



Department
of Health

Guidance to the Air Ambulance Charities Grant Scheme

A grant to cover the VAT costs on aviation fuel
2014 – 15

Title: Guidance to the air ambulance charities grant scheme
Author: Finance & NHS Directorate/ NHS Group/ NHS Clinical Services / cost centre
Document Purpose: Guidance
Publication date: 27 March 2015
Target audience: Air Ambulance Charities in England, Wales, Scotland and Northern Ireland
Contact details: The Air Ambulance Grant Scheme The Department of Health Room 229, Richmond House 79 Whitehall London SW1A 2NS Domain3NHSClinicalServices@dh.gsi.gov.uk

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Guidance to the air ambulance charities grant scheme

A grant to cover the VAT costs on aviation fuel
2014-15

Contents

Contents.....	4
Introduction	5
Summary.....	6
Completing the application form.....	9
Frequently asked questions	11

Introduction

The Air Ambulance Charities Grant Scheme makes grants towards the VAT incurred by purchasing fuel for the delivery of air ambulance services for NHS ambulance services.

This guidance is designed to help you complete your application. *Please read this carefully before completing the application form.*

In the United Kingdom, there are three operating models for air ambulance charities:

- The 'wet lease' model – where charities contract with a third party provider to provide the aircraft and fuel;
- The 'dry lease' model – where charities contract with a third party provider to provide the aircraft but not the fuel; and
- The owner/operator model – where charities own and operate their own aircraft in partnership with another organisation or alone.

Under the 'wet lease' model, air ambulance charities lease an air ambulance at the zero rate of VAT and as the fuel is part of that lease agreement, it forms part of the zero rated supply of an ambulance. Air ambulance charities which operate this model are exempt from the scheme because they do not incur VAT on aviation fuel.

Under the 'dry lease' model, some fuel purchased through the lease arrangement will be VAT exempt e.g. if the fuel is brought from the lessor under a separate contract and in accordance with that contract. Some air ambulance charities choose to source their fuel from elsewhere and do pay VAT.

Under the owner/operator model, air ambulance charities pay VAT on purchases of aviation fuel because the provision of a free ambulance service is not a business activity.

Air ambulance charities that operate under the owner/operator model or the dry lease model and are paying for VAT on fuel are eligible to make applications for grants under this scheme.

Summary

Funding available

The scheme has a budget of £65,000 for the year 2014/15.

We are confident that this funding will enable full compensation for claims under the scheme.

In the unlikely event that the total value of claims received exceeds the £65,000 limit, then the total value of claims will not be reimbursed. In these circumstances, the grant scheme will share the £65,000 between the claimants to cover an equal percentage share of each claim.

For example, if five claims are received totalling £79,000, each claim would receive around 82%¹ of their total claim.

Claim 1	£15,000	£12,341.77
Claim 2	£12,000	£9,873.42
Claim 3	£20,000	£16,455.70
Claim 4	£25,000	£20,569.62
Claim 5	£7,000	£5,759.49
Total Claimed/Received:	£79,000	£65,000.00

Advanced notice will be given should there be a need to introduce such a cap to the payments.

The Scheme

The scheme will only accept one application per air ambulance charity for 2014-15, that being the period in which the scheme will be live.

The Air Ambulance Charities Grant Scheme:

- applies only to air ambulance charities in England, Scotland, Wales and Northern Ireland that pay VAT on aviation fuel;
- only accepts annual applications made in arrears;

¹ 82.2784810126582% (total value of grant scheme divided by total value of claims).

- only accepts claims where invoices cover fuel purchased within the scheme's operational period (2014/15); and
- will only accept claims submitted on or before 1 July 2015, that being the deadline.

Payments

Payments will be made once and we will publish the value of the claims made against the budget on the internet at www.gov.uk.

We aim to pay eligible claims within 30 calendar days of the deadline, where they are accompanied by the correct documentation, and once any queries have been resolved. Large and complex claims and those submitted without the correct and complete documentation are likely to require a longer processing period to allow queries to be resolved.

VAT invoices

You must submit with your application a nominal report from your accounts system detailing the following information on each invoice:

- Date of invoice;
- Invoice number;
- Supplier name;
- Gross value; and
- VAT amount being reclaimed.

Claims will not be paid without this report.

The Department reserves the right to select claims for audit. If the claim is selected for audit, you will be asked for a sample of invoices that make up your claims

The scheme will run an annual application process for 2014-15. Invoices will not be accepted where they cover fuel purchased within a previous application year process or dated when the scheme is not active².

² Either before or after 2014/15

All invoices must bear the contractor's VAT registration number and the date of issue. If these details are not present your claim will be rejected.

Only aviation fuel for which VAT has been correctly charged and has been paid are eligible.

An application may comprise a number of smaller invoices, but each claim must apply to fuel purchases that are eligible under the scheme.

Completing the application form

Please complete the application form clearly and ensure all sections are completed. This will help to prevent delays in processing and payment of your claim.

The preferred method of submitting your application and supporting documentation is via email with the subject “Air Ambulance Charities Grant Scheme Application” to:

Domain3NHSClinicalServices@dh.gsi.gov.uk

However, should you wish to send your application form in hard copy, please send your completed form to Air Ambulance Charities Grant Scheme, The Department of Health, Room 229, Richmond House, 79 Whitehall, London SW1A 2NS.

We strongly recommend that you obtain proof of postage, and retain a copy of your application and all supporting documents.

Section 1: Contact Details	Instructions
Correspondence Details	<p>Please provide the name of whoever would be best placed to deal with queries, should the need arise.</p> <p>You should also be aware that this individual will receive all correspondence (including payment remittance and returned invoices).</p> <p>The grant administrators are not able to speak to any other individual regarding resolution of queries.</p>

Section 2: Your claim

Example of a claim is shown below

Quarter	Net amount	Total amount of grant claimed for this invoice
1	£1,500	£300

You must also provide a simple report detailing all the individual invoices. The report must include the following information on each invoice:

- Date of invoice;
- Invoice number;
- Supplier name;
- Gross value; and
- VAT amount being reclaimed.

Section 3: Your payment details

Payments will only be made to bank/building society accounts authorised for official use by the air ambulance charity to which the application relates.

Section 4: Declaration

This should be signed by an authorised individual in the air ambulance charity.

Please ensure all declarations are ticked as incomplete applications will be returned.

Frequently asked questions

INVOICE / VAT QUERIES

Can I apply if I've lost my VAT invoices?

You can apply with a copy of the original invoice; however you may be required to supply a further copy marked as a true and certified copy, signed and dated by the contractor if your claim is selected for a post payment audit.

Can I apply if I haven't paid my VAT invoice?

No. You must have paid your VAT invoice prior to applying for a grant under this scheme.

Can I submit invoices from a previous financial year?

No, invoices will not be accepted where they are for fuel purchased within a previous application year process or dated when the scheme is not active³.

APPLICATION FORM QUERIES

The people signing the form will not have full knowledge of the works carried out, does this matter?

The contact specified on the application should have knowledge of the works carried out. This is the person to whom we will address all queries, and return all paperwork. We will not communicate with any third party (e.g. contractor, architect, or other alternative contacts).

The signatories are responsible for the declarations made on the application form.

Who can sign/countersign the application?

The signatory/counter signatory must be someone who holds a suitable responsible position within the charity i.e. a Director or Trustee of the charity.

Will the information submitted on the application form be shared with other statutory agencies?

Yes, statutory agencies will be notified of all grants awarded under the scheme. This is to avoid the possibility of public money being paid inappropriately.

³ Either before or after 2014/15

GENERAL QUERIES

Do I need to register with the scheme prior to applying?

No, there is no requirement to pre-register.

Is there a limit to the number of applications that I can submit?

Yes, only one application can be made per financial year.

What is the deadline / time limit for a claim to be submitted?

The deadline for the application forms to be submitted is 1 July 2015.

Appeals – What if I disagree with the grant I am paid for a claim?

In the first instance, you should submit your complaint to Domain3NHSClinicalServices@dh.gsi.gov.uk. If the matter remains unresolved, you can apply to the Department to undertake an internal review for a final decision.

In making an application can we nominate whom payments are made to?

Payments should be made to the organisation that incurred the VAT cost for the fuel – normally this would be the air ambulance charity.

What about the VAT I pay after 2014 – 15?

Her Majesty's Treasury (HMT) has announced that from April 2015, UK search and rescue and air ambulance charities will be eligible to claim refunds on VAT they have paid on purchases of goods and services for their non-business activities – this includes the VAT on fuel.

This is a different scheme to the one outlined here and will be administered by HMT separately.