



Adopt an Apprentice Programme Rules

Version History

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1. Background

The Scottish Ministers have reviewed support for modern apprenticeships and graduate apprenticeships. For Applications received on or after 29 October 2021, the Standard Rate grant of £2000 is available to employers who employ modern apprentices and graduate apprentices who have been made redundant, and an alternative Enhanced Rate grant of £5000 is available to employers who employ modern apprentices employed in the oil and gas industry who have been made redundant. The applicable grant is available to the replacement employer to support the redundant apprentice to continue their apprenticeship and work towards their qualification. The conditions of grant, including eligibility for the grant, are set out in these rules and the corresponding Adopt an Apprentice Funding Assistance Agreement.

Where a replacement employer is eligible and wishes to receive the relevant grant, the replacement employer and its elected training provider shall require to enter into an Adopt an Apprentice Funding Assistance Agreement.

Skills Development Scotland manages the Adopt an Apprentice Programme on behalf of the Scottish Ministers. SDS may amend these rules and the funding agreement at any time. When SDS makes any amendments, the amended version will be made available on the relevant pages of the SDS website.

The Adopt an Apprentice Programme is intended to be open for Applications to be received by SDS by 5pm on 31 March 2022, however Scottish Ministers reserve the right to withdraw, amend or extend the Adopt an Apprentice Programme, including amending the funding levels, at any time.

With effect from 13th October 2020 the programme has been amended to the extent that SDS will seek recovery directly from the Apprentice's new employer ("Replacement Employer"), and not the Apprentice's Training Provider, where the Apprentice's employment and apprenticeship do not each continue under the Replacement Employer for the minimum required period of 12 months from the date the apprenticeship starts with the Replacement Employer. As before, if the Apprentice's apprenticeship is fully completed within that period, there would be no recovery on that basis. If the apprenticeship is discontinued due to the Apprentice's death within that period, SDS will not seek recovery of the grant. Full details are set out below.

2. Definitions

2.1. In these rules, we use the following terms:-

Term	Meaning
Application	means the application in respect of the Apprentice for the Programme funding, available on FIPS at the time of each respective application, duly completed, together with all supporting evidence that the Training Provider requires to provide and/or hold;

Apprentice	means the modern apprentice, or as applicable, the graduate apprentice, who is transferring from an Outgoing Employer to a Replacement Employer by reason only of redundancy;
Enhanced Rate	means a grant of £5,000 (FIVE THOUSAND POUNDS) Sterling;
FAA	means the Adopt an Apprentice Funding Assistance Agreement, the template for which is set out in Appendix 1 to these rules. This is the agreement SDS shall offer where SDS is satisfied that the Replacement Employer is eligible to receive the grant that has been applied for. The FAA incorporates the Application, and requires to be signed by the Training Provider, the Replacement Employer and SDS, with an additional confirmation signed by the Apprentice;
FIPS	means SDS's corporate training system or portal through which information relating to the Modern Apprentice and Graduate Apprenticeship Programmes is recorded and made available to Training Providers;
Outgoing Employer	means the employer registered on FIPS as the employer of the relevant Apprentice, and who is making or has made the Apprentice redundant;
Programme	means the Adopt an Apprentice programme operated by SDS, to which these rules relate;
Replacement Employer	means the employer that first employs the Apprentice after the Outgoing Apprentice makes the Apprentice redundant, and that is or shall be registered on FIPS as the replacement employer of the Apprentice when the Apprentice is completing their apprenticeship;
SDS, we, us or our	means The Skills Development Scotland Co. Limited;
Standard Rate	means a grant of £2,000 (TWO THOUSAND POUNDS) Sterling;
Training Provider	means the training/learning provider that applies for the Programme funding and includes such training provider to whom the FAA may be assigned/novated under the terms of the FAA.

3. Apprentice Assistance

- 3.1. Training providers are reminded that, under the terms of the SDS Modern Apprenticeship Specification and the Graduate Apprenticeship Specification applicable at the time of the redundancy, once a training provider has been advised in writing (which includes email) (either from the apprentice or the Outgoing Employer) that the apprentice is being, or has been, made redundant the training provider should take all steps to secure alternative employment for the apprentice, either through the training provider's own contacts or by working with the relevant Sector Skills Council (SSC).

4. Eligibility

- 4.1. To be eligible to receive the Standard Rate grant funding:-
- 4.1.1. the Apprentice must, at the time of their redundancy be registered as a modern apprentice (or as applicable, graduate apprentice) on SDS's systems, in accordance with all applicable SDS conditions;
 - 4.1.2. the apprenticeship being undertaken by the Apprentice with the Replacement Employer must be a continuation of the apprenticeship being undertaken with the Outgoing Employer;
 - 4.1.3. the Apprentice must have been made redundant by the Outgoing Employer on or after 1 April 2019;
 - 4.1.4. the Application must be received by SDS on or after 29 October 2021 and before 5pm 31 March 2022 (or earlier if suspended or withdrawn);
 - 4.1.5. the Apprentice must genuinely have been made redundant and not have left their employment for another reason. By way of example, an apprentice who is dismissed or leaves their job voluntarily will not meet the requirement;
 - 4.1.6. no apprentice adoption (or similar) grant must ever have been paid to a 'linked employer' in relation to the same Apprentice. A 'linked employer' means the same Replacement Employer or a company, sole trader, partnership or other business entity that is substantially controlled by:
 - 4.1.6.1. the same organisation or person(s) (including the Replacement Employer) who control the Replacement Employer; or
 - 4.1.6.2. any organisation(s) or person(s) substantially connected (whether commercially or otherwise) with the organisation(s) or person(s) who control the Replacement Employer.
 - 4.1.7. the Replacement Employer must not have been at any time in receipt of, and must undertake never to claim, or procure the receipt of any recruitment incentive payment from any other public source, in respect of the Apprentice;
 - 4.1.8. the Application must be received by SDS no later than 26 weeks after the start date of employment with the Replacement Employer.
- 4.2. To be eligible to receive the alternative Enhanced Rate grant funding:-
- 4.2.1. Conditions 4.1.1 - 4.1.8 must be met in full, and
 - 4.2.2. the Apprentice must be undertaking a modern apprenticeship:-
 - 4.2.2.1. directly within the oil and gas industry; or
 - 4.2.2.2. within the wider oil and gas supply chain and which apprenticeship is for an engineering or engineering construction framework, where there is evidence that the redundancy is a direct result of the downturn in the oil and gas industry.
- 4.3. Where all of the criteria set out in rules 4.1.1 to 4.1.8 and rule 7 are met the Standard Rate grant is available for the benefit of the Replacement Employer to ensure sustainment and help with, among other things, wage costs, support, skill development and/or mentoring. Where all of the criteria set out in paragraphs 4.1.1 to 4.1.8, rule 4.2 and rule 7 are met the Enhanced Rate grant is available for the benefit of the Replacement Employer for the same purposes. The

Enhanced Rate grant is only available as an alternative to (and not in addition to) the Standard Rate grant, in relation to the same Apprentice.

- 4.4. It is a condition of grant that the Apprentice continues with their employment and their designated apprenticeship under the Replacement Employer in each case for a minimum period of 12 consecutive months, or, if shorter, until the Apprentice successfully completes their designated apprenticeship with that Replacement Employer. The 12 month period starts on the date the Apprentice is correctly identified on FIPS as having started their apprenticeship with the Replacement Employer. Training Providers are reminded that they are required to keep the Apprentice's employment details up to date on FIPS. In addition, Training Providers must notify the AAA inbox aaa@sds.co.uk by email when this is done. Where the Apprentice has not successfully completed their designated apprenticeship, and within the 12 month period, the Apprentice leaves their employment with the Replacement Employer for any reason (other than the death of the Apprentice), or the Apprentice ceases to continue with their designated apprenticeship for any reason (other than the death of the Apprentice), SDS shall be entitled to recover the grant paid, in accordance with rule 6.
- 4.5. SDS shall be entitled, at its entire discretion, to determine whether the criteria set out in this rule 4 are met. All correspondence on the matter should be directed to the Training Provider's designated Skills Investment Adviser, however, Training Providers and Replacement Employers should note that there is no appeal process. Training Providers and Replacement Employers shall be entitled to raise a complaint through SDS's complaints procedure, details of which are available on SDS's website.
- 4.6. Only one grant payment is payable in respect of the Apprentice's redundancy.

5. Duration of the Programme

- 5.1. The Programme shall commence on such date as SDS shall publish, and is intended to be available for receipt of Applications, by SDS until 5pm on 31 March 2022. The Scottish Ministers do however reserve the right to suspend, withdraw, extend, terminate or amend the Programme at any time. SDS will post any related statements and information on its website in such an event. If the Programme is suspended or terminated, SDS will also alert its currently contracted modern/graduate apprenticeship training providers, either directly via email, and/or (at SDS's discretion) using the SDS website. All Applications received on or after the date of suspension/termination will automatically be rejected. SDS reserves the right to reject incomplete or inaccurate applications received prior to that date (which for the avoidance of doubt, includes applications received without all required supporting evidence), and which have not been duly amended or completed, or for which all required supporting evidence has not been submitted, by that date.

6. Recovery of Grant

6.1. In the event that the grant is paid and:-

- 6.1.1. SDS becomes aware at any time that the payment (or any part of the payment) was not claimed in compliance with the FAA or these rules, or was otherwise paid in error; or
- 6.1.2. within the 12-month period referred to in rule 4.4:-
 - 6.1.2.1. the Apprentice leaves their job with the Replacement Employer for any reason (including without limitation due to redundancy, dismissal or any other reason), where the Apprentice has not successfully completed their designated apprenticeship; or
 - 6.1.2.2. the Apprentice discontinues their designated apprenticeship for any reason;

SDS shall be entitled to recover the full amount of the grant paid out pursuant to the FAA and these rules. Where any or all of the grant has been received by the Replacement Employer from the Training Provider, SDS shall be entitled to recover all of those sums directly from the Replacement Employer. Where any or all of the grant has been received by the Training Provider but not transferred to the Replacement Employer, SDS shall be entitled to recover all of such sums directly from the Training Provider. The Replacement Employer or the Training Provider (as applicable) shall repay the sums to SDS within 14 days of such demand. This rule is without prejudice to any other rights and remedies SDS or The Scottish Ministers may have.

7. Application process

- 7.1. Only the Training Provider appointed by either the Outgoing Employer or the Replacement Employer to provide the training and/or assessment services to the Apprentice being made redundant, shall be entitled to apply for the Programme grant.
- 7.2. In addition to the other obligations set out in these rules, prior to submitting the Application for Programme grant on FIPS, the Training Provider must:
 - 7.2.1. be satisfied the Apprentice has genuinely been made redundant and this must be recorded on the Application.
 - 7.2.2. ensure that it has obtained proof of the Apprentice's redundancy in the form of a person-specific notification of redundancy from the Outgoing Employer which must be provided on headed paper in a pdf or other non-editable format, for example: an official letter from the Outgoing Employer or any administrator or liquidator or other formally appointed successor to the Outgoing Employer. Where this is not available, advice should be sought from the aaa@sds.co.uk inbox and eligibility fulfilment in such a case will be entirely at SDS's discretion.
 - 7.2.3. ensure that it takes all reasonable steps to verify details of the reason for redundancy with the Outgoing Employer;

- 7.2.4. record the verified details of the reason for redundancy in the Application;
 - 7.2.5. take all reasonable steps to obtain details of any redundancies the Replacement Employer has made in the three years prior to the Application, in the same or similar occupation the Apprentice is being recruited into. If there have been any such redundancies, the Training Provider must obtain from the Replacement Employer evidence of the changes that have occurred since then that demonstrate sufficiently that the apprenticeship is fully sustainable. The Training Provider must record this evidence on the Application. If having taken all reasonable steps, the Training Provider is unable to obtain such evidence advice should be sought from the aaa@sds.co.uk inbox, and acceptance of the Application in such a case will be at SDS's entire discretion;
 - 7.2.6. take all reasonable steps to satisfy itself that the funding shall not be used to displace an existing apprentice. Where another apprentice may be displaced by the Apprentice, an Application for the funding should not be submitted;
 - 7.2.7. in relation to any Application for Enhanced Rate funding, confirm in writing that there is satisfactory evidence that the Apprentice was made redundant by the Outgoing Employer in the oil & gas sector or in an oil & gas supply chain organisation as a consequence of a downturn in the oil and gas industry;
 - 7.2.8. ensure that it has met the subsidy control requirements set out in rule 10 below; and
 - 7.2.9. obtain written confirmation from the Replacement Employer that a grant for adopting the Apprentice has never been made nor claimed by a 'linked employer' as described in rule 4.1.6.
- 7.3 Once a Training Provider is satisfied that all the criteria and obligations set out in these rules have been met, in order to submit an Application, the Training Provider must create a new assignment and complete the Application on FIPS (together with all the required evidence referred to in FIPS).
- 7.4 SDS will aim to review the Application within 10 working days of submission on FIPS. SDS may request such additional information and/or evidence as it deems appropriate to enable it to assess fulfilment of these rules. Where such information and/or evidence is not provided timeously, or where the information and/or evidence does not in SDS's sole discretion evidence fulfilment of the rules, the Application may be rejected.
- 7.5 If the Application is approved, the FAA will be sent, via FIPS, to the Training Provider. The FAA shall only be binding once the Training Provider has obtained the signatures of the Training Provider, Replacement Employer and Apprentice on the FAA. (This shall include any arrangements which SDS may advise in writing for electronic signatures to be used as an alternative to 'wet' signatures). SDS would draw to the attention of the Training Provider and the Replacement Employer that the FAA contains a provision that the Apprentice shall require to be employed by the Replacement Employer and either successfully complete, or otherwise continue with, their designated Apprenticeship for at least the 12 consecutive months referred to in rule 4.4 above, failing which SDS may recover

the full grant. The Training Provider has 15 working days from the date the FAA is made available to the Training Provider on FIPS to upload the completed, signed FAA. If the Training Provider fails to submit the completed, signed FAA within the 15 working day period, the Training Provider shall receive an alert informing them they have a further five working days to upload it. If the Training Provider fails to upload it within that period, the Application will be deemed suspended.

- 7.6 Without prejudice to any requirements set out in the applicable apprenticeship training and assessment services contract between SDS and the Training Provider, a training needs analysis should be completed by the Training Provider, to determine the skills and competencies the Apprentice has already achieved, and which skills and competencies are required in order to fulfil the requirements of the apprenticeship. This will ensure the Replacement Employer is aware of the skill level of the Apprentice and understands the level of support the Apprentice will require in employment.
- 7.7 The payment will only be due to be paid by SDS to the Training Provider following SDS's receipt of the FAA (including the Apprentice Statement) duly signed by the required parties, commencement by the Apprentice of the apprenticeship activity under the Replacement Employer, and full required details being properly entered onto FIPS by the Training Provider. The Training Provider must pay the full amount received from SDS to the Replacement Employer within 10 days of the payment being made to the Training Provider.
- 7.8 The Training Provider must enter on FIPS, the date they paid the full Programme grant to the Replacement Employer. If the Training Provider has not entered this date within 11 working days after the payment is made by SDS to the Training Provider, a further alert shall be sent to the Training Provider requiring them to make the payment to the Replacement Employer within the next 5 working days. Failure to comply with this shall constitute a serious breach.
- 7.9 Not Used
- 7.10 Once an Application has been suspended if the Training Provider fails to upload the evidence and signed FAA to FIPS within 6 weeks of the suspension, the Application will be automatically deleted and the FAA withdrawn. Provided the Programme remains open at the date of re-application, the Training Provider may apply again in such event, by submitting a fresh Application and evidence.

8. Retention of Supporting Evidence

- 8.1. The Training Provider must retain all supporting evidence required for the Application until the third anniversary of the date full payment of the programme funds are paid in respect of the Apprentice by the Training Provider to the Replacement Employer, and make the evidence (or such part(s) requested) available to SDS or its representatives immediately on demand.

9. SDS support for redundant apprentices

- 9.1. Where a Training Provider has not been able to secure employment for a redundant apprentice allowing the completion of the apprenticeship or to move into a different apprenticeship framework, the apprentice will be contacted by SDS careers adviser to offer support. They can help the redundant apprentice with future career plans by discussing possible career options at their local SDS Centre. Apprentices facing redundancy can get information on what advice and support is available by contacting the SDS helpline on 0800 917 8000 or from: <https://www.myworldofwork.co.uk/my-career-options/redundancy-help-scotland>

10. Subsidy Control (the temporary regime that has replaced State Aid)

- 10.1. Training Providers will require to ensure that they have obtained a declaration from the Replacement Employer that receipt of the grant will not exceed permitted subsidy control thresholds. There is a ceiling of 325,000 Special Drawing Rights for all subsidy provided to any single economic actor (as defined in the UK/EU TCA) over a 3-year fiscal period. ('Special Drawing Rights' is the replacement allowance for 'de minimis' aid that was available prior to Brexit. Details of the current exchange rate are available [here](#)).
- 10.2. Any Special Drawing Rights aid awarded to the Replacement Employer under the FAA will be relevant if the Replacement Employer wishes to apply, or has applied, for any other Special Drawing Rights aid. For the purposes of the UK/EU TCA, the Training Provider must, prior to submitting any Application for the Programme funding:-
- 10.2.1. make a copy of these rules and the standard terms of the FAA available to the Replacement Employer;
- 10.2.2. obtain written confirmation from the Replacement Employer (which shall include email) that payment of any grant for the Apprentice in relation to the FAA will not exceed the permitted aid; and
- 10.2.3. draw to the attention of the Replacement Employer that:-
- 10.2.3.1. the Replacement Employer must retain their copy of the FAA containing the subsidy control conditions for three years from (i) the date the payment is made to the Replacement Employer, or (ii) the date of the FAA (whichever is the later) and produce them on any request by the relevant subsidy control authorities, and
- 10.2.3.2. payments may be recoverable as set out in these rules and the FAA.
- 10.3. SDS may withhold payment of the grant and/or reclaim the grant from the Replacement Employer either (a) to the extent necessary to ensure that any assistance given to the Replacement Employer under the FAA, taken together with any other assistance which has been or is likely to be received by the Replacement Employer towards the same project, is within the rules on subsidy control that apply in the UK, or (b) if required to so do by any relevant subsidy control authorities. Any amount reclaimed as aforesaid shall be

payable by the Replacement Employer within 14 days of notification to the Replacement Employer of any such decision of the relevant authority.

- 10.4. SDS may require to disclose information concerning the payments to relevant authorities, and the Training Provider and/or the Replacement Employer may require to provide additional information to any such authorities on demand. Further provisions are set out in the FAA.

Appendix 1 Funding Assistance Agreement

This Adopt an Apprentice Funding Assistance Agreement (FAA) is among the following parties:-

Replacement Employer	being the person or organisation identified as the Replacement Employer in Section C of the Schedule to this FAA, being the employer that employs the Apprentice after the Outgoing Employer (as defined below) makes the Apprentice redundant, and that is or shall be registered on FIPS as the replacement employer of the Apprentice when the Apprentice is completing their apprenticeship;
Training Provider	being the person or organisation identified as the Training Provider in Section B of in the Schedule to this FAA, being the training provider that applies for the Programme funding or where applicable, the training provider to whom the FAA may be assigned/novated under the terms of the FAA.
SDS	being The Skills Development Scotland Co. Limited, a company limited by guarantee and registered in Scotland under company number SC202659, having its registered office at Floor 1, Monteith House, 11 George Square, Glasgow G2 1DY

1. Background

- 1.1. The Training Provider has agreed with the Replacement Employer to perform apprenticeship training and assessment services to the Apprentice on such terms as the Training Provider and the Replacement Employer have agreed.
- 1.2. The Training Provider submitted an Application to SDS for the payment of grant funding, in relation to SDS's Adopt an Apprentice Programme.
- 1.3. In full reliance on the information provided by the Training Provider, SDS agrees that the Adopt an Apprentice Programme eligibility criteria for the payment in respect of the adoption of the Apprentice have been met.
- 1.4. Payment of the funding shall be for the benefit of the Replacement Employer to assist in supporting the Apprentice to completion of their apprenticeship.
- 1.5. The parties to this FAA accept the admission of the Apprentice to the Adopt an Apprentice Programme on the terms set out in this FAA.

2. Interpretation

2.1. In this FAA, the following terms have the following meanings:-

Term	Meaning
Application	means the application in respect of the Apprentice, for the Adopt an Apprentice Programme grant funding, submitted to SDS by the Training Provider, together with all supporting evidence that the Training Provider requires to provide and/or hold;
Apprentice	means the modern apprentice, or as applicable, the graduate apprentice, identified as the apprentice in Section A of Part 1 of the Schedule to this FAA, who is completing their apprenticeship whilst employed by the Replacement Employer;
Contribution	means the sum set out in Section D of Part 1 of the Schedule;
Enhanced Rate	means, where specifically selected in the Application, a grant of £5,000 (FIVE THOUSAND POUNDS) Sterling;
FAA	means the Adopt an Apprentice Funding Assistance Agreement, comprising these terms and conditions, the Schedule, the Rules and the Application;
Outgoing Employer	means the employer registered on FIPS as the employer of the relevant Apprentice, and who is making or has made the Apprentice redundant prior to the Apprentice completing their designated apprenticeship;
Programme	means the Adopt an Apprentice programme, funded by the Scottish Ministers, and managed and operated by SDS. Under the programme, SDS makes grant funding available for the benefit of employers who take on apprentices who have been made redundant by their previous employer, to support the apprentices to completion of their apprenticeship;
Personal Data	shall have the same meaning as set out in the Data Protection Act 2018;
Rules	mean the SDS Adopt an Apprentice programme rules and guidance published by SDS on the SDS website, as may be amended by SDS from time to time;
Schedule	means the schedule annexed to these terms and conditions containing three parts;
Standard Rate	means, where specifically selected in the Application, a grant of £2,000 (TWO THOUSAND POUNDS) Sterling;

VAT	means value added tax chargeable under the Value Added Tax Act 1994 or under the Sixth Council Directive of the Council of the European Communities(77/388/EC) or under any rule, regulation, order or instrument authorised to be made by that Act or by that Directive or any identical or substantially similar tax which may replace such Value Added Tax
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3. Application and Apprentice Statement

- 3.1. In the event that the Training Provider and/or the Replacement Employer is aware at any time that the information provided in the Application was or is inaccurate, or is in any way misleading, that party shall immediately report such fact to the aaa@sds.co.uk inbox and shall provide such additional information as SDS may request. This clause 3.1 is without prejudice to SDS's other rights and remedies.
- 3.2. The Training Provider shall also require to deliver to SDS the Apprentice Statement set out in Part 2 of the Schedule, duly signed and dated by the Apprentice.

4. Payment of the Contribution.

- 4.1. SDS will make a payment of the Contribution to the Training Provider following proper execution and delivery of this FAA, (including execution and delivery to SDS of the Apprentice Statement contained in Part 2, and the Replacement Employer Exempted Subsidy Declaration contained in Part 3, of the Schedule to this FAA), commencement by the Apprentice of the apprenticeship activity under the Replacement Employer, and full required details being properly entered onto SDS's Funding, Information and Processing System (FIPS) by the Training Provider.
- 4.2. The Training Provider will make payment of the full Contribution to the Replacement Employer no later than 10 days following the date the Training Provider receives the funding from SDS, and shall immediately update FIPS to show that such payment has been made to the Replacement Employer.
- 4.3. Evidence of payment of the full Contribution in accordance with this FAA must be retained by the Training Provider for 3 years, confirming the payment has been made into the Replacement Employer's account.
- 4.4. The Replacement Employer will evidence receipt of the Contribution for the Apprentice by providing to SDS immediately on demand, a copy of the Replacement Employer's bank statement, receipted invoice or a letter on headed paper confirming the payment.
- 4.5. No part of the Contribution shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.

- 4.6. The Contribution shall not include VAT and no VAT shall be added to the Contribution.

5. Commencement of Apprenticeship

Without prejudice to any requirements set out in the applicable apprenticeship training and assessment services contract between SDS and the Training Provider, the Training Provider shall promptly complete a training needs analysis following the commencement of the apprenticeship under the Replacement Employer, to determine the skills and competencies the Apprentice has already achieved, and which skills and competencies are required in order to fulfil the requirements of the apprenticeship. This will ensure the Replacement Employer is aware of the skill level of the Apprentice and understands the level of support the Apprentice will require in employment.

6. Cessation of Employment and/or the Apprenticeship

- 6.1. Subject to clause 6.3 and 6.4, if at any time within the 12 month period immediately following the date the Apprentice is correctly identified on FIPS as having started their apprenticeship with the Replacement Employer, the Apprentice either ceases to be an employee of the Replacement Employer, or otherwise ceases to continue with their designated apprenticeship, SDS shall be entitled to recover the full amount of the Contribution that SDS has paid out pursuant to the FAA and the Rules. Where the Contribution (or part thereof) has been received by the Replacement Employer, SDS shall be entitled to recover all of those sums from the Replacement Employer. Where the Contribution (or part thereof) has been received by the Training Provider but not transferred to the Replacement Employer, SDS shall be entitled to recover all of such sums from the Training Provider. The Replacement Employer or Training Provider (as applicable) shall repay the sums to SDS within 14 days of such demand. This clause 6.1 is without prejudice to any other rights and remedies SDS or The Scottish Ministers may have.
- 6.2. The Replacement Employer must notify the Training Provider within 10 working days if the Apprentice discontinues their employment and/or apprenticeship within the 12 month period. The Training Provider must update the FIPS record, within 10 working days following its receipt of the Replacement Employer's intimation.
- 6.3. Where the Apprentice successfully completes their Apprenticeship as an employee of the Replacement Employer within the 12 month period referred to in clause 6.1, neither the Replacement Employer nor the Training Provider shall require to repay any of the Contribution under clause 6.1.
- 6.4. If the Apprenticeship is discontinued due to the Apprentice's death within the 12 month period referred to in this clause 6, SDS will not seek recovery of the grant.

7. Not Used

8. Suspension, Withdrawal and Repayment

- 8.1. Without prejudice to SDS's other rights and remedies, SDS may at its discretion withhold or suspend payment of all or part of the Contribution from/to the Training Provider and/or require repayment of all or part of the Contribution if:-
- 8.1.1. the Replacement Employer has been or is at any time in receipt of any recruitment incentive payment from any other public source, in respect of the Apprentice;
 - 8.1.2. the Replacement Employer obtains funding from a third party which, in the reasonable opinion of SDS, undertakes activities that are likely to bring the reputation of the Programme and/or SDS into disrepute;
 - 8.1.3. the Training Provider and/or the Replacement Employer provides (or has provided) SDS with any materially misleading or inaccurate information;
 - 8.1.4. any member of the governing body (including without limitation its directors or trustees), employee, sub-contractor, volunteer or representative of the Replacement Employer and/or the Training Provider has conducted themselves in a manner which, in SDS's opinion brings or is likely to bring SDS's reputation, any Scottish Minister's reputation or the Programme's reputation into disrepute;
 - 8.1.5. the Replacement Employer ceases to operate within the 12 month period referred to in clause 6.1 for any reason;
 - 8.1.6. the Replacement Employer and/or the Training Provider is in breach of its obligations to SDS in terms of the FAA or otherwise; or
 - 8.1.7. any or all of the Contribution was otherwise incorrectly paid to the Training Provider by SDS, in error. This includes (without limitation) situations where either an incorrect sum of money has been paid or where any payment has been paid in error before all conditions attaching to the Contribution payment have been complied with by the Training Provider and/or the Replacement Employer.
- 8.2. Where any or all of the Contribution has been received by the Replacement Employer from the Training Provider, SDS shall be entitled to recover the sums referred to in clause 8 directly from the Replacement Employer. Where any or all of the Contribution has been received by the Training Provider but not transferred to the Replacement Employer, SDS shall be entitled to recover the sums referred to in clause 8 directly from the Training Provider. The Replacement Provider or Training Provider (as applicable) shall repay the sums to SDS within 14 days of such demand. This paragraph is without prejudice to any other rights and remedies SDS or The Scottish Ministers may have.

9. Interest

- 9.1. Interest will accrue and be payable by the Training Provider to SDS on all sums due to SDS in terms of the FAA at the rate of four per centum per annum above the Base Rate or Rates for the time being of the Bank of Scotland plc from the date of demand until payment is made in full.

10. Publicity

- 10.1. SDS reserves the right, at its sole discretion, to disclose to any third party, and through any medium, and at any time, full details of this FAA and/or financial support offered by SDS in connection with the FAA and the Training Provider and the Replacement Employer each consents to such disclosure and waives any right it may have to prevent or restrict such disclosure on grounds of commercial confidentiality or otherwise

11. Freedom of Information

- 11.1. The Training Provider and the Replacement Employer shall assist SDS without charge in meeting (within a reasonable time) any requests for information in relation to the FAA which are made to SDS by any party in connection with the Freedom of Information (Scotland) Act 2002 or any related guidelines or codes of practice.

12. Monitoring, Audit and Evaluation

- 12.1. The Training Provider and the Replacement Employer shall each provide SDS, the Auditor General for Scotland, Scottish Government, and/or in each case, its, his or her representatives whomsoever, such information as such party may require for the purpose of auditing compliance with the Rules and the FAA.
- 12.2. The Training Provider and the Replacement Employer shall each permit duly authorised representatives of each of the bodies referred to in clause 12.1 unlimited access to interview the Apprentice and/or to examine all records and all other supporting documentation relating to the FAA. The Training Provider and the Replacement Employer shall furnish each such party with suitable oral or written explanation if required and shall provide each such party with access to its staff for interviews on matters covered by the FAA.
- 12.3. The parties agree that any personal data that is provided to SDS for the purposes of this FAA is provided by the Training Provider and is subject to the relevant terms and conditions governing data protection set out in the applicable programme agreement (for Modern Apprenticeships or Graduate apprenticeships) between the Training Provider and SDS.
- 12.4. SDS shall be entitled to disclose details of and/or relating to the FAA at any time to any party whomsoever.

13. Law

- 13.1. The FAA shall be governed by and construed in accordance with the laws of Scotland.
- 13.2. The parties hereby submit to the exclusive jurisdiction of the Scottish courts in relation to any dispute or claim arising out of or in connection with the FAA or in relation to its existence or validity.

14. Entire Agreement

- 14.1. The FAA comprises the Application, the Rules, these terms and conditions and the Schedule which documents constitute the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.
- 14.2. Each party acknowledges that, in entering into the FAA, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the FAA. The Training Provider and the Replacement Employer each accepts that SDS has relied on the Application in agreeing to make this offer of contribution, and the Training Provider hereby warrants that the Application is fully accurate and not in any way misleading.

15. Assignment

- 15.1. Neither the Training provider nor the Replacement Employer shall be entitled to assign its rights or obligations under the FAA to any other party without the prior written consent of SDS. SDS shall be entitled to assign its rights and obligations in terms of the FAA to any body.

16. Corrupt Gifts and Payments of Commission

- 16.1. The Training Provider and the Replacement Employer each warrants that it has not and shall not offer or give, or agree to give, to any employee, agent, servant or representative of SDS or any other public body or person employed by or on behalf of SDS or any other public body any gift or consideration of any kind which could act as an inducement or reward for doing, refraining from doing, or for having done or refrained from doing, any act in relation to the FAA or any other contract with SDS or any other public body or person employed by or on behalf of SDS or any other public body (including its grant under this FAA, execution or any rights and obligations contained in it), or for showing or refraining from showing favour or disfavour to any person in relation to any such contract. The attention of the Training Provider and the Replacement Employer is drawn to the criminal offences under the Bribery Act 2010.

17. Waiver

17.1. Any failure by SDS, the Training Provider or the Replacement Employer to seek redress for breaches, or to insist on strict performance, of any terms, conditions or provisions of the FAA, or the failure of SDS, the Training Provider or the Replacement Employer to exercise any right or remedy to which it is entitled in terms of the FAA shall not constitute a waiver thereof.

17.2. A waiver of any default shall not constitute a waiver of any subsequent default.

18. Subsidy Control (the temporary regime that has replaced State Aid)

18.1. Subject to clause 18.4, in full reliance on, and subject to, the Replacement Employer declaring in Part 3 of the Schedule that it has not received subsidy in excess of the permitted values set out in Part 3, SDS has assessed that the Contribution is exempt from the subsidy control provisions set out in that part.

18.2. SDS may withhold payment of any instalment(s) of the Contribution and/or reclaim any instalment(s) of the Contribution either (a) to the extent necessary to ensure that any assistance given under the FAA, taken together with any other assistance which has been or is likely to be received towards the activity being supported under this FAA is within the rules on subsidy control laid down in the UK/EU TCA or otherwise implemented within the UK, or (b) if required to so do by any duly authorised UK body. Any amount reclaimed as aforesaid shall be payable by the Replacement Employer within 14 days of request.

18.3. SDS reserves the right, if required so to do, to provide any such duly authorised UK body with information about the subject matter of the FAA. In respect that any such body is empowered in certain circumstances to require SDS to supply it with any information it deems necessary to enable it to determine that the FAA complies with the terms of the UK/EU TCA and/or any other rules on subsidy control implemented within the UK, the Replacement Employer shall so far as lawfully obliged to and within its power supply SDS with such information related to the FAA as may be required, as intimated by SDS.

18.4. As at the date of this offer, the provisions of the UK/EU TCA remain subject to clarification, further government guidance and additional regulation. Without prejudice to any of SDS's other rights and remedies, SDS reserves the right under this clause 18.4 to vary the terms and conditions of this FAA to the extent reasonably required to meet the requirements and/or recommendations of any such guidance and/or regulation, as applicable. The Replacement Employer agrees to comply with any such variation.

19. Counterparts

19.1. This FAA may be executed in any number of counterparts, each of which shall constitute a duplicate original of this agreement, but all the counterparts shall together constitute the one agreement. No counterpart shall be effective until SDS has received the executed counterparts from the Training Provider and the Replacement Employer, and has confirmed SDS's counterpart signature.

20. Signature

20.1. This FAA and the Apprenticeship statement attached shall be executed in accordance with such method of signature as SDS may advise on FIPS and/or the SDS website from time to time, as an alternative option to 'wet' signature.

Signed on behalf of the Training Provider by:	
Name of Training Provider Signatory:	
Signature:	
Position:	
Date:	

Signed on behalf of the Replacement Employer by:	
Name of Replacement Employer Signatory:	
Replacement Employer Signature:	
Position in Organisation:	
Date:	

Signed on behalf of SDS by:	
Name of SDS Signatory:	
Signature:	
Position:	
Date:	

This is the Schedule referred to in the Adopt an Apprentice Funding Assistance Agreement

Part 1

Section A - Apprentice/Apprenticeship Details	
Name of Apprentice:	<i>[insert name of Apprentice]</i>
Title of Apprenticeship:	<i>[insert name of apprenticeship framework - which must be a continuation of the apprenticeship under the employment from which the apprentice is made redundant]</i>
Apprentice NI No:	<i>[insert NI number]</i>
Employment start date under Replacement Employer:	<i>[insert date]</i>
The Apprenticeship relates to an apprenticeship (i) directly within the oil and gas industry; or (ii) within the wider oil and gas supply chain and is an apprenticeship for an engineering or engineering construction framework, and the redundancy is a direct result of the downturn in the oil and gas industry	<i>[Yes/No]</i>

Section B - Training provider Details	
Training Provider name:	<i>[insert name of legal entity, not trading name]</i>
Training Provider Designation	<i>[insert designation e.g. a company registered under the Companies Acts under registration number XXXX and having its registered office at YYY]</i>

Section C – Replacement Employer Details	
Replacement Employer Name:	<i>[insert name of legal entity, not trading name]</i>
Replacement Employer Designation:	<i>[insert designation e.g. a company registered under the Companies Acts under registration number XXXX and having its registered office at YYY]</i>

Section D – Value of Contribution as at the date SDS first issues the FAA for signature
<i>[Delete as appropriate]</i>
£2,000 Standard Rate
£5,000 Enhanced Rate

Part 2

Apprentice Statement

This section must be completed by the Apprentice. Apprentices should note that any personal data provided in this statement will be used in accordance with SDS's privacy statement, details of which are available:

<https://www.skillsdevelopmentscotland.co.uk/media/47133/adopt-an-apprentice-privacy-notice-2020.pdf>

By signing below, I confirm that:-

- I am the Apprentice referred to in Section A of this Schedule and was undertaking the Apprenticeship referred to in section A;
- I was unable to complete the Apprenticeship as my employer made me redundant;
- the date of my redundancy was on or after 1 April 2019; and
- I have commenced or shall commence my apprenticeship activity with the Replacement Employer referred to in Section C above, and shall continue with my Apprenticeship whilst employed by them.

In addition, where Section A states that the Apprenticeship relates to an apprenticeship (i) directly within the oil and gas industry; or (ii) within the wider oil and gas supply chain and is an apprenticeship for an engineering or engineering construction framework, and the redundancy is a direct result of the downturn in the oil and gas industry

by signing below I confirm that this statement is accurate

Name of Apprentice:	
Apprentice Signature:	
Date:	

Part 3

Replacement Employer Exempted Subsidy Declaration

Following Brexit, subsidy control (state aid) provisions in the UK changed. The previous 'de minimis' exemption which exempted low value subsidy from the applicable state aid rules has been replaced by 'Special Drawing Rights' exempted subsidy under Article 3.2 paragraph 4 of Chapter 3 of the UK/EU Trade and Co-operation Agreement, ("UK/EU TCA") agreed on 24 December 2020 ("Exempted Subsidy Provisions").

SDS proposes to award this Contribution to the Replacement Employer under the Exempted Subsidy Provisions. In order for the Contribution to fall within the Exempted Subsidy Provisions the Replacement Employer can receive up to a maximum level of aid without the Contribution constituting unlawful subsidy. That level is 325,000 Special Drawing Rights per undertaking over three fiscal years. Details of the current Special Drawing Rights exchange rate are available [here](#)).

It is important to note that the Special Drawing Rights limit comprises the total amount of Special Drawing Rights subsidy the Replacement Employer have received from the state during that period. That subsidy will include aid relating to other projects, aid provided by other public authorities and their agents, and aid other than grants (for instance, foregone interest on loans) and will include 'de minimis' aid provided prior to Brexit, within the three fiscal year period.

SDS is unable to pay the Replacement Employer the Contribution if, added to any previous Special Drawing Rights and de minimis aid the Replacement Employer has received during the current and last two fiscal years, the Contribution causes the Replacement Employer to exceed the permitted limit.

Consequently the Contribution is conditional on the Replacement Employer completing the Exempted Subsidy declaration below.

For the purposes of that declaration: a) the fiscal year is the fiscal year used by the Replacement Employer's business; and b) Special Drawing Rights subsidy is subsidy granted to a single undertaking, which may include legal entities separate to the Replacement Employer (such as current or former subsidiaries).

The Replacement Employer acknowledges that it is the Replacement Employer's responsibility to read the provisions in Clause 18, and the Exempted Subsidy Provisions in their entirety, and seek advice (including legal advice) on its application to the Replacement Employer's business if appropriate.

The Replacement Employer acknowledges that it must retain detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this FAA and the Exempted Subsidy Provisions are fulfilled. Such records must be retained by the Replacement Employer for 3 years following the granting of the subsidy and must be made available to SDS promptly on demand. SDS

may, at any time, supply information on this Contribution to any other public authority or agency asking for information on Special Drawing Rights subsidy.

Exempted Subsidy Declaration

By signing below, I, on behalf of the Replacement Employer, confirm that:-

- I have read and agree with the content of clause 18 of this FAA, and this Schedule Part 3; and
- the Replacement Employer and any other undertaking forming a single undertaking with the Replacement Employer for the purpose of the Exempted Subsidy Provisions, **has not** received Special Drawing Rights (whether from or attributable to SDS or any other public authority) during the current and two previous fiscal years in excess of 325,000 Special Drawing Rights.

Signed:	
Print Name:	
Position	
Date:	