definitions include
- 9.9.18.1. “based in a tax haven” means where the entity is incorporated or otherwise established under the law of a tax haven.
  - 9.9.18.2. “subsidiary” is to be read in accordance with section 1159 of the Companies Act 2006,
  - 9.9.18.3. “tax haven” means a jurisdiction for the time being included in

- (a) the revised EU list of non-cooperative jurisdictions for tax purposes set out in Annex I to the Council of the European Union's conclusions of February 5 2020 on the revised EU list of non-cooperative jurisdictions for tax purposes (2020/C 63/03), or
- (b) any successor list of jurisdictions endorsed for the same purposes by the Council.

## 9.10. Application Part 2 – Grant Need and Activity

9.10.1. Providers should provide information about the costs the Relief Grant will contribute to. The following table provides notes on completion. Optional narrative boxes are included on the template for Providers to provide further information if necessary.

### Details of Costs Grant Will Contribute Towards

Please provide details of what Relief Grant funds are required to cover Eligible Costs. Please note that Grant Funding will be capped for individual Providers.

Question	Guidance Notes for Completion				
Providers must detail the costs the Grant funding will contribute towards. This should only include actual expenditure on eligible costs (see section 5 below on Eligible Costs) (for June to August 2020) and forecast expenditure, on eligible costs for September and October 2020.					
	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020
Staff Costs -Training/Teaching and or Assessment					
Staff Costs – Non Training/Teaching or Assessment					
Rent and Lease Costs					
Administration Costs					
Operational and Maintenance Costs					
Total					
Notes: 1. Providers must submit a separate Application where they have both an MA and EF contract – and therefore provide costs for each contract separately. 2. Providers must not include costs of furloughed staff (or where in receipt of self-employed relief) who have not returned to work. Providers must take them off the Furlough Scheme (and off self-employed scheme) before can include their costs. 3. Providers must retain evidence of actual expenditure incurred on eligible costs for compliance, audit and payment assurance purposes. 4. On completion of Covid-19 Period Providers must submit a summary reconciliation of expenditure on eligible costs and grant funding received.					
Are you claiming any other publicly subsidised Covid-19 financial support from any other public body? (Questions 1-7)	If yes, the Provider must provide details of each claim it is making, the duration of the support and its value (£). The Provider must confirm why this other support is insufficient to meet its immediate cashflow needs. The Provider must confirm why it is eligible for support from this SDS NTP Covid-19 Relief Grant as well. The Provider must describe what this SDS NTP Covid-19				

	Relief Grant will fund that is different from other Covid-19 support it is receiving or that is available to it.
Have you sought to secure other external financial support to help with your cashflow? (Questions 8-11)	If yes, Providers must provide details of all external finance agreements that it has in place, the terms of this arrangement and its value (£). For example, an overdraft facility, short term lending or intercompany borrowing.

### Changes to staffing numbers as a result of the Covid-19 outbreak

Question		Guidance Notes for Completion
Please provide details of the total number of staff employed by your organisation, and the total number of staff furloughed	Total number of staff employed by your organisation before Covid-19.	Please include total staff numbers.
	Total Staff furloughed across whole organisation	Confirm the total number of staff employed by your organisation who have been furloughed.
Please provide numbers of staff and FTE where the NTP Covid-19 Relief Grant will contribute to their costs	September 2020 October 2020	Please provide numbers of staff which this Grant Application will contribute to their costs.

### Changes to your delivery model as a result of Covid-19

Question	Guidance Notes for Completion	
For the Relief Grant period, please set out, for your apprentices/ participants/employers, what activities you have or will undertake during the Relief Grant period. Please include your delivery methods for support/ teaching, learning and/or assessment, including for those apprentices/participants/employers who are temporarily unable to continue with their programme.	In no more than 300 words, please provide a response to the question below: To assist you to complete this section, please cross refer to and/or append relevant supporting documentation, as appropriate.	
<p>Note: We do not want Providers to submit unnecessary additional information. Where EF Providers already have a Factsheet for the Period from 1<sup>st</sup> July 2020 onwards, approved by their SIA, please reference this and SDS will use this information.</p> <p>For all other Providers, or where Providers wish to provide more information, please complete the following section.</p>		
Please confirm the estimated number of Apprentices/EF Participants you expect to support as a result of the funding you receive from the SDS NTP Covid-19 Relief Grant	<b>Category</b>	You must provide the number of estimated EF Participants/Apprentices for each category that you will engage with and support with the activities you have confirmed you will provide outlined above. Only include those Apprentices/EF Participants whose programme
	In Training Apprentices/Participants	
	Redundant Apprentices not on programme	
	Breaks in Learning	
	Apprentices who have completed their programmes but are	

	awaiting completion assessment	has been directly affected by restrictions caused by Covid-19.  You will be required to use FIPS and a Grant Activity Control Sheet to identify the Apprentices/ EF Participants you support.
	New starts delayed due to COVID -19 restrictions	

### Declaration

Only an authorised signatory for the Provider is entitled to email the Application to SDS.

## 10 Activities, Eligible Costs and Ineligible Costs

### 10.1. Activities to be delivered under this SDS NTP Covid-19 Relief Grant

10.1.1. In order to be eligible for the funding, the activities which Providers require to deliver, as referred to in paragraphs 3.2.2 and 3.2.3, include:

10.1.1.1. To support Apprentices/EF Participants

- regular reviews and contact with Apprentices/EF Participants who cannot continue with their programmes, so they are prepared, with a revised plan of education and training, to return to learning when it is safe to do so
- online and other activities which fit with physical distancing guidelines to enable individuals to maintain a commitment to learning
- job search activities that help redundant Apprentices and EF Participants identify new employment opportunities

10.1.1.2. To support Employers

- regular reviews and contact with the Provider's Employers, so they are able to support their Apprentices to:
  - continue learning which fits with physical distancing guidelines
  - adapt to any changes to their learning environment post Covid-19
- updating and agreeing revised apprenticeship programmes with the Provider's Employers

### 10.2. Eligible costs

10.2.1. The Provider's Application for support from the Relief Grant must only include eligible costs which SDS will fund to allow the Provider to continue supporting Apprentices, EF Participants and Employers as described in Part 2 of the Application.

10.2.2. The amount of grant the Provider receives is a contribution towards the cost of providing this specific support and not the funding the Provider would receive if claiming payments for Services delivered.

10.2.3. Providers are not permitted to include costs which are being funded by another form of public grant or through another business support provided by the government or other public body.

10.2.4. Subject to the other restrictions set out in this section 10 of these instructions, ONLY the following costs are deemed to be eligible, to the extent that these are already costs incurred as part of your contracted Services or as part of delivering Relief Grant activity.

- awarding body registration costs
- FIPS licence costs
- salary and pension costs for those staff directly employed to deliver activities required by this Relief Grant and your contracted Services
- interest only on loans (bank or other commercial debt)
- essential maintenance costs which enable the Provider to deliver support to Apprentices/EF Participants and Employers
- utilities, including rent and rates.
- lease costs for existing vehicles and equipment, with lease started before 1 April 2020.
- additional costs associated with COVID-19, such as the provision of deep cleaning
- non-staff support for EF Participants/Apprentice costs

Note, in each case, the costs should be allocated/apportioned to the delivery of services to SDS.

10.2.5. Providers will need to justify, if requested, that each of these costs are essential in the continuation of Apprentice/EF Participant support and delivery as described by the Provider in its Application for the Relief Grant.

10.2.6. Providers should note, government guidance states that when a furloughed employee returns to work, they must be taken off furlough. For the purposes of the Relief Grant this means that any employee who will be involved in the delivery of activity described in the Application and which the Provider includes as an eligible cost must be withdrawn from any claim for furlough when they return to work.

10.2.7. All employees engaged in the delivery of the activity covered by the Relief Grant must be paid by the Provider in accordance with the employee's agreed contract of employment. SDS reserves the right to take steps to check the Provider's records submitted to HMRC and recover any funds for staff costs where those employees have been reported as being furloughed. In addition, if funds have been deliberately claimed for furloughed staff the Provider will be withdrawn from the Relief Grant and referred to the SDS Fraud and Financial Irregularity Response Group.

10.2.8. SDS also reserves the right to check with other government bodies regarding the uptake of other forms of Covid-19 relief.

10.2.9. Subcontractors delivering services to the Provider on behalf of the Provider's organisation are not eligible for support under this Relief Grant. However, a condition of the Relief Grant requires Providers to pay subcontractors and others in the Provider's supply chain in line with the Provider's contractual obligations.

### 10.3. Ineligible Costs

10.3.1. The following costs do not qualify for support under this Relief Grant and must not be included in the details of Costs set out in the Application:-

- dividend payments
- drawings, including withdrawals and transfers from the Provider's business bank account to a personal bank account and payments for a personal cost from the Provider's business bank account
- capital loan repayments
- staff bonuses
- performance related pay
- increase in staff salaries
- salaries not connected with the delivery of the SDS contract
- costs relating to furloughed staff
- goods not ordered or required for future use – such as, stock
- travel and subsistence costs
- production of new materials
- Tax or VAT liabilities
- repayments of director or intercompany (group) loans
- marketing and publicity
- entertainment
- any profit element
- costs associated with the repayment of funds to SDS resulting from compliance monitoring, investigations and/or audit

## 11. Evidence Requirements

11.1. Evidence of expenditure and the activities that the Provider delivers in relation to the Relief Grant must be retained by the Provider for up to 3 years from the last date of payment of any funding under the Relief Grant received from SDS. Please note that this does not amend or restrict the retention obligations set out in the MA Contract (or EF Contract, as applicable), which still apply in their own right.

11.2. If requested by SDS at any time, Providers will require to submit a reconciled summary of expenditure and funding no later than 60 days following the closing date for applications. SDS will recover funds which were not used for their intended purpose or where the funds were not required for eligible purposes.

11.3. Providers will need to evidence that expenditure set out in the reconciliation referred to in 11.2 has been spent accordingly. Types of evidence may include the following although this list is not intended to be exhaustive:

- evidence of expenditure for actual costs, including invoices, payroll records and bank statements
- evidence for interest on loans - loan agreements and bank statements
- evidence used for other claims eg furloughed staff claims and supporting schedules/documentation including list of employees on furlough and the duration of the furlough (NB costs relating to furloughed staff are ineligible under this relief)

- 11.4. Applicants wishing to receive support from this Relief Grant may be required to provide auditable evidence to support the funds provided whilst any Covid-19 restrictions apply.
- 11.5. During the Covid-19 Period, where the Provider has provided Services in accordance with Business as Usual contract terms (subject to the Covid-19 flexibilities that SDS has previously communicated to Providers) but, as a result of Covid-19, the Provider is unable to make, Business as Usual evidence, in respect of those services, available to SDS on request, the Provider shall **not** be entitled to enter the details onto FIPS. For example, a Provider may have conducted a quarterly review by telephone, but if the individual is not able to receive/return a signed copy of the review (subject to agreed flexibilities) then the evidence required for a FIPS entry is not available. In this circumstance, the Provider must record brief details of the Service delivered in a format to be determined by SDS. SDS will use this to provide MI that the Service has been delivered and will be entered onto FIPS, once the Provider is able to make the required evidence available to SDS, to support Business as Usual requirements. Please note however, that this will not constitute a claim for the purposes of paragraph 3.2.1.
- 11.6. Providers must not amend the format of the excel template in any way, for example by adding or removing rows. If a Provider requires any support in completing the template the Provider should contact its SDS Skills Investment Adviser (SIA).

## **12. Updating FIPS**

- 12.1. Providers must ensure that FIPS is kept as accurate and up to date as possible. If unable to do so during the Covid-19 Period, you must update FIPS within 6 months of the end of the Covid-19 Period.

## **13. Return to Contracted Services**

- 13.1. When the Covid-19 Period ends, Providers are required to meet the full requirements of their MA Contract (and/or EF Contract, as applicable) for the remaining period of the contract (subject to such variations as SDS shall require to make to reflect any changes in volumes and activity for the remaining period).

## **14. SDS Overpayment**

- 14.1. Section 4 applies in relation to the Payment Cap. For all other overpayments, SDS expects to recover the overpayment in accordance with the following recovery policy:-
- 14.1.1. SDS shall be entitled to:-
- 14.1.1.1. recover the sums on demand, (in which event the Provider shall require to make the payment to SDS within 30 days of the demand);
  - 14.1.1.2. offset the sum due against any other payments which SDS may owe to the Provider under their contract, or any other contract, or that otherwise fall due; or
  - 14.1.1.3. make such alternative arrangement for recovery as SDS may specify, which may include, without limitation, the implementation of a Provider repayment plan.

## **15. Inaccurate or Misleading Information**

- 15.1. SDS has a zero-tolerance approach to financial irregularity, fraud or corruption. Consequently, any such case will be thoroughly investigated and dealt with. If there is any perceived risk to SDS funds from financial irregularity, fraud or corruption, SDS will suspend contracts and arrange a hold on any further payments. Where we have evidence of wrong-doing, Police Scotland will be notified, recovery of full contract value may be taken and those involved prosecuted and personal assets seized.
- 15.2. Providers shall safeguard SDS funding made under the Relief Grant against financial irregularity, fraud or corruption, generally and in particular on the part of the Provider or its staff.
- 15.3. A Provider must immediately notify SDS, via its SIA or the SDS Complaints Portal, if it has any reason to suspect that any fraud, financial irregularity or corruption has occurred or is occurring or is likely to occur, providing details of same.

## **16. How to Apply**

- 16.1. The Application form for both MA and EF Providers is available on apprenticeship.scot. Eligible Providers must complete the form and ensure that an authorised signatory submits it by email to [ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk) no later than 12 noon on the 29 October 2020. Applications received after this deadline will not be considered and there is no right of appeal for late submissions.
- 16.2. Incomplete and/or late Applications will be rejected.
- 16.3. SDS is unable to enter into discussions about the information a Provider submits. However, SIAs will be able to answer any queries any Provider has about completing the spreadsheet.

## **17. Assessment Process**

- 17.1. SDS will assess the financial information the Provider supplies in Part 1 of the Application to confirm that it meets State Aid eligibility criteria.
- 17.2. Part 2 of the Application will be assessed against the requirements set out below. Providers' responses must demonstrate that they are able to meet each of the requirements: -
  - evidence is provided which confirms that the continuation of Services will be maintained throughout the Covid-19 Period as required by the MA and or EF Contract for services and that delivery models have been redesigned to overcome, wherever possible restrictions caused by Covid-19
  - services/activities have been designed and will be provided to Apprentices/EF Participants who are temporarily not engaged to enable them to re-engage in learning when it is safe to do so
  - Apprentices/EF Participants who have had their start dates delayed, are provided with online and other support which fit with physical distancing guidelines to enable individuals to maintain a commitment to learning
  - Providers confirm that staff will be available to deliver services the Provider has stated it will provide in the Application

- the Provider can support Employers so they can re-start their apprenticeship programmes as soon as it is safe to do so
- the costs included in the Application are eligible, not included in any other form of income or business support and will realistically allow the Provider to provide essential services for the duration of the Covid-19 Period.

## **What happens next?**

### **17.3. Successful Applications**

- 17.3.1. If an Application is successful, SDS will aim to notify the Provider, by e-mail from NTP Operations ([ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk)), within 7 working days of application receipt, subject to volume of applications received, confirming the maximum value of the support to be provided. Please note that this is the maximum sum, and that it can be reduced/repayable, as explained earlier in these instructions. Please see details below for notification arrangements.
- 17.3.2. The Relief Grant will apply to activity undertaken in the Active Financial Periods for September and October 2020. Whilst the grant terms applies equally to all eligible Providers, the value of grant will be unique to each Provider. Payments for claims for Active Financial Periods September 2020 will be payable in October, once processed, and payments for claims for Active Financial Period for October 2020 will be payable in November, once processed.

### **17.4. Unsuccessful Applications**

- 17.4.1. If an Application is unsuccessful, SDS aims to advise Providers via an email from [ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk), within 7 working days of application receipt, subject to volume of applications received. The Provider will be provided with the reasons why the Application was unsuccessful. Please see details below for notification arrangements.

### **17.5. Complaints**

- 17.5.1. If you would like to make a complaint related to your Covid-19 Relief Grant or outcome of your Application, please refer to the SDS Complaints Procedure, details of which are available on the SDS website - <https://www.skillsdevelopmentscotland.co.uk/about/policies/complaints/>

### **17.6. Help and support**

- 17.6.1. If any Provider has any questions regarding the Relief Grant, they should contact their SIA directly or send any question to [ntpcontracts@sds.co.uk](mailto:ntpcontracts@sds.co.uk).

## **18. Data Protection**

- 18.1. See the Conditions and applicable SDS privacy notice for details about how we collect, use, protect and secure all personal information in relation to the Relief Grant.

## 19. FIPS

- 19.1. Providers are reminded that they require FIPS User Permissions for all staff and contractors who access FIPS. Where a Provider requires to replace, add or remove a FIPS user (whether temporarily or permanently), the Provider is required to submit the relevant details, and pay any associated costs to SDS. Further details are available on the SDS web pages <https://www.skillsdevelopmentscotland.co.uk/for-training-providers/fips-funding-information-and-processing-system/>. The form for completing user details is available at <https://www.skillsdevelopmentscotland.co.uk/media/44490/fips-user-request-form-in-year-additions-and-amendments.xlsm>
- 19.2. Where a Provider has a valid User Permission for an individual for use in relation to the Provider's MA Contract (or EF Contract, as applicable), that User Permission can be used by the same person when using FIPS for the purposes of recording information relating to the Covid-19 Relief Grant.

## 20. Further Instructions

- 20.1. Providers are reminded that details of the MA Contract and EF Contract specification and terms are available through the SDS website. In addition, SDS publishes information about Covid-19 issues on its website.
- 20.2. Providers are urged to follow the Scottish Government's latest information and advice on Coronavirus at [gov.scot/coronavirus](http://gov.scot/coronavirus).
- 20.3. Public health advice can be found at: [Coronavirus \(COVID-19\) on NHS Inform](#).
- 20.4. Providers should keep abreast of the information provided on the various awarding and regulatory body websites:
  - SQA Accreditation is the regulatory body for SVQs in Scotland. It has identified what quality principles have to be followed by Awarding Bodies that offer SVQs and other qualifications.
  - City and Guilds Awarding Body has put in place a full section relating to Covid-19 with free enhanced distance learning packages that anybody can register and request (even if you are not a C&G centre).
  - SQA Awarding Body is updating its website regularly on Covid-19. SQA has a site "U-share" where there may be available signposted resources to support Provider delivery.