



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



EUROPE & SCOTLAND
European Social Fund
Investing in a Smart, Sustainable and Inclusive Future

Coronavirus (COVID-19) & European Structural and Investment Funds 2014- 2020 programmes

Q&A for Lead Partners

11 March 2022

Version control

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27/03/2020	1.0	Final	
03/04/2020	2.0	Final	Changes include reorganising into three sections and addition of questions following feedback.
06/04/2020	2.1	Final	Questions and answers in sections 1, 2 and 3 were added/amended.
09/04/2020	3.0	Final	Questions and answers in sections 1 and 3 were added/amended.
17/04/2020	4.0	Final	New question: 3.5.
01/05/2020	5.0	Final	New: 3.11. Amended: 2.6, 3.3 and 3.10.
07/05/2020	6.0	Final	New: 3.13 and 3.19. Amended: 2.10.
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31/07/2020	12.0	Final	Amended: 3.13
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18/12/2020	14.0	Final	Amended: 3.10
28/01/2021	15.0	Final	Amended: 1.5, 2.8 and 2.10
28/05/2021	16.0	Final	Amended: 3.9 and 3.12 Information concerning “wet signatures”, referred to in previous versions in 3.10 and 3.11, have been combined into a new answer/question 3.10.
25/06/2021	17.0	Final	New: 3.11 and 3.12 Amended: 3.10 and 3.14
13/08/2021	18.0	Final	Amended: 3.14
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04/02/2022	20.0	Final	Removed: 1.2, 1.4, 1.5, 2.1, 2.6, 2.7, 2.8, 2.10, 2.11, 2.12, 3.5 and 3.19 N.B. Numbers refer to most recent previous version. Amended: 1.3, 1.4, 1.5, 1.6, 2.3 and 2.4
11/02/2022	21.0	Final	New: 1.9 and 2.4 (these questions were removed from version 20.0 but have been reinserted).
11/03/2022	22.0	Final	‘Retrospective unit cost’ clarification added on page 4. Notes section of Version 20.0 updated to clarify which questions and answers have been amended.

27 March 2020

Dear Lead Partners,

The Managing Authority in Scotland has received a large number of queries from Lead partners, delivery bodies and representative organisations over the past two weeks. **This Q&A document seeks to address some of the most common queries.** We will update this document as changes occur.

In the current circumstances, we recognise that there will be very different and reduced programme activities, very different models of delivery and vastly different working arrangements. Evidence of activity and outputs, achievement of targets and milestones, staffing levels and arrangements will all be severely impacted for the duration of the COVID-19 disruption and possibly beyond.

We fully understand and accept this. In the circumstances we simply ask that **as far as possible you continue to deliver where and however you can, making sure to keep a robust audit trail.**

In the meantime we promise to:

- Continue to make all payments as promptly as we can
- Be flexible about all processes and procedures for you to continue to deliver all European structural fund operations where possible.
- Issue a regular update including any updates to this Q&A document to maintain communication flows

I hope this provides some clarity and reassurance and will enable you to continue to deliver your extremely valuable work under these very difficult circumstances.

Kind regards,



Hilary Pearce
Head of the Managing Authority
Deputy Director, European Structural Funds and State Aid Division

The Scottish Government continues to publish up-to-date statistics and information about its response to COVID-19 on its website. This includes advice and guidance for individuals, employers and communities across Scotland. This advice can be found at: <https://www.gov.scot/coronavirus-covid-19/>

We recommend that Lead Partners (LP) and Delivery Agents (DA) familiarise themselves with the Scottish Government's wider COVID-19 guidance and continue to visit the above website to stay up-to-date.

If you should experience any impact on the delivery of your structural fund project as a result of COVID-19, please refer to your Portfolio & Compliance Manager (PCM) or Senior Portfolio & Compliance Manager (SPCM) contact for further advice.

In the meantime this Q&A document has been produced for LPs and DAs to refer to before contacting the Managing Authority (MA). It is organised into two sections:

1. Claims and delivery of ESF/ERDF operations
2. Eligibility and audit requirements

Please note that this guidance does not relate to the retrospective unit cost exercise (or 'employment related counselling service' units) unless specifically stated, as there is a separate methodology document in place that sets out all relevant guidance and procedures

1. CLAIMS AND DELIVERY OF ESF/ERDF OPERATIONS

1.1 Will the MA continue to process claims?

Yes. We recognise how important it is at this time of uncertainty for organisations to maintain cash flow and avoid unnecessary disruption to project finances. Where you are able, please continue to submit claims along with all supporting documentation as normal.

1.2 With almost everyone working from home, what arrangements are in place to ensure that claims are continued to be paid and that this is done securely?

Staff in the MA, like all other Scottish Government staff, work on official secure devices so there are no security issues and claims will continue to be processed.

1.3 Usually we would have to submit a letter from a designated signatory before the MA will examine a claim. Due to the COVID-19 disruption, would you accept a copy of an unsigned letter from a designated signatory's official email address?

Yes - the letter should be attached to an email and should be sent from the official mailbox of the designated signatory (if the official signatory is not available, copying their mailbox will suffice).

1.4 How do I inform and get agreement from the Managing Authority for changes to project activity as a result of COVID-19?

In the first instance you should contact your PCM by email clearly setting out all of the changes that you anticipate. Your PCM will consider and confirm the MA's consent (where possible) in email form.

1.5 What are the consequences of Lead Partners' reducing outputs and results due to COVID-19?

If LPs are unable to deliver their outputs and results because of COVID-19, they should in the first instance contact their PCM as soon as possible for further advice.

1.6 Would we be able to support the same SME more than once, if they need extra support due to COVID-19?

The MA recognises that LPs may not be able to deliver operations as planned. This will be dealt with on a case-by-case basis so LPs should contact their PCM for further advice.

N.B. LPs should avoid double counting of output indicators where these have been previously claimed. LPs should also check the EC Temporary Framework for State Aid to ensure that aid provided to SMEs is within the agreed limits.

1.7 We have a company that cannot keep a participant on due to the current situation. Should we halt the wage subsidy period and then start up again when things return to normal and the participant restarts with the employer?

If the placement is suspended, the wage subsidy should be halted for the period. It should restart again when the participant restarts with the employer.

1.8 Some LP organisations are allowing the use of an email confirmation as acceptance of the contract, where it is not possible to get contract signed. Is this acceptable for procured activities?

E-mails from appropriate accounts are acceptable in the interim. Signed acceptance should follow when this becomes possible.

1.9 Can someone who was furloughed from their job be supported with ESF to gain additional transferable skills?

People who were furloughed can be supported with ESF, as long as they met the standard criteria of the ESF priority and had two barriers to employment.

2. ELIGIBILITY & AUDIT REQUIREMENTS

2.1 Will project costs continue to be eligible where official restrictions are in place which affect 'business as usual' activity?

Any necessary costs that have already been approved by the MA, are featured within the Operation approved application form and Financial Annex will continue to be eligible, even in situations where offices have been forced to close and staff are working at home or project activity is reduced (for example, staff costs). As with all costs agreed by the MA, there is an expectation that value for money is secured and where savings or reductions can be made then these options should be explored where possible.

2.2 Can staff costs continue to be claimed?

Staff costs for LP/DA contracted to work on the operation continue to be eligible and should continue to be claimed in line with the organisation's own policies and in accordance with the MA's eligibility rules, as has always been the case. Where the LP/DAs' policies cover extraordinary circumstances (for example, special leave for school closures) these costs continue to be eligible.

Additionally where LP/DAs' policies allow for staff to continue to work at home whilst self-isolating then these costs will continue to be considered eligible. The MA will accept official emails as evidence to confirm what the organisation's policy is for circumstances related to COVID-19. Sick pay continues to be eligible if claimed in accordance with the MA's eligibility rules.

Please note in general salary costs cannot be covered where delivery has ceased. Employers should be referred to the ['Support for Businesses under the Coronavirus Job Retention Scheme'](#) in relation to covering salary costs.

If any organisations start to receive support from the UK Government for ESF/ERDF operations staff, then they need to inform the MA in order to avoid double financing that may result in illegible expenditure.

2.3 If a staff member who is contracted to work 100% on an ESF/ERDF operation is redeployed wholly or partially, would we still be able to claim it as a staff cost?

Staff contracted to work on ESF/ERDF operations continue to be eligible and claimed on that basis. It is up to the LP or DA to determine how they deploy their staff, but the European Commission's regulations state that ESF/ERDF can only be used to support the costs of staff delivering ESF/ERDF activity. However, the LP might want to consider claiming staff replacement costs to cover the post(s) in question and would need to advise their PCM/SPCM in advance of any changes in resources.

As per the national rules, staff who are no longer working on ESF/ERDF activity 100% of the time will be required to keep a timesheet and be claimed on the part-time basis. Please note that the minimum 40% of contracted hours spent on ESF/ERDF activity still applies.

2.4 Where staff were contracted to work 100% on ESF/ERDF activity but had to reduce their hours because of caring responsibilities due to COVID-19 restrictions, are timesheets required?

As long as the staff member spent 100% of their contracted working time on ESF/ERDF activity, the staff costs continue to be eligible and no timesheets are required.

2.5 Some staff are not able to print/sign/scan timesheets when they are remote working. Would emails from staff be sufficient?

Yes, as long as this email comes from the staff members' mailbox, is copied to the line manager/HR/Finance representative and is retained on file. This may apply to documents that should have been supplied before 16 March 2020 and are now being corrected and resubmitted retrospectively. The LP is responsible for documenting the issues leading to the resubmission.

2.6 If staff are off sick, we are concerned at the impact this will have on the finances we can claim. Can we (a) increase the percentages claimed by other employees who are not currently claiming 100% of time and (b) can we bring in staff replacement cover (assuming we need a contract in place for them prior to them delivering)?

(a) Yes. Part time staff can increase their percentage to cover sick absence, however the 40% minimum rule will still apply.

(b) Staff replacement cost is eligible usually for long term sick absence. However, given the current circumstances, short term replacement costs are eligible as long as there is a contract in place prior to the staff member delivering.

2.7 If staff need to self-isolate due to COVID-19 and this is classed as sick leave, can this be claimed as an eligible cost?

For COVID-19 cases, sick pay is eligible up until the point it is recoverable from HMRC.

The current UK government guidance states that: "If you're self-isolating because of COVID-19, you can get SSP if you're eligible. You should tell your employer as soon as possible." Further information can be found at: <https://www.gov.uk/statutory-sick-pay>

For all non COVID-19 cases, the current National Rules continue to apply.

2.8 Face-to-face support to participants and businesses has now ceased and is being delivered remotely i.e. telephone/email/MS Teams. Can alternative methods of providing evidence of this support be used, such as:

- notes of the discussion
- email verifications for registration/attendance records/achievements of results that are not signed by the participant/business
- Microsoft forms that gather registration information and trail consent from participants

Yes, under the current circumstances the MA accepts this approach. All notes of discussions should be retained alongside the date/time.

2.9 If we cannot provide a “wet signature” from participants, what alternative forms of evidence would be acceptable for audit purposes in ESF-supported operations?

a) Scanned signatures, with no further supporting evidence as outlined below, are not acceptable as there is no way of proving that the signature belongs to the person or that they were attached to it.

b) Electronic signatures are acceptable as eligible evidence provided that they meet the conditions set out in the eIDAS regulation (<https://ico.org.uk/for-organisations/guide-to-eidas/what-is-the-eidas-regulation>). The eIDAS Regulation is an EU Regulation that sets out rules for electronic identification and trust services. These services help verify the identity of individuals and businesses online or the authenticity of electronic documents.

c) The MA will accept an email confirmation from a participant in place of a “wet” or fully electronic (eIDAS) signature, provided the following conditions have been met:

- The email used belongs to the participant and matches the email address on the registration form. In order to validate the participant email address the LP/DA must do the following:
 - For new participants the LP/DA should email the participant to confirm the registration details are correct and request a response. It is for Lead Partners to decide the means of confirming the registration details e.g, email the registration document or screenshot of form. Registration details must include name, address, DOB, NINO and telephone number.
 - For existing participants the LP/DA should take a screen print of the registration form and email this to the participant and seek confirmation by return. The screen print should include name, address, DOB, NINO and telephone number.
 - Ensure it is supported by a package of evidence confirming that individual’s eligibility (e.g. for ESF, evidence of right to live and work in the UK along with priority level eligibility).

The above can then be considered to meet the fundamental requirement set out for the electronic execution of documents - ‘intention to authenticate clearly expressed & with corresponding audit trail to support intention’. Therefore, if it can be evidenced that these arrangements are in place, this will negate the requirement to retrospectively revisit evidence at a future point in time and once COVID-19 restrictions have been lifted.

2.10 If a Delivery Agent is unable to get an email address validated because the participant is not responding, do they still have the option of making 3 attempts to validate the participant’s email address and keeping evidence of attempts for audit purposes?

For participants there has to be either a ‘wet’ signature, fully eIDAS-compliant electronic signature or a validated email address, otherwise the participant will be marked as unsupported.

2.11 Instead of using emails, would screen-prints of WhatsApp conversations be acceptable?

WhatsApp and text messages are acceptable, as long as the mobile phone number is visible and the telephone number of the participant reconciles with other evidence noting the number for the particular participant.

2.12 If we have already secured a “wet signature” from a participant during their registration and are engaging with them via telephone support/online activity, what evidence would be sufficient for audit purposes?

The MA requires that a record of telephone conversations and screenshots evidencing online activity are retained. If the engagement has resulted in an update to the participant’s action plan, the LP or DA should send the updated document to the participant’s registered email address.

2.13 Because of the lockdown, we are unable to receive original supporting evidence from participants (e.g. passports, birth certificates). Can we accept photocopies/screenshots in the meantime?

Due to the COVID-19 disruption, photocopies or scanned copies of supporting evidence are acceptable provided that they have been sent from the validated email address of the registered participant.

Photographs or screenshots of the supporting evidence are acceptable, as long as they are clear and legible and have been sent via a validated email and text message that can be identified as coming from the participant. For WhatsApp or similar social media platforms, please check with your Data Protection team to ensure that this is in accordance with your organisation’s policy.

2.14 If participants are unable to produce print-outs of Universal Credit statements, can we accept screenshots from mobile phones and tablets?

Due to the COVID-19 disruption, screenshots of Universal Credit statements from mobile phones and tablets are acceptable, instead of a hard copy. The screenshots must display the breakdown of payment and the statement page, along with the participant’s name and address. The request for the screenshot from the LP/DA to the participant must be included to confirm the participant’s email address.

2.15 Can we claim job outcomes if participants gain temporary employment during the COVID-19 disruption?

Job outcomes can be claimed for temporary employment that lasts a period of three months or more. A robust audit trail must be maintained; contracts must clearly state the detail of the work being undertaken and the length of the employment period. Due to the nature of temporary employment, LPs should obtain the necessary supporting information as early as possible. The MA will continue to keep this under review to take account of any ongoing disruption.

2.16 Would cancellation fees be eligible?

Where a LP/DA has incurred costs for activities that could not be delivered due to events or decisions beyond their control (e.g. meetings are cancelled by third parties or following Government advice), that expenditure will be eligible as long as reasonable steps have been taken to minimise that cost.

2.17 I have a few businesses who have been in touch regarding employer recruitment incentives and how this will work with HMRC's furlough (80% salary). Can I have some guidance from the MA as to what will be eligible?

As 80% of the costs are covered by HMRC then the employer recruitment incentive should be stopped for the period, otherwise this is considered double funding and therefore ineligible.

2.18 If DAs are accessing other forms of financial support (e.g. Third Sector Resilience Fund), what is the responsibility of LPs to reduce the risk of duplication of funding?

LPs are required to ascertain from their DAs if any of them have accessed other sources of funding and what costs have been covered. In terms of an audit trail, LPs should retain a copy of the award letter that was issued to the DA confirming the other funding and any other relevant correspondence. It is the responsibility of LPs to ensure that there is no duplication of funding – where this has been identified, these costs should not be included in any future claim for ESF/ERDF.

**Managing Authority
11 March 2022**