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# Switched on Towns and Cities Challenge Fund

Claims Process and Quarterly  
Reporting Requirements

## Disclaimer

Grantees should be aware that as the Switched on Towns and Cities (SOT&C) Challenge Fund is a new programme, the guidance will be reviewed as the programme evolves and therefore may be subject to change. Transport Scotland reserves the right to amend the published guidance during the period of the programme.

Version Control				
Date	Issue	Status	Author	Authorised by
13/03/19	V1	Draft	GM	GC
01/05/19	V2.0	Final	GM	AR

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## 1 Introduction

This document is for Grantees and provides guidance on the claims process and reporting requirements for the Switched on Towns and Cities (SOT&C) Challenge Fund, reflecting the requirements set out in grant offer letters.

Samples of the *Grant Claim Form*, *Statement of Compliance with Conditions of Grant* and *Quarterly Progress Report Template* are provided at Annex A, B and C. Word versions of these documents can be downloaded from [Transport Scotland's website](#).

For any questions please [email Transport Scotland](#).

## 2 Claims process

Claims are to be submitted to Transport Scotland on a quarterly basis. Grantees must ensure from the outset that robust and suitable systems are in place to maintain adequate audit trails and manage information efficiently and effectively. This information will not only need to be summarised and presented with the claim, but also retained and made available for audit.

### 2.1 General principles

Based upon the financial year (1 April to 31 March) claims are to be submitted in arrears on a quarterly basis and only eligible expenditure defrayed (i.e. paid) by the end of that period can be included in the claim for reimbursement.

Where Grantees (and/or project partners) are providing match funding towards the eligible project costs, the grant payment is calculated as percentage of the eligible expenditure detailed in the claim. See Table 1 below for a worked example of these principles.

Details from Grant Offer Letter	
Eligible project costs up to (£)	£2,500,000
Grant up to (£)	£1,875,000
Maximum grant rate (%)	75%
Applicant match funding (£)	£625,000
Applicant match funding rate (%)	25%
Example Calculations for Quarterly Grant Claim	
Eligible defrayed expenditure associated with quarterly claim: (£)	£100,000
Grant rate: (%)	75%
Grant requested with this claim: (£)	£75,000

**Table 1**

In the event no expenditure has been defrayed during the relevant quarter, Grantees must still submit a quarterly progress report.

Grantees must notify Transport Scotland promptly if, at any time, they become aware that they are unable to make a claim in accordance with the outlined timescales or in accordance with the expenditure profile.

Claims will only be processed once Transport Scotland is satisfied that all information is present and complies with the terms and conditions of the grant offer letter.

### 2.2 Timeframes

Claims are to be submitted within four weeks following the end of the relevant quarterly period. They must be in arrears, based upon expenditure defrayed within the previous quarterly period (based upon a financial year 1 April to 31 March).

Transport Scotland will endeavour to pay grant claims within four weeks of receiving a completed claim.

### **2.3 Claim documentation**

Claims must include:

- the completed claim form
- appropriate documentation for all non-staff costs evidencing they have been defrayed (e.g. receipted invoice)
- where claims include charge point installations, commissioning certificates should also be submitted

Supporting evidence for defrayal of staff costs is **not** required. Transport Scotland will accept the annual submission of the Schedule Three – Statement of Compliance form as confirmation that staff costs (direct and indirect) have been incurred and defrayed appropriately, in addition to all other costs associated with the project.

A claim is only considered complete when the claim form has been correctly populated, signed in ink (by an individual with the authority to do so) and submitted to Transport Scotland along with the associated supporting evidence (non-staff costs only). Until this is provided, payments cannot be processed.

Claim paperwork should be posted to:

Switched on Towns and Cities  
Ultra-Low Emission Vehicle Delivery Unit  
Low Carbon Economy Directorate  
Transport Scotland  
8th Floor  
Buchanan House  
58 Port Dundas Road  
Glasgow  
G4 0HF

### **2.4 Eligible and ineligible costs**

The quarterly expenditure profile agreed with Transport Scotland will include the eligible costs of the project that are linked to the outputs in Schedule One of the grant offer letter.

In relation to eligible staff costs for project management, staff must be employed 100% of their time on the project, and a flat rate of up to 15% may be applied to these direct staff costs in order to cover indirect staff costs. Direct staff costs should only relate to staff costs appearing on the Grantee's payroll and should include

basic salary, employer's national insurance and employer's superannuation contributions.

However it should be noted that direct staff costs will not be eligible where staff are not engaged on the project 100% of the time including, for example, statutory requirements such as maternity, paternity and statutory sick pay. Schedule One, part 1 of the grant offer letter provides further information associated with direct staff costs and indirect staff costs.

Where a project includes the procurement of electric vehicles, eligible costs include:

- the cost of purchasing the plug-in electric vehicle including the cost of telematics, net of Plug-in Grant
- the cost of leasing the plug-in electric vehicle battery for a period of up to three years where the battery is leased but the vehicle is purchased
- the cost of leasing the plug-in electric vehicle including the cost of telematics for a period of up to three years

Switched on Towns and Cities grant funding will **not** cover on-going costs associated with vehicles (e.g. servicing; maintenance; insurance; additional training - see Schedule One, part 1, condition 4.2 of the grant offer letter).

Should Grantees wish to arrange a servicing/maintenance package as part of a vehicle lease, they must ensure sufficient internal budget/funding arrangements are in place to cover these costs. Claim paperwork must also give a breakdown of the lease cost in order to allow identification of the rental and service costs.

In the event that the Grantee or any project partner is not eligible to reclaim VAT from HMRC (i.e. is not VAT registered), this cost can be added to the grant claim, however the details (e.g. claimant and amounts) should be made clear to Transport Scotland in the claim form and supporting documentation.

Where the project includes the installation of electric vehicle charge points, eligible costs shall include:

- the full costs associated with charge point installation and commissioning
- appropriate signing and lining of associated parking bays and directional signage
- the cost of purchasing, at time of installation, a five year warranty including annual servicing
- the cost of purchasing, at time of installation, a SIM card and associated five year data contract

#### 2.4.1 Quarterly grant claim form

A sample version of the quarterly Grant Claim Form is provided at Annex A. A Microsoft Word version of this document can be downloaded from [Transport Scotland's website](#).

The layout of this form must not be amended or changed in any way except for inserting additional lines/rows within the “Items of Expenditure” tables if required. When describing the item for which funding is being claimed, it is important that the description is clear, and detailed enough to allow Transport Scotland to consider its validity. In most instances, a one word description or the use of an acronym without further explanation will not be sufficient.

Items of expenditure repeated from claim to claim will also require complete descriptions each time they are claimed. Grantees cannot rely on descriptions used in earlier claims to inform later claims.

Please note that:

- all expenditure being claimed must fall within the scope of the agreed project activities and expenditure profile
- to be eligible for grant, all expenditure must have been incurred and or defrayed within the project period (i.e. between the project start and end dates)
- all expenditure declared within the claim must be defrayed by the end date of the relevant quarterly claim period

#### 2.4.2 Supporting evidence (non-staff costs only)

Supporting evidence is required for each item of expenditure being claimed for (excluding both direct and indirect staff costs).

You will be required to assign a unique reference number to each claim item, as detailed in Table 2 in the Items of Expenditure section of the Grant Claim Form. Supporting documents should be labelled and annotated with the relevant reference number in order to easily relate them to claim items.

All amounts included in the Grant Claim Form must be easily identifiable in the associated evidence. If the amount being claimed results from a calculation, this calculation needs to be made explicit. Transport Scotland will not assume how the calculation was made.

For defrayed costs of electric vehicle charge points, the supporting evidence provided with the Grant Claim Form should also include the final commissioning certificate provided by the ChargePlace Scotland Charge Point Network Operator, Charge Your Car.



## 2.5 Financial year-end process

To allow Transport Scotland to accurately accrue expenditure at the end of the financial year, Grantees will need to provide written confirmation of the amount of grant defrayed in the last quarter (up to and including 31 March). This must be [emailed to Transport Scotland](#) by 5 April of the relevant year.

Grantees must also within one month following the end of each financial year in respect of which the Grant has been paid, submit a Statement of Compliance - Schedule Three, **signed by the Grantee's Director of Finance or equivalent**, to Transport Scotland. An example of the Statement of Compliance is provided at Annex B. A Microsoft Word version of this document can be downloaded from [Transport Scotland's website](#).

This should be posted to:

Switched on Towns and Cities  
Ultra-Low Emission Vehicle Delivery Unit  
Low Carbon Economy Directorate  
Transport Scotland  
8th Floor  
Buchanan House  
58 Port Dundas Road  
Glasgow  
G4 0HF

### **3 Quarterly progress reporting requirements**

#### **3.1 Quarterly progress report**

A quarterly progress report should be submitted with each grant claim, along with an updated expenditure profile and project plan.

The quarterly report should provide clear detail of project progress, both physically and financially since the last report submission in line with the project plan.

The report will cover the following topic areas:

- progress against project milestones
- activity planned for the next quarter
- financial performance
- progress against achieving project outputs
- project outcomes
- communication/outreach activities
- project risks

It is expected that Grantees will have a risk management strategy in place and will maintain a risk register throughout the life of the project. The project risk register should inform the content of the quarterly reports.

A sample version of the quarterly progress report is contained in Annex C. A Microsoft Word version of this document can be downloaded from [Transport Scotland's website](#).

This template should be completed, and then with the updated expenditure profile and project plan, posted to Transport Scotland (see address below) within four weeks of the end of the relevant quarter (see section 2.2) along with the completed Grant Claim Form and supporting documentation.

Switched on Towns and Cities  
Ultra-Low Emission Vehicle Delivery Unit  
Low Carbon Economy Directorate  
Transport Scotland  
8th Floor  
Buchanan House  
58 Port Dundas Road  
Glasgow  
G4 0HF

### **3.2 Final project report**

On completion of the project, the Grantee will be required to submit a final report to Transport Scotland. This will need to provide detail on the progress against each of the project deliverables, summarising key outputs and findings. Transport Scotland will develop a template that will be made available to Grantees. This report should be submitted within 30 working days following completion of the project.

Separately, the Grantee will be required to monitor and evaluate the project to evidence its outcomes and impacts. The Energy Saving Trust will assist Grantees with the development of monitoring and evaluation plans for their projects with the expectation that these will be used to capture and report on project outcomes and impacts beyond the funding period of each project.

## Annex A

Sample grant claim form

Part 1

<b>Organisation:</b>	«Name and Address»
<b>Bank details:</b>	«Name and address, sort code, account number»
<b>Grant Scheme:</b>	Switched On Towns and Cities Challenge Fund – Round 1
<b>Total agreed grant (£):</b>	
<b>Grant claimed to date (£):</b>	

Part 2

<b>Claim number (1, 2, 3 etc.)</b>	<< Claim (1-8) >>
<b>Quarter and financial year that claim relates to: Q1, Q2, Q3 or Q4</b>	
<b>Total eligible expenditure associated with this claim: (£)</b>	
<b>Grant Rate % (as specified in Offer of Grant):</b>	
<b>Grant requested with this claim: (£)</b>	

### Items of expenditure

Please list in the tables below, all discrete items of expenditure relevant to the above period and, where appropriate (i.e. non-staff costs only), the reference number(s) for the documentary evidence submitted to substantiate each amount. The totals in Tables 1 and 2 should add up to the total expenditure claimed for the period.

1. Staff costs

Staff name	Direct Staff Costs*	Indirect Cost* (up to 15% of Direct Staff Costs)	Direct + Indirect total
<b>Total (£)</b>			

\*As per definitions in Schedule Four offer of grant

2. Non-staff costs

Item	Amount (£)	Evidence Provided for Defrayed Costs?	Reference Number
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
<b>Total (£)</b>			

We hereby claim «total» grant of «£XX» in respect of the above period in accordance with the terms and conditions of the offer of Grant dated [Click here to enter a date.](#) and the Schedules attached thereto.

Completed by:

Position:

Contact Details:

Date:

Once completed, please post this form, along with the supporting evidence to:

Switched on Towns and Cities  
Ultra-Low Emission Vehicle Delivery Unit  
Low Carbon Economy Directorate  
Transport Scotland  
8th Floor  
Buchanan House  
58 Port Dundas Road  
Glasgow  
G4 0HF

## **Annex B**

### **Sample - statement of compliance with conditions of grant**

Switched on Towns and Cities Challenge Fund - «Name of the Project»: R1/2018/0

This is to confirm that the grant claimed by «name of Grantee» in relation to the above project during the financial year ended 31 March 20«XX» was properly due and was used for its intended purpose(s) in accordance with the terms and conditions of the Grant. This statement is supported by the records of «name of Grantee».

Signed:

Name in block capitals:

Position:

Date:

Once completed, please post this form to:

Switched on Towns and Cities  
Ultra-Low Emission Vehicle Delivery Unit  
Low Carbon Economy Directorate  
Transport Scotland  
8th Floor  
Buchanan House  
58 Port Dundas Road  
Glasgow  
G4 0HF

## Annex C

### Sample quarterly progress report template

<b>Project reference number:</b>	<< R1/2018/0 >>
<b>Local authority name:</b>	
<b>Project name:</b>	
<b>Reporting period:</b>	<< Quarter (MMM 'YY – MMM 'YY) >>

Copies of the updated *Expenditure Profile* and *Project Plan* should be provided along with this report.

Sufficient information should be provided in the sections below to cover all points raised in the guidance notes. (Text boxes can be expanded if required).

#### 1. Milestones

Please provide summary information on progress against the project milestones up to the end of this quarter **based upon the agreed project plan**. You should use this section to highlight:

- which milestones have been completed on time
- whether the project is running on time and to budget and is on track to meet all milestones
- whether problems have been identified with delivery and/or resourcing and if a plan is in place to address these.

As well as providing an updated project plan with this report, where there has been slippage against milestones, please ensure that this is highlighted with commentary on any implications and mitigation plans.



## 2. Activity planned for next quarter:

Please provide summary information planned for the next quarter making reference to the milestones set out in the project plan and any updated version of this.

## 3. Financial performance

Please provide summary information on the financial performance of the project up to the end of the quarter, **based upon the agreed quarterly expenditure profile**. Please highlight where there has been slippage in profiled expenditure or variation between agreed budget lines. An updated expenditure profile should be included with this report.

## 4. Project outputs

Please provide summary information on progress against achieving project outputs. This should make reference to the project outputs set out in the grant agreement in Schedule One.

### 5. Project outcomes

Use this section to provide summary information on **activities** relevant to the monitoring and evaluation of project outcomes (e.g. activities relevant to the development of a monitoring and evaluation plan / data capture etc). Please note that monitoring and evaluation of project outcomes is subject to separate reporting.

### 6. Communication/outreach activities

Please report on any publicity and/or outreach activity that has taken place during the quarter. This may include publicity material, leaflets, press releases, newspaper articles, public engagement events etc.

### 7. Project risks

Please provide details of any on-going or newly identified risks this quarter. Please note that risks should be taken from the project's risk register using the RAG description key below.

<i><b>Date identified</b></i>	<i><b>Risk description</b></i>	<i><b>RAG/ score</b></i>	<i><b>Mitigation strategy</b></i>

**8. Project/Key issues**

Please provide details of any on-going or newly identified issues this quarter. Please note that issues should be taken from the project's issues register.

<i><b>Date identified</b></i>	<i><b>Issues description</b></i>	<i><b>Mitigation strategy</b></i>

**RAG description key (from risk register)**

5	Almost certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Possible	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5

Completed by:

Position:

Contact Details:

Date:

Once completed, please post this form, along with the updated expenditure profile and project plan to:

Switched on Towns and Cities  
 Ultra-Low Emission Vehicle Delivery Unit  
 Low Carbon Economy Directorate  
 Transport Scotland  
 8th Floor  
 Buchanan House  
 58 Port Dundas Road  
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**Transport Scotland**

Buchanan House,  
58 Port Dundas Road,  
Glasgow,  
G4 0HF

0141 272 7100

info@transport.gov.scot

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Published by Transport Scotland, May 2019

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