

Due Diligence Form

Please submit the below documents and complete the company information and 28 questions below (in English) to XXXXXXXXXXXXX

- 1 A scanned copy of Business License and Tax License of leading and all partner implementers.
- 2 Organogram and description of your team's key roles in this programme. Include names and responsibilities of the Executive Directors and Partners of your organisation.
- 3 Risk Management Policy
- 4 Anti-corruption and fraud policy
- 5 Your organisation's Audited financial accounts for the last 2 years of trading (including as a minimum a profit & Loss Account and Balance Sheet). This will be "confidential"
- 6 Whistleblowing policy
- 7 Safeguarding policy
- 8 Procurement policies
- 9 Health and Safety policy

Please make reference to the relevant policy documentation when answering the questions below.

Please note BEIS reserves the right to seek and act upon independent legal, financial or market advice to corroborate information provided or to assist in its evaluation.

| No. | Category | Question | Response |
|-----|---------------------|--|----------|
| A | Company Information | <p>Please state the full name of the organisation, the registered address and provide:</p> <ul style="list-style-type: none"> - VAT registration number or local equivalent (with copy of register) - Names of: immediate parent company and ultimate parent company - Type of organisation: i) public limited company; ii) limited company; iii) limited liability partnership ;iv) other partnership v) sole trader; vi) third sector; vii) other (please specify your trading status). If (i), (ii), (iii) or (iv) apply, please provide Companies House Registration number or local equivalent (upload a copy of register). - Provide brief history incl. details of parent and associated companies and any changes of ownership over the last 5 years including details of significant pending developments, changes in financial structure or ownership, buy-outs and closures which are currently in the public domain. - State if your Organisation is in possession of all relevant licences, required by law, to enable you to operate/carry out your business. - Is it a legal requirement in the State where you are established for you to be licensed or a member of a relevant organisation in order to provide the requirement in this procurement? If yes, please provide details of what is required and confirm that you have complied with this and upload a copy of licenses - Is your Organisation affiliated to a relevant registered professional body? Is your business registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Annexes IX A-C of Directive 2004/18/EC) under the conditions laid down by that member state) or local equivalent, for Companies based outside of the EU? - Are there any court actions and/or industrial tribunal hearings outstanding against your Organisation? If yes, please provide details. - Has your organisation been involved in any court action and/or industrial tribunals over the last 3 years? If yes, please provide details. - Provide copies of Certificates of Incorporation (where appropriate) and any changes of name, registered office and principal place of business. | |
| B | Response | | |
| 1 | Governance | What evidence is there to demonstrate that there is clear segregation of duties Including the decisions made by senior management/challenge process, transparent and conform to the organisations decision making process? | |
| 2 | Governance | How is compliance with laws and regulations ensured e.g. Bribery Act, Terrorism Act etc.? | |
| 3 | Governance | What training is provided to staff in relation to reporting fraud, bribery and corruption? | |
| 4 | Governance | What are the fraud reporting procedures and what action is taken? What evidence is there to demonstrate a zero tolerance approach to fraud at all levels within the organisation and downstream activities? | |
| 5 | Governance | How are risks identified, reported and managed throughout the programme and how frequently does this take place to ensure there are no issues linked to the organisation which might be particularly controversial or pose reputational risks for BEIS and how might these be tempered e.g. open source? | |
| 6 | Governance | How does the ICF-funded project align to your organisation's objectives and core activity? | |

| | | | |
|----|---------------------|--|--|
| 8 | Governance | What steps have the organisation taken to demonstrate they are transparent e.g. a clear transparency or disclosure policy? | |
| 9 | Ability to Deliver | What is the capacity and capability of the organisation to successfully deliver both the portfolio of projects (value and complexity) under its remit and the specific ICF project under review, e.g. operational plan/resource plan/delivering adheres to timetable. | |
| 10 | Ability to Deliver | What evidence do you have (e.g. annual reviews, third party information, and portfolio reviews) of past performance in any similar projects/programmes that you have delivered before? What skills, knowledge and experience does the organisation have of project delivery, ideally in this particular area and region? How successful were you in | |
| 11 | Ability to Deliver | What systems are in place to ensure regular monitoring, reporting and evaluation of the project? What are the processes for monitoring and measuring performance, the successful delivery of all activities and outputs, and impact for BEIS funded projects? Are there monitoring and evaluation policies, procedures and guidelines? Does the organisation | |
| 12 | Financial Stability | Is the organisation financially sound? How is it funded? How much funding is committed? Are there any current identified risks to the financial sustainability of the organisation? | |
| 13 | Financial Stability | How regularly is financial information produced for management? How are financial transactions captured and recorded consistently across the organisation e.g. financial software? Can BEIS funding for this project be separately identified, monitored and reported? | |
| 14 | Financial Stability | What internal/independent scrutiny exists within the organisation i.e. an Internal Audit Department or external Audit Committee? How regularly does the organisation report to these? Are resources sufficient to deliver the annual plan? What internal audit reports are available and how are findings agreed and acted upon? | |
| 15 | Financial Stability | What evidence is there that the organisation is pursuing Value for Money? | |
| 16 | Financial Stability | What evidence exists to ensure the organisation's controls and financial systems are robust and proportionate to the size of the organisation and budget? | |

| | | | |
|----|---------------------|--|-------|
| 17 | Financial Stability | How are transactions managed? How frequent are bank reconciliations undertaken and how are variances investigated? | |
| 18 | Financial Stability | What is the level and extent of delegated authority across the organisation and is it appropriate for the size of the organisation? How are funds authorised at different levels? What expenditure controls are in place and how regularly are these updated to reflect changes in personnel and/or roles and responsibilities? What evidence exists that there is clear segregation of duties between procurement, authorisation of supplier invoices and the authorisation of payment? | |
| 19 | Financial Stability | What procurement systems and processes are in place; is there a policy which is clear, up-to-date and communicated to all staff to ensure compliance, and ensure transparency and probity? | |
| 20 | Downstream Activity | What evidence is there that the organisation can clearly trace the flow of funds to partner implementers and beneficiaries? | |
| 21 | Downstream Activity | How does the organisation monitor the financial and operational performance of its partner implementers? | |
| 22 | Downstream Activity | What capability and authority does the organisation have to monitor and manage the activities of implementing partners, including methods of responding to poor performance? This may include withholding funding and taking remedial action to improve performance of partners and/or of funded activities; sanctions for non-delivery. | |
| 23 | Safeguarding | What policies/procedures does the organisation have in place to ensure a safe and trusted environment which safeguards anyone who the organisation has contact with, including beneficiaries? | |
| 24 | Safeguarding | What steps has the organisation taken to create a culture that prioritises safeguarding, so that it is safe for those affected to come forward, and to report incidents and concerns with the assurance they will be handled sensitively and properly? | |
| 25 | Safeguarding | What safeguarding policies, procedures and measures are in place to protect people and, how does the organisation ensure these are shared and understood? | |
| 26 | Safeguarding | What evidence is there to show that the organisation has absolute clarity as to how incidents and allegations will be handled should they arise, including reporting to the relevant authorities, including funding partners? | |
| 27 | Other | What other related projects is the organisation currently working on, whether funded by UK government or elsewhere, which may overlap with this project? <i>[please give project title and a couple of bullets on aims, budget and funding source. BEIS will let you know if further information required]</i> | |
| 28 | Gender Equality | What steps has the organisation taken to ensure compliance with the gender Equality Act, including that the project will not reinforce any gender or inclusion imbalances? Are partner organisations, training and event participants gender-balanced? | |
| C | Declaration | I declare that to the best of my knowledge the answers submitted in this questionnaire are correct. I understand that the information will be used in the process to assess my organisation's suitability to receive funding for the proposal submitted. I understand that the Authority may reject this questionnaire if there is a failure to answer all relevant questions fully or if I provide false/misleading information. | Name: |
| D | Declaration | I agree that the Authority may disclose my information/documentation submitted during this procurement more widely within Government for the purpose of ensuring effective cross-Government procurement. | Name: |

T&C's Document 1 GBP under £100k

[CONTRACTOR LETTERHEAD]

Dear **Salutation**

COMMERCIAL IN CONFIDENCE

[Grant title]

This letter (the “**Grant Funding Letter**”) and its schedules set out the terms of the grant agreement (the “**Agreement**”) between the Authority and the **[insert name of recipient organisation]**.

Unless the context otherwise requires, capitalised expressions used in this Grant Funding Letter have the same meanings as in the terms and conditions at Schedule 1.

If there is any conflict between this Grant Funding Letter and the Annexes, this Grant Funding Letter shall prevail. Please do not attach any other terms as they will not be accepted by the Authority and may delay the process.

The Authority in exercise of its powers under **[insert Act of Parliament]**, hereby offers Grant Funding not exceeding **£XXXXXXX** (inclusive of any applicable VAT) in accordance with the terms of this Agreement.

For the purposes of the Agreement, the Authority and the Grant Recipient agree as follows:

The Grant Period shall commence on **[insert commencement date]** and expire on **[Insert end date]**.

[The offer of Grant Funding is conditional on you securing additional funding for the Approved Project from other sources as specified in Schedule 2.]

The address for notices of the Parties are:

Authority:

[CONTRACTOR NAME AND ADDRESS] as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs
Attention: **[Insert grant manager’s name]**
Email:

Grant Recipient:

[Insert grant recipient details – name address etc...]
Attention: **[Insert contact name]**
Email: **[Insert contact email address]**

Payment of Grant

All claims must be submitted by e-mail to the Authority’s Grant Manager, quoting a valid purchase order number (PO Number), at **[email]** (or other address notified to you from time to time for the purpose) and made out to:

[POSTAL ADDRESS]

The Authority Grant Manager is responsible for checking and raising any queries about Grant Claims submitted. Once approved, they will be forwarded to accounts payable at the above

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address for payment. In the case of payment queries or disputes correspondence may be sent to the Grant Manager team email above and if appropriate copied to [accounts payable email address]

Within [10] Working Days of your electronic acceptance of the Agreement, we will send you a unique PO Number. You must be in receipt of a valid PO Number before submitting a claim. To avoid delay in payment it is important that your claim is complete and that it includes a valid PO Number, a signed claim form and the details (name and telephone number) of your customer contact. Claims which do not have this information will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment please contact our Accounts Payable section either by email to [email] or by telephone [number] between 09:00-17:00 Monday to Friday.

Liaison

For general liaison, your contact will be [Insert grant manager name and telephone number]

Please confirm your acceptance of the award of this grant by electronically signing this Agreement, following the guidance provided and using the Authority's e-application system **within [7]** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant.

Communication should be through the messaging section of the e-tendering grant record.

[Insert Name]

[Job title]

On behalf of [CONTRACTOR NAME] and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

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Schedule 1

GRANT FUNDING AGREEMENT

THIS AGREEMENT IS MADE ON THE [Day] DAY OF [Month] [Year]

BETWEEN:

- (1) **[CONTRACTOR NAME]** whose principal address is at **[ADDRESS]** registered in England and Wales with company number **[company number]** acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (the “**Authority**”); and
- (2) **[NAME OF RECIPIENT ORGANISATION]** whose principal address is at **[Insert address]** (the “**Grant Recipient**”)

WHEREAS the Authority has agreed to provide the Grant Funding to the Grant Recipient for the Approved Project on the terms and conditions set out below:

NOW IT IS HEREBY AGREED as follows:

1. INTRODUCTION

- 1.1 This Agreement sets out the terms and conditions on which the Grant Funding is made by the Authority to the Grant Recipient.
- 1.2 This Agreement may be amended from time to time only by the written agreement of both parties.

2. DEFINITIONS AND INTERPRETATION

- 2.1 In this Agreement the following terms shall have the following meanings:

“Agreement” means this written agreement consisting of the Grant Funding Letter, these clauses, schedules and any other document especially incorporated therein.

“Approved Project” means the activities for which the Authority agrees to provide Grant Funding, as set out in Schedule 2.

“Bribery Act” means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

“Change Control Notice” means the notice set out in Schedule 4 to the Agreement containing details of agreed variations to the Agreement

“Code of Conduct” means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

“Commencement Date” means [Insert commencement date] when the project will commence.

“Confidential Information” means any information which has been designated as confidential by either party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information the disclosure of which would, or would be likely to, prejudice the commercial interests of any person or trade secrets or Intellectual Property Rights of either party and all personal data within the meaning of the GDPR. Confidential Information shall not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of clause 12 (Confidentiality));
- (b) was in the possession of the receiving party, without restriction as to its disclosure, before receiving it from the disclosing party;
- (c) is received from a third party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

“Contracting Authority” means any contracting authority (other than the Authority) as defined in regulation 2 of the Public Contracts Regulations 2015 (as amended);

“Data Protection Legislation” means (i) the GDPR, (ii) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy; and (iii) all applicable law (meaning any mean any applicable law, statute, byelaw, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation) relating to the processing of personal data and privacy.

“EIR” means the Environmental Information Regulations 2004 (SI 2004/3391) and any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

“GDPR” means the General Data Protection Regulation (EU) 2016/679.

“Financial Irregularity” means any fraud or other impropriety, mismanagement or misuse of the Grant Funding.

“FOIA” means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

“Governing Body” means the governing body of the Grant Recipient including its directors or trustees.

“Grant Funding” means the sum not exceeding £ [Insert Amount] (inclusive of any applicable VAT) to be paid to the Grant Recipient in accordance with this Agreement.

“Grant Period” means the period for which the Grant Funding is awarded starting on the Commencement Date and ending on [Insert end date].

“Intellectual Property Rights” means patents, utility models, inventions, trademarks, service marks, logos, design rights (whether registrable or otherwise), applications for

any of the foregoing, copyright, database rights, domain names, Know-How, trade or business names, moral rights and other similar rights or obligations whether registrable or not in any country (including but not limited to the United Kingdom) and the right to sue for passing off.

“Know-How” means all information not in the public domain held in any form (including without limitation that comprised in or derived from drawings, data formulae, patterns, specifications, notes, samples, chemical compounds, biological materials, computer software, component lists, instructions, manuals, brochures, catalogues and process descriptions and scientific approaches and methods).

“Prohibited Act” means:

- (a) directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to:
 - (i) induce that person to perform improperly a relevant function or activity; or
 - (ii) reward that person for improper performance of a relevant function or activity;
- (b) directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement;
- (c) committing any offence under the Bribery Act or involving fraudulent acts.

“Sound Operational Principles” means adherence to any statutory, professional and sectoral guidance regarding the operation of an organisation including but not limited to structures for ensuring good governance, accountability and financial management.

- 2.2 The headings are inserted for convenience only and shall not affect the interpretation of the Agreement.
- 2.3 Reference to any legislative and statutory requirement or similar instrument shall be deemed to include reference to any subsequent amendment to, or replacement of, them.
- 2.4 References to any person shall, as the context may require, be construed as a reference to any individual, firm, company, corporation, government department, agency or any association or partnership (whether or not having a separate legal personality).
- 2.5 Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and vice versa.

3. PURPOSE OF GRANT FUNDING

- 3.1 The Grant Recipient shall use the Grant Funding solely for the delivery of the Approved Project.
- 3.2 The Grant Recipient may change the Approved Project only with the Authority’s prior written agreement, which shall be recorded and notified through a Change Control Notice.

- 3.3 The Authority may at its discretion agree to vary the Grant Funding as a result of changes to the Approved Project or for any other reason. Any variation made under this clause 3.3 will not take effect unless recorded and notified through a Change Control Notice
- 3.4 Where the Grant Recipient intends to apply to a third party for other funding for the Approved Project, it will notify the Authority in advance of its intention to do so and, where such funding is obtained, it will provide the Authority with details of the amount and purpose of that funding.

4. DURATION

Except where otherwise specified, the terms of this Agreement shall apply from the Commencement Date until the end of the Grant Period or for so long as any Grant Funding remains unspent by the Recipient, whichever is longer.

5. PAYMENT OF GRANT FUNDING

- 5.1 Subject to clause 12, the Authority shall pay the Grant Funding to the Grant Recipient in accordance with Schedule 3 to this Agreement.
- 5.2 The amount of the Grant Funding shall not be increased in the event of any overspend by the Grant Recipient in its delivery of the Approved Project.
- 5.3 The Grant Recipient shall promptly notify and repay to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant Funding has been paid in error before the Grant Recipient has complied with all conditions attaching to the Grant Funding.
- 5.4 Onward payment of the Grant Funding and the use of sub-contractors, (subject to the Authority's prior written approval in accordance with the provisions of clause 24) shall not relieve the Grant Recipient of any of its obligations under this Agreement, including the obligation to repay the Grant Funding.
- 5.5 The Grant Funding offer has been made on the basis that the costs presented to the Authority take account of all VAT liabilities. Where the project costs increase after the date the parties have entered into this Agreement because an error has been made as to the amount of VAT payable and not recoverable by the Grant Recipient, the Authority shall be under no obligation to increase the Grant Funding to meet any VAT liability of the Grant Recipient.
- 5.6 The Grant Recipient shall submit a valid invoice for payment of Grant Funding, at such periods as are either specified in Schedule 3 or otherwise agreed by the parties in writing. Each and every valid invoice submitted by the Grant Recipient to the Authority shall include all such records and information as the Authority may require including details and evidence of expenses incurred and programme of work undertaken, and such other information as is necessary to enable verification of the information and the amounts referred to in the claim for payment (Schedule 6). The Grant Recipient must include the relevant purchase order number on all invoices.
- 5.7 Unless otherwise stated in this Agreement, payment will be made on or before the date falling 30 days after the date of receipt of a valid invoice ("Due Payment Date").

6. USE OF GRANT FUNDING

6.1 The Grant Recipient shall not use the Grant Funding for expenditure on any of the following activities:

- a) Expenditure for activities of a party political or exclusively religious nature;
- b) Payment that supports lobbying or activities intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
- c) Using grant funding to petition for additional funding;
- d) Goods or services that the Grant Recipient has a statutory duty to provide;
- e) Activities funded from other sources;
- f) Activities not set out in the Approved Project;
- g) Overheads allocated or apportioned at rates materially in excess of those used for any similar activity work carried out by the Grant Recipient;
- h) Activities that result in commercial gain or profit;
- i) Any costs incurred or expenditure commitments entered into by the Grant Recipient before the Commencement Date including pre-existing debts, i.e. provisions, contingent liabilities or contingencies;
- j) Running a small grant scheme;
- k) Loans;
- l) Dividends declared;
- m) Interest charges;
- n) Service charges arising on finance leases, hire purchase and credit arrangements;
- o) Costs resulting from the deferral of payments to creditors;
- p) Other finance charges;
- q) Depreciation and amortisation of assets to the extent that the costs of the assets have been funded by the Grant Funding;
- r) Costs involved in winding up a company;
- s) Redundancy payments, unless in consequence of termination of the Grant Funding in respect of which the provisions of clause 6.3 shall apply;
- t) Payments into private pension schemes or for unfunded pensions;
- u) Motoring fines, statutory fines and penalties, and any other fines;
- v) Compensation for loss of office, bad debts arising from loans to proprietors, partners, employees, directors, shareholders, guarantors, or a person connected with any of these;
- w) Gifts and entertaining;
- x) Travel and subsistence that would give rise to a taxable benefit were the cost to be incurred by, but not borne by, an individual;
- y) Reclaimable VAT and any other tax (except PAYE);
- z) Late payment charges for credit or charge cards (unless incurred as a result of late reimbursement by the Authority);
- aa) Any liability arising out of negligence on the part of the Grant Recipient or its representatives, sub-contractors and agents;
- bb) Payments arising from a contractual commitment by single tender action with a current or former director of the Grant Recipient or current or former member of its staff without written approval from the Authority;
- cc) Any profit element. For the avoidance of doubt, no profit, dividends, bonuses and/or any similar or equivalent benefit will be paid to the owners, members and directors of the Grant Recipient or any other organisation or persons;
- dd) Purchase of land or the purchase and/or construction of buildings;

- ee) Payments reimbursed or to be reimbursed by other public or private sector grants;
- ff) Penalties/civil damages arising from civil/criminal legal proceedings taken against the Grant Recipient or civil proceedings started by the Grant Recipient, whether or not the Grant Recipient is successful or acquitted, even if the proceedings were in pursuance of, or in consequence of the project being grant aided.

6.2 Should any part of the Grant Funding remain unspent or uncommitted at the end of the Grant Period, the Grant Recipient shall ensure that any unspent or uncommitted monies are returned to the Authority, unless otherwise agreed in writing by the Authority.

6.3 Any liabilities arising at the end of the Approved Project including any redundancy liabilities relating to staff employed by the Grant Recipient specifically to deliver the Approved Project must be managed and paid for by the Grant Recipient using the Grant Funding or other resources of the Grant Recipient. There will be no additional funding available from the Authority for this purpose.

7. MONITORING AND REPORTING

7.1 The Grant Recipient shall closely monitor the delivery and success of the Approved Project throughout the Grant Period to ensure that the aims and objectives of the Approved Project are being met and that the Agreement is being adhered to.

7.2 The Grant Recipient shall provide the Authority with a financial report and an operational report on its use of the Grant Funding and progress against delivery of the Approved Project every quarter (three (3) months) and in such formats as the Authority may require. The Grant Recipient shall provide the Authority with each report within 28 calendar days of the last working day of the quarter to which it relates.

7.3 Where the Grant Recipient has obtained funding from a third party for its delivery of part of the Approved Project, the Grant Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for.

7.4 At or around three (3) Months from the Commencement Date and each subsequent three (3) month intervals for the term of the Grant Agreement the Authority shall meet formally with the Grant Recipient to carry out a review of the performance of the Grant Recipient in respect of this Approved Project. These meetings shall take place at the Authorities premises, unless otherwise agreed and, where suitable, conducted by phone or video-conference.

7.5 The Grant Recipient shall on request provide the Authority with such further information, explanations and documents as the Authority may require in order for it to establish that the Grant Funding has been used properly in accordance with the Agreement.

7.6 The Grant Recipient shall permit any person authorised by the Authority access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them as required during the Grant Period and for so long as any Grant Funding remains unspent.

- 7.7 The Grant Recipient shall permit and facilitate any person authorised by the Authority for that purpose to visit the Grant Recipient to monitor the delivery of the Approved Project.
- 7.8 The Grant Recipient shall provide the Authority with a final report within 28 calendar days following the end of Grant Period which shall confirm whether the Approved Project has been successfully and properly completed. The Authority may at its discretion provide the Grant Recipient with feedback on the adequacy of the final report and may also require the Grant Recipient to re-submit the final report, having taken into account any issues raised in the Authority's feedback.

8. ACCOUNTS AND RECORDS

- 8.1 The Grant Recipient agrees that the Authority shall be entitled to audit the delivery and performance of the Approved Project and/or request access to or a report from the Grant Recipient's auditors on its audited accounts. The Authority shall also be entitled to full access to the Grant Recipient's records on an open-book basis during the Grant Period or for such other period as the Authority may require.
- 8.2 The Grant Recipient shall, and shall ensure that all its sub-contractors shall, retain each record, item of data and document relating to the Approved Project for a period of at least six (6) years from the date of creation of each such record, data or document.
- 8.3 The Grant Recipient shall permit duly authorised agents of the Authority and/or the National Audit Office to examine the Grant Recipient's records and documents relating to the Approved Project and to provide such copies and oral or written explanations as may be required. This obligation does not constitute a requirement or agreement for the examination, certification or inspection of the accounts of the Grant Recipient under section 6(3) and 6(5) of the National Audit Act 1983.
- 8.4 The Grant Recipient shall:
- 8.4.1 retain all invoices, receipts, accounting records and any other documentation relating to the expenditure of the Grant Funding;

8.4.2 nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority; **OR** nominate an independent assessor to verify the final statement of expenditure and income submitted to the Authority. The independent assessor will be responsible for examining the Grant Recipient's final statement of expenditure and income submitted before it is the Authority. The independent assessor will confirm if the Grant Recipient has kept proper accounting records and that their final statement is compliant with the claims made to the Authority. The independent assessor nominated by the Grant Recipient must have the relevant skills to complete the task and declare that they are not directly involved in the Grant Recipient's decision-making, and not personally close to anyone who is. **[Alternative condition amend 8.5 12.1(Q) 12.1(r) if using and ensure grant usage form provided to recipient contains correct declarations.]**

- 8.4.3 identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.4 maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5 The Grant Recipient agrees to make available immediately to the Authority, free of charge, and whenever requested, copies of **audit/ independent assessor** reports obtained by the Grant Recipient in relation to the Approved Project

9. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 9.1 The Grant Recipients acknowledges that by accepting the Grant Funding Agreement it agrees to take account of the Code of Conduct for Grant Recipients (the **Code of Conduct**) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
<https://www.gov.uk/government/publications/supplier-code-of-conduct>
- 9.2 The Grant Recipient will immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 9.3 The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 12.1 (s)

10. FINANCIAL IRREGULARITY

- 10.1 The Grant Recipient shall conduct its business in accordance with Sound Operational Principles and shall take any and all steps to ensure that any persons to whom it pays the Grant Funding also operate on such terms.
- 10.2 The Grant Recipient shall ensure that it has such procedures in place as are required by law to identify any Financial Irregularity or other impropriety in connection with the administration of the Grant Funding.
- 10.3 The Grant Recipient shall notify the Authority immediately of any actual or suspected Financial Irregularity (or any circumstances which are likely in the Grant Recipient's opinion to result in Financial Irregularity) and indicate the steps that are being taken to address that irregularity.
- 10.4 The Authority shall have the right, at its absolute discretion, to insist on additional steps to be taken by the Grant Recipient to address any actual or suspected Financial Irregularity.

11. CONFLICT OF INTEREST

11.1 The Grant Recipient shall put adequate procedures in place to ensure that there is no actual or perceived risk of bias or other conflict of interest that might call into question:

11.1.1 the Grant Recipient's eligibility to receive the Grant Funding, or

11.1.2 where the Grant Recipient is responsible for further distribution of the Grant Funding to third parties, its impartiality when administering the Grant Funding.

12. WITHHOLDING, SUSPENDING OR REPAYMENT OF GRANT FUNDING

12.1 Without prejudice to the Authority's other rights and remedies, the Authority may at its discretion reduce, withhold or suspend payment of the Grant Funding and/or require repayment of all or part of the Grant Funding if one or more of the following events occur:

- (a) the Grant Recipient uses the Grant Funding for a purpose other than the Approved Project;
- (b) the delivery of the Approved Project does not start within three (3) months of the Commencement Date and the Grant Recipient has failed to provide the Authority with satisfactory explanation for the delay, or failed to agree a new Commencement Date with the Authority;
- (c) the Authority considers that the Grant Recipient has not made satisfactory progress with the delivery of the Approved Project;
- (d) the Grant Recipient fails to comply with any term of the Agreement and fails to remedy such failure within thirty (30) days of receiving written notice from the Authority detailing the non-compliance;
- (e) the Grant Recipient is, in the opinion of the Authority, delivering the Approved Project in a negligent manner;
- (f) the Grant Recipient obtains duplicate funding from a third party for the Approved Project;
- (g) the Grant Recipient obtains funding from a third party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Approved Project and/or the Authority into disrepute;
- (h) the Grant Recipient provides the Authority with any misleading or inaccurate information;
- (i) the Authority has incorrectly paid money to the Grant Recipient as a result of administrative error or other reasons ;
- (j) the Grant Recipient commits or has committed a Prohibited Act;
- (k) the Grant Recipient incurs expenditure on activities that breach international or UK subsidy control obligations or laws or public procurement rules;
- (l) any member of the Governing Body, employee or volunteer of the Grant Recipient has (a) acted dishonestly or negligently at any time and directly or

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indirectly to the detriment of the Approved Project or (b) taken any actions which, in the opinion of the Authority, bring or are likely to bring the Authority's name or reputation into disrepute;

- (m) a charge is taken on an asset financed wholly or partly from the Grant Funding;
- (n) the Grant Recipient becomes insolvent, or is declared bankrupt, or is placed into receivership, administration or liquidation (other than for the purpose of a bona fide internal reorganisation or amalgamation)
- (o) a petition has been presented for the winding-up of the Grant Recipient or it enters into any amalgamation or composition for the benefit of its creditors, or it is unable to pay its debts as and when they fall due for reasons other than the Authority's failure to comply with this Agreement;
- (p) the Grant Recipient is struck from the register at Companies' House or is otherwise prohibited from continuing its activities under any legislation in force and/or by an order of a court of competent jurisdiction;
- (q) an independent assessor or audit report on the Grant Recipient's accounts refers to a fundamental uncertainty or contains an adverse opinion or a disclaimer of opinion which would materially and adversely affect the Grant Recipient's ability to deliver its programmes or objectives;
- (r) a management or other letter from the Grant Recipient's independent assessor or external auditors reveals that the systems operated by the Grant Recipient to ensure compliance with this Agreement are materially unsatisfactory and materially and adversely affect the Grant Recipient's ability to deliver its programmes or objectives; or
- (s) The Grant Recipient breaches the Code of Conduct for Grant Recipients and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant recipient or its Representatives in accordance with paragraph 9.1

12.2 Wherever under this Agreement any sum of money is recoverable from or payable by the Grant Recipient (including any sum that the Grant Recipient is liable to pay to the Authority in respect of any breach of this Agreement), the Authority may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Grant Recipient under this Agreement or under any other agreement or contract with the Authority.

12.3 The Grant Recipient shall make any payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

12.4 Should the Grant Recipient be subject to financial or other difficulties which are capable of having an impact on its effective delivery of the Approved Project or compliance with this Agreement, it will notify the Authority immediately so that, if possible, and without creating any legal obligation, the Authority will have an opportunity (at its absolute discretion) to provide assistance in resolving the problem or to take action to protect the Authority and the Grant Funding.

13. CONFIDENTIALITY

OFFICIAL - SENSITIVE

- 13.1 Except to the extent set out in this clause or where disclosure or publication is expressly permitted elsewhere in this Agreement, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons and to such extent as may be necessary for the performance of the Grant Recipient's obligations under the Agreement.
- 13.2 The Grant Recipient hereby gives its consent for the Authority to publish this Agreement in its entirety (but with any information which is Confidential Information belonging to the Authority redacted), including from time to time agreed changes to the Agreement, to the general public.
- 13.3 The Grant Recipient may only disclose the Authority's Confidential Information to its personnel who are directly involved in the provision of the Approved Project and who need to know the information, and shall ensure that such personnel are aware of and shall comply with Grant Recipient's obligations as to confidentiality.
- 13.4 The Grant Recipient shall not, and shall procure that its staff do not, use any of the Authority's Confidential Information received otherwise than for the purposes of this Agreement.
- 13.5 At the written request of the Authority, the Grant Recipient shall procure that those members of the Grant Recipient's personnel identified by the Authority sign a confidentiality undertaking prior to commencing any work in accordance with this Agreement.
- 13.6 Clauses 13.1 shall not apply to the extent that:
- 13.6.1 such disclosure is a requirement of law placed upon the party making the disclosure, including any requirements for disclosure under the FOIA or the EIR;
- 13.6.2 such information was in the possession of the party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;
- 13.6.3 such information was obtained from a third party without obligation of confidentiality;
- 13.6.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of this Agreement; or
- 13.6.5 such information is independently developed without access to the other party's Confidential Information.
- 13.7 Nothing in clause 13.1 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:
- 13.7.1 for the purpose of the examination and certification of the Authority's accounts;

13.7.2 for the purpose of any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;

13.7.3 to any government department or any other Contracting Authority and the Grant Recipient hereby acknowledges that all government departments or Contracting Authorities receiving such Confidential Information may further disclose the Confidential Information to other government departments or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any government department or any Contracting Authority; or

13.7.4 to any consultant, contractor or other person engaged by the Authority,

provided that in disclosing information under clauses 13.7.3 and 13.7.4 above the Authority discloses only the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

13.8 Nothing in clauses 13.1 to 13.4 shall prevent either party from using any techniques, ideas or Know-How gained during the performance of its obligations under this Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other party's Confidential Information or an infringement of the other party's Intellectual Property Rights.

13.9 In the event that the Grant Recipient fails to comply with clauses 13.1 to 13.4, the Authority reserves the right to terminate the Agreement with immediate effect by notice in writing.

13.10 In order to ensure that no unauthorised person gains access to any Confidential Information or any data obtained in the delivery of the Approved Project under the Agreement, the Grant Recipient undertakes to maintain adequate security arrangements that meet the requirements of professional standards and best practice.

13.11 The Grant Recipient will immediately notify the Authority of any breach of security in relation to Confidential Information and all data obtained in the delivery of the Approved Project under the Agreement and will keep a record of such breaches. The Grant Recipient will use its best endeavours to recover such Confidential Information or data however it may be recorded. This obligation is in addition to the Grant Recipient's obligations under clauses 13.1 to 13.5. The Grant Recipient will co-operate with the Authority in any investigation that the Authority considers necessary to undertake as a result of any breach of security in relation to Confidential Information or data.

14. FREEDOM OF INFORMATION

14.1 The Grant Recipient acknowledges that the Authority is subject to the requirements of the FOIA, the EIR and the Data Protection Legislation and shall assist and co-operate with the Authority (at the Grant Recipient's expense) to enable the Authority to comply with its disclosure obligations under these enactments.

14.2 The Grant Recipient shall, in particular, provide the Authority with:

(a) a copy of any information in its possession that the Authority requires for the purposes of complying with its obligations under the FOIA, EIR or Data Protection

Legislation within five (5) working days (or such other period as the Authority may specify) of the Authority requesting that information; and

- (b) any advice or assistance, including any explanation as to why an exemption from the disclosure requirements in the FOIA, EIR or Data Protection Legislation may apply, requested by the Authority to enable it to respond to a request in compliance with its disclosure obligations.

14.3 The Authority shall where appropriate, consult with the Grant Recipient in advance of disclosing any information provided by the Grant Recipient to the Authority, but the Grant Recipient acknowledges that, notwithstanding clause 13 of the Agreement (Confidentiality), the Authority may disclose information:

- (a) without consulting with the Grant Recipient; or
- (b) following consultation with the Grant Recipient and having taken its views into account,

where the Authority is required to do so to comply with its obligations under the FOIA, EIR and Data Protection Legislation. Provided always that where clause 14.3(a) applies the Authority shall, in accordance with any recommendations of the Code of Practice under the FOIA or EIR, take reasonable steps, where appropriate, to give the Grant Recipient advanced notice, or failing that, to draw the disclosure to the Grant Recipient's attention after any such disclosure.

15. DATA PROTECTION

15.1 The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.

15.2 The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and must comply with the provisions set out in this condition 15 and Schedule 5

15.3 To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes of this Grant Funding Agreement, the Parties accept that they are each a separate independent Controller in respect of such Personal Data. Each Party:

- (i) must comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data;
- (ii) must be individually and separately responsible for its own compliance;
- (iii) are entitled at their own cost to enter into such specific agreements as may be reasonably required to enable each other to comply with their respective duties under the Data Protection Legislation as a result of the arrangements contemplated by this Grant Funding Agreement and give each other all reasonable assistance (including legal assistance) in so complying.

15.4 The Parties acknowledge and agree that this Grant Funding Agreement does not require either Party to act as a Processor of the other. In the event that there is any change which requires either Party to act as a Processor the Parties agree, at their own cost, to enter into the standard data protection clauses set out in the Crown Commercial Services Procurement Policy Note 02/18 (as amended or replaced from time to time).

- 15.5 In the event that the Parties believe that there is a Joint Controller relationship, the Parties must seek to agree and enter into a Data Sharing Joint Controller Agreement, all Parties acting reasonably. With respect to compliance with the Data Protection Legislation only and in the event of a conflict between the conditions of this agreement and any Data Sharing Joint Controller Agreement, the terms of the DataSharing Joint Controller Agreement must take precedence.
- 15.6 Each Party must, with respect to its processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, and the measures must, at a minimum, comply with the requirements of the Data Protection Legislation.

16. PREVENTION OF BRIBERY

16.1 The Grant Recipient:

- 16.1.1 shall not, and shall procure that any of its staff, agents, consultants and sub-contractors shall not, in connection with this Agreement, commit a Prohibited Act;
- 16.1.2 shall not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct has been carried out in the UK;
- 16.1.3 shall comply with the Authority's anti-bribery policies as updated from time to time;
- 16.1.4 shall have and shall maintain throughout the term of this Agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with clauses 16.1.2, 16.1.3 and 16.1.4;
- 16.1.5 shall promptly report to the Authority any request or demand for any undue financial or other advantage of any kind received by the Grant Recipient in connection with the Approved Project;
- 16.1.6 shall immediately notify the Authority in writing if a foreign public official becomes an officer or employee of the Grant Recipient or acquires a direct or indirect interest in the Grant Recipient, and the Grant Recipient warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of this Agreement;
- 16.1.7 shall, if requested, provide the Authority with any reasonable assistance, at the Authority's reasonable cost, to enable the Authority to perform any activity required by any relevant government or agency in any relevant jurisdiction for the purpose of compliance with the Bribery Act;
- 16.1.8 within one (1) month of the Commencement Date, and annually thereafter, certify to the Authority in writing (such certification to be signed by an officer of the Grant Recipient) compliance with this clause 16 by the Grant Recipient and all persons associated with it or other persons who are supplying goods or services in connection with this Agreement. The Grant Recipient shall provide such supporting evidence of compliance as the Authority may reasonably request.

16.2 For the purpose of this clause 16, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purpose of this clause 16, a person associated with the Grant Recipient includes any agent, delegate or subcontractor of the Agent.

17. INTELLECTUAL PROPERTY RIGHTS

17.1 Intellectual Property in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

17.2 The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all the IPR Material for the purpose of supporting other projects.

17.3 Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.

17.4 The Grant Recipient must ensure that it has obtained the relevant agreement of the Third Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third Party software and other IPR. The Grant Recipient will be responsible for obtaining and maintaining all appropriate licences to use the Third Party software.

18. WARRANTIES

The Grant Recipient warrants, undertakes and agrees that:

(a) it has all necessary resources and expertise to deliver the Approved Project successfully (assuming due receipt of the Grant Funding);

(b) it has not committed, nor shall it commit, any Prohibited Act;

(c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Authority immediately of any significant departure from such legislation, codes or recommendations;

(d) it shall comply with the requirements of the Health and Safety at Work Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Approved Project;

(e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

(f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;

- (g) all financial and other information concerning the Grant Recipient which has been disclosed to the Authority is to the best of its knowledge and belief, true and accurate;
- (h) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant Funding;
- (i) it is not aware of anything in its own affairs, which it has not disclosed to the Authority or any of the Authority's advisers, which might have influenced the decision of the Authority to make the Grant Funding on the terms contained in this Agreement; and
- (j) since the date of its last accounts there has been no material change in its financial position or prospects.

19. INSURANCE AND INDEMNITY

- 19.1 The Grant Recipient shall, with effect from the Commencement Date, ensure that it holds all appropriate forms of insurance necessary for the normal execution of its activities and any such extension of cover as may be necessary for the activities or risks associated with the activities for which the Authority provides the Grant Funding. The Grant Recipient shall make its insurance cover available to the Authority on request.
- 19.2 The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient running the Approved Project, the use of the Grant Funding or from withdrawal of the Grant Funding. The Grant Recipient shall indemnify and hold harmless the Authority, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Approved Project, the non-fulfilment of obligations of the Grant Recipient under this Agreement or its obligations to third parties.
- 19.3 Subject to clause 19.2, the Authority's liability under this Agreement is limited to the amount of the Grant Funding.

20. PUBLIC PROCUREMENT AND SUBSIDY CONTROL

- 20.1 Where the Grant Recipient seeks to procure the supply of any goods, works or services from a third party it shall ensure that contracts or further distribution of the Grant Funding are procured on a basis that secures best value and complies in all material aspects with all relevant UK Legislation on public procurement, including without limitation the Public Contracts Regulations 2015 (SI 2015/102) as applicable.
- 20.2 Where the Grant Recipient reasonably considers that there is an objective justification for not complying with clause 20.1 and seeks to rely on such a justification it shall record this in writing and make this available to the Authority on request.
- 20.3 The Grant Recipient shall not use any of the Grant Funding to carry out any activities that could be constituted as in violation of international or UK subsidy control

obligations or laws nor shall it pay or grant any unlawful subsidy to any organisation or individual.

21. PUBLICITY

- 21.1 The Grant Recipient shall not publish any material referring to the Approved Project or the Authority without the prior written agreement of the Authority. The Grant Recipient shall acknowledge the support of the Authority in any materials that refer to the Approved Project and in any written or spoken public presentations about the Approved Project. Such acknowledgements (where appropriate or as requested by the Authority) shall include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.
- 21.2 In using the Authority's name and logo, the Grant Recipient shall comply with all branding guidelines issued by the Authority from time to time.
- 21.3 The Grant Recipient agrees to participate in and co-operate with promotional activities relating to the Approved Project that may be instigated and/or organised by the Authority.
- 21.4 The Authority may acknowledge the Grant Recipient's involvement in the Approved Project as appropriate without prior notice.
- 21.5 The Grant Recipient shall comply with all requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Approved Project.

22. ENVIRONMENTAL REQUIREMENTS

- 22.1 The Grant Recipient shall perform the Approved Project in accordance with the Authority's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
- 22.2 The Grant Recipient shall pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Approved Project or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
- 22.3 The Grant Recipient shall take all possible precautions to ensure that any equipment and materials used in the provision of the Approved Project do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority shall be notified in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

23. GENERAL

The Grant Recipient shall use its best endeavours to ensure that in carrying out the Approved Project it and anyone acting on its behalf complies with the law which applies in England. If the Grant Funding will be distributed outside the United Kingdom the Grant Recipient shall use its best endeavours to ensure that:

- (a) such funding does not contravene the laws of any other country; and
- (b) such funding is not used to support activities which could bring the Authority's name into disrepute.

24. ASSIGNMENT

The Grant Recipient shall not transfer, assign, sub-contract, charge, or otherwise dispose of any part of the Grant Funding, Approved Project or any of its obligations under this Agreement to a third party without the Authority's prior written approval.

25. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

26. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

27. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Authority and the Grant Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

28. JOINT AND SEVERAL LIABILITY

Where the Grant Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Grant Recipient shall be jointly and severally liable for the Grant Recipient's obligations and liabilities arising under this Agreement.

29. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

30. TERMINATION

- 30.1 The Authority shall be entitled to terminate the Agreement and any payment of the Grant Funding by written notice to the Grant Recipient with immediate effect and without compensation if :

- (a) the Grant Recipient has committed a material breach of the terms and conditions of this Agreement and (if such breach is capable of remedy) shall have failed to remedy such breach within thirty (30) days of being required to do so in writing by the Authority;
 - (b) there is repeated and unremedied failure by the Grant Recipient to comply with a notice given by the Authority relating to the inadequate performance of its obligations under the Agreement and/or any remedial action specified;
 - (c) the Grant Recipient ceases or proposes to cease to carry on its business;
 - (d) the Grant Recipient is guilty of fraud, dishonesty, impropriety, or any conduct calculated or likely in all material aspects to affect prejudicially the interests or reputation of the Authority;
 - (e) the Grant Recipient has committed a Prohibited Act;
 - (f) the Grant Recipient or any aspect of its operations which is a partnership or unregistered company goes into compulsory winding up; is dissolved; or an administrator or receiver is appointed over the whole or any part of its assets or it has entered into a composition or voluntary arrangement with its Creditors.
- 30.2 In addition to its right of termination in clause 30.1 above, the Authority shall be entitled to terminate this Agreement for any reason on giving the Grant Recipient not less than thirty (30) days written notice.
- 30.3 The Authority shall be entitled to discontinue payment of the Grant Funding on satisfactory completion of the Approved Project for which the Grant Funding is provided or at the end of the Grant Period, whichever is earlier.
- 30.4 Where the Authority discontinues payment of the Grant Funding and/or reduces the amount of Grant Funding, the Authority accepts no liability for any consequences that may come about from the reduction or withdrawal of the Grant Funding.
- 30.5 Where the Authority terminates the Agreement, no further payment of the Grant Funding shall be payable by the Authority to the Grant Recipient except for work carried out by the Grant Recipient relating to the Approved Project prior to termination and in accordance with the Agreement but where the payment has yet to be made by the Authority.
- 30.6 Save as otherwise expressly provided in the Agreement, termination or expiry of the Agreement shall be without prejudice to any rights, remedies or obligations accrued under the Agreement prior to termination or expiration and nothing in the Agreement shall prejudice the right of either party to recover any amount outstanding at such termination or expiry.

31. DISPUTE RESOLUTION

- 31.1 All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminate this Agreement) shall, in the first instance be referred to the Grant Recipient's [project manager for the Approved Project] and the Authority's nominated officer.
- 31.2 Should the dispute or complaint remain unresolved within 14 days of the matter first being referred to the individuals named in clause 31.1, either party may refer the matter

to [Chair] of the Grant Recipient and the Authority's [nominated senior official] with an instruction to attempt to resolve the matter by agreement within 28 days, or such other period as may be mutually agreed by the Authority and the Grant Recipient.

- 31.3 In the absence of agreement under clause 31.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate resolution model as is agreed by both parties. Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

32. SAFEGUARDING

- 32.1 The Grant Recipient will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the Project and/or this Grant Funding Agreement. This shall include, without limitation, that the Grant Recipient will:

- 32.1.1 maintain a safeguarding policy which includes a statement of commitment to safeguarding and a zero tolerance statement on bullying, harassment and sexual exploitation and abuse;
- 32.1.2 maintain a detailed register of safeguarding issues raised and how they were dealt with;
- 32.1.3 have clear investigation and disciplinary procedures to use when allegations and complaints are made, and have clear processes in place for when a disclosure is made;
- 32.1.4 share its safeguarding policy with Representatives or Third Parties involved in the Project;
- 32.1.5 maintain a whistle-blowing policy which protects whistle blowers from reprisals and includes clear processes for dealing with concerns raised;
- 32.1.6 maintain a code of conduct for staff and volunteers that sets out clear expectations of behaviours - inside and outside the work place - and make clear what will happen in the event of non-compliance or breach of these standards; and
- 32.1.7 meet or be working towards the minimum standards for Sexual Exploitation, Abuse and Harassment safeguarding: the Inter-Agency Standing Committee Minimum Operating Standards on Protection from Sexual Exploitation and Abuse ("**PSEA**") and/or the PSEA elements of The Core Humanitarian Standard on Quality and Accountability.

- 32.2 The Grant Recipient shall provide to the Department, on the Department's request, any documents maintained pursuant to Condition 32.1 and/or evidence of compliance with the requirements of Condition 32.1.

- 32.3 The Authority has a zero tolerance approach towards sexual exploitation, abuse and harassment. The Grant Recipient will immediately contact the Department at ODA.Safeguarding@defra.gov.uk to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Grant Funding Agreement. The Grant Recipient should assess credibility based on the source of the allegation, the content, and the level of detail or evidence

provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.

- 32.4 The Grant Recipient shall also report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment that are not directly related to this Grant Funding Agreement but which would impact to the Department or the reputation of the Department or UK aid. For example, events that affect the governance or culture of the Grant Recipient, such as those related to senior management, must be reported.
- 32.5 The Grant Recipient will fully co-operate with investigations into any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment, whether led by the Department or any of its duly authorised Representatives.

33. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts. This does not limit the Authority's right to commence legal proceedings in any other court of competent jurisdiction, including concurrent proceedings.

Schedule 2

THE APPROVED PROJECT

INTRODUCTION

BACKGROUND

GENERAL AIMS AND OBJECTIVES

SPECIFIC OBJECTIVES AND SCOPE OF WORK

OUTPUTS AND DELIVERABLES

Table 1 Milestone Deliverables

| Milestone | Deliverable | Date | Cost | Authority Contribution |
|------------------|--------------------|-------------|-------------|-------------------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | | | | |
| Total | | | | |

Table 2 Milestone Reporting

| Milestone | Report Due | Report Type |
|------------------|-------------------|--------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| | | |

ELIGIBLE EXPENDITURE

| Item of Expenditure | Budget (in UK Sterling)/forecast expenditure |
|----------------------------|---|
| | |
| | |
| | |

| | |
|--|--|
| | |
| | |
| | |

DISSEMINATION

Schedule 3**PAYMENT SCHEDULE**

The Authority agrees, subject to the Grant Recipient's compliance with this Agreement to make the following payments for the Approved Project against receipt of a valid invoice and satisfactory completion of milestones as set out in Schedule 2. Please note that this grant is subject to year on year funding approval.

| Milestone | Amount of Grant Funding Payable | Expected date of invoice |
|------------------|--|---------------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| Total | | |

Schedule 4**CHANGE CONTROL NOTICE**

| | |
|---------------------------------------|--|
| Change Control Notice number: | [Insert Change Number] |
| Grant Funding Agreement title: | [Insert Grant Scheme Title] |
| Reference: | [Insert BRAVO Number] |
| Variation title: | [Insert Reason for the variation] |
| Number of pages attached: | [Insert number of attached pages] |

WHEREAS the Grant Recipient and the Authority entered into a Grant Funding Agreement for the Approved Project dated [dd/mm/yyyy] (the "Original Grant Funding Agreement") and now wish to amend the Original Grant Funding Agreement

IT IS AGREED as follows

1. CHANGES

1.1 With effect from [date] the Original Grant Funding Agreement shall be amended as set out in this Change Control Notice:

| | |
|--------------------------------|--|
| Change requestor/originator: | [Insert name, team and division] |
| Summary and reason for change: | [Insert FULL details of change] |
| Reason for change: | [Insert reason for change] |
| Revised Grant Funding: | [Insert amount in figures] (inclusive of any irreclaimable VAT) |
| Revised payment schedule: | See attached revised Schedule 3 |
| Revised Grant Period: | [Insert start Date] to [Insert end date] |
| Other change: | |

1.2 Save as herein amended all other terms and Conditions of the Original Grant Funding Agreement shall remain in full force and effect.

Please confirm your acceptance of the award of this grant by electronically signing this document, following the guidance provided and using the Authority's e-application system **within [7]** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant.

Schedule 5 Data Protection Provisions

The contact details of the Authority's Data Protection Officer are: **Data and Information Assurance Team** data.protection@defra.gov.uk

The contact details of the Grant Recipient's Data Protection Officer are: **[Insert Contact details]**

Data Protection Legislation Condition Definitions:

Where they appear in this Schedule 5:

Personal Data Breach and Data Subject take the meaning given in the UK GDPR

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data and the rights and freedoms of data subjects.

Data Loss Event: any event that results, or may result, in unauthorised access to Personal Data held by the Processor under these Conditions, and/or actual or potential loss and/or destruction of Personal Data in breach of these Conditions, including any Personal Data Breach.

Data Subject Request: a request made by, or on behalf of, a data subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it.

Data Protection

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in condition 4, the Parties acknowledge that they are each separate independent Controllers in respect of such data.
2. The Grant Recipient must (and must procure that any of its Representatives must) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.

5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government and that these details may appear on the Government Grants Information System database which is available for search by other funders.
6. The Authority and the Grant Recipient must:
 - (a) ensure that the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other Party to the extent required in connection with Funded Activities.
7. Where a Party (the Data Receiving Party) receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party must provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - 7.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party must:
 - 7.2.1. promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and must forward such request or correspondence to the other Party; and
 - 7.2.2. provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
8. Each Party must promptly notify the other upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Agreement and must:
 - 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
9. Without limiting any other provision of this Schedule 5, each of the Parties must, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data provided pursuant to this Agreement.
10. The Authority and the Grant Recipient must not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement.
11. The Grant Recipient must notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation

by any regulatory body or the police into its activities or those of its staff or officers or volunteer

[Guidance: Only add paragraph 12 where the Grant Recipient and Authority are both independent Controllers and the Grant Recipient is based in the European Economic Area (EEA) and there is data flow from the EEA to the UK.

[LINK](#)

Schedule 6 – Claim Form

Note: The claim submission must include all the following supporting information and ideally be submitted as one pdf document:

- A valid invoice bearing recipient invoice number, the PO number and a description of expenditure. The invoice amount must be in GBP.
- List any other information you require the recipient to submit with their claim.
[Delete before sending]

| | | |
|---|--|--|
| 1: Applicant's Name and Address | 2: Payee Name | |
| 3: Project Title [must match grant funding agreement] | Date of Grant Offer: Amount of Grant Offer: | |
| 4: Grant Reference: Ecm_xxxxx 5: PO Number: | Claim Period: | |
| 6: Recipient Invoice: [Insert Invoice Number] | From Dd/mm/yyyy to dd/mm/yyyy | |
| 7: Breakdown of expenditure claimed (advance/ interim/ final claim)* (* Delete as applicable) Note: Please use same headings as contained in your grant agreement, continuing on a separate sheet if necessary) Total expenditure for this claim £..... Previous Claims: Dd/mm/yyyy Advance/Interim/(delete as applicable) £..... Dd/mm/yyyy Interim £..... Total expenditure to date: (including this claim) £..... | | |
| I certify that: i. The work has been completed | | |

OFFICIAL - SENSITIVE

- ii. That the breakdown is a true record of the expenditure incurred and in not included in any other claim
- iii. No other grant has been or will be claimed from Central Government or government agency towards these costs without the full knowledge and agreement of the Department.
- iv. I confirm that the Terms and Conditions of the grant funding agreement have been met.

I therefore claim payment of £.....

Signed..... Name. (CAPS).....

Position.....(authorised signatory)

Date.....

Schedule 7 – Grant Recipient’s Bank Details

The Confirmation of Bank Details and Signatories Form must be issued and returned via e-tendering email with the Grant Offer Letter at Step 3.10 or at latest Step 4.1 of the Grants 6 step process. In the case of Direct Award follow the instructions in Step 4.1. Insert the completed form here. Attach a blank form to the e-tendering record for the recipient’s future use should any details change.

[GRANT TITLE] [ECM NUMBER][PROJECT NUMBER]

1. GRANT RECIPIENT DETAILS

| | | |
|-------------------|-------------------------------|--|
| Grant Recipient: | Address of Grant Recipient: | Contact Number: |
| | | Organisation Email: |
| | Payment Address if different: | Remittance Email: |
| | | Number of Employees: |
| VAT Registration: | Duns Number: | Supplier Classification: (Charity, NGO, etc.) |

2. BANK DETAILS

| | | |
|-----------------------------|--------------------------|------------------------|
| Bank/Building Society Name: | Branch Name and Address: | |
| Account Name: | Account Type: | |
| Bank Sort Code: | Account Number: | Building Society Roll: |

3. AUTHORISED SIGNATORIES

The Signatories below are authorised to sign claim forms on behalf of the Grant Recipient. These signatures are binding in respect of the Grant Agreement.

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

4. PERSONS AUTHORISED TO ACCEPT THE GRANT FUNDING AGREEMENT

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

The Authority issue Grant Funding Agreements electronically. Electronic acceptance is required through the Authority e-tendering portal. Recipients must ensure their registration on the platform is correct and up to date. The Recipient must notify the Authority immediately of any changes to Bank Details or Authorisations.

T&C's Document 2 GBP over £100k

Model Grant Funding Agreement

(Full Length)

1. Drafting notes:

The highlighted sections mean as follows:

Green: you need to complete a section highlighted green with the relevant information e.g. a timescale, party information a relevant date.

Light blue: these sections are guidance notes, please review and consider how they affect what you are doing. Then delete them all before issue.

Yellow: these sections indicate optional clauses which you may want to include or delete depending on what your grant is for.

Desk Aids have also been included where legal advice may be needed.

A short form model grant funding agreement is available for grants up to £100,000.

2. Legal considerations

- 2.1 You should **only** use this Grant Funding Agreement template if you are going to make a **general grant**. General grants are grants made by departments or their grant making Arm's Length Bodies to outside bodies to reimburse expenditure on agreed items or functions, and are often paid only on statutory conditions. These are the grants, which are most closely related in administration and the whole process of selection and award to contract procurement, whilst remaining legally distinct.
- 2.2 General grants should be competed by default, except where a strong rationale exists for a direct award (see the note on the Grant Standards below). This means applications are invited and assessed against a pre-published set of criteria, with awards made based on the outcome of the application assessment. If a general grant is not being competed this is usually because there is only one organisation which has the required knowledge and expertise to deliver what the grant is for – e.g. when an organisation owns the intellectual properties rights to a product.
- 2.3 If your grant is a formula grant or grant-in-aid, please consult your lawyers to find out which template you should use instead.
- 2.4 A formula grant is based on pre-set criteria and is not competitive; grants awards are calculated using a specific formula. If the organisation or individual meets the specified criteria they are able to receive the grant. Examples of formula grants are National Trails maintenance grants which are administered according to a set formula.
- 2.5 Grant-in-aid means a sum of money provided to an organisation to be applied in general support for the objectives of that organisation. A payment by a government department – usually referred to as the “sponsor department or Policy Team” – to finance all or part of the costs of the body in receipt of the grant-in-aid. Grant-in-aid is paid where the government has decided, subject to Parliamentary controls, that the recipient body should operate at arm's length. The sponsor department does not therefore seek to impose the same detailed

controls over day-to-day expenditure as it would over a grant. For example, Defra funds Natural England in this way.

Value Added Tax (VAT)

- 2.6 VAT is not generally charged on a grant. However, HMRC will require you to charge VAT if the grant is paid in “consideration” for a benefit (supply) that Defra receives in return, including where the funded activities implement Defra’s statutory duties and/or specific policy. If your grant is really a contract for goods, services or works, VAT will be payable (see the note on public procurement below).
- 2.7 Condition 30 makes it clear the Grant is inclusive of any VAT that is chargeable, so the risk of any adverse VAT assessment raised by HMRC is borne by the Grant Recipient.
- 2.8 You need to make it clear to the Grant Recipient that the amount specified in the Grant Offer Letter and the Grant Funding Agreement is the total amount payable by the Department, and no additional amount will be added for any VAT that they have to pay to HMRC.

Enforceability of grant conditions

- 2.9 The question of whether or not a grant is contractually enforceable is complex and it has not yet been tested fully by the courts. There are a number of possible different interpretations available and these interpretations may affect how a template grant funding agreement should provide for enforcement, including methods of recovery of grant funds. There may also be wider ranging implications in procurement law, subsidy control obligations and VAT.
- 2.10 This Grant Funding Agreement is drafted so it is legally enforceable, in line with Defra policy requirements.
- 2.11 One major reason for the current approach is concern about the risk of the Public Contracts Regulations 2015 (the **PCR 2015**) inadvertently becoming applicable to the transaction. The PCR 2015 require contracting authorities to comply with detailed rules in relation to the procurement of public contracts for works, goods and services. Public contracts are defined in section 2(1) of the PCR 2015 as “contracts for pecuniary interest concluded in writing between one or more economic operators and one or more contracting authorities and having as their object the execution of works, the supply of products or the provision of services”. Grants are not generally made by contracting authorities for the acquisition of works, goods or services, so it seems that grants are likely to fall outside of the scope of the PCR 2015, even if contractually binding.
- 2.12 This approach is supported by Recital 4 to Directive 2014/24/EU (the Public Contracts Directive which is transposed in the PCR 2015) which states that:

- (a) *“The Union rules on public procurement are not intended to cover all forms of disbursement of public funds, but only those aimed at*

the acquisition of works, supplies or services for consideration by means of a public contract. It should be clarified that such acquisitions of works, supplies or services should be subject to this Directive whether they are implemented through purchase, leasing or other contractual forms.

- (b) *The notion of acquisition should be understood broadly in the sense of obtaining the benefits of the works, supplies or services in question, not necessarily requiring a transfer of ownership to the contracting authorities. Furthermore, the mere financing, in particular through grants, of an activity, which is frequently linked to the obligation to reimburse the amounts received where they are not used for the purposes intended, does not usually fall within the scope of the public procurement rules.”*

2.13 However, it is possible that, depending on the particular circumstances of a grant, there is a risk that a court could consider that a contract for goods, services or works within the scope of the PCR contract arises. The UK courts may refer to the purpose of the EU legislation, including the recitals, when interpreting the PCR after EU Exit and the end of the transition period. It will also consider any statements of intent by the parties, but will also have to consider whether any such statement may have been included with the aim of avoiding the application of the PCR. However, if the grant is not for the acquisition of goods, works or services by the funding body (Defra or ALB), then PCR 2015 will not apply. Whether or not an arrangement that purports to be a grant funding agreement could be found subject to the procurement rules is ultimately a question which would need to be considered on a case by case basis in the light of individual circumstances, but no cases on this point have yet come before the UK courts. It is therefore desirable when advising to undertake a clear analysis at the outset of whether in the actual true intention of the arrangement is to benefit the grant recipient and to provide them with monies to be applied to a ‘public good” consistent with the aims of the grant making department (Defra or the ALB), or in reality to discharge some obligation of or obtain some benefit for the department in pursuit of its statutory duties and specific policy requirements.

2.14 In the second instance, it is likely that the contract will be, in reality, a contract for services not a true ‘grant” and should be treated as such. Where that is the case, it is prohibited to award the contract without a prior competition or bidding process as prescribed by the PCR, unless the contract value is below the relevant threshold or one of the exceptions applies. For instance, “direct” contract awards can be made without a prior competition if the Supplier is the only organisation capable of supplying the services for technical reasons or for the protection of an exclusive right, such as intellectual property rights. The PCR also do not apply to public service contracts awarded to another contracting authority (which includes any entity that relies mainly on public funding) on the basis of an exclusive right granted by law, regulation or other administrative provision.

- 2.15 The Cabinet Office has produced a useful checklist covering a range of types of funding to guide this analysis. In the former case, the risk of the arrangement being found subject to procurement rules should be small. Departments should contact the Grants Centre of Excellence if they need help finding it.

Subsidy Control

- 2.16 The EU State aid rules, which were developed and adopted to support the EU 'Single Market', no longer apply to subsidies awarded in the UK from 1 January 2021 except in the limited circumstances such as under the Northern Ireland Protocol and certain other cases set out in the UK-EU Withdrawal Agreement. In these limited circumstances or where a grant was awarded (In the sense that a legally binding commitment was made) prior to 1 January 2021, the alternative '08.01.03aStandard_TandC_over £100k_ prior to 1 January 2021 or under NI Protocol' should be used instead as the EU State aid rules will continue to apply.

Outside these limited circumstances, you will instead need to ensure that the UK is complying with other pre-existing and new international obligations in relation to subsidies, including the UK's commitments arising from the UK's continued membership of the World Trade Organisation (WTO) and those covered in Free Trade Agreements, including the UK-EU Trade and Cooperation Agreement. At this time these are not all implemented into UK domestic law.

- 2.17 Defra will need to carry out an assessment to determine whether the grant may have implications in respect of the UK's compliance with international subsidy obligations. Defra should consider expert advice from the BEIS subsidy team or Defra Lawyers where there is doubt as to the status of the measure. BEIS has published new guidance for public authorities on complying with the UK's international obligations on subsidy control [here](#).
- 2.18 In general terms a subsidy is a measure:
- given by a public authority;
 - which makes a contribution (this could a financial or in-kind contribution) to an enterprise (that is an entity engaged in an economic activity related to placing goods or services on the market);
 - which confers an economic advantage that is not available on market terms;
 - which is specific in that it benefits certain enterprises over another; and
 - which affects international trade.
- 2.19 Where a grant is considered a subsidy, Defra will need to consider which international obligations apply. The main sources of these international obligations are:
- The World Trade Organisation Agreement on Subsidies and Countervailing Measures (ASCM);
 - The UK- EU Trade and Co-operation Agreement (TCA); and
 - The UK's other Free Trade Agreements (FTAs).

- 2.20 Where the ASCM, the TCA and/or FTAs are engaged, Defra will need to consider whether the proposed grant is prohibited. Where a subsidy is within the scope of the TCA, departments will also need to ensure that the proposed grant meets the terms of the principles set out in the TCA or is granted subject to the specified conditions for certain subsidies.
- 2.21 Finally, departments will need to assess the likelihood of triggering a dispute or remedial measures under the ASCM and other FTAs (e.g. the imposition of tariffs to mitigate or eliminate the harmful effect of tariffs).
- 2.22 The award of a subsidy must be recorded and BEIS has published a pro forma [here](#) which it is highly recommended that departments should use to record their of assessment of how they have complied with the principles set out in the TCA in the design of their subsidy. BEIS is also currently developing a transparency database for this purpose. More detail on all of the above can be found in [BEIS technical guidance](#)
- 2.23 The grant funding agreement sets out a basic overarching obligation for the grant recipient to avoid putting HMG in breach of the UK's international obligations in respect of subsidies. If the Department considers those obligations are not engaged because the grant recipient is not an economic actor and/or enterprise or is relying on the subsidy being outside of the scope of the TCA on the basis of value, Departments will need to consider whether the subsidy exemption clauses in Condition 15 and Schedule 10 are also required.

Intellectual Property

- 2.24 See condition 16 of the Grant Funding Agreement, which sets out how Defra and the Grant Recipient intend to deal with any intellectual property rights (IP rights) created in connection with the Grant. Under condition 16, the Grant Recipient owns any IP rights developed using the grant but will grant a worldwide, non-exclusive, irrevocable, licence to Defra to use and exploit the intellectual property.
- 2.25 In most cases Defra does not need to own the IP rights and will be satisfied by a perpetual, royalty-free, non-exclusive licence that it can sub-license to other departments, agencies and ALBs as required. The Defra model agreement includes an explicit reservation of the right to grant an Open Government Licence of any copyright so the public can have access to any copyright material and reproduce it without royalty.
- 2.26 However, in some cases the purpose of the Grant may require the Department to own the rights to the intellectual property, in which case an assignment of the rights will be needed. You should request legal advice to assess the legal implications of this approach and whether doing so will expose Defra to potential procurement risks.
- 2.27 For example, if the purpose of the grant is to develop an environmental awareness training programme and Defra decides it needs to own all the

intellectual property developed in connection with that programme, it is likely that the funding paid to the Grant Recipient will not be a grant, but payment for services. This is because the arrangement will be more akin to that of a public contract for services, which in turn means that the requirement should have been procured in accordance with the PCR.

Consortia

- 2.28 The grant funding agreement has been drafted to cater for circumstances where the grant recipient is undertaking the funded activities independently. The grant funding agreement does not currently cater for grants awarded to consortia. Departments should seek legal and/or commercial advice from their Departments on what amendments are required to manage a grant award to a consortium so as to ensure that all members of the consortium are bound by the requirements of the grant.
- 2.29 For example, the Department may want to consider whether the grant funding agreement needs to be entered into by one **lead member** of the consortium, as opposed to all the members (the Cabinet Office's and Defra's recommended position), or whether the other members of the consortium need to enter into a short **side agreement with Defra regarding the grant**.
- 2.30 The Department may also want to consider whether it needs to make it a condition of the grant that the consortium members have a **consortium agreement** in place between each other. This is important to ensure that the consortium has a robust legal basis. It may also be prudent to include conditions regarding changes to the consortium agreement to ensure that the Department has the right to terminate / seek repayment of the grant if the consortium agreement is terminated or materially changed.

Double Funding

- 2.31 Condition 4.9 of the conditions requires grant recipients to declare that acceptance of the grant offered will not result in double funding, for example, they are receiving funding from another source for the same or similar activity.
- 2.32 Any match funding, where declared, will not be double funding. [In cases where we are relying on a **substantive or value-based exemption for subsidy control purposes**, it will be important to have full details of all Match Funding to check that relevant subsidy limits are not exceeded, both up front and on an ongoing basis]
- 2.33 The authorised signatory of the declaration will be liable for any false declaration.

Assets

- 2.34 A Defra grant will mainly be given towards revenue costs rather than towards the purchase of assets. However, to cover situations where the grant is for this purpose, the grant funding agreement contains provisions intended to protect the monies given for those purposes.
- 2.35 These provisions may safely be omitted if funding is to be given solely for revenue purposes. Department's must have regard to the HM Treasury guidance, *Managing Public Money*¹, which discusses factors to be taken into account when grants are used to fund assets.
- 2.36 The grant funding agreement does not contain provisions to claw back funding when the grant is for the purchase of capital assets nor does it provide for the Departments to have a charge over that asset in the event of a winding up. Departments should therefore consult their legal teams to draft specific provisions in respect of this.
- 2.37 If Defra is funding Capital Assets through the Grant, it should consider whether, in accordance with Annex 5.2 of HM Treasury guidance *Managing Public Money*, it should take a legal charge over the Asset to protect the Department's interest in any funded Asset. In these circumstances, you should seek appropriate commercial/legal advice.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE")

- 2.38 TUPE may apply on the award of grant funding, although much will depend on the facts in any given case. For example, if grant funding is provided over a number of years to one recipient which is entirely reliant on such funding, such funding is subsequently re-allocated to a new recipient carrying out fundamentally the same activities and the former recipient ceases to operate, it may be possible to argue that the employees of the organisation previously in receipt of the funding should transfer under TUPE to the new grant recipient. In some situations there could also potentially be a transfer of assets which could give rise to a TUPE transfer.
- 2.39 A key factor in determining whether TUPE will apply is whether it is possible to identify either a transfer of assets on the reallocation of the grant funding or whether there is, in practice, (i.e. regardless of the documentation in place) a 'service' which ceases to be provided by one organisation on behalf of the Authority in fundamentally the same way. It should be noted that if a service contract were in place, there would likely be contractual provisions dealing with the application of TUPE on the commencement and termination of the service, although this should be checked.

¹ <https://www.gov.uk/government/publications/managing-public-money>

- 2.40 However, this is unlikely to be the case under a grant funding agreement and accordingly careful consideration of any TUPE risk is particularly important in such circumstances.
- 2.41 It will be the Grant Recipient's responsibility to make enquiries of the present funded organisation to determine whether TUPE may apply to the Funded Activities. It is not the Department's responsibility to determine whether TUPE may apply between a current grant recipient and the new Grant Recipient of similar Funded Activities and/or any other provider the Department may select to provide the Funded Activities.
- 2.42 If Departments consider that their grant may give rise to a TUPE risk, legal advice should be obtained from GLD employment legal advisors/TUPE specialists to determine whether specific TUPE indemnity provisions also need to be included in the Grant Funding Agreement or a separate standalone deed.

Data Protection

- 2.43 On 25 May 2018 new data protection legislation came into force. The legislation contains a range of new measures relating to data protection, including mandatory contract clauses which must appear in contracts under which one party (the "processor") is processing personal data on behalf of, and following the instructions of, the other (the "controller").
- 2.44 This template assumes that no personal data is being processed by one party on behalf of the other and that no personal data will be jointly controlled i.e. parties making joint decisions over the purposes and means of processing. This is Defra's default position for Grant Funding Agreements and should not be changed without express approval. You should consider whether any personal data will be processed by either party on behalf of the other in the course of the grant agreement being performed. Where this is the case, advice must be obtained from core-Defra's Data and Information Assurance Team (data.protection@defra.gov.uk) and as per condition 14.3 and 14.4 a separate agreement entered into.
- 2.45 Where a department has decided not to make the grant funding agreement contractually binding, but personal data will be processed on its behalf by a processor, the department will need to ensure that they have complied with their obligations under Article 28 of the General Data Protection Regulation (as retained in UK law), which requires that agreements with data processors be governed by a binding contract or other legal act that is binding on the processor.
- 2.46 After 1 January 2021, the General Data Protection Regulation remains in force in the UK by operation of the European Union (Withdrawal) Act 2018. The regulations (known as 'UK GDPR') may be amended by domestic legislation in the UK in future. Although the UK ended the transition period without an adequacy decision, as part of the EU UK Trade and Cooperation Agreement,

the EU has agreed to delay transfer restrictions for at least four months with the possibility of extension to six months (known as the 'Bridge'). If an adequacy decision has not been secured by the end of the Bridge period, data transfers from the EU to the UK will not automatically be deemed to have adequate safeguards. In these circumstances, it may be necessary to include the 'standard contractual clauses' published by the European Commission when preparing this Grant Funding Agreement. See further detail in Schedule 8, and please refer to Clauses 24.29 to 24.32 of the Model Services Contract and guidance issued by DCMS from time to time for further information on when the incorporation of SCCs will be appropriate.

3. How to use this template

- 3.1 Before you use this template you should read the drafting notes contained at paragraph 2 above.
- 3.2 This template has been drafted to help you meet the Government Functional Standards for General Grants (the **Grant Standards**²) The Grant Standards are [here](#).
- 3.3 You are not required to use the grant funding agreement but you are encouraged to do so wherever possible. This Grant Funding Agreement should be used for grants above £100k and has been drafted for 'most likely scenario' **'You may tailor the template to suit the Grant's specific needs and purposes.**
- 3.4 The following conditions in the grant funding agreement have been drafted to comply with the Grant Standards. **Do not change these without taking legal advice first:**
 - 3.4.1 Duration and Purpose of the Grant (condition 3);
 - 3.4.2 Eligible Expenditure (condition 5 and Schedule 4). Please note Departments must include paid for lobbying as an ineligible activity. **The wording set out in condition 5 of the GFA has been approved by No. 10's special Advisors and must not be deleted;**
 - 3.4.3 Annual Grant Review (condition 6);
 - 3.4.4 Monitoring and Reporting (condition 7);
 - 3.4.5 Auditing and Assurance (condition 8);
 - 3.4.6 Financial Management and Prevention of Bribery, Corruption, Fraud and Other Irregularity (condition 9);
 - 3.4.7 Statutory Duties (condition 13);
 - 3.4.8 Data Protection and Public Procurement (condition 14);
 - 3.4.9 Subsidy Control (condition 15) and
 - 3.4.10 Clawback, Events of Default, Termination and Rights Reserved for Breach and Termination (condition 26).

² <https://www.gov.uk/government/publications/grants-standards>

- 3.5 You also need to complete the following Schedules with the requisite information to satisfy the requirements of the Grant Standards:
- 3.5.1 Funded Activities (Schedule 2);
 - 3.5.2 Agreed Outputs and Longer Term Outcomes (Schedule 3).
 - 3.5.3 Eligible Expenditure (Schedule 4);
 - 3.5.4 Payment Schedule (Schedule 5);

4 Before Using this document

4.1. Please make sure that before you use this document that:

- 4.1.1. You have checked it is the most up to date version;
- 4.1.2. You are using it in the right context and that the document will be amended to reflect that context;
- 4.1.3. If you have any questions that you speak to the Cabinet Office grants team or Defra lawyers before making any amendments or issuing the document;

You:

- 4.1.4. delete all drafting notes before you send the Grant Funding Agreement to the Grant Recipient
- 4.1.5. remove all guidance notes and boxes;
- 4.1.6. delete all square brackets;
- 4.1.7. check all cross-references; and
- 4.1.8. delete all optional conditions not being used
- 4.1.9. When all deletions are complete update contents table.

TEMPLATE VERSION CONTROL

| VERSION | DATE | COMMENT |
|---------|------------------|--|
| 4.0 | 19 October 2018 | Release of Model GFA V4. |
| 4.1 | 24 January 2019 | Updated publicity clause and updated TUPE and Data Protection guidance. Amended Termination provisions to clarify the events of default (condition 25) and removal of optionality at condition 30 (Code to Conduct, following its publication in November 2018). |
| 4.2 | 28 January 2021 | Updated draft to address matters related to the end of the transition period, including in relation to state aid/subsidy, data protection and the effects of the European Union (Withdrawal) Act 2018. |
| 4.3 | 24 February 2021 | Updated draft to address matters related to the end of the transition period, including in relation to state aid/subsidy, data protection and the effects of the European Union (Withdrawal) Act 2018 |

Document last reviewed by GLD on 28 January 2021;
Date for next GLD review 28 July 2021.

| Defra VERSION | DATE | COMMENT |
|------------------|--------------|----------------------------------|
| 1.0 | 19 June 2019 | Updated from Cabinet Office V4.1 |
| | | |

Defra Version last reviewed by GLD on 19th June 2019
Date for next GLD review 19th December 2019



Department
for Environment
Food & Rural Affairs

Grant Funding Agreement for [Grant Title]

Date in format: Month 2021

[CONTRACTOR LETTERHEAD]

COMMERCIAL IN CONFIDENCE

Dear **Salutation**

[Grant title]

[Project Ref]

I am writing to you on behalf of **[CONTRACTOR NAME]** acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (“**Authority**”).

This Grant Funding Letter **(including the special conditions below)** **[Remove if no special conditions]**, together with its Schedules and Appendices set out the terms of the grant agreement (“**Grant Funding Agreement**”) between the Authority and **[insert name of recipient organisation]**.

Unless the context otherwise requires, capitalised expressions used in this Grant Funding Letter have the same meanings as in the terms and conditions at Schedule 1.

The Authority in exercise of its powers to make grants under section **[insert section]** and pursuant to section **[insert section]** of **[insert Act of Parliament]**, hereby offers Grant Funding not exceeding **£XXXXXXX** (inclusive of any applicable VAT) in accordance with the terms of this Grant Funding Agreement.

For the purposes of the Agreement, the Authority and the Grant Recipient agree as follows:

The Grant Period must commence on **[insert commencement date]** and expire on **[Insert end date]**.

Special Conditions (examples of special conditions)

Match Funding

[The offer of Grant Funding is conditional on you securing additional funding for the Approved Project from other sources as specified in the Grant Funding Agreement] OR [The offer of Grant Funding is made on the understanding and condition that, before you accept this offer, you must have either already received suitable additional funding for the Funded Activities from other sources as specified in [Schedule 2] or must have secured binding commitments for the provision of such additional funding.]

Capital Spend Limit

The Capital spend allowed under the terms of the Grant Funding Agreement is limited to Expenditure on the items set out below:

Insert applicable items e.g.

- **Laptops for use by staff**
- **Printers**

[This capital spend limit does not apply to Third Party Grants] [Only to be inserted where capital spend and third party grants are allowed]

The address for notices of the Parties are:

Authority:

[CONTRACTOR NAME AND ADDRESS] as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

Attention: [Insert grant manager's name]

Email: [email]

Grant Recipient:

[Insert grant recipient details – name address etc....]

Attention: [Insert contact name]

Email: [Insert contact email address]

Payment of Grant

All claims must be submitted by e-mail to the Authority's Grant Manager, quoting a valid purchase order number (PO Number), at [email] (or other address notified to you from time to time for the purpose) and made out to:

[post address]

The Authority's Grant Manager is responsible for checking and raising any queries about Grant Claims submitted. Once approved, they will be forwarded to the Authority's account payable function at the above address for payment. In the case of payment queries or disputes correspondence may be sent to the Grant Manager email above and if appropriate copied to

[account payable]

Within [10] Working Days of your electronic acceptance of the Agreement, we will send you a unique PO Number. You must be in receipt of a valid PO Number before submitting a claim. To avoid delay in payment it is important that your claim is complete and that it includes a valid PO Number, a signed claim form and the details (name and telephone number) of your customer contact. Claims which do not have this information will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment please contact our Accounts Payable section either by email to [email] or by telephone [number] between 09:00-17:00 Monday to Friday.

Liaison

For general liaison, your contact will be [Insert grant manager name and telephone number]

Acceptance of Offer

This Grant Funding Letter has been issued electronically on the Authority's e-application system. If you are content to accept our offer please arrange for someone with delegated authority to accept this award by electronically signing this Agreement, using the Authority's e-application system. Acceptance is required within [7] days from the date of this Grant Funding Letter. If we do not receive your acceptance within the [7] day deadline, our offer will lapse. Please remember to quote the Grant Reference number above in any future communications relating to this grant.

All communications should be made through the email function on the e-application system.

Yours Sincerely

[Insert Name]

[Job title]

On behalf of [CONTRACTOR NAME] and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

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This Grant Funding Agreement is made on [insert date of bravo issue]

Between:

- (1) [CONTRACTOR NAME] whose principal address is at [ADDRESS] registered in England and Wales with company number [company number] acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (the “Authority”);
- (2) [Insert The Full Name of the Grant Recipient], whose principal address is at [Address] (the “Grant Recipient”).

In relation to:

[Insert Grant Award Title] [This should match the Grant Funding Letter]
[Insert Bravo ECM number] [This should match the Grant Funding Letter]

BACKGROUND

- (A) The Grant is made pursuant to section [] of [] Act [19/20[]]. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Funding Letter.
- (B) The Authority ran a competition for grant applications in respect of [xxxx]
- (C) The Grant Recipient was successful under that competition and the Authority awarded it a grant to deliver [xxx]
- (D) The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement
- (E) the Grant Recipient must use the Grant solely for the Funded Activities

The Authority hereby agrees to provide the Grant to the Grant Recipient subject to the conditions set out below:

1. General Conditions

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Funding Letter.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in

accordance with all the conditions set out in this Grant Funding Agreement (including any special conditions included in the Grant Funding Letter).

- 1.3. The Authority makes the Grant to the Grant Recipient for the provision of [insert what the purpose of the grant is here] as set out in Schedule 1. OR The Authority makes the Grant to the Grant Recipient on the basis of the detailed proposals submitted by the Grant Recipient as set out in the Appendix to Schedule 1. Use if competed and insert the application.
- 1.4. The Parties confirm that they intend to be legally bound by this Grant Funding Agreement.

2. Definitions and Interpretation

- 2.1. Where they appear in these Conditions:

Asset means any assets that are to be purchased or developed using the Grant including equipment or any other assets which may be a Fixed Asset [and/or Major Asset] as appropriate in the relevant context, and **Assets** will be construed accordingly;

Asset Owning Period means the period during which the Assets are recorded as Assets in the Grant Recipient's accounts;

Authority Personal Data means any Personal Data supplied for the purposes of, or in connection with, the Grant Funding Agreement by the Authority to the Grant Recipient;

Bribery Act means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

Capital Grants means the sum or sums of money provided by a grant making body to the grant recipient for items such as buildings, equipment, land or machinery; Delete if not applicable

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

Commencement Date means the date on which the Grant Funding Agreement comes into effect, being the [insert commencement date]; [This should match Grant Funding Letter]

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's

personnel) whether before or after the date of the Grant Funding Agreement, including but not limited to:

- (a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:
 - (i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party; and
 - (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; and
- (b) any information developed by the Parties in the course of delivering the Funded Activities;
- (c) the Authority Personal Data;
- (d) any information derived from any of the above.

Confidential Information must not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of condition 11 of these Conditions);
- (b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- (c) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

Contracting Authority means any contracting authority (other than the Authority) as defined in regulation 2 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the UK GDPR;

Change of Control means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transaction;

Crown Body means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

Data Protection Legislation means (i) the UK GDPR; (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy; and (iii) all applicable Law relating to the processing of Personal Data and privacy;

Disposal means the disposal, sale, transfer of an Asset or any interest in any Asset and includes any contract for disposal;

DPA 2018 means the Data Protection Act 2018;

Domestic Law means an applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation which replaces EU law as a consequence of the UK leaving the European Union;

Duplicate Funding means funding provided by a third party to the Grant Recipient for the same purpose as the Grant, but not declared to the Authority;

Eligibility Criteria mean the Authority's selection criteria used to determine who should be grant recipients including the Grant Recipient; Delete if direct award/not applicable

Eligible Expenditure means the payments made by the Grant Recipient making use of the Grant for the purposes of delivering the Funded Activities that comply in all respects with these Conditions;

EIR means the Environmental Information Regulations 2004;

Exit Plan means the exit plan referred to in Condition 27

Event of Default means an event or circumstance set out in condition 27.1;

Financial Year means from 1 April to 31 March;

Fixed Assets means any Asset which consists of land, buildings, plant and equipment acquired, developed, enhanced, or constructed in connection with the Funded Activities;

FOIA means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Funded Activities means the activities set out in Schedule 2;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on **INSERT;** [This should match the Grant Funding Letter] (without prejudice to the continuation in force of these Conditions beyond that end date in relation to the Funded Activities):

General Data Protection Regulation and GDPR means (the General Data Protection Regulation (EU) 2016/679);

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with condition 4 and subject to the provisions set out at condition 26.

Grant Claim means a Grant Claim in the form specified by Schedule 7 submitted by the Grant Recipient to the Authority for payment of the Grant;

Grant Funding Agreement means the Grant Funding Letter, and these Conditions, together with the schedules to these Conditions and their respective appendices;

Grant Funding Letter means the letter the Authority issued to the Grant Recipient to which these Conditions are attached;

Grant Manager means the individual who has been nominated by the Authority to be the single point of contact for the Grant Recipient in relation to the Grant;

Grant Recipient Trade Mark means any trademark applied for or registered by the Grant Recipient; [Delete if not required]

HRA means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Ineligible Expenditure means expenditure incurred by the Grant Recipient which is not Eligible Expenditure and as set out in condition 5 of these Conditions;

Information Acts means the Data Protection Legislation, FOIA and the EIR, as amended from time to time;

Intellectual Property Rights or **IPRs** means copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions semiconductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade names, designs, know-how, trade secrets and any modifications, amendments, updates and new releases of the same and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

IPR Material means all material produced by the Grant Recipient or its Representatives [or as the case may be, a third party Grantee or any of their Representatives] [Only use if third party grants allowed] in relation to the Funded Activities during the Funding Period (including but not limited to, materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

Instalment Period means the intervals set out in Schedule 5 when the Authority will release payment of the Grant to the Grant Recipient during the Funding Period;

Joint Controllers means where two or more Controllers jointly determine the purposes and means of processing;

Law means any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of Section 4(1) EU Withdrawal Act 2018 as amended by EU (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Grant Recipient is bound to comply;

Losses means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and **Loss** will be interpreted accordingly;

[Major Asset means an Asset being used for the Funded Activities which is not a Fixed Asset but has a value as at the date of this funding Agreement of at least [£ **Insert the Major Assets value**]; Not normally required but needs to be inserted if Major Asset referred to in Asset definition legal must see this agreement if major asset included.

Match Funding means any contribution to the Funded Activities by the Grant Recipient or from a third party to the Grant Recipient to meet the balance of the Eligible Expenditure not supported by the Grant *that is not directly or indirectly funded by the Government or other public body* [This wording includes both the Grant Recipient's existing own funds and income arising during the Funding Period as well as private funding specifically brought in to finance the Funded Activities. Other public funding is excluded to avoid exceeding subsidy control limits but may be permitted in specific cases: seek legal advice). Grant Recipients are free to use Match Funding for all types of Expenditure on Funded Activities, but Grant Claims are limited to Eligible Expenditure.]

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to condition 26;

Northern Ireland Protocol means the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement;

Party means the Authority or Grant Recipient and **Parties** must be each Party together;

Personal Data has the meaning given to it by the UK GDPR;

Procurement Regulations means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time;

Prohibited Act means:

- (a) directly or indirectly offering, giving or agreeing to give to any servant of the Authority or the Crown any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Funding Agreement; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Funding Agreement;
- (b) committing any offence:
 - (i) under the Bribery Act;
under legislation creating offences in respect of fraudulent acts; or
 - (ii) at common law in respect of fraudulent acts in relation to the Funding Agreement; or

- (c) defrauding or attempting to defraud or conspiring to defraud the Authority or the Crown;

Publication means any announcement, comment or publication of any publicity material by the Grant Recipient concerning the Funded Activities or the Authority;

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default pursuant to the Rectification Plan process set out in conditions 27.4;

Representatives means any of the Parties' duly authorised directors, employees, officers, agents, professional advisors and consultants;

Schedule means any of the schedules attached to these Conditions, which form part of the Grant Funding Agreement;

Special Payments means ex gratia expenditure by the Grant Recipient to a third party where no legal obligations exist for the payment and/or other extra-contractual expenditure. Special Payments may include, but is not limited to, out-of-court settlements, compensation or additional;

State Aid Law means the law embodied in Articles 107- 109 of the Treaty for the Functioning of the European Union and any related legislation adopted by the Council, European Parliament and/or the Commission (including implementing legislation) decisions and communications to the extent it applied or continues to apply at any time in the United Kingdom;

Third Party means any person or organisation other than the Grant Recipient or the Authority;

Trade and Cooperation Agreement means the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (as that agreement is modified or supplemented from time to time in accordance with any provision of it or of any other future relationship agreement);

UK GDPR means the retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679), as transposed into UK Law by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;

Unspent Monies means any monies paid to the Grant Recipient in advance of its Eligible Expenditure, which remains unspent and uncommitted at the end of the Financial Year, the Funding Period or because of termination or breach of these Conditions;

VAT means value added tax chargeable in the UK;

Working Day means any day from Monday to Friday (inclusive) which is not specified or proclaimed as a bank holiday in England and Wales pursuant to section 1 of the Banking and Financial Dealings Act 1971 including Christmas Day and Good Friday

2.2. In these Conditions, unless the context otherwise requires:

2.2.1. the singular includes the plural and vice versa;

2.2.2. reference to a gender includes the other gender and the neuter;

2.2.3. references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;

2.2.4. a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;

2.2.5. the words "**including**", "**other**", "**in particular**", "**for example**" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";

2.2.6. Any reference in this Grant Funding Agreement which immediately before the date of exit from the EU (or such later date when relevant EU law ceases to have effect pursuant to Section 1A of the European Union (Withdrawal) Act 2018) is a reference to (as it has effect from time to time):

- i. any EU regulation, EU decision, EU tertiary legislation or provision of the European Economic Area ("**EEA**") agreement ("**EU References**") which is to form part of domestic law by application of Section 3 of the European Union (Withdrawal) Act 2018 and which shall be read on and after the date of exit from the EU as a reference to the EU References as they form part of domestic law by virtue of Section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and
- ii. any EU institution or EU authority or other such EU body shall be read on and after the date of exit from the EU as a reference to the UK institution, authority or body to which its functions were transferred.

2.2.7. references to "**writing**" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;

2.2.8. references to "**representations**" will be construed as references to present facts, to "**warranties**" as references to present and future facts and to "**undertakings**" as references to obligations under the Grant Funding Agreement;

2.2.9. references to "**conditions**" and "**Schedules**" are, unless otherwise provided, references to the conditions and Schedules of these Conditions and references in any Schedule to parts, conditions and tables are, unless otherwise provided,

references to the parts, conditions and tables of the Schedule in which these references appear; and

the headings in these Conditions are for ease of reference only and do not affect the interpretation or construction of these Conditions.

- 2.3. Where there is any conflict between the documents that make up this Grant Funding Agreement the conflict must be resolved in accordance with the following order of precedence:
 - 2.3.1. Any special conditions in the Grant Funding Letter;
 - 2.3.2. The Conditions set out within this Grant Funding Agreement;
 - 2.3.3. the Schedules to these Conditions and their respective appendices.
 - 2.3.4. [the Grant Award Criteria]. Delete if direct award

3. Duration and Purpose of the Grant

- 3.1. The Funding Period starts on [] (the **Commencement Date**) and ends on [xx Month 20xx] unless terminated earlier in accordance with this Grant Funding Agreement. [Dates must match grant funding letter and 'Funding Period and 'Commencement date' references]
- 3.2. The Grant Recipient will ensure that the Funded Activities start on [xx Month 20xx] but where this has not been possible, that they start no later than 3 months after the Commencement Date.
- 3.3. The Grant Recipient must use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities unless the Authority has given prior written agreement, which must be recorded and notified through a change control notice.
- 3.4. The Authority may at its discretion agree to vary the Grant Funding as a result of changes to the Funded Activities or for any other reason. Any variation made under this condition 3.4 will not take effect unless recorded and notified through a change control notice.
- 3.5. If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on one month's written notice to the Grant Recipient.

4. Payment of Grant

- 4.1. Subject to the remainder of this condition 4 the Authority must pay the Grant Recipient an amount not exceeding a total of [insert the total Grant amount in words and pound sterling]. The Authority must pay the Grant in pound sterling (GBP) and into a bank located in the UK.
- 4.2. The Grant Recipient must provide bank account details to the Authority that must be verified for means of electronic payment. The Grant Recipient must include the relevant

purchase order number on all invoices. The Grant must be paid into a separate bank account in the name of the Grant Recipient which must be an ordinary business bank account. At least two individual Representatives of the Grant Recipient must sign or otherwise expressly authorise all cheques from the bank account. **[it will be easier to clawback the Grant if you require the Grant Recipient to hold Grant money in a separate bank account. That way the Grant will not mix with the Grant Recipient's other funds. If you are paying the Grant ahead of need/the Funded Activities]**

- 4.3. The signatory must be the chief finance officer or someone with proper delegated authority. Any change of bank details must be notified immediately using the Confirmation of Bank Details and Signatories form to be provided by the Authority and signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.
- 4.4. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities. The Grant Recipient agrees that the Maximum Sum is the amount agreed as the GBP value, at the Commencement Date.
- 4.5. The Authority will only pay the Grant to the Grant Recipient in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities. The Authority will not pay the Grant until it is satisfied that the Grant Recipient has paid for the Funded Activities in full and the Funded Activities were delivered during the Funding Period. **[OR The Authority will only pay the Grant to the Grant Recipient once the Authority is satisfied that the Grant Recipient has provided a sufficient level of assurance to demonstrate that the Grant will be used for Eligible Expenditure. The Authority will be deemed to be satisfied that the Grant Recipient has provided a sufficient level of assurance as required above from the Commencement Date and throughout the Funding Period unless it otherwise notifies the Grant Recipient in light of its assessment of any report or other information received from the Grant Recipient it has reasonable grounds for suspecting that the Grant is or may not be being used for Eligible Expenditure in accordance with this Condition and for as long as the Grant Recipient fails to give any satisfactory assurance to the contrary]****(Sufficient level of assurance, HMT approval to pay, Due diligence including satisfactory previous grant usage and future plans and costings relevant to the project)****This text is used for advanced payments only.**
- 4.6. **The Grant Recipient must provide the Authority with evidence [of the costs/payments, which are classified as Eligible Expenditure in condition 0, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority].**
- 4.7. The Grant Recipient must declare to the Authority any Match Funding which been approved or received, before the Commencement Date. If the Grant Recipient intends to apply for, is offered or receives any further Match Funding during the Funding Period, the Grant Recipient must notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient must confirm the amount, purpose and source of the Match Funding and the Authority must

confirm whether it is agreeable to the Grant Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority must be entitled to terminate the Grant Funding Agreement in accordance with condition 27.1.9 and where applicable, require all or part of the Grant to be repaid.

- 4.8. Where the use of Match Funding is permitted the Grant Recipient must set out any Match Funding it receives in the format required by Schedule 5 and send that to the Authority. This is so the Authority knows the total funding the Grant Recipient has received for the Funded Activities.
- 4.9. The Grant Recipient agrees that:
- 4.9.1. it will not apply for, or obtain, Duplicate Funding in respect of any part of the Funded Activities which have been paid for in full using the Grant;
 - 4.9.2. the Authority may refer the Grant Recipient to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;
 - 4.9.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
 - (i) the Grant will be used for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.
- 4.10. The Grant Recipient must submit a valid invoice for payment of Grant Funding, at such periods as are specified in Schedule 5 or otherwise agreed by the parties in writing. Each and every valid invoice submitted by the Grant Recipient to the Authority must include all such records and information as the Authority may require including details and evidence of expenses incurred and programme of work undertaken and such other information as is necessary to enable verification of the information and the amounts referred to in the claim for payment (Schedule 7). The Grant Recipient must include the relevant purchase order (PO) number on all invoices.
- 4.11. Unless otherwise stated in these Conditions, payment of the Grant will be made within 30 days of the Authority approving the Grant Recipient's Grant Claim.
- 4.12. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim for whatever reason arising.
- 4.13. The Authority reserves the right not to pay any Grant Claims which are not submitted within the period set out in condition 4.10 or which are incomplete, incorrect or submitted without the full supporting documentation.
- 4.14. The Grant Recipient must promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which

falls due under this condition 4.14, must fall due immediately. If the Grant Recipient fails to repay the due sum immediately [or within any other timeframe specified by the Authority] the sum will be recoverable summarily as a civil debt.

- 4.15. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that third party. The Authority has no responsibility for paying third party invoices.
- 4.16. Onward payment of the Grant and the use of sub-contractors must not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.17. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.18. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient must repay such Unspent Monies to the Authority no later than 30 days from the Authority's request for repayment.

5. Eligible and Ineligible Expenditure

- 5.1. The Authority will only pay to the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient must use the Grant solely for delivery of the Funded Activities (as set out in Schedule 2 of these Conditions).

The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activities:

- 5.1.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
- 5.1.2. giving evidence to Parliamentary Select Committees;
- 5.1.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
- 5.1.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);
- 5.1.5. providing independent, evidence based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and

- 5.1.6. providing independent evidence based advice to local or national government as part of the general policy debate where that is in line with the objectives of the Grant.

5.2. [Guidance: To be removed unless agreed by the Grant Manager that this is a Research Grant.] The following list is specific to government research grants, including, for example, those awarded to the National Academies:

- 5.2.1. publishing and publicising the results of research paid for using taxpayer funded grants;
- 5.2.2. hosting science and research communication events, for example, science festivals, Royal Society's Summer Science Exhibition, visits, breakfasts, dinners or receptions, seminars, the use of newsletters and campaigns, and sharing information with Parliament to expound greater understanding of research outcomes or launch a research project or equipment;
- 5.2.3. working with or through a Third Party organisation or commercial partners, which are not professional lobbying organisations, to conduct, communicate or publish research findings and inform policy;
- 5.2.4. contributing expert scientific and academic advice to inform government policy and funding or make the case for science; and
- 5.2.5. developing proposals for future research grants.

5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:

- 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
- 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- 5.3.3. using the Grant to petition for additional funding;
- 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- 5.3.5. payments for activities of a political or exclusively religious nature;

5.4. Other examples of expenditure, which are prohibited, include the following:

- 5.4.1. contributions in kind;
- 5.4.2. interest payments or service charge payments for finance leases;
- 5.4.3. gifts, to individuals, other than promotional materials;
- 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;

- 5.4.5. payments for works or activities which the Grant Recipient has a statutory duty to undertake, or that are fully funded by other sources;
 - 5.4.6. bad debts to related parties;
 - 5.4.7. payments for unfair dismissal or other compensation;
 - 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient;
 - 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Funding Letter); and
 - 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority.
- 5.5. Expenditure includes any costs, expenses or other forms of payment. Expenditure is deemed to take place at the moment when money passes out of the Grant Recipient's control. This may take place when:
- 5.5.1. Legal tender is passed to a supplier (or, for wages, to an employee);
 - 5.5.2. A letter is posted to a supplier or employee containing a cheque; or
 - 5.5.3. An electronic instruction is sent to a bank/building society to make a payment to a supplier or employee by direct credit or bank transfer.

6. Annual Grant Review

Guidance: this condition 6 applies to Grants, which are for a period, which is greater than 1 year. If the Grant is for less than 1 year, this condition should be amended to incorporate a review period, which is reasonable and proportionate for the Funding Period.

- 6.1. The Authority will review the Grant annually. The Authority will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs set out in Schedule 3 of these Conditions by the Grant Recipient in accordance with condition 7.2 of these Conditions.
- 6.2. Each annual review may result in the Authority deciding that (for example a non-exclusive list includes):
 - 6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;
 - 6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;
 - 6.2.3. the outputs should be re-defined and agreed;
 - 6.2.4. the Grant Recipient should provide the Authority with a draft Remedial Action Plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;

- 6.2.5. the Authority should recover any Unspent Monies;
- 6.2.6. the Grant be terminated in accordance with condition 27.11 of these Conditions.
- 6.3. If the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with condition 6.2.4 the Remedial Action Plan process set out in condition 27.4 to 27.10 must apply.
- 6.4. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with condition 6.2. The Authority is not however obliged to take such representations into account when making its decision as any such decision will be final and at the Authority's absolute discretion.

7. Monitoring and Reporting

- 7.1. The Grant Recipient must closely monitor the delivery and success of the Funded Activities throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are achieved.
- 7.2. The Grant Recipient must provide the Authority with all reasonable assistance and co-operation in relation to any ad-hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement.
- 7.3. The Grant Recipient must also provide the Authority with **annual report/quarterly report/report at intervals to be determined by the Authority** on:
 - 7.3.1. the progress made towards achieving the agreed outputs and the defined longer term outcomes set out in Schedule 3 of these Conditions. Where possible, the report must quantify what has been achieved by reference to the Funded Activities' targets; and
 - 7.3.2. if relevant, provide details of any Assets either acquired or improved using the Grant.
- 7.4. The Grant Recipient must permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and must, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.
- 7.5. The Grant Recipient must record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.
- 7.6. The Grant Recipient must notify the Authority as soon as reasonably practicable of:

- 7.6.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and
 - 7.6.2. actual or potential variations to the Eligible Expenditure set out in Schedule 4 of these Conditions and/or any event which materially affects the continued accuracy of such information.
- 7.7. The Grant Recipient represents and undertakes (and must repeat such representations on delivery of its **[annual/quarterly report]**):
- 7.7.1. that the reports and information it gives pursuant to this condition 7 are accurate;
 - 7.7.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
 - 7.7.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. Auditing and Assurance

[Guidance: Grant Standard 6 states that Departments “need to gain assurance on how recipients use their grant funding and obtaining an independent accountants’ report is one way of doing this”. These Conditions contain provisions, which require the Grant Recipient to provide assurance by way of an independent auditor only. If the Department’s policy requires an alternative means of auditing condition 8 should be adapted accordingly.]

Where a Department intends to make a Grant to a statutory corporation, the Department will need to amend this condition 8 to reflect the auditing and assurance requirements applicable to that statutory corporation. The relevant legislation under which the corporation was incorporated may require that the corporation provide the respective Department with annual accounts which are then laid before Parliament. Departments will need to seek legal/commercial advice when amending these provisions to incorporate any specific statutory requirements to avoid duplication and/ or any conflict.

- 8.1. Within six months of the end of each Financial Year the Grant Recipient must provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide

[SELECT AS APPROPRIATE:]

[annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds.]

OR

a statement showing that the Grant has been certified by an independent and appropriately qualified auditor. Accompanied by the Grant Recipient's annual audited accounts.]

- 8.2. The Authority may, at any time during and up to 7 years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activities sites and relevant records. The Grant Recipient must ensure that necessary information and access rights are explicitly included within all arrangements with sub-contractors.
- 8.3. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient must, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.4. The Grant Recipient must:
 - 8.4.1. [if applicable] nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.4.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5. The Grant Recipient must retain all invoices, receipts, accounting records and any other documentation (including but not limited to, correspondence) relating to the Eligible Expenditure; income generated by the Funded Activities during the Funding Period for a period of 7 years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient must ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activities for a period of 7 years from the date on which the Funding Period ends.
- 8.7. The Grant Recipient must promptly provide revised forecasts of income and expenditure:
 - 8.7.1. when these forecasts increase or decrease by more than 10% of the original expenditure forecasts; and/or
 - 8.7.2. at the request of the Authority.

[ADDITIONAL OPTIONAL PROVISIONS- COMPLIANCE REQUIREMENTS FOR REGISTERED COMPANIES AND CHARITIES

- 8.8. *Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file their annual return and accounts by the dates specified by Companies House.*
- 8.9. *Where the Grant Recipient is a registered charity, the Grant Recipient must file their charity annual return by the date specified by the Charity Commissioner.*

8.10. *The Grant Recipient must provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner. If a Grant Recipient fails to comply with conditions [8.8] or [8.9] of these Conditions the Authority may suspend funding or terminate the Grant Funding Agreement in accordance with condition 27.1 of these Conditions.*

9. Financial Management and Prevention of Bribery, Corruption, Fraud and Other Irregularity

- 9.1. The Grant Recipient must at all times comply with all applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient must require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified. The Grant Recipient must explain to the Authority what steps are being taken to investigate the irregularity and must keep the Authority informed on the progress of any such investigation. The Authority may however request that the matter referred (which the Grant Recipient is obliged to carry out) to external auditors or other Third Party as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that the Grant Recipient address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for Grant support and may be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of Her Majesty's Revenue and Customs.
- 9.6. For the purposes of condition 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. Conflicts of Interest

- 10.1. Neither the Grant Recipient nor its Representatives may engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.
- 10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. Confidentiality

- 11.1. Except to the extent set out in this condition 11 or where disclosure is expressly permitted, the Grant Recipient must treat all Confidential Information belonging to the Authority as confidential and must not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.
- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this condition 11 prevents the Authority disclosing any Confidential Information obtained from the Grant Recipient:
 - 11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or
 - 11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information under the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;
 - 11.3.3. where disclosure is required by Law, including under the Information Acts.
- 11.4. Nothing in this condition 11 prevents either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. Transparency

- 12.1. The Authority and the Grant Recipient acknowledge that except for any information which is exempt from disclosure in accordance with the provisions of the Information Acts, the content of the Grant Funding Agreement is not confidential.

13. Statutory Duties

- 13.1. The Grant Recipient agrees to adhere to its obligations under the Law including but not limited to the Information Acts and the HRA.
- 13.2. Where requested by the Authority, the Grant Recipient must provide reasonable assistance and cooperation to enable the Authority to comply with its information disclosure obligations under the Information Acts.
- 13.3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
- 13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. Data Protection, and Public Procurement

This is the default position for grants. Other relationships may exist and must be considered before use of this clause. See drafting notes for information.

Data Protection

[Guidance: see note at paragraph 2.46 of the introduction to this Model Grant Funding Agreement for further details on the position regarding data protection following the end of the Brexit transition period.]

- 14.1. The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.
- 14.2. The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and must comply with the provisions set out in this condition 14 and Schedule 8.

- 14.3. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes of this Grant Funding Agreement, the Parties accept that they are each a separate, independent Controller in respect of such Personal Data. Each Party:
- (i) must comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data;
 - (ii) must be individually and separately responsible for its own compliance;
 - (iii) and do not and must not Process any Personal Data as Joint Controllers.
 - (iv) at their own cost enters into such specific agreements as may be reasonably required to enable each other to comply with their respective duties under the Data Protection Legislation as a result of the arrangements contemplated by this Grant Funding Agreement and give each other all reasonable assistance (including review by each party's legal advisors) in so complying.
- 14.4. The Parties acknowledge and agree that this Grant Funding Agreement does not require either Party to act as a Processor of the other. In the event that there is any change which requires either Party to act as a Processor the Parties agree, at their own cost, to enter into the standard data protection clauses set out in the Crown Commercial Services Procurement Policy Note 02/18 (as amended or replaced from time to time).
- 14.5. In the event that the Parties believe that there is a Joint Controller relationship, the Parties must seek to agree and enter into a Data Processing Joint Controller Agreement, all Parties acting reasonably. With respect to compliance with the Data Protection Legislation only and in the event of a conflict between the conditions of this agreement and any Data Processing Joint Controller Agreement, the terms of the Data Processing Joint Controller Agreement must take precedence.
- 14.6. Each Party must, with respect to its processing of Personal Data as a separate, independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1) (a), (b), (c) and (d) of the UK GDPR.

Public Procurement

- 14.7. The Grant Recipient must ensure that any of its Representatives involved in the Funded Activities will, adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.
- 14.8. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Grant Recipient must comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the Authority must not be liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

15. Subsidy Control

- 15.1. The Grant Recipient must ensure that the delivery of the Funded Activities does not put the Authority in breach of the UK's international obligations in respect of subsidies.
- 15.2. The Grant Recipient must maintain appropriate records of compliance with the relevant subsidy control regime and must take all reasonable steps to assist the Authority to comply with the same and respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- 15.3. The Grant Recipient acknowledges and represents that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and shall ensure that the Grant is not used in way that affects any such trade.

[Guidance: if the Grant is being made relying on the basis that the UK's international obligations in respect of subsidies do not apply, please amend/delete the applicable paragraph below

. Please note that as well as the two scenarios set out below, individual free trade agreements vary in terms of specific exemptions and additional restrictions to subsidy control (for example there are exemptions for certain agricultural subsidies in the Trade and Co-operation Agreement). You should discuss these exemptions with your departmental lawyers as part of your subsidy analysis and they may suggest the inclusion of bespoke drafting.]

[Guidance: if the subsidy does not engage the UK's international obligations because it is not being granted to an economic actor and/or enterprise, please use the below provision. Please note the definition of economic actor/enterprise can vary subtly across international agreements and should be checked.]

15.4 The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis that the Funded Activities being undertaken using the Grant are and will remain non-economic activities. The Grant Recipient shall ensure that measures are taken (where necessary), and maintained, to ensure that the Grant is not used to cross-subsidise any economic activity.

[Guidance: If subsidy is being made on the basis it is below the limit in the TCA and therefore out of scope of the agreement's provisions on subsidies please use this condition and Part 1 of Schedule 10].

The limit is 325,000 Special Drawing Rights which amounts to approximately £350,000 over any period of three fiscal years. The current valuation rate, at the time the subsidy is to be made, can be checked here. Even if the subsidy is outside the scope of the TCA you will still need to consider the UK's other international obligations in respect of subsidies (e.g. WTO ASCM, other free trade agreements)].

15.5 The Grant is awarded as de-minimis on the basis that it is outside the scope of the Trade and Co-operation Agreement by virtue of Article 3.2(4) of Title XI of that Agreement and is subject to the conditions set out in Schedule 10 of these Conditions and will be conditional upon the receipt by the Authority of the declaration form in Schedule 10.

16. Intellectual Property Rights

- 16.1. Intellectual Property in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 16.2. The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all the IPR Material for the purpose of supporting the Funded Activities and other projects.
- 16.3. Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 16.4. The Grant Recipient must ensure that it has obtained the relevant agreement of the Third Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third Party software and other IPR. The Grant Recipient will be responsible for obtaining and maintaining all appropriate licences to use the Third Party software.

17. Safeguarding

- 17.1. The Grant Recipient will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the Project and/or this Grant Funding Agreement. This shall include, without limitation, that the Grant Recipient will:
 - 17.1.1. maintain a safeguarding policy which includes a statement of commitment to safeguarding and a zero tolerance statement on bullying, harassment and sexual exploitation and abuse;
 - 17.1.2. maintain a detailed register of safeguarding issues raised and how they were dealt with;
 - 17.1.3. have clear investigation and disciplinary procedures to use when allegations and complaints are made, and have clear processes in place for when a disclosure is made;
 - 17.1.4. share its safeguarding policy with Representatives or Third Parties involved in the Project;
 - 17.1.5. maintain a whistle-blowing policy which protects whistle blowers from reprisals and includes clear processes for dealing with concerns raised;

- 17.1.6. maintain a code of conduct for staff and volunteers that sets out clear expectations of behaviours - inside and outside the work place - and make clear what will happen in the event of non-compliance or breach of these standards; and
 - 17.1.7. meet or be working towards the minimum standards for Sexual Exploitation, Abuse and Harassment safeguarding: the Inter-Agency Standing Committee Minimum Operating Standards on Protection from Sexual Exploitation and Abuse (“PSEA”) and/or the PSEA elements of The Core Humanitarian Standard on Quality and Accountability.
- 17.2. The Grant Recipient shall provide to the Department, on the Department’s request, any documents maintained pursuant to Condition 17.1 and/or evidence of compliance with the requirements of Condition 17.1.
 - 17.3. The Authority has a zero tolerance approach towards sexual exploitation, abuse and harassment. The Grant Recipient will immediately contact the Department at ODA.Safeguarding@defra.gov.uk to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Grant Funding Agreement. The Grant Recipient should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.
 - 17.4. The Grant Recipient shall also report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment that are not directly related to this Grant Funding Agreement but which would impact to the Department or the reputation of the Department or UK aid. For example, events that affect the governance or culture of the Grant Recipient, such as those related to senior management, must be reported.
 - 17.5. The Grant Recipient will fully co-operate with investigations into any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment, whether led by the Department or any of its duly authorised Representatives.

18. Environmental Requirements

- 18.1. The Grant Recipient must perform the Funded Activities in accordance with the Authority’s environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
- 18.2. The Grant Recipient must pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Funded Activities or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.

18.3. The Grant Recipient must take all possible precautions to ensure that any equipment and materials used in the provision of the Funded Activities do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority must be notified in advance of their use. The Grant Recipient must endeavour to reduce its impact on the environment, for example, by reducing fuel emissions wherever possible and avoiding single use plastics etc.

19. Assets

19.1. The purchase or creation of Assets under a revenue only grant is prohibited. **[Default option keep if no Assets permitted and remove rest of condition 19]**

Inventory of the Assets

19.2. The Grant Recipient [must agree in advance with the Authority any plans to purchase or improve any Fixed Assets at a cumulative cost exceeding **[£x please insert]** [and] must keep a register of all Fixed Assets **[and/or Major Assets]** acquired or improved at a cost exceeding **[£ please insert]**, wholly or partly using the Grant provided under the Grant Funding Agreement. Where the cost of purchasing or improving the Fixed Assets **[and/or Major Assets]** is less than **[£ please insert]**] authorisation is not required, but the Asset should be recorded on the fixed asset register. **[If Inventory of the Assets applies this becomes condition 19.1]**

19.3. Assets purchased with Grant funding must only be used for delivery of the Funded Activities.

19.4. For each entry in the register the following particulars must be shown where appropriate:

19.4.1. date of acquisition or improvement;

19.4.2. description of the Asset;

19.4.3. cost, net of recoverable VAT;

19.4.4. location of the Asset;

19.4.5. serial or identification numbers;

19.4.6. location of the title deeds;

19.4.7. date of any Disposal;

19.4.8. depreciation/amortisation policy applied;

19.4.9. proceeds of any Disposal net of VAT; and

19.4.10. the identity of any person to whom the Asset has been transferred or sold.

19.5. The Authority reserves the right to require the Grant Recipient to maintain the above particulars as set out in 19.4.1-19.4.10 for any additional items which the Authority considers material to the overall Grant.

Disposal of Assets

- 19.6. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.
- 19.7. Assets purchased or improved using the Grant must be owned by the Authority until ownership is transferred disposed or is otherwise agreed in writing by the Authority. The Authority reserves the right to determine the outcome of any Asset created as a result of the Funded Activities or purchased with the Grant.
- 19.8. The Grant Recipient must not dispose of any Assets that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with the Grant without the prior written consent of the Authority. If the Authority grants consent to the Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Authority.
- 19.9. If the Grant Recipient disposes of any Asset without the prior written consent of the Authority, the Grant Recipient must use all reasonable endeavours to achieve the market price for the Assets and must pay to the Authority a proportion of the proceeds of such sale, equivalent to the proportion of the purchase or development costs of the Assets that was funded by the Grant, provided that the Authority may at its discretion allow the Grant Recipient to keep all or a part of the relevant proceeds where:
- 19.9.1. the sale of the Assets takes place after the end of the Asset Owning Period;
 - 19.9.2. the proceeds of sale are to be applied directly to the purchase by the Grant Recipient of assets that are equivalent to or replacements for the Assets; or
 - 19.9.3. the Authority is otherwise satisfied that the Recipient will apply those proceeds for purposes related to the Funded Activities.
- 19.10. The Grant Recipient must hold the proceeds from the Disposal of any Asset on trust for the Authority.

Charging of any Asset

19.11. The Grant Recipient must not create any charge, legal mortgage, debenture or lien over any Asset without the prior written consent of the Authority.

20. Insurance

20.1. The Grant Recipient must during the term of the Funding Period and the subsequent Financial Year and for a further 7 years after termination or expiry of these Conditions, ensure that it has and maintains, at all times adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement.

20.2. The Grant Recipient must upon request produce to the Authority its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.

20.3. [Where the Grant Recipient (including any associated companies or Partners) receives more than 50/80 per cent of the Grant Recipient's total income from public funds, the Grant Recipient must notify the Authority. The Authority must review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement].

21. Assignment

21.1. The Grant Recipient must not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Funding Agreement or any rights under it, to another organisation or individual, without the Authority's prior approval.

21.2. Any approval given by the Authority must be subject to a condition that the Grant Recipient has first entered into a Grant Funding Agreement, authorised by the Authority, requiring the Grant Recipient to work with another organisation in delivering the Funded Activities.

22. Spending Controls – Marketing, Advertising, Communications and Consultancy

22.1. As part of the government's efficiency and reform programme, public funding for marketing, advertising, communications and consultancy is closely controlled. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure in these areas, either in connection with, or using funding provided, under this Agreement. A complete list of the controlled activities can be found at <https://www.gov.uk/government/publications/cabinet-office-controls>.

22.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant must deliver measurable outcomes that meet government objective to secure value for money.

23. Losses, Gifts and Special Payments

23.1. The Grant Recipient must obtain prior written consent from the Authority before:

- 23.1.1. writing off any debts or liabilities;
- 23.1.2. offering to make any Special Payments; and
- 23.1.3. giving any gifts.

in connection with this Grant Funding Agreement.

- 23.2. The Grant Recipient must keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activities.

24. Borrowing

- 24.1. In accordance with condition 19.10 and this 24, the Grant Recipient must obtain prior written consent from the Authority before:
- 24.1.1. borrowing or lending money from any source in connection with the Grant Funding Agreement; and
 - 24.1.2. giving any guarantee, indemnities or letters of comfort that relate to the Grant Funding Agreement or have any impact on the Grant Recipient's ability to deliver the Funded Activities set out in the Grant Funding Agreement.

25. Publicity

[Guidance: The following condition may not be suitable for Research Grants. Departments should amend accordingly/insert Departmental specific conditions which allows for dissemination of results/publication of research findings or data].

- 25.1. The Grant Recipient gives consents to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application or any monitoring reports submitted to the Authority in accordance with condition 7.2 of these Conditions.
- 25.2. The Grant Recipient must comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.
- 25.3. Subject to conditions 25.4 and 25.5 below, the Grant Recipient must not make, or permit any person to make, a Publication without the prior written agreement of the Authority.
- 25.4. If the Grant Recipient wishes to seek the Authority's permission to make a Publication, it must send a written request for approval of the Publication and a copy of the material(s) or exact wording that it proposes to publish (the **Request**) to the Authority no later than 10 Working Days before the intended Publication date.
- 25.5. No later than five (5) Working Days of receiving the Grant Recipient's Request the Authority must confirm to the Grant Recipient in writing whether:
- (i) the Request has been granted;
 - (ii) the Request is granted subject to the Grant Recipient accepting the Authority's reasonable required edits to the Publication; or
 - (iii) the Request has not been granted.

- 25.6. In the event of sub condition 25.5(i) occurring, or if the Grant Recipient includes all of the Authority's required edits to the Publication pursuant to sub condition 25.5(ii) above, the Authority approves the Grant Recipient's Request.
- 25.7. In the event of sub condition 25.5 (iii) occurring the Authority does not approve the Grant Recipient's Request.
- 25.8. Where the Authority does not approve the Grant Recipient's Request the Authority will provide the Grant Recipient with written reasons for its decision.
- 25.9. If the Grant Recipient does not agree with the Authority's reasons for rejecting its Request, it may invoke the dispute resolution provisions set out in condition 28 of the Grant Funding Agreement.

The conditions above are the default position to use. Use the conditions below as an alternative to 25.3 to 25.9 if agreed.

25.10. The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.

25.11. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.

25.12. The Grant Recipient must acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) must include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.

25.13. In using the Authority's name and logo, the Grant Recipient must comply with all reasonable branding guidelines issued by the Authority from time to time.]

26. Changes to the Authority's Policy Requirements

- 26.1. The Authority must notify the Grant Recipient of any changes to the Authorities activities, which are supported by the Grant.
- 26.2. The Grant Recipient must accommodate any changes to the Authority's needs and policy requirements under these Conditions.

27. Clawback, Events of Default, Termination and Rights Reserved for Breach and Termination

Events of Default

- 27.1. The Authority may exercise its rights set out in condition 27.3 if any of the following events occur:
- 27.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities;
 - 27.1.2. the Grant Recipient fails to comply with its obligations under the Grant Funding Agreement, which is material in the opinion of the Authority;
 - 27.1.3. where delivery of the Funded Activities do not start within **three (3) months** of the Commencement Date and the Grant Recipient fails to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new date on which the Funded Activities must start with the Authority;
 - 27.1.4. the Grant Recipient uses the Grant for Ineligible Expenditure;
 - 27.1.5. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activities and in particular, with meeting the Agreed Outputs set out in Schedule 3 of these Conditions;
 - 27.1.6. the Grant Recipient fails to:
 - (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to condition 27.3.4 or condition 6.2.4; or
 - (ii) improve delivery of the Funded Activities in accordance with the Remedial Action Plan approved by the Authority;
 - 27.1.7. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);
 - 27.1.8. the Grant Recipient fails to declare Duplicate Funding;
 - 27.1.9. the Grant Recipient fails to declare any Match Funding in accordance with condition 4.7;
 - 27.1.10. the Grant Recipient receives funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;
 - 27.1.11. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;

- 27.1.12. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient, its Representatives or a Third Party, as soon as they become aware of it;
- 27.1.13. the Authority determines (acting reasonably) that the Grant Recipient or any of its Representatives has:
- (iii) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
 - (iv) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (v) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
 - (vi) failed to act in accordance with the Law; howsoever arising, including incurring expenditure on unlawful activities;
- 27.1.14. the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- 27.1.15. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- 27.1.16. the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol;
- 27.1.17. a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation;
- 27.1.18. The Grant Recipient breaches the Code of Conduct and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives in accordance with condition 32.2;
- 27.1.19. The Grant Recipient undergoes a Change of Control which the Authority, acting reasonably, considers:
- 27.1.20. will be materially detrimental to the Funded Activities and/or;
- 27.1.21. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;

- 27.1.22. the Authority believes that the Change of Control would raise national security concerns and/or;
- 27.1.23. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given.

27.2. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must notify the Grant Recipient to that effect in writing, setting out any relevant details, of the failure to comply with these Conditions or pertaining the Event of Default, and details of any action that the Authority intends to take or has taken.

Rights reserved for the Authority in relation to an Event of Default

27.3. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must take any one or more of the following actions:

- 27.3.1. suspend or terminate the payment of Grant for such period as the Authority determines; and/or
- 27.3.2. reduce the Maximum Sum in which case the payment of Grant must thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
- 27.3.3. require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums are recoverable as a civil debt; and/or
- 27.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) in accordance with the procedure set out in condition 27.4 to 27.10;
- 27.3.5. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

27.4. Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan in accordance with condition 27.3.4, the draft Remedial Action Plan must be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.

27.5. The draft Remedial Action Plan must set out:

- 27.5.1. full details of the Event of Default; and
- 27.5.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales.

27.6. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority must submit its comments on the draft Remedial Action Plan to the Grant Recipient.

- 27.7. The Authority must have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority must confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 27.8. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties must agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 27.9. If the Authority does not approve the draft Remedial Action Plan the Authority may, at its absolute discretion, terminate the Grant Funding Agreement.
- 27.10. The Authority must not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either condition 27.3.3 or 27.3.4 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Authority.

General Termination rights – Termination for Convenience

- 27.11. **[Guidance: this is a no fault break clause for either party]** Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to condition 27.9 27.3.4 above, either Party may terminate the Grant Funding Agreement at any time by giving at least **[3 months]** or **[a timescale proportionate to the Funding Period; whichever is the shorter]** written notice to the other Party.
- 27.12. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) must be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.
- 27.13. If the Authority terminates the Grant Funding Agreement in accordance with condition 27.11 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs must be identified by the Grant Recipient and must be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable must be determined solely by the Authority.
- 27.14. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

Change of Control

- 27.15. The Grant Recipient must notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating,

undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.

27.16. The Grant Recipient must ensure that any notification made pursuant to condition 27.15 must set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

27.17. Where the Grant Recipient has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under condition 27.15 must include any changes to the consortium members as well as the lead Grant Recipient.

27.18. Following notification of a Change of Control the Authority must be entitled to exercise its rights under condition 27.1 of these Conditions providing the Grant Recipient with notification of its proposed action in writing within **three (3) months** of:

- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
- (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

27.19. The Authority must not be entitled to terminate where an approval was granted prior to the Change of Control.

28. Exit Plan

28.1. Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient must prepare the Exit Plan within **three (3) months** of the signing of the Grant Funding Agreement and must comply with the exit provisions set out in Schedule 9 of these Conditions.

29. Dispute Resolution

29.1. The Parties must use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the continuance of the Grant Funding Agreement.

29.2. All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminates the Grant Funding Agreement) must be referred in the first instance to the Parties Representatives.

29.3. If the dispute cannot be resolved between the Parties Representatives within a maximum of **one month** then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

30. Limitation of Liability

- 30.1. The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient delivering/running the Funded Activities, the use of the Grant or from withdrawal, withholding or suspension of the Grant. The Recipient must indemnify and hold harmless the Authority, its Representatives with respect to all actions, claims, charges, demands Losses and proceedings arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Funded Activities, the non-fulfilment of obligations of the Grant Recipient under this Grant Funding Agreement or its obligations to Third Parties.
- 30.2. Subject to this condition 30, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

31. Vat

- 31.1. If VAT is held to be chargeable in respect of the Grant Funding Agreement, all payments must be deemed to be inclusive of all VAT and the Authority must not be obliged to pay any additional amount by way of VAT.
- 31.2. All sums or other consideration payable to or provided by the Grant Recipient to the Authority at any time must be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided, the Grant Recipient must at the same time or as the case may be on demand by HMRC in addition to such sums, or other consideration, pay to HMRC all the VAT so payable upon the receipt of a valid VAT invoice.

32. Code of Conduct for Grant Recipients

- 32.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct, which includes ensuring that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 32.2. The Grant Recipient must immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 32.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with condition 27.1.18.

33. Notices

- 33.1. All notices and other communications in relation to this Grant Funding Agreement must be in writing and must be deemed to have been duly given if personally delivered, e- mailed, or mailed (first class postage prepaid) to the address of the

relevant party, as referred to in the Grant Funding Letter or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in the Grant Funding Letter (Contact Details). If personally delivered or if e-mailed all such communications must be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they must be deemed received on the next Working Day) and if mailed all such communications must be deemed to have been given and received on the second Working Day following such mailing.

34. Governing Law

- 34.1. These Conditions must be governed by and construed in accordance with the law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.
- 34.2. The Applicant must accept the Grant Offer by electronically signing the document using the e-application system, following the guidance provided, within [xx] days from the date of the Grant Offer Letter.

Schedule 1 – Grant Offer Letter and Grant Application

Part A - Grant Offer Letter

**[Include a copy of your Grant Offer Letter]OR insert this text
Not applicable if this is a Direct Award Grant
Leaving text at this point means the numbering and references do not change
within the document body**

Schedule 1

Part B – Grant Recipient's [Grant Application]

[Include the Grant Recipient's application here]

Schedule 2 –The Funded Activities

[Guidance: You need to set out here is sufficient detail what the purpose of the grant is so you can monitor if the grant money is being spent for that purpose or not. Make this description flexible enough so the Grant Recipient has some scope for operational flexibility and a degree of freedom in its decision-making (within the parameters of the Funded Activities). Remember though the Grant Recipient is required to gain the Authority’s permission to amend the Funded Activities or to use the Grant for other purposes]

1. **Background/purpose of the Grant**

1.1. Background **[guidance: set out here what the policy objective is together with how this will be met by the provision of the grant].**

1.2. **Aims and objectives of the Funded Activities**

Guidance: set out here the aims and objective together with the outcomes and impacts resulting from the Funded Activities to demonstrate the need and benefit of the Grant

2. **Funded Activities**

[Guidance: set out here what the funded activities are. Include a project plan and any milestones you will be monitoring the delivery of the grant against. Make sure this section is consistent with the Grant Recipient’s grant application.]

Schedule 3 – Agreed Outputs and Long Term Outcomes

[Guidance: In accordance Grant Standard 8 all government grants must have outputs agreed and longer-term outcomes defined, wherever possible, to enable active performance management, including regular reviews and adjustments where deemed necessary. You should set out here details of the agreed milestones/agreed outcomes of the Funded Activities. You should also consider whether the outputs should have a measure per output, and for multi-year show which year output relates to] Table Headings are an example

[The agreed outputs and long term outcomes should enable the Department to monitor the whether the Funded Activities are being undertaken and/or whether action needs to be taken by the Department to adapt the aims/objectives of the Funded Activities or terminate the agreement.]

[The outputs should only be used to determine whether the grant-aided task has been performed. They should not seek to impose a system of service credits.]

Table 1 Milestone Deliverables

| Milestone | Deliverable | Date | Cost | Authority Contribution |
|--------------|-------------|------|------|------------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | | | | |
| Total | | | | |

Table 2 Milestone Reporting

| Milestone | Report Due | Report Type |
|-----------|------------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| | | |



Defra grant usage



Multi purpose
template

Schedule 5 – Payment Schedule

This grant is subject to review each financial year. You must accept the funding continuation outcome for payments to continue.

Guidance: You need to set out here how the department will pay the grant. For example, set out whether it will be a single block sum, or in instalments.

Consider if you are linking payment of the grant to specific project milestones or not. Make sure it corresponds to what you said about payment in the documents you issued when calling for grant applications.

Amend the table below to reflect an accurate record of how and when the grant will be paid.

You must have regard to the HM Treasury guidance, Managing Public Money³ and should only make payment of the grant on evidence of need or qualification, depending on the terms of the grant scheme.

| Milestone | Amount of Grant Funding Payable | Expected date of invoice |
|--------------|---------------------------------|--------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| Total | | |

Condition 4.3 of the Grant Funding Agreement requires the Grant Recipient to [declare any Match Funding before signing the Grant Funding Agreement /obtain prior written approval from the Authority before applying for/or accepting Match Funding].

All Match Funding must also be recorded in the Match Funding table below.

| Grant Funding Period | Match Funding Amount | Match Funding Payment Date |
|----------------------|----------------------|----------------------------|
| Y1 | | |
| Y2 | | |
| Y3 | | |
| Total | | |

³ <https://www.gov.uk/government/publications/managing-public-money>

Schedule 6 – Grant Recipient’s Bank Details

The Confirmation of Bank Details and Signatories Form must be issued and returned via e-tendering email with the Grant Offer Letter at Step 3.10 or at latest Step 4.1 of the Grants 6 step process. In the case of Direct Award follow the instructions in Step 4.1. Insert the completed form here. Attach a blank form to the e-tendering record for the recipient’s future use should any details change.

[GRANT TITLE] [ECM NUMBER][PROJECT NUMBER]

1. GRANT RECIPIENT DETAILS

| | | |
|-------------------|-------------------------------|--|
| Grant Recipient: | Address of Grant Recipient: | Contact Number: |
| | | Organisation Email: |
| | Payment Address if different: | Remittance Email: |
| | | Number of Employees: |
| VAT Registration: | Duns Number: | Supplier Classification: (Charity, NGO, etc.) |

2. BANK DETAILS

| | | | |
|-----------------------------|-----------------|--------------------------|--|
| Bank/Building Society Name: | | Branch Name and Address: | |
| Account Name: | | Account Type: | |
| Bank Sort Code: | Account Number: | Building Society Roll: | |

3. AUTHORISED SIGNATORIES

The Signatories below are authorised to sign claim forms on behalf of the Grant Recipient. These signatures are binding in respect of the Grant Agreement.

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

4. PERSONS AUTHORISED TO ACCEPT THE GRANT FUNDING AGREEMENT

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|------------|
| Name: |
| Position: |
| Signature: |
| Date: |

The Authority issues Grant Funding Agreements electronically. Electronic acceptance is required through the Authority’s e-tendering portal. Recipients must ensure their registration on the platform is correct and up to date.

The Recipient must notify the Authority immediately of any changes to Bank Details or Authorisations.

General Data Protection Regulation: The information on this form will be recorded on the Authority’s computer system. The information provided will be used for paying your fees and will not be passed to anyone outside of the Authority without the permission of the Grant Recipient.

Schedule 7 – Claim for Payment

Fill in applicable details and provide a Word copy in the e-tendering record

List any other information you require the recipient to submit with their claim.

Note: The claim submission must include all the supporting information referred to in the grant funding agreement.

| | | |
|---|--|--|
| 1: Applicant's Name and Address | 2: Payee Name | |
| 3: Project Title [must match grant funding agreement] | Date of Grant Offer: Amount of Grant Offer: | |
| 4: Grant Reference: Ecm_XXXXX | Claim Period: | |
| 5: Recipient Invoice: [Insert Invoice Number] 6: PO Number: | From Dd/mm/yyyy to dd/mm/yyyy | |
| <p>7: Breakdown of expenditure claimed (advance/ interim/ final claim)* (* Delete as applicable) Note: Please use same headings as contained in your grant agreement, continuing a separate sheet if necessary)</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Total expenditure for this claim £.....</p> <p>Previous Claims:</p> <p>Dd/mm/yyyy Advance/Interim/(delete as applicable) £.....</p> <p>Dd/mm/yyyy Interim £.....</p> <p>Total expenditure to date: (including this claim) £.....</p> | | |

I certify that:

- i. The work has been completed
- ii. That the breakdown is a true record of the expenditure incurred and in not included in any other claim
- iii. No other grant has been or will be claimed from Central Government or government agency towards these costs without the full knowledge and agreement of the Department.
- iv. I confirm that the Terms and Conditions of the grant funding agreement have been met.

I therefore claim payment of £.....

Signed..... Name. (CAPS).....

Position.....(authorised signatory)

Date.....

Schedule 8 – Data Protection Provisions

This is Defra default position for grants for any other position seek advice from the Data and Information Assurance Team (data.protection@defra.gov.uk) and draft a separate document which takes precedence over these conditions.

The contact details of the Authority's Data Protection Officer are: **Data and Information Assurance Team** data.protection@defra.gov.uk

The contact details of the Grant Recipient's Data Protection Officer are: **[Insert Contact details]**

Data Protection Legislation Condition Definitions:

Where they appear in this Schedule 8:

Personal Data Breach and Data Subject take the meaning given in the UK GDPR.

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data and the rights and freedoms of data subjects.

Data Loss Event: any event that results, or may result, in unauthorised access to Personal Data under these Conditions, and/or actual or potential loss and/or destruction of Personal Data in breach of these Conditions, including any Personal Data Breach.

Data Subject Request: a request made by, or on behalf of, a data subject in accordance with rights granted pursuant to the Data Protection Legislation.

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of such measures adopted by it.

Data Protection

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in condition 4, the Parties acknowledge that they are each separate, independent Controllers in respect of such data.

2. The Grant Recipient must (and must procure that any of its Representatives must) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and / or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.
5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government and that these details may appear on the Government Grants Information System database which is available for search by other funders.
6. The Authority and the Grant Recipient must:
 - (a) ensure that the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other Party to the extent required in connection with Funded Activities.
7. Where a Party (the Data Receiving Party) receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party must provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - 7.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party must:
 - 7.2.1. promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and must forward such request or correspondence to the other Party; and

- 7.2.2. provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
8. Each Party must promptly notify the other upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Agreement and must:
- 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
9. Without limiting any other provision of this Schedule 8, each of the Parties must, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data provided pursuant to this Agreement.
10. The Authority and the Grant Recipient must not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement.
11. The Grant Recipient must notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers

[Guidance: Only add paragraph 12 where the Grant Recipient and Authority are both independent Controllers and the Grant Recipient is based in the European Economic Area (EEA) and there is data flow from the EEA to the UK.]



Schedule 8 para12

Schedule 9 - Exit

[Guidance: this Schedule is in case you want to be able to get the Grant Recipient to exit the Funded Activities smoothly. It provides for an exit plan and for the Grant Recipient to help you to hand the Funded Activities over to another or to wrap them up altogether] If this is not required insert wording under the heading to ensure consistent references within the body of the document.

'Schedule not applicable'

1. The following definitions must apply in addition to the definitions contained in condition 2.1 of these Conditions (Definitions):

“Exit Plan” means the plan prepared and submitted by the Grant Recipient to the Authority to enable the smooth closure of transfer of the Funded Activities to the Authority or successor of the Grant Recipient.

General

2. The Grant Recipient must prepare an Exit Plan within the first three months of this Grant Funding Agreement to allow the smooth closure of the Funded Activities.
3. Where the Authority intends to continue the operation of the Funded Activities in broadly the same way after expiry or termination of the Grant Funding Agreement, either by performing them itself or by means of a successor, The Grant Recipient must endeavour to ensure the smooth and orderly transition of the Funded Activities and must co-operate with the Authority or the successor, as the case may be, in order to achieve such transition.
4. When such endeavours and co-operation are outside the scope of the Grant, the Grant Recipient must provide quotations for reasonable charges associated with providing such assistance and the Authority must pay such reasonable charges.
5. The Grant Recipient must comply with any reasonable request of the Authority for information relating to the performance of the Funded Activities.

Exit Planning

6. The Grant Recipient must, in conjunction with the Authority, maintain, and as necessary update, the Exit Plan throughout the Funding Period so that it can be implemented immediately, if required. From time-to-time either the Authority or the Grant Recipient may instigate a review of the Exit Plan.

7. The Grant Recipient must co-operate with all reasonable requests made by either the Authority or a successor body relating to exit transition arrangements for the Funded Activities.

Assistance

8. The Grant Recipient must use all reasonable endeavours to ensure that a transition of responsibility for the delivery of the Funded Activities to the successor body or the Authority, as the case may be, minimises any detrimental effect on the delivery of the Funded Activities and the Authority must use all reasonable endeavours to co-operate in such transfer.

Assets Register

9. The Grant Recipient must maintain throughout the exit period of this Grant an asset register in accordance with the Terms and Conditions of the Grant Funding Agreement.
10. The Grant Recipient must not change the status of any asset without the prior written consent of the Department where such a change would either be viewed as a major change or would require repayment in accordance with the Terms and Conditions of the Grant Funding Agreement.

Documentation and Access

11. The Grant Recipient must provide the Authority on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to the Authority or to a successor body, including any documentation required to support any bidding process for the provision of the Funded Activities. This includes full details of:
 - a) the work programme, objectives/targets, and other services delivered by the Grant Recipient under this Grant Funding Agreement;
 - b) any software, including Third Party software and any hardware used in connection with the delivery of the Funded Activities;
 - c) software and supply agreements used to deliver any services associated with delivery of the Funded Activities, including the agreements relating to any Third Party software identified by name of supplier, term of Grant, and charges payable under the Grant; and
 - d) any employees used by the Grant Recipient to help deliver the Funded Activities who are essential to this delivery; this information must be provided under conditions of confidentiality reasonably acceptable to the Grant Recipient.

12. The Authority may make the documentation available to suppliers who wish to bid for the provision of the activities. The Grant Recipient must respond expediently and in full to any reasonable questions by the Authority or the suppliers and must co-operate with any reasonable due diligence activities carried out by suppliers.

Transfer Support Activities

13. The Grant Recipient must co-operate with all reasonable requests made by either the Authority or a successor relating to the Funded Activities transition arrangements. The Authority and the Grant Recipient must discuss the implementation plan for the transition of the activities to either the Authority or a Successor body.

Schedule 10: Subsidy (Optional)

Remove the whole of this Schedule if there is no subsidy consideration for this grant. The Small amounts of financial assistance declaration form should be provided to the intended recipient for signature and return to include in this document if this condition applies.

Part 1: SMALL AMOUNTS OF FINANCIAL ASSISTANCE

[Guidance: use this Annex 10 where the Grant is awarded as a small amount of financial assistance which is an exempted subsidy under the Trade and Cooperation Agreement. Please note for the purpose of calculating whether a subsidy falls within the 325,000 Special Drawing Rights threshold, the Grant Recipient/Grantor should include any State aid granted in the relevant period (even if such State aid was considered *de minimis*)]

1. The Grant is awarded as in accordance with Article 3.2.4 of the Trade and Cooperation Agreement which enables the Grant Recipient to receive up to a maximum level of subsidy without engaging Chapter 3 of the Trade and Cooperation Agreement (a “Small Amount of Financial Assistance”). The current threshold is 325,000 Special Drawing Rights to a single economic actor over any period of three fiscal years.
2. The Grant Recipient acknowledges and accepts that the relevant limit for a Small Amount of Financial Assistance comprises the total amount of subsidy the Grant Recipient may receive from the state during that period **or the specified period or previous 3 fiscal year period**. That subsidy will include subsidy relating to other projects, subsidy provided by other public authorities and their agents, subsidy other than grants (for instance, foregone interest on loans), State aid granted prior to the 1 January 2021 or in accordance with State Aid Law (irrespective of whether such State aid was categorised as *de minimis*)
3. The award of this Grant will be conditional upon the Grant Recipient providing the Authority with the Small Amount of Financial Assistance declaration form confirming how much subsidy, if any, it has received in the current and previous 2 year fiscal period.
4. The Authority may not pay the Grant Recipient the Grant if, added to any previous subsidy the Grant Recipient has received during the current and last two fiscal years, the Grant causes Grant Recipient to exceed the relevant limit for a Small Amount of Financial Assistance.
5. For the purposes of that declaration:
 - a. the fiscal year is the fiscal year used by its business; and

- b. subsidy is subsidy granted to a single economic actor, which may include legal entities separate to Grant Recipient (such as current or former subsidiaries).
6. The Grant Recipient must retain the Grant Funding Agreement and the completed Small Amount of Financial Assistance declaration form and produce it on request by the Authority.
7. The Grant Recipient acknowledges that it is Grant Recipient's responsibility to read Chapter 3 of the Trade and Cooperation Agreement (and implementing legislation) in its entirety and seek advice (including legal advice) on its application to Grant Recipient's business if appropriate.
8. The Grant Recipient acknowledges that the Authority and Grant Recipient are jointly and severally responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Grant Funding Agreement are fulfilled.
9. Such records must be maintained by the Grant Recipient and the Authority for 10 years following the granting of the subsidy.

Include signed small amount of subsidy declaration if applicable



subsidy declaration
template

T&C's Document 3 Foreign under £100k

[CONTRACTOR LETTER HEAD]

Dear **Salutation**

COMMERCIAL IN CONFIDENCE

[Grant title]

This letter (the “**Grant Funding Letter**”) and its schedules set out the terms of the grant agreement (the “**Agreement**”) between the Authority and the **[insert name of recipient organisation]**.

Unless the context otherwise requires, capitalised expressions used in this Grant Funding Letter have the same meanings as in the terms and conditions at Schedule 1.

If there is any conflict between this Grant Funding Letter and the Schedules, this Grant Funding Letter shall prevail. Please do not attach any other terms as they will not be accepted by the Authority and may delay the process.

The Authority in exercise of its powers under **[insert Act of Parliament]**, hereby offers Grant Funding not exceeding **£XXXXXXX** (inclusive of any applicable VAT) in accordance with the terms of this Agreement.

For the purposes of the Agreement, the Authority and the Grant Recipient agree as follows:

The Grant Period shall commence on **[insert commencement date]** and expire on **[Insert end date]**.

[The offer of Grant Funding is conditional on you securing additional funding for the Approved Project from other sources as specified in Schedule 2.]

The address for notices of the Parties are:

Authority:

[CONTRACTOR NAME AND ADDRESS] as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs
Attention: **[Insert grant manager’s name]**
Email: **[email]**

Grant Recipient:

[Insert grant recipient details – name address etc....]
Attention: **[Insert contact name]**
Email: **[Insert contact email address]**

Payment of Grant

All claims must be submitted by e-mail to the Authority’s Grant Manager, quoting the Grant Reference number above, at **[email]** (or other address notified to you from time to time for the purpose) The accompanying invoice should be in GBP and made out to:

[POSTAL ADDRESS]

The Authority's Grant Manager is responsible for checking and raising any queries about Grant Claims submitted. Once approved, they will be forwarded to the Authority's accounts payable department at the above address for payment. In the case of payment queries or disputes correspondence may be sent to the Grant Manager email above and if appropriate copied to [account payable email]

To avoid delay in payment it is important that your claim is complete and that it includes a valid Grant Reference Number, a signed claim form and supporting information indicated in Schedule 6. Claims which do not have this information will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment please contact our Accounts Payable section either by email to [email] or by telephone [number] between 09:00-17:00 Monday to Friday.

Liaison

For general liaison, your contact will be [Insert grant manager name and telephone number]

Please confirm your acceptance of the award of this grant by electronically signing this Agreement, following the guidance provided and using the Authority's e-application system **within [7]** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant. Communication should be through the messaging section of the e-tendering grant record.

[Insert Name]

[Job title]

On behalf of [CONTRACTOR NAME] and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

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Schedule 1

GRANT FUNDING AGREEMENT

THIS AGREEMENT IS MADE ON THE [Day] DAY OF [Month] [Year]

BETWEEN:

- (1) [CONTRACTOR NAME] whose principal address is at [ADDRESS] registered in England and Wales with company number [company number] acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (the "Authority"); and
- (2) [NAME OF RECIPIENT ORGANISATION] of [Insert address] (the "Grant Recipient")

WHEREAS the Authority has agreed to provide the Grant Funding to the Grant Recipient for the Approved Project on the terms and conditions set out below:

NOW IT IS HEREBY AGREED as follows:

1. INTRODUCTION

- 1.1 This Agreement sets out the terms and conditions on which the Grant Funding is made by the Authority to the Grant Recipient.
- 1.2 This Agreement may be amended from time to time only by the written agreement of both parties.

2. DEFINITIONS AND INTERPRETATION

- 2.1 In this Agreement the following terms shall have the following meanings:

"Agreement" means this written agreement consisting of the Grant Funding Letter, these clauses, schedules and any other document especially incorporated therein.

"Approved Project" means the activities for which the Authority agrees to provide Grant Funding, as set out in Schedule 2.

"Bribery Act" means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

"Change Control Notice" means the notice set out in Schedule 4 to the Agreement containing details of agreed variations to the Agreement

"Code of Conduct" means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachm>

[ent_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf](#), including any subsequent updates from time to time;

“Commencement Date” means **[Insert commencement date]** when the project will commence.

“Confidential Information” means any information which has been designated as confidential by either party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information the disclosure of which would, or would be likely to, prejudice the commercial interests of any person or trade secrets or Intellectual Property Rights of either party and all personal data within the meaning of the GDPR. Confidential Information shall not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of clause 12 (Confidentiality));
- (b) was in the possession of the receiving party, without restriction as to its disclosure, before receiving it from the disclosing party;
- (c) is received from a third party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

“Contracting Authority” means any contracting authority (other than the Authority) as defined in regulation 2 of the Public Contracts Regulations 2015 (SI 2005/102).

“Data Protection Legislation” means (i) the GDPR, (ii) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy; and (iii) all applicable law (meaning any mean any applicable law, statute, byelaw, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation) relating to the processing of personal data and privacy.

“EIR” means the Environmental Information Regulations 2004 (SI 2004/3391) and any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

“GDPR” means the General Data Protection Regulation (EU) 2016/679.

“Financial Irregularity” means any fraud or other impropriety, mismanagement or misuse of the Grant Funding.

“FOIA” means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

“Governing Body” means the governing body of the Grant Recipient including its directors or trustees.

“Grant Funding” means the sum not exceeding **£ [Insert Amount]** (inclusive of any applicable VAT) to be paid to the Grant Recipient in accordance with this Agreement.

“Grant Period” means the period for which the Grant Funding is awarded starting on the Commencement Date and ending on **[Insert end date]**.

“Intellectual Property Rights” means patents, utility models, inventions, trademarks, service marks, logos, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright, database rights, domain names, Know-How, trade or business names, moral rights and other similar rights or obligations whether registrable or not in any country (including but not limited to the United Kingdom) and the right to sue for passing off.

“Know-How” means all information not in the public domain held in any form (including without limitation that comprised in or derived from drawings, data formulae, patterns, specifications, notes, samples, chemical compounds, biological materials, computer software, component lists, instructions, manuals, brochures, catalogues and process descriptions and scientific approaches and methods).

“Prohibited Act” means:

- (a) directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to:
 - (i) induce that person to perform improperly a relevant function or activity; or
 - (ii) reward that person for improper performance of a relevant function or activity;
- (b) directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement;
- (c) committing any offence under the Bribery Act or involving fraudulent acts.

“Sound Operational Principles” means adherence to any statutory, professional and sectoral guidance regarding the operation of an organisation including but not limited to structures for ensuring good governance, accountability and financial management.

- 2.2 The headings are inserted for convenience only and shall not affect the interpretation of the Agreement.
- 2.3 Reference to any legislative and statutory requirement or similar instrument shall be deemed to include reference to any subsequent amendment to, or replacement of, them.
- 2.4 References to any person shall, as the context may require, be construed as a reference to any individual, firm, company, corporation, government department, agency or any association or partnership (whether or not having a separate legal personality).
- 2.5 Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and vice versa.

3. PURPOSE OF GRANT FUNDING

- 3.1 The Grant Recipient shall use the Grant Funding solely for the delivery of the Approved Project.

- 3.2 The Grant Recipient may change the Approved Project only with the Authority's prior written agreement, which shall be recorded and notified through a Change Control Notice.
- 3.3 The Authority may at its discretion agree to vary the Grant Funding as a result of changes to the Approved Project or for any other reason. Any variation made under this clause 3.3 will not take effect unless recorded and notified through a Change Control Notice
- 3.4 Where the Grant Recipient intends to apply to a third party for other funding for the Approved Project, it will notify the Authority in advance of its intention to do so and, where such funding is obtained, it will provide the Authority with details of the amount and purpose of that funding.

4. DURATION

Except where otherwise specified, the terms of this Agreement shall apply from the Commencement Date until the end of the Grant Period or for so long as any Grant Funding remains unspent by the Recipient, whichever is longer.

5. PAYMENT OF GRANT FUNDING

- 5.1 Subject to condition 12, the Authority shall pay the Grant Funding to the Grant Recipient in accordance with Schedule 3 to this Agreement.
- 5.2 The amount of the Grant Funding shall not be increased in the event of any overspend by the Grant Recipient in its delivery of the Approved Project.
- 5.3 The Grant Recipient shall promptly notify and repay to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant Funding has been paid in error before the Grant Recipient has complied with all conditions attaching to the Grant Funding.
- 5.4 Onward payment of the Grant Funding and the use of sub-contractors, (subject to the Authority's prior written approval in accordance with the provisions of clause 24) shall not relieve the Grant Recipient of any of its obligations under this Agreement, including the obligation to repay the Grant Funding.
- 5.5 The Grant Funding offer has been made on the basis that the costs presented to the Authority take account of all VAT liabilities. Where the project costs increase after the date the parties have entered into this Agreement because an error has been made as to the amount of VAT payable and not recoverable by the Grant Recipient, the Authority shall be under no obligation to increase the Grant Funding to meet any VAT liability of the Grant Recipient.
- 5.6 The Grant Recipient shall submit a valid invoice for payment of Grant Funding, at such periods as are either specified in Schedule 3 or otherwise agreed by the parties in writing. Each and every valid invoice submitted by the Grant Recipient to the Authority shall include all such records and information as the Authority may require including details and evidence of expenses incurred and programme of work undertaken, and such other information as is necessary to enable verification of the information and the amounts referred to in the claim for payment (Schedule 6). The Grant Recipient must include the relevant Grant Reference number on all invoices.

5.7 Unless otherwise stated in this Agreement, payment will be made on or before the date falling 30 days after the date of receipt of a valid invoice (“Due Payment Date”).

6. USE OF GRANT FUNDING

6.1 The Grant Recipient shall not use the Grant Funding for expenditure on any of the following activities:

- a) Expenditure for activities of a party political or exclusively religious nature;
- b) Payment that supports lobbying or activities intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
- c) Using grant funding to petition for additional funding;
- d) Goods or services that the Grant Recipient has a statutory duty to provide;
- e) Activities funded from other sources;
- f) Activities not set out in the Approved Project;
- g) Overheads allocated or apportioned at rates materially in excess of those used for any similar activity work carried out by the Grant Recipient;
- h) Activities that result in commercial gain or profit;
- i) Any costs incurred or expenditure commitments entered into by the Grant Recipient before the Commencement Date including pre-existing debts, i.e. provisions, contingent liabilities or contingencies;
- j) Running a small grant scheme;
- k) Loans;
- l) Dividends declared;
- m) Interest charges;
- n) Service charges arising on finance leases, hire purchase and credit arrangements;
- o) Costs resulting from the deferral of payments to creditors;
- p) Other finance charges;
- q) Depreciation and amortisation of assets to the extent that the costs of the assets have been funded by the Grant Funding;
- r) Costs involved in winding up a company;
- s) Redundancy payments, unless in consequence of termination of the Grant Funding in respect of which the provisions of clause 6.3 shall apply;
- t) Payments into private pension schemes or for unfunded pensions;
- u) Motoring fines, statutory fines and penalties, and any other fines;
- v) Compensation for loss of office, bad debts arising from loans to proprietors, partners, employees, directors, shareholders, guarantors, or a person connected with any of these;
- w) Gifts and entertaining;
- x) Travel and subsistence that would give rise to a taxable benefit were the cost to be incurred by, but not borne by, an individual;
- y) Reclaimable VAT and any other tax (except PAYE);
- z) Late payment charges for credit or charge cards (unless incurred as a result of late reimbursement by the Authority);
- aa) Any liability arising out of negligence on the part of the Grant Recipient or its representatives, sub-contractors and agents;
- bb) Payments arising from a contractual commitment by single tender action with a current or former director of the Grant Recipient or current or former member of its staff without written approval from the Authority;

- cc) Any profit element. For the avoidance of doubt, no profit, dividends, bonuses and/or any similar or equivalent benefit will be paid to the owners, members and directors of the Grant Recipient or any other organisation or persons;
- dd) Purchase of land or the purchase and/or construction of buildings;
- ee) Payments reimbursed or to be reimbursed by other public or private sector grants;
- ff) Penalties/civil damages arising from civil/criminal legal proceedings taken against the Grant Recipient or civil proceedings started by the Grant Recipient, whether or not the Grant Recipient is successful or acquitted, even if the proceedings were in pursuance of, or in consequence of the project being grant aided.

6.2 Should any part of the Grant Funding remain unspent or uncommitted at the end of the Grant Period, the Grant Recipient shall ensure that any unspent or uncommitted monies are returned to the Authority, unless otherwise agreed in writing by the Authority.

6.3 Any liabilities arising at the end of the Approved Project including any redundancy liabilities relating to staff employed by the Grant Recipient specifically to deliver the Approved Project must be managed and paid for by the Grant Recipient using the Grant Funding or other resources of the Grant Recipient. There will be no additional funding available from the Authority for this purpose.

7. MONITORING AND REPORTING

7.1 The Grant Recipient shall closely monitor the delivery and success of the Approved Project throughout the Grant Period to ensure that the aims and objectives of the Approved Project are being met and that the Agreement is being adhered to.

7.2 The Grant Recipient shall provide the Authority with a financial report and an operational report on its use of the Grant Funding and progress against delivery of the Approved Project every quarter (three (3) months) and in such formats as the Authority may require. The Grant Recipient shall provide the Authority with each report within 28 calendar days of the last working day of the quarter to which it relates.

7.3 Where the Grant Recipient has obtained funding from a third party for its delivery of part of the Approved Project, the Grant Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for.

7.4 At or around three (3) Months from the Commencement Date and each subsequent three (3) month intervals for the term of the Grant Agreement the Authority shall meet formally with the Grant Recipient to carry out a review of the performance of the Grant Recipient in respect of this Approved Project. These meetings shall take place at the Authorities premises, unless otherwise agreed and, where suitable, conducted by phone or video-conference.

7.5 The Grant Recipient shall on request provide the Authority with such further information, explanations and documents as the Authority may require in order for it to establish that the Grant Funding has been used properly in accordance with the Agreement.

7.6 The Grant Recipient shall permit any person authorised by the Authority access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations

from them as required during the Grant Period and for so long as any Grant Funding remains unspent.

- 7.7 The Grant Recipient shall permit and facilitate any person authorised by the Authority for that purpose to visit the Grant Recipient to monitor the delivery of the Approved Project.
- 7.8 The Grant Recipient shall provide the Authority with a final grant usage report within 28 calendar days following the end of Grant Period which shall confirm whether the Approved Project has been successfully and properly completed. The Authority may at its discretion provide the Grant Recipient with feedback on the adequacy of the final report and may also require the Grant Recipient to re-submit the final grant usage report, having taken into account any issues raised in the Authority's feedback.

8. ACCOUNTS AND RECORDS

- 8.1 The Grant Recipient agrees that the Authority shall be entitled to audit the delivery and performance of the Approved Project and/or request access to or a report from the Grant Recipient's auditors on its audited accounts. The Authority shall also be entitled to full access to the Grant Recipient's records on an open-book basis during the Grant Period or for such other period as the Authority may require.
- 8.2 The Grant Recipient shall, and shall ensure that all its sub-contractors shall, retain each record, item of data and document relating to the Approved Project for a period of at least six (6) years from the date of creation of each such record, data or document.
- 8.3 The Grant Recipient shall permit duly authorised agents of the Authority and/or the National Audit Office to examine the Grant Recipient's records and documents relating to the Approved Project and to provide such copies and oral or written explanations as may be required. This obligation does not constitute a requirement or agreement for the examination, certification or inspection of the accounts of the Grant Recipient under section 6(3) and 6(5) of the National Audit Act 1983.
- 8.4 The Grant Recipient shall:
- 8.4.1 retain all invoices, receipts, accounting records and any other documentation relating to the expenditure of the Grant Funding;
- 8.4.2 nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority; **OR** nominate an independent assessor to verify the final statement of expenditure and income submitted to the Authority. The independent assessor will be responsible for examining the Grant Recipient's final statement of expenditure and income submitted before it is the Authority. The independent assessor will confirm if the Grant Recipient has kept proper accounting records and that their final statement is compliant with the claims made to the Authority. The independent assessor nominated by the Grant Recipient must have the relevant skills to complete the task and declare that they are not directly involved in the Grant Recipient's decision-making, and not personally close to anyone who is.
- [Alternative condition amend 8.5 12.1(Q) 12.1(r) if using and ensure grant usage form provided to recipient contains correct declarations]

- 8.4.3 identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.4 maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5 The Grant Recipient agrees to make available immediately to the Authority, free of charge, and whenever requested, copies of **audit/ independent assessor** reports obtained by the Grant Recipient in relation to the Approved Project

9. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 9.1 The Grant Recipients acknowledges that by accepting the Grant Funding Agreement it agrees to take account of the Code of Conduct for Grant Recipients (the **Code of Conduct**) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
<https://www.gov.uk/government/publications/supplier-code-of-conduct>
- 9.2 The Grant Recipient will immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 9.3 The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 12.1 (s)

10. FINANCIAL IRREGULARITY

- 10.1 The Grant Recipient shall conduct its business in accordance with Sound Operational Principles and shall take any and all steps to ensure that any persons to whom it pays the Grant Funding also operate on such terms.
- 10.2 The Grant Recipient shall ensure that it has such procedures in place as are required by law to identify any Financial Irregularity or other impropriety in connection with the administration of the Grant Funding.
- 10.3 The Grant Recipient shall notify the Authority immediately of any actual or suspected Financial Irregularity (or any circumstances which are likely in the Grant Recipient's opinion to result in Financial Irregularity) and indicate the steps that are being taken to address that irregularity.
- 10.4 The Authority shall have the right, at its absolute discretion, to insist on additional steps to be taken by the Grant Recipient to address any actual or suspected Financial Irregularity.

11. CONFLICT OF INTEREST

- 11.1 The Grant Recipient shall put adequate procedures in place to ensure that there is no actual or perceived risk of bias or other conflict of interest that might call into question:

11.1.1 the Grant Recipient's eligibility to receive the Grant Funding, or

11.1.2 where the Grant Recipient is responsible for further distribution of the Grant Funding to third parties, its impartiality when administering the Grant Funding.

12. WITHHOLDING, SUSPENDING OR REPAYMENT OF GRANT FUNDING

12.1 Without prejudice to the Authority's other rights and remedies, the Authority may at its discretion reduce, withhold or suspend payment of the Grant Funding and/or require repayment of all or part of the Grant Funding if one or more of the following events occur:

- (a) the Grant Recipient uses the Grant Funding for a purpose other than the Approved Project;
- (b) the delivery of the Approved Project does not start within three (3) months of the Commencement Date and the Grant Recipient has failed to provide the Authority with satisfactory explanation for the delay, or failed to agree a new Commencement Date with the Authority;
- (c) the Authority considers that the Grant Recipient has not made satisfactory progress with the delivery of the Approved Project;
- (d) the Grant Recipient fails to comply with any term of the Agreement and fails to remedy such failure within thirty (30) days of receiving written notice from the Authority detailing the non-compliance;
- (e) the Grant Recipient is, in the opinion of the Authority, delivering the Approved Project in a negligent manner;
- (f) the Grant Recipient obtains duplicate funding from a third party for the Approved Project;
- (g) the Grant Recipient obtains funding from a third party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Approved Project and/or the Authority into disrepute;
- (h) the Grant Recipient provides the Authority with any misleading or inaccurate information;
- (i) the Authority has incorrectly paid money to the Grant Recipient as a result of administrative error or other reasons ;
- (j) the Grant Recipient commits or has committed a Prohibited Act;
- (k) the Grant Recipient incurs expenditure on activities that breach international or UK subsidy control obligations or laws or public procurement rules;
- (l) any member of the Governing Body, employee or volunteer of the Grant Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Approved Project or (b) taken any actions which, in the opinion of the Authority, bring or are likely to bring the Authority's name or reputation into disrepute;

- (m) a charge is taken on an asset financed wholly or partly from the Grant Funding;
- (n) the Grant Recipient becomes insolvent, or is declared bankrupt, or is placed into receivership, administration or liquidation (other than for the purpose of a bona fide internal reorganisation or amalgamation)
- (o) a petition has been presented for the winding-up of the Grant Recipient or it enters into any amalgamation or composition for the benefit of its creditors, or it is unable to pay its debts as and when they fall due for reasons other than the Authority's failure to comply with this Agreement;
- (p) the Grant Recipient is struck from the register at Companies' House or is otherwise prohibited from continuing its activities under any legislation in force and/or by an order of a court of competent jurisdiction;
- (q) an independent assessor or audit report on the Grant Recipient's accounts refers to a fundamental uncertainty or contains an adverse opinion or a disclaimer of opinion which would materially and adversely affect the Grant Recipient's ability to deliver its programmes or objectives;
- (r) a management or other letter from the Grant Recipient's independent assessor or external auditors reveals that the systems operated by the Grant Recipient to ensure compliance with this Agreement are materially unsatisfactory and materially and adversely affect the Grant Recipient's ability to deliver its programmes or objectives; or
- (s) The Grant Recipient breaches the Code of Conduct for Grant Recipients and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant recipient or its Representatives in accordance with paragraph 9.1

12.2 Wherever under this Agreement any sum of money is recoverable from or payable by the Grant Recipient (including any sum that the Grant Recipient is liable to pay to the Authority in respect of any breach of this Agreement), the Authority may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Grant Recipient under this Agreement or under any other agreement or contract with the Authority.

12.3 The Grant Recipient shall make any payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

12.4 Should the Grant Recipient be subject to financial or other difficulties which are capable of having an impact on its effective delivery of the Approved Project or compliance with this Agreement, it will notify the Authority immediately so that, if possible, and without creating any legal obligation, the Authority will have an opportunity (at its absolute discretion) to provide assistance in resolving the problem or to take action to protect the Authority and the Grant Funding.

13. CONFIDENTIALITY

13.1 Except to the extent set out in this clause or where disclosure or publication is expressly permitted elsewhere in this Agreement, the Grant Recipient shall treat all

Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons and to such extent as may be necessary for the performance of the Grant Recipient's obligations under the Agreement.

- 13.2 The Grant Recipient hereby gives its consent for the Authority to publish this Agreement in its entirety (but with any information which is Confidential Information belonging to the Authority redacted), including from time to time agreed changes to the Agreement, to the general public.
- 13.3 The Grant Recipient may only disclose the Authority's Confidential Information to its personnel who are directly involved in the provision of the Approved Project and who need to know the information, and shall ensure that such personnel are aware of and shall comply with Grant Recipient's obligations as to confidentiality.
- 13.4 The Grant Recipient shall not, and shall procure that its staff do not, use any of the Authority's Confidential Information received otherwise than for the purposes of this Agreement.
- 13.5 At the written request of the Authority, the Grant Recipient shall procure that those members of the Grant Recipient's personnel identified by the Authority sign a confidentiality undertaking prior to commencing any work in accordance with this Agreement.
- 13.6 Clauses 13.1 shall not apply to the extent that:
 - 13.6.1 such disclosure is a requirement of law placed upon the party making the disclosure, including any requirements for disclosure under the FOIA or the EIR;
 - 13.6.2 such information was in the possession of the party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;
 - 13.6.3 such information was obtained from a third party without obligation of confidentiality;
 - 13.6.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of this Agreement; or
 - 13.6.5 such information is independently developed without access to the other party's Confidential Information.
- 13.7 Nothing in clause 13.1 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:
 - 13.7.1 for the purpose of the examination and certification of the Authority's accounts;
 - 13.7.2 for the purpose of any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;

13.7.3 to any government department or any other Contracting Authority and the Grant Recipient hereby acknowledges that all government departments or Contracting Authorities receiving such Confidential Information may further disclose the Confidential Information to other government departments or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any government department or any Contracting Authority; or

13.7.4 to any consultant, contractor or other person engaged by the Authority,

provided that in disclosing information under clauses 13.7.3 and 13.7.4 above the Authority discloses only the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

13.8 Nothing in clauses 13.1 to 13.4 shall prevent either party from using any techniques, ideas or Know-How gained during the performance of its obligations under this Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other party's Confidential Information or an infringement of the other party's Intellectual Property Rights.

13.9 In the event that the Grant Recipient fails to comply with clauses 13.1 to 13.4, the Authority reserves the right to terminate the Agreement with immediate effect by notice in writing.

13.10 In order to ensure that no unauthorised person gains access to any Confidential Information or any data obtained in the delivery of the Approved Project under the Agreement, the Grant Recipient undertakes to maintain adequate security arrangements that meet the requirements of professional standards and best practice.

13.11 The Grant Recipient will immediately notify the Authority of any breach of security in relation to Confidential Information and all data obtained in the delivery of the Approved Project under the Agreement and will keep a record of such breaches. The Grant Recipient will use its best endeavours to recover such Confidential Information or data however it may be recorded. This obligation is in addition to the Grant Recipient's obligations under clauses 13.1 to 13.5. The Grant Recipient will co-operate with the Authority in any investigation that the Authority considers necessary to undertake as a result of any breach of security in relation to Confidential Information or data.

14. FREEDOM OF INFORMATION

14.1 The Grant Recipient acknowledges that the Authority is subject to the requirements of the FOIA, the EIR and the Data Protection Legislation and shall assist and co-operate with the Authority (at the Grant Recipient's expense) to enable the Authority to comply with its disclosure obligations under these enactments.

14.2 The Grant Recipient shall, in particular, provide the Authority with:

(a) a copy of any information in its possession that the Authority requires for the purposes of complying with its obligations under the FOIA, EIR or Data Protection Legislation within five (5) working days (or such other period as the Authority may specify) of the Authority requesting that information; and

(b) any advice or assistance, including any explanation as to why an exemption from the disclosure requirements in the FOIA, EIR or Data Protection Legislation may apply, requested by the Authority to enable it to respond to a request in compliance with its disclosure obligations.

14.3 The Authority shall where appropriate, consult with the Grant Recipient in advance of disclosing any information provided by the Grant Recipient to the Authority, but the Grant Recipient acknowledges that, notwithstanding condition 13 of the Agreement (Confidentiality), the Authority may disclose information:

(a) without consulting with the Grant Recipient; or

(b) following consultation with the Grant Recipient and having taken its views into account,

where the Authority is required to do so to comply with its obligations under the FOIA, EIR and Data Protection Legislation. Provided always that where condition 14.3(a) applies the Authority shall, in accordance with any recommendations of the Code of Practice under the FOIA or EIR, take reasonable steps, where appropriate, to give the Grant Recipient advanced notice, or failing that, to draw the disclosure to the Grant Recipient's attention after any such disclosure.

15. DATA PROTECTION

15.1 The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.

15.2 The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and must comply with the provisions set out in this condition 15 and Schedule 5

15.3 To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes of this Grant Funding Agreement, the Parties accept that they are each a separate independent Controller in respect of such Personal Data. Each Party:

(i) must comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data;

(ii) must be individually and separately responsible for its own compliance;

(iii) are entitled at their own cost to enter into such specific agreements as may be reasonably required to enable each other to comply with their respective duties under the Data Protection Legislation as a result of the arrangements contemplated by this Grant Funding Agreement and give each other all reasonable assistance (including legal assistance) in so complying.

15.4 The Parties acknowledge and agree that this Grant Funding Agreement does not require either Party to act as a Processor of the other. In the event that there is any change which requires either Party to act as a Processor the Parties agree, at their own cost, to enter into the standard data protection clauses set out in the Crown Commercial Services Procurement Policy Note 02/18 (as amended or replaced from time to time).

15.5 In the event that the Parties believe that there is a Joint Controller relationship, the Parties must seek to agree and enter into a Data Sharing Joint Controller Agreement,

all Parties acting reasonably. With respect to compliance with the Data Protection Legislation only and in the event of a conflict between the conditions of this agreement and any Data Sharing Joint Controller Agreement, the terms of the DataSharing Joint Controller Agreement must take precedence.

- 15.6 Each Party must, with respect to its processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, and the measures must, at a minimum, comply with the requirements of the Data Protection Legislation.

16. PREVENTION OF BRIBERY

16.1 The Grant Recipient:

16.1.1 shall not, and shall procure that any of its staff, agents, consultants and sub-contractors shall not, in connection with this Agreement, commit a Prohibited Act;

16.1.2 shall not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct has been carried out in the UK;

16.1.3 shall comply with the Authority's anti-bribery policies as updated from time to time;

16.1.4 shall have and shall maintain throughout the term of this Agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with clauses 16.1.2, 16.1.3 and 16.1.4;

16.1.5 shall promptly report to the Authority any request or demand for any undue financial or other advantage of any kind received by the Grant Recipient in connection with the Approved Project;

16.1.6 shall immediately notify the Authority in writing if a foreign public official becomes an officer or employee of the Grant Recipient or acquires a direct or indirect interest in the Grant Recipient, and the Grant Recipient warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of this Agreement;

16.1.7 shall, if requested, provide the Authority with any reasonable assistance, at the Authority's reasonable cost, to enable the Authority to perform any activity required by any relevant government or agency in any relevant jurisdiction for the purpose of compliance with the Bribery Act;

16.1.8 within one (1) month of the Commencement Date, and annually thereafter, certify to the Authority in writing (such certification to be signed by an officer of the Grant Recipient) compliance with this clause 16 by the Grant Recipient and all persons associated with it or other persons who are supplying goods or services in connection with this Agreement. The Grant Recipient shall provide such supporting evidence of compliance as the Authority may reasonably request.

- 16.2 For the purpose of this clause 16, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance

issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purpose of this clause 16, a person associated with the Grant Recipient includes any agent, delegate or subcontractor of the Agent.

17. INTELLECTUAL PROPERTY RIGHTS

- 17.1 Intellectual Property in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 17.2 The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all the IPR Material for the purpose of supporting other projects.
- 17.3 Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 17.4 The Grant Recipient must ensure that it has obtained the relevant agreement of the Third Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third Party software and other IPR. The Grant Recipient will be responsible for obtaining and maintaining all appropriate licences to use the Third Party software.

18. WARRANTIES

The Grant Recipient warrants, undertakes and agrees that:

- (a) it has all necessary resources and expertise to deliver the Approved Project successfully (assuming due receipt of the Grant Funding);
- (b) it has not committed, nor shall it commit, any Prohibited Act;
- (c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Authority immediately of any significant departure from such legislation, codes or recommendations;
- (d) it shall comply with the requirements of the Health and Safety at Work Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Approved Project;
- (e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- (f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- (g) all financial and other information concerning the Grant Recipient which has been disclosed to the Authority is to the best of its knowledge and belief, true and accurate;

- (h) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant Funding;
- (i) it is not aware of anything in its own affairs, which it has not disclosed to the Authority or any of the Authority's advisers, which might have influenced the decision of the Authority to make the Grant Funding on the terms contained in this Agreement; and
- (j) since the date of its last accounts there has been no material change in its financial position or prospects.

19. INSURANCE AND INDEMNITY

- 19.1 The Grant Recipient shall, with effect from the Commencement Date, ensure that it holds all appropriate forms of insurance necessary for the normal execution of its activities and any such extension of cover as may be necessary for the activities or risks associated with the activities for which the Authority provides the Grant Funding. The Grant Recipient shall make its insurance cover available to the Authority on request.
- 19.2 The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient running the Approved Project, the use of the Grant Funding or from withdrawal of the Grant Funding. The Grant Recipient shall indemnify and hold harmless the Authority, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Approved Project, the non-fulfilment of obligations of the Grant Recipient under this Agreement or its obligations to third parties.
- 19.3 Subject to clause 19.2, the Authority's liability under this Agreement is limited to the amount of the Grant Funding.

20. PUBLIC PROCUREMENT AND SUBSIDY CONTROL

- 20.1 Where the Grant Recipient seeks to procure the supply of any goods, works or services from a third party it shall ensure that contracts or further distribution of the Grant Funding are procured on a basis that secures best value and complies in all material aspects with all relevant UK Legislation on public procurement, including without limitation the Public Contracts Regulations 2015 (SI 2015/102) as applicable.
- 20.2 Where the Grant Recipient reasonably considers that there is an objective justification for not complying with condition 20.1 and seeks to rely on such a justification it shall record this in writing and make this available to the Authority on request.
- 20.3 The Grant Recipient shall not use any of the Grant Funding to carry out any activities that could be constituted as in violation of international or UK subsidy control obligations or laws nor shall it pay or grant any unlawful subsidy to any organisation or individual.

21. PUBLICITY

- 21.1 The Grant Recipient shall not publish any material referring to the Approved Project or the Authority without the prior written agreement of the Authority. The Grant Recipient shall acknowledge the support of the Authority in any materials that refer to the Approved Project and in any written or spoken public presentations about the Approved Project. Such acknowledgements (where appropriate or as requested by the Authority) shall include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.
- 21.2 In using the Authority's name and logo, the Grant Recipient shall comply with all branding guidelines issued by the Authority from time to time.
- 21.3 The Grant Recipient agrees to participate in and co-operate with promotional activities relating to the Approved Project that may be instigated and/or organised by the Authority.
- 21.4 The Authority may acknowledge the Grant Recipient's involvement in the Approved Project as appropriate without prior notice.
- 21.5 The Grant Recipient shall comply with all requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Approved Project.

22. ENVIRONMENTAL REQUIREMENTS

- 22.1 The Grant Recipient shall perform the Approved Project in accordance with the Authority's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
- 22.2 The Grant Recipient shall pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Approved Project or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
- 22.3 The Grant Recipient shall take all possible precautions to ensure that any equipment and materials used in the provision of the Approved Project do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority shall be notified in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

23. GENERAL

The Grant Recipient shall use its best endeavours to ensure that in carrying out the Approved Project it and anyone acting on its behalf complies with the law which applies in England. If the Grant Funding will be distributed outside the United Kingdom the Grant Recipient shall use its best endeavours to ensure that:

- (a) such funding does not contravene the laws of any other country; and

- (b) such funding is not used to support activities which could bring the Authority's name into disrepute.

24. ASSIGNMENT

The Grant Recipient shall not transfer, assign, sub-contract, charge, or otherwise dispose of any part of the Grant Funding, Approved Project or any of its obligations under this Agreement to a third party without the Authority's prior written approval.

25. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

26. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

27. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Authority and the Grant Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

28. JOINT AND SEVERAL LIABILITY

Where the Grant Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Grant Recipient shall be jointly and severally liable for the Grant Recipient's obligations and liabilities arising under this Agreement.

29. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

30. TERMINATION

30.1 The Authority shall be entitled to terminate the Agreement and any payment of the Grant Funding by written notice to the Grant Recipient with immediate effect and without compensation if :

- (a) the Grant Recipient has committed a material breach of the terms and conditions of this Agreement and (if such breach is capable of remedy) shall have failed to remedy such breach within thirty (30) days of being required to do so in writing by the Authority;

- (b) there is repeated and unremedied failure by the Grant Recipient to comply with a notice given by the Authority relating to the inadequate performance of its obligations under the Agreement and/or any remedial action specified;
 - (c) the Grant Recipient ceases or proposes to cease to carry on its business;
 - (d) the Grant Recipient is guilty of fraud, dishonesty, impropriety, or any conduct calculated or likely in all material aspects to affect prejudicially the interests or reputation of the Authority;
 - (e) the Grant Recipient has committed a Prohibited Act;
 - (f) the Grant Recipient or any aspect of its operations which is a partnership or unregistered company goes into compulsory winding up; is dissolved; or an administrator or receiver is appointed over the whole or any part of its assets or it has entered into a composition or voluntary arrangement with its Creditors.
- 30.2 In addition to its right of termination in clause 30.1 above, the Authority shall be entitled to terminate this Agreement for any reason on giving the Grant Recipient not less than thirty (30) days written notice.
- 30.3 The Authority shall be entitled to discontinue payment of the Grant Funding on satisfactory completion of the Approved Project for which the Grant Funding is provided or at the end of the Grant Period, whichever is earlier.
- 30.4 Where the Authority discontinues payment of the Grant Funding and/or reduces the amount of Grant Funding, the Authority accepts no liability for any consequences that may come about from the reduction or withdrawal of the Grant Funding.
- 30.5 Where the Authority terminates the Agreement, no further payment of the Grant Funding shall be payable by the Authority to the Grant Recipient except for work carried out by the Grant Recipient relating to the Approved Project prior to termination and in accordance with the Agreement but where the payment has yet to be made by the Authority.
- 30.6 Save as otherwise expressly provided in the Agreement, termination or expiry of the Agreement shall be without prejudice to any rights, remedies or obligations accrued under the Agreement prior to termination or expiration and nothing in the Agreement shall prejudice the right of either party to recover any amount outstanding at such termination or expiry.

31. DISPUTE RESOLUTION

- 31.1 All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminate this Agreement) shall, in the first instance be referred to the Grant Recipient's [project manager for the Approved Project] and the Authority's nominated officer.
- 31.2 Should the dispute or complaint remain unresolved within 14 days of the matter first being referred to the individuals named in clause 31.1, either party may refer the matter to [Chair] of the Grant Recipient and the Authority's [nominated senior official] with an instruction to attempt to resolve the matter by agreement within 28 days, or such other period as may be mutually agreed by the Authority and the Grant Recipient.

- 31.3 In the absence of agreement under clause 31.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate resolution model as is agreed by both parties. Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

32. SAFEGUARDING

- 32.1 The Grant Recipient will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the Project and/or this Grant Funding Agreement. This shall include, without limitation, that the Grant Recipient will:
- 32.1.1 maintain a safeguarding policy which includes a statement of commitment to safeguarding and a zero tolerance statement on bullying, harassment and sexual exploitation and abuse;
 - 32.1.2 maintain a detailed register of safeguarding issues raised and how they were dealt with;
 - 32.1.3 have clear investigation and disciplinary procedures to use when allegations and complaints are made, and have clear processes in place for when a disclosure is made;
 - 32.1.4 share its safeguarding policy with Representatives or Third Parties involved in the Project;
 - 32.1.5 maintain a whistle-blowing policy which protects whistle blowers from reprisals and includes clear processes for dealing with concerns raised;
 - 32.1.6 maintain a code of conduct for staff and volunteers that sets out clear expectations of behaviours - inside and outside the work place - and make clear what will happen in the event of non-compliance or breach of these standards; and
 - 32.1.7 meet or be working towards the minimum standards for Sexual Exploitation, Abuse and Harassment safeguarding: the Inter-Agency Standing Committee Minimum Operating Standards on Protection from Sexual Exploitation and Abuse (“**PSEA**”) and/or the PSEA elements of The Core Humanitarian Standard on Quality and Accountability.
- 32.2 The Grant Recipient shall provide to the Department, on the Department’s request, any documents maintained pursuant to Condition 32.1 and/or evidence of compliance with the requirements of Condition 32.1.
- 32.3 The Department has a zero tolerance approach towards sexual exploitation, abuse and harassment. The Grant Recipient will immediately contact the Department at ODA.Safeguarding@defra.gov.uk to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Grant Funding Agreement. The Grant Recipient should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.
- 32.4 The Grant Recipient shall also report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment that are not directly related to this Grant Funding Agreement but which would impact to the Department or the reputation of the Department or UK aid. For example, events

that affect the governance or culture of the Grant Recipient, such as those related to senior management, must be reported.

- 32.5 The Grant Recipient will fully co-operate with investigations into any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment, whether led by the Department or any of its duly authorised Representatives.

33. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts. This does not limit the Authority's right to commence legal proceedings in any other court of competent jurisdiction, including concurrent proceedings.



Grant Usage
template

Schedule 2

THE APPROVED PROJECT

INTRODUCTION

BACKGROUND

GENERAL AIMS AND OBJECTIVES

SPECIFIC OBJECTIVES AND SCOPE OF WORK

OUTPUTS AND DELIVERABLES

Table 1 Milestone Deliverables

| Milestone | Deliverable | Date | Cost | Authority Contribution |
|--------------|-------------|------|------|------------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | | | | |
| Total | | | | |

Table 2 Milestone Reporting

| Milestone | Report Due | Report Type |
|-----------|------------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| | | |

ELIGIBLE EXPENDITURE

| Item of Expenditure | Budget (in UK Sterling)/forecast expenditure |
|---------------------|--|
| | |
| | |
| | |

| | |
|--|--|
| | |
| | |
| | |

DISSEMINATION

Schedule 3

PAYMENT SCHEDULE

The Authority agrees, subject to the Grant Recipient's compliance with this Agreement to make the following payments for the Approved Project against receipt of a valid claim and satisfactory completion of milestones as set out in Schedule 2. Please note that this grant is subject to year on year funding approval. Funding continuation must be formally accepted for funding to continue.

| Milestone | Amount of Grant Funding Payable | Expected date of invoice |
|------------------|--|---------------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| Total | | |

Schedule 4

CHANGE CONTROL NOTICE

| | |
|--------------------------------|-----------------------------------|
| Change Control Notice number: | [Insert Change Number] |
| Grant Funding Agreement title: | [Insert Grant Scheme Title] |
| Reference: | [Insert BRAVO Number] |
| Variation title: | [Insert Reason for the variation] |
| Number of pages attached: | [Insert number of attached pages] |

WHEREAS the Grant Recipient and the Authority entered into a Grant Funding Agreement for the Approved Project dated [dd/mm/yyyy] (the "Original Grant Funding Agreement") and now wish to amend the Original Grant Funding Agreement

IT IS AGREED as follows

1. CHANGES

1.1 With effect from [date] the Original Grant Funding Agreement shall be amended as set out in this Change Control Notice:

| | |
|--------------------------------|---|
| Change requestor/originator: | [Insert name, team and division] |
| Summary and reason for change: | [Insert FULL details of change] |
| Reason for change: | [Insert reason for change] |
| Revised Grant Funding: | [Insert amount in figures] (inclusive of any irreclaimable VAT) |
| Revised payment schedule: | See attached revised Schedule 3 |
| Revised Grant Period: | [Insert start Date] to [Insert end date] |
| Other change: | |

1.2 Save as herein amended all other terms and Conditions of the Original Grant Funding Agreement shall remain in full force and effect.

Please confirm your acceptance of the award of this grant by electronically signing this document, following the guidance provided and using the Authority's e-application system **within [7]** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant.

Schedule 5

Data Protection Provisions

The contact details of the Authority's Data Protection Officer are: **Data and Information Assurance Team** data.protection@defra.gov.uk

The contact details of the Grant Recipient's Data Protection Officer are: **[Insert Contact details]**

Data Protection Legislation Condition Definitions:

Where they appear in this Schedule 5:

Personal Data Breach and Data Subject take the meaning given in the UK GDPR

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data and the rights and freedoms of data subjects.

Data Loss Event: any event that results, or may result, in unauthorised access to Personal Data held by the Processor under these Conditions, and/or actual or potential loss and/or destruction of Personal Data in breach of these Conditions, including any Personal Data Breach.

Data Subject Request: a request made by, or on behalf of, a data subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it.

Data Protection

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in condition 4, the Parties acknowledge that they are each separate independent Controllers in respect of such data.
2. The Grant Recipient must (and must procure that any of its Representatives must) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives

- may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.
5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government and that these details may appear on the Government Grants Information System database which is available for search by other funders.
 6. The Authority and the Grant Recipient must:
 - (a) ensure that the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other Party to the extent required in connection with Funded Activities.
 7. Where a Party (the Data Receiving Party) receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party must provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - 7.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party must:
 - 7.2.1. promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and must forward such request or correspondence to the other Party; and
 - 7.2.2. provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
 8. Each Party must promptly notify the other upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Agreement and must:
 - 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
 9. Without limiting any other provision of this Schedule 5, each of the Parties must, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data provided pursuant to this Agreement.
 10. The Authority and the Grant Recipient must not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement.

11. The Grant Recipient must notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteer

[Guidance: Only add paragraph 12 where the Grant Recipient and Authority are both independent Controllers and the Grant Recipient is based in the European Economic Area (EEA) and there is data flow from the EEA to the UK.]

[LINK](#)

Schedule 6 – Claim Form

Note: The claim submission must include all the following supporting information and ideally be submitted as one pdf document:

- A valid invoice bearing recipient invoice number, the Grant reference number and a description of expenditure. The invoice amount must be in GBP. If your bank account is unable to accept GBP we can make payment in equivalent currency if requested. [Only include this wording if recipient has indicated on their bank account form that GBP is not accepted into their bank account.]
- List any other information you require the recipient to submit with their claim not included in the claim form. [Delete before sending]

| | | | | | | |
|---|--|--|---|---|--|----------------------------|
| 1: Applicant's Name and Address | 2: Payee Name | | | | | |
| 3: Project Title [must match grant funding agreement] | Date of Grant Offer: Amount of Grant Offer: | | | | | |
| 4: Grant Reference: Ecm_XXXXX | Claim Period: | | | | | |
| 5: Recipient Invoice: [Insert Invoice Number] | From Dd/mm/yyyy to dd/mm/yyyy | | | | | |
| <table border="1"> <tr> <td data-bbox="193 1294 1018 1883"> 5: Breakdown of expenditure claimed (advance/ interim/ final claim)* (* Delete as applicable) Note: Please use same headings as contained in your grant agreement, continuing on a separate sheet if necessary Total expenditure for this claim </td> <td data-bbox="1018 1294 1398 1883"> £..... </td> </tr> <tr> <td data-bbox="193 1883 1018 2022"> Previous Claims: Dd/mm/yyyy Advance/Interim/(delete as applicable) Dd/mm/yyyy Interim Total expenditure to date: (including this claim) </td> <td data-bbox="1018 1883 1398 2022"> £..... £..... £..... </td> </tr> </table> | | | 5: Breakdown of expenditure claimed (advance/ interim/ final claim)* (* Delete as applicable) Note: Please use same headings as contained in your grant agreement, continuing on a separate sheet if necessary Total expenditure for this claim | £..... | Previous Claims: Dd/mm/yyyy Advance/Interim/(delete as applicable) Dd/mm/yyyy Interim Total expenditure to date: (including this claim) | £..... £..... £..... |
| 5: Breakdown of expenditure claimed (advance/ interim/ final claim)* (* Delete as applicable) Note: Please use same headings as contained in your grant agreement, continuing on a separate sheet if necessary Total expenditure for this claim | £..... | | | | | |
| Previous Claims: Dd/mm/yyyy Advance/Interim/(delete as applicable) Dd/mm/yyyy Interim Total expenditure to date: (including this claim) | £..... £..... £..... | | | | | |

| | | | |
|--|--|-----------------------|-------------------------------------|
| <p>I certify that:</p> <ul style="list-style-type: none"> i. The work has been completed ii. That the breakdown is a true record of the expenditure incurred and in not included in any other claim iii. No other grant has been or will be claimed from Central Government or government agency towards these costs without the full knowledge and agreement of the Department. iv. The Bank Details Provided are those contained in the Grant Funding Agreement. v. I confirm that the Terms and Conditions of the grant funding agreement have been met. <p>I therefore claim payment of £.....</p> <p>Signed..... Name. (CAPS).....</p> <p>Position.....(authorised signatory)</p> <p>Date.....</p> | | | |
| Confirmation of Bank Details | | | |
| Bank Name: | | Account Holder Name | |
| Bank Account Number: | | IBAN/Swift Code | |
| Payments are normally made in GBP but may be made in equivalent currency. | | Currency for Payment: | Supporting Information Attached Y/N |

Schedule 7 – Grant Recipient’s Bank Details

The Confirmation of Bank Details and Signatories Form must be issued and returned via e-tendering email with the Grant Offer Letter at Step 3.10 or at latest Step 4.1 of the Grants 6 step process. In the case of Direct Award follow the instructions in Step 4.1. Insert the completed form here. Attach a blank form to the e-tendering record for the recipient’s future use should any details change.

[GRANT TITLE] [ECM NUMBER][PROJECT NUMBER]

1. GRANT RECIPIENT DETAILS

Foreign payments – non-UK bank accounts: please provide all the following information.

This section must provide *your* bank details (not any intermediary) – the final destination and beneficiary account for any funds sent.

| | |
|---|---|
| Your Bank name: | Organisation name as per your bank account: |
| Your Bank address: | Your Bank account number: |
| Your IBAN number: | Your Swift code: |
| Currency of your account: | Preferred currency for payment: |
| Any information to be added with the payment: | |

2. BANK DETAILS

If Your Bank is outside Europe, this section must provide additional details for any intermediary bank with appropriate routing information.

| | |
|---|--|
| Intermediary Bank name: | Intermediary Bank account number: |
| Intermediary Bank address: | Intermediary Bank code(s) eg Swift, BIC etc: |
| Any additional routing information to support the transfer: | |

3. AUTHORISED SIGNATORIES

The Signatories below are authorised to sign claim forms on behalf of the Grant Recipient. These signatures are binding in respect of the Grant Agreement.

| | |
|-------------------|-------------------|
| Name: | Name: |
| Position: | Position: |
| Signature: | Signature: |
| Date: | Date: |

4. PERSONS AUTHORISED TO ACCEPT THE GRANT FUNDING AGREEMENT

| | |
|--------------|--------------|
| Name: | Name: |
|--------------|--------------|

| |
|-------------------|
| Position: |
| Signature: |
| Date: |

| |
|-------------------|
| Position: |
| Signature: |
| Date: |

The Authority issue Grant Funding Agreements electronically. Electronic acceptance is required through the Authority's e-tendering portal. Recipients must ensure their registration on the platform is correct and up to date. The Recipient must notify the Authority immediately of any changes to Bank Details or Authorisations.

T&C's Document 4 Foreign over £100k

Model Grant Funding Agreement

(Full Length Foreign Payment Wording)

MUST ONLY BE USED WHERE IT HAS BEEN ESTABLISHED THE RECIPIENT HAS A FOREIGN BANK ACCOUNT. FOR RECIPIENTS WHO HAVE A UK BANK ACCOUNT USE THE STANDARD DOCUMENTATION 08.01.03

1. Drafting notes:

The highlighted sections mean as follows:

Green: you need to complete a section highlighted green with the relevant information e.g. a timescale, party information a relevant date.

Light blue: these sections are guidance notes, please review and consider how they affect what you are doing. Then delete them all before issue.

Yellow: these sections indicate optional clauses which you may want to include or delete depending on what your grant is for.

Desk Aids have also been included where legal advice may be needed.

A short form model grant funding agreement is available for grants up to £100,000.

2. Legal considerations

- 2.1 You should **only** use this Grant Funding Agreement template if you are going to make a **general grant**. General grants are grants made by departments or their grant making Arm's Length Bodies to outside bodies to reimburse expenditure on agreed items or functions and are often paid only on statutory conditions. These are the grants, which are most closely related in administration and the whole process of selection and award to contract procurement, whilst remaining legally distinct.
- 2.2 General grants should be competed by default, except where a strong rationale exists for a direct award (see the note on the Grant Standards below). This means applications are invited and assessed against a pre-published set of criteria, with awards made based on the outcome of the application assessment. If a general grant is not being competed this is usually because there is only one organisation which has the required knowledge and expertise to deliver what the grant is for – e.g. when an organisation owns the intellectual properties rights to a product.
- 2.3 If your grant is a formula grant or grant-in-aid, please consult your lawyers to find out which template you should use instead.
- 2.4 A formula grant is based on pre-set criteria and is not competitive; grants awards are calculated using a specific formula. If the organisation or individual meets the specified criteria they are able to receive the grant. Examples of formula grants are National Trails maintenance grants which are administered according to a set formula.
- 2.5 Grant-in-aid means a sum of money provided to an organisation to be applied in general support for the objectives of that organisation. A payment by a government department – usually referred to as the “sponsor department or Policy Team” – to finance all or part of the costs of the body in receipt of the grant-in-aid. Grant-in-aid is paid where the government has decided, subject to Parliamentary controls, that the recipient body should operate at arm's length. The sponsor department does not therefore seek to impose the same detailed

controls over day-to-day expenditure as it would over a grant. For example Defra funds Natural England in this way.

Value Added Tax (VAT)

- 2.6 VAT is not generally charged on a grant. However, HMRC will require you to charge VAT if the grant is paid in “consideration” for a benefit (supply) that Defra receives in return, including where the funded activities implement Defra’s statutory duties and/or specific policy. If your grant is really a contract for goods, services or works, VAT will be payable (see the note on public procurement below).
- 2.7 Condition 29 makes it clear the Grant is inclusive of any VAT that is chargeable so the risk of any adverse VAT assessment raised by HMRC is borne by the Grant Recipient.
- 2.8 You need to make it clear to the Grant Recipient that the amount specified in the Grant Offer Letter and the Grant Funding Agreement is the total amount payable by the Department, and no additional amount will be added for any VAT that they have to pay to HMRC.

Enforceability of grant conditions

- 2.9. The question of whether or not a grant is contractually enforceable is complex and it has not yet been tested fully by the courts. There are a number of possible different interpretations available and these interpretations may affect how a template grant funding agreement should provide for enforcement, including methods of recovery of grant funds. There may also be wider ranging implications in procurement law, subsidy control obligations and VAT.
- 2.10. This Grant Funding Agreement is drafted so it is legally enforceable, in line with Defra policy requirements.
- 2.11. One major reason for the current approach is concern about the risk of the Public Contracts Regulations 2015 (the **PCR 2015**) inadvertently becoming applicable to the transaction. The PCR 2015 require contracting authorities to comply with detailed rules in relation to the procurement of public contracts for works, goods and services. Public contracts are defined in section 2(1) of the PCR 2015 as “contracts for pecuniary interest concluded in writing between one or more economic operators and one or more contracting authorities and having as their object the execution of works, the supply of products or the provision of services”. Grants are not generally made by contracting authorities for the acquisition of works, goods or services, so it seems that grants are likely to fall outside of the scope of the PCR 2015, even if contractually binding.
- 2.12. This approach is supported by Recital 4 to Directive 2014/24/EU (the Public Contracts Directive which is transposed in the PCR 2015) which states that:

(a) *“The Union rules on public procurement are not intended to cover all forms of disbursement of public funds, but only those aimed at*

the acquisition of works, supplies or services for consideration by means of a public contract. It should be clarified that such acquisitions of works, supplies or services should be subject to this Directive whether they are implemented through purchase, leasing or other contractual forms.

- (b) *The notion of acquisition should be understood broadly in the sense of obtaining the benefits of the works, supplies or services in question, not necessarily requiring a transfer of ownership to the contracting authorities. Furthermore, the mere financing, in particular through grants, of an activity, which is frequently linked to the obligation to reimburse the amounts received where they are not used for the purposes intended, does not usually fall within the scope of the public procurement rules.”*

2.13. However, it is possible that, depending on the particular circumstances of a grant, there is a risk that a court could consider that a contract for goods, services or works within the scope of the PCR contract arises. The UK courts may refer to the purpose of the EU legislation, including the recitals, when interpreting the PCR after EU Exit and the end of the transition period. It will also consider any statements of intent by the parties but will also have to consider whether any such statement may have been included with the aim of avoiding the application of the PCR. However, if the grant is not for the acquisition of goods, works or services by the funding body (Defra or ALB), then PCR 2015 will not apply. Whether or not an arrangement that purports to be a grant funding agreement could be found subject to the procurement rules is ultimately a question which would need to be considered on a case by case basis in the light of individual circumstances, but no cases on this point have yet come before the UK courts. It is therefore desirable when advising to undertake a clear analysis at the outset of whether in the actual true intention of the arrangement is to benefit the grant recipient and to provide them with monies to be applied to a ‘public good” consistent with the aims of the grant making department (Defra or the ALB), or in reality to discharge some obligation of or obtain some benefit for the department in pursuit of its statutory duties and specific policy requirements.

2.14. In the second instance, it is likely that the contract will be, in reality, a contract for services not a true ‘grant” and should be treated as such. Where that is the case, it is prohibited to award the contract without a prior competition or bidding process as prescribed by the PCR, unless the contract value is below the relevant threshold or one of the exceptions applies. For instance, “direct” contract awards can be made without a prior competition if the Supplier is the only organisation capable of supplying the services for technical reasons or for the protection of an exclusive right, such as intellectual property rights. The PCR also do not apply to public service contracts awarded to another contracting authority (which includes any entity that relies mainly on public funding) on the basis of an exclusive right granted by law, regulation or other administrative provision.

- 2.15. The Cabinet Office has produced a useful checklist covering a range of types of funding to guide this analysis. In the former case, the risk of the arrangement being found subject to procurement rules should be small. Departments should contact the Grants Centre of Excellence if they need help finding it.

State aid

- 2.16. EU State aid rules, which were developed and adopted to support the EU 'Single Market', no longer apply to subsidies awarded in the UK from 1 January 2021 except in the limited circumstances such as under the Northern Ireland Protocol and certain other cases set out in the UK-EU Withdrawal Agreement. In these limited circumstances or where a grant was awarded (In the sense that a legally binding commitment was made) prior to 1 January 2021, the alternative '08.01.03aStandard_TandC_over £100k_ prior to 1 January 2021 or under NI Protocol' should be used instead as the EU State aid rules will continue to apply.

Outside these limited circumstances, you will instead need to ensure that the UK is complying with other pre-existing and new international obligations in relation to subsidies, including the UK's commitments arising from the UK's continued membership of the World Trade Organisation (WTO) and those covered in Free Trade Agreements, including the UK-EU Trade and Cooperation Agreement. At this time these are not all implemented into UK domestic law.

- 2.17. Defra will need to carry out assessment to determine whether the grant may have implications in respect of the UK's compliance with international subsidy Obligations. Defra should consider expert advice from the BEIS subsidy team or Defra Lawyers where there is doubt as to the status of the measure. Further information relating to Subsidy Control is available in the Grant Guidance Site. BEIS has published new guidance for public authorities on complying with the UK's international obligations on subsidy control [here](#).
- 2.18. In general terms a subsidy is a measure:
- given by a public authority;
 - which makes a contribution (this could a financial or in-kind contribution) to an enterprise (that is an entity engaged in an economic activity related to placing goods or services on the market);
 - which confers an economic advantage that is not available on market terms;
 - which is specific in that it benefits certain enterprises over another; and
 - which affects international trade.
- 2.19. Where a grant is considered a subsidy, Defra will need to consider which international obligations apply. The main sources of these international obligations are:
- The World Trade Organisation Agreement on Subsidies and Countervailing Measures (ASCM);
 - The UK- EU Trade and Co-operation Agreement (TCA); and

- The UK's other Free Trade Agreements (FTAs).
- 2.20. Where the ASCM, the TCA and/or FTAs are engaged, Defra will need to consider whether the proposed grant is prohibited. Where a subsidy is within the scope of the TCA, departments will also need to ensure that the proposed grant meets the terms of the principles set out in the TCA or is granted subject to the specified conditions for certain subsidies.
 - 2.21. Finally, departments will need to assess the likelihood of triggering a dispute or remedial measures under the ASCM and other FTAs (e.g. the imposition of tariffs to mitigate or eliminate the harmful effect of tariffs).
 - 2.22. The award of a subsidy must be recorded and BEIS has published a pro forma [here](#) which it is highly recommended that departments should use to record their of assessment of how they have complied with the principles set out in the TCA in the design of their subsidy. BEIS is also currently developing a transparency database for this purpose. More detail on all of the above can be found in [BEIS technical guidance](#)
 - 2.23. The grant funding agreement sets out a basic overarching obligation for the grant recipient to avoid putting HMG in breach of the UK's international obligations in respect of subsidies. If the Department considers those obligations are not engaged because the grant recipient is not an economic actor and/or enterprise or is relying on the subsidy being outside of the scope of the TCA on the basis of value, Departments will need to consider whether the subsidy exemption clauses in Condition 15 and Schedule 10 are also required.

Intellectual Property

- 2.24. See condition 16 of the Grant Funding Agreement, which sets out how Defra and the Grant Recipient intend to deal with any intellectual property rights (IP rights) created in connection with the Grant. Under condition 16, the Grant Recipient owns any IP rights developed using the grant but will grant a worldwide, non-exclusive, irrecoverable, licence to Defra to use and exploit the intellectual property.
- 2.25. In most cases Defra does not need to own the IP rights and will be satisfied by a perpetual, royalty-free, non-exclusive licence that it can sub-license to other departments, agencies and ALBs as required. The Defra model agreement includes an explicit reservation of the right to grant an Open Government Licence of any copyright so the public can have access to any copyright material and reproduce it without royalty.
- 2.26. However, in some cases the purpose of the Grant may require the Department to own the rights to the intellectual property, in which case an assignment of the

rights will be needed. You should request legal advice to assess the legal implications of this approach and whether doing so will expose Defra to potential procurement risks.

- 2.27. For example, if the purpose of the grant is to develop an environmental awareness training programme and Defra decides it needs to own all the intellectual property developed in connection with that programme, it is likely that the funding paid to the Grant Recipient will not be a grant, but payment for services. This is because the arrangement will be more akin to that of a public contract for services, which in turn means that the requirement should have been procured in accordance with the PCR.

Consortia

- 2.28. The grant funding agreement has been drafted to cater for circumstances where the grant recipient is undertaking the funded activities independently. The grant funding agreement does not currently cater for grants awarded to consortia. Departments should seek legal and/or commercial advice from their Departments on what amendments are required to manage a grant award to a consortium so as to ensure that all members of the consortium are bound by the requirements of the grant.
- 2.29. For example, the Department may want to consider whether the grant funding agreement needs to be entered into by one **lead member** of the consortium, as opposed to all the members (the Cabinet Office's and Defra's recommended position), or whether the other members of the consortium need to enter into a short **side agreement with Defra regarding the grant**.
- 2.30. The Department may also want to consider whether it needs to make it a condition of the grant that the consortium members have a **consortium agreement** in place between each other. This is important to ensure that the consortium has a robust legal basis. It may also be prudent to include conditions regarding changes to the consortium agreement to ensure that the Department has the right to terminate / seek repayment of the grant if the consortium agreement is terminated or materially changed.

Double Funding

- 2.31. Condition 4.8 of the conditions requires grant recipients to declare that acceptance of the grant offered will not result in double funding, for example, they are receiving funding from another source for the same or similar activity.
- 2.32. Any match funding, where declared, will not be double funding. [In cases where we are relying on a substantive or value-based exemption for subsidy control purposes, it will be important to have full details of all Match Funding to check

that relevant subsidy limits are not exceeded, both up front and on an ongoing basis]

- 2.33. The authorised signatory of the declaration will be liable for any false declaration.

Assets

- 2.34. A Defra grant will mainly be given towards revenue costs rather than towards the purchase of assets. However, to cover situations where the grant is for this purpose, the grant funding agreement contains provisions intended to protect the monies given for those purposes.

- 2.35. These provisions may safely be omitted if funding is to be given solely for revenue purposes. Department's must have regard to the HM Treasury guidance, *Managing Public Money*¹, which discusses factors to be taken into account when grants are used to fund assets.

- 2.36. The grant funding agreement does not contain provisions to claw back funding when the grant is for the purchase of capital assets nor does it provide for the Departments to have a charge over that asset in the event of a winding up. Departments should therefore consult their legal teams to draft specific provisions in respect of this.

- 2.37. If Defra is funding Capital Assets through the Grant, it should consider whether, in accordance with Annex 5.2 of HM Treasury guidance *Managing Public Money*, it should take a legal charge over the Asset to protect the Department's interest in any funded Asset. In these circumstances, you should seek appropriate commercial/legal advice.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE")

- 2.38. TUPE may apply on the award of grant funding, although much will depend on the facts in any given case. For example, if grant funding is provided over a number of years to one recipient which is entirely reliant on such funding, such funding is subsequently re-allocated to a new recipient carrying out fundamentally the same activities and the former recipient ceases to operate, it may be possible to argue that the employees of the organisation previously in receipt of the funding should transfer under TUPE to the new grant recipient. In some situations there could also potentially be a transfer of assets which could give rise to a TUPE transfer.

¹ <https://www.gov.uk/government/publications/managing-public-money>

- 2.39. A key factor in determining whether TUPE will apply is whether it is possible to identify either a transfer of assets or the reallocation of the grant funding or whether there is, in practice, (i.e. regardless of the documentation in place) a 'service' which ceases to be provided by one organisation on behalf of the Authority in fundamentally the same way. It should be noted that if a service contract were in place, there would likely be contractual provisions dealing with the application of TUPE on the commencement and termination of the service, although this should be checked.
- 2.40. However, this is unlikely to be the case under a grant funding agreement and accordingly careful consideration of any TUPE risk is particularly important in such circumstances.
- 2.41. It will be the Grant Recipient's responsibility to make enquiries of the present funded organisation to determine whether TUPE may apply to the Funded Activities. It is not the Department's responsibility to determine whether TUPE may apply between a current grant recipient and the new Grant Recipient of similar Funded Activities and/or any other provider the Department may select to provide the Funded Activities.
- 2.42. **If Departments consider that their grant may give rise to a TUPE risk, legal advice should be obtained from GLD employment legal advisors/TUPE specialists to determine whether specific TUPE indemnity provisions also need to be included in the Grant Funding Agreement or a separate standalone deed.**

Data Protection

- 2.43. On 25 May 2018 new data protection legislation came into force. The legislation contains a range of new measures relating to data protection, including mandatory contract clauses which must appear in contracts under which one party (the "processor") is processing personal data on behalf of, and following the instructions of, the other (the "controller").
- 2.44. This template assumes that no personal data is being processed by one party on behalf of the other and that no personal data will be jointly controlled i.e. parties making joint decisions over the purposes and means of processing. This is Defra's default position for Grant Funding Agreements and should not be changed without express approval. You should consider whether any personal data will be processed by either party on behalf of the other in the course of the grant agreement being performed. Where this is the case, advice must be obtained from Core Defra Data and Information Assurance Team (data.protection@defra.gov.uk) and as per condition 14.3 and 14.4 a separate agreement entered into.
- 2.45. Where a department has decided not to make the grant funding agreement contractually binding, but personal data will be processed on its behalf by a processor, the department will need to ensure that they have complied with their obligations under Article 28 of the General Data Protection Regulation (as

retained in UK law), which requires that agreements with data processors be governed by a binding contract or other legal act that is binding on the processor.

- 2.46. After 1 January 2021, the General Data Protection Regulation remains in force in the UK by operation of the European Union (Withdrawal) Act 2018. The regulations (known as 'UK GDPR') may be amended by domestic legislation in the UK in future. Although the UK ended the transition period without an adequacy decision, as part of the EU UK Trade and Cooperation Agreement, the EU has agreed to delay transfer restrictions for at least four months with the possibility of extension to six months (known as the 'Bridge'). If an adequacy decision has not been secured by the end of the Bridge period, data transfers from the EU to the UK will not automatically be deemed to have adequate safeguards. In these circumstances, it may be necessary to include the 'standard contractual clauses' published by the European Commission when preparing this Grant Funding Agreement. See further detail in Schedule 8, and please refer to Clauses 24.29 to 24.32 of the Model Services Contract and guidance issued by DCMS from time to time for further information on when the incorporation of SCCs will be appropriate.

3. How to use this template

- 3.1 Before you use this template, you should read the drafting notes contained at paragraph 2 above.
- 3.2 This template has been drafted to help you meet the Government Functional Standards for General Grants (the **Grant Standards**²) The Grant Standards are [here](#).
- 3.3 You are not required to use the grant funding agreement, but you are encouraged to do so wherever possible. This Grant Funding Agreement should be used for grants above £100k and has been drafted for 'most likely scenario' **'You may tailor the template to suit the Grant's specific needs and purposes.**
- 3.4 The following conditions in the grant funding agreement have been drafted to comply with the Grant Standards. **Do not change these without taking legal advice first:**
- 3.4.1 Duration and Purpose of the Grant (condition 3);
 - 3.4.2 Eligible Expenditure (condition 5 and Schedule 4). Please note Departments must include paid for lobbying as an ineligible activity. **The wording set out in condition 5 of the GFA has been approved by No. 10's special Advisors and must not be deleted;**
 - 3.4.3 Annual Grant Review (condition 6);
 - 3.4.4 Monitoring and Reporting (condition 7);

² <https://www.gov.uk/government/publications/grants-standards>

- 3.4.5 Auditing and Assurance (condition 8);
 - 3.4.6 Financial Management and Prevention of Bribery, Corruption, Fraud and Other Irregularity (condition 9);
 - 3.4.7 Statutory Duties (condition 13);
 - 3.4.8 Date Protection, Public Procurement and State Aid (condition 14); and
 - 3.4.9 Subsidy Control (condition 15) and
 - 3.4.10 Clawback, Events of Default, Termination and Rights Reserved for Breach and Termination (condition 26).
- 3.5 You also need to complete the following Schedules with the requisite information to satisfy the requirements of the Grant Standards:
- 3.5.1 Funded Activities (Schedule 2);
 - 3.5.2 Agreed Outputs and Longer Term Outcomes (Schedule 3).
 - 3.5.3 Eligible Expenditure (Schedule 4);
 - 3.5.4 Payment Schedule (Schedule 5);

4 Before Using this document

4.1. Please make sure that before you use this document that:

- 4.1.1. You have checked it is the most up to date version;
- 4.1.2. You are using it in the right context and that the document will be amended to reflect that context;
- 4.1.3. If you have any questions that you speak to the Cabinet Office grants team or Defra lawyers before making any amendments or issuing the document;

You:

- 4.1.4. delete all drafting notes before you send the Grant Funding Agreement to the Grant Recipient
- 4.1.5. remove all guidance notes and boxes;
- 4.1.6. delete all square brackets;
- 4.1.7. check all cross-references; and
- 4.1.8. delete all optional conditions not being used
- 4.1.9. If ODA safeguarding is required replace conditions 17 onward with 08.01.05a
- 4.1.10. When all deletions or additions are complete update contents table.

TEMPLATE VERSION CONTROL

| VERSION | DATE | COMMENT |
|---------|------------------|--|
| 4.0 | 19 October 2018 | Release of Model GFA V4. |
| 4.1 | 24 January 2019 | Updated publicity clause and updated TUPE and Data Protection guidance. Amended Termination provisions to clarify the events of default (condition 25) and removal of optionality at condition 30 (Code to Conduct, following its publication in November 2018). |
| 4.2 | 28 January 2021 | Updated draft to address matters related to the end of the transition period, including in relation to state aid/subsidy, data protection and the effects of the European Union (Withdrawal) Act 2018. |
| 4.3 | 24 February 2021 | Updated draft to address matters related to the end of the transition period, including in relation to state aid/subsidy, data protection and the effects of the European Union (Withdrawal) Act 2018 |

Document last reviewed by GLD on 28 January 2021
Date for next GLD review 28 July 2021.

| Defra VERSION | DATE | COMMENT |
|------------------|------------------|-------------------------------------|
| 1.0 | 19 June 2019 | Updated from Cabinet Office V4.1 |
| 1.1 | 04 November 2020 | Updated for Foreign Payment Wording |

Defra Version last reviewed by GLD on 19th June 2019
Date for next GLD review 19th December 2019



Department
for Environment
Food & Rural Affairs

Grant Funding Agreement for [Grant Title]

Date in format: Month 2021

[CONTRACTOR LETTERHEAD]

COMMERCIAL IN CONFIDENCE

Dear **Salutation**

[Grant title]

[Project Ref]

I am writing to you on behalf of [CONTRACTOR NAME] acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (the "Authority").

This Grant Funding Letter (including the special conditions below), [Remove if no special conditions] together with its Schedules and Appendices set out the terms of the grant agreement ("Grant Funding Agreement") between the Authority and [insert name of recipient organisation].

Unless the context otherwise requires, capitalised expressions used in this Grant Funding Letter have the same meanings as in the terms and conditions at Schedule 1.

The Authority, in exercise of its powers to make grants under section [insert section] and pursuant to section [insert section] of [insert Act of Parliament], hereby offers Grant Funding not exceeding £XXXXXXX (inclusive of any applicable VAT) in accordance with the terms of this Grant Funding Agreement.

For the purposes of the Agreement, the Authority and the Grant Recipient agree as follows:

The Grant Period must commence on [insert commencement date] and expire on [Insert end date].

Special Conditions (examples of special conditions)

Match Funding

[The offer of Grant Funding is conditional on you securing additional funding for the Approved Project from other sources as specified in the Grant Funding Agreement] **OR** [The offer of Grant Funding is made on the understanding and condition that, before you accept this offer, you must have either already received suitable additional funding for the Funded Activities from other sources as specified in [Schedule 2] or must have secured binding commitments for the provision of such additional funding.]

Capital Spend Limit

The Capital spend allowed under the terms of the Grant Funding Agreement is limited to Expenditure on the items set out below:

Insert applicable items e.g.

- **Laptops for use by staff**
- **Printers**

[This capital spend limit does not apply to Third Party Grants] [Only to be inserted where capital spend and third party grants are allowed]

The address for notices of the Parties are:

Authority:

[CONTRACTOR NAME AND ADDRESS] as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

Attention: [Insert grant manager's name]

Email: [email]

Grant Recipient:

[Insert grant recipient details – name address etc....]

Attention: [Insert contact name]

Email: [Insert contact email address]

Payment of Grant

All claims must be submitted by e-mail to the Authority's Grant Manager, quoting the Grant Reference number above, at [email] (or other address notified to you from time to time for the purpose) The accompanying invoice should be in GBP and made out to:

[postal address]

The Authority's Grant Manager is responsible for checking and raising any queries about Grant Claims submitted. Once approved, they will be forwarded to the Authority's account payable function at the above address for payment. In the case of payment queries or disputes correspondence may be sent to the Grant Manager email above and if appropriate copied to [accounts payable email]

To avoid delay in payment it is important that your claim is complete and that it includes a valid Grant Reference Number, a signed claim form and supporting information indicated in Schedule 7. Claims which do not have this information will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment please contact our Accounts Payable section either by email to [email] or by telephone [number] between 09:00-17:00 Monday to Friday.

Liaison

For general liaison, your contact will be [Insert grant manager name and telephone number]

Acceptance of Offer

This Grant Funding Letter has been issued electronically on the Authority's e-application system. If you are content to accept our offer please arrange for someone with delegated authority to accept this award by electronically signing this Agreement, using the Authority's e-application system. Acceptance is required within [7] days from the date of this Grant Funding Letter. If we do not receive your acceptance within the [7] day deadline, our offer will lapse. Please remember to quote the Grant Reference number above in any future communications relating to this grant.

All communications should be made through the email function on the e-application grant record.

Yours Sincerely

[
[Insert Name]
[Job title]

On behalf of [CONTRACTOR NAME] and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

| | |
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This Grant Funding Agreement is made on [insert date of bravo issue]

Between:

- (1) [CONTRACTOR NAME] whose principal address is at [ADDRESS] registered in England and Wales with company number [company number] acting as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs (the “Authority”);
- (2) [Insert The Full Name of the Grant Recipient], whose principal address is at [Address] (the “Grant Recipient”).

In relation to:

[Insert Grant Award Title][This should match the Grant Funding Letter]
[Insert Bravo ECM number] [This should match the Grant Funding Letter]

BACKGROUND

- (A) The Grant is made pursuant to section [] of [] Act [19/20[]]. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Funding Letter.
- (B) The Authority ran a competition for grant applications in respect of [xxx]
- (C) The Grant Recipient was successful under that competition and the Authority awarded it a grant to deliver [xxx]
- (D) The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement
- (E) the Grant Recipient must use the Grant solely for the Funded Activities

The Authority hereby agrees to provide the Grant to the Grant Recipient subject to the conditions set out below:

1. General Conditions

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Funding Letter.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in

accordance with all the conditions set out in this Grant Funding Agreement (including any special conditions included in the Grant Funding Letter).

- 1.3. The Authority makes the Grant to the Grant Recipient for the provision of [insert what the purpose of the grant is here] as set out in Schedule 1. **OR** The Authority makes the Grant to the Grant Recipient on the basis of the detailed proposals submitted by the Grant Recipient as set out in the Appendix to Schedule 1. Use if competed and insert the application.
- 1.4. The Parties confirm that they intend to be legally bound by this Grant Funding Agreement.

2. Definitions and Interpretation

- 2.1. Where they appear in these Conditions:

Asset means any assets that are to be purchased or developed using the Grant including equipment or any other assets which may be a Fixed Asset [and/or Major Asset] as appropriate in the relevant context, and **Assets** will be construed accordingly;

Asset Owning Period means the period during which the Assets are recorded as Assets in the Grant Recipient's accounts;

Authority Personal Data means any Personal Data supplied for the purposes of, or in connection with, the Grant Funding Agreement by the Authority to the Grant Recipient;

Bribery Act means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

Capital Grants means the sum or sums of money provided by a grant making body to the grant recipient for items such as buildings, equipment, land or machinery; Delete if not applicable

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

Commencement Date means the date on which the Grant Funding Agreement comes into effect, being the [insert commencement date]; [This should match Grant Funding Letter]

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's

personnel) whether before or after the date of the Grant Funding Agreement, including but not limited to:

- (a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:
 - (i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party; and
 - (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; and
- (b) any information developed by the Parties in the course of delivering the Funded Activities;
- (c) the Authority Personal Data;
- (d) any information derived from any of the above.

Confidential Information must not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of condition 11 of these Conditions);
- (b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- (c) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

Contracting Authority means any contracting authority (other than the Authority) as defined in regulation 2 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the GDPR;

Change of Control means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transaction;

Crown Body means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

Data Protection Legislation means (i) the UK GDPR; (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy; and (iii) all applicable Law relating to the processing of Personal Data and privacy;

Disposal means the disposal, sale, transfer of an Asset or any interest in any Asset and includes any contract for disposal;

DPA 2018 means the Data Protection Act 2018;

Domestic Law means an applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation which replaces EU law as a consequence of the UK leaving the European Union;

Duplicate Funding means funding provided by a third party to the Grant Recipient for the same purpose as the Grant, but not declared to the Authority;

Eligibility Criteria mean the Authority's selection criteria used to determine who should be grant recipients including the Grant Recipient;

Eligible Expenditure means the payments made by the Grant Recipient making use of the Grant for the purposes of delivering the Funded Activities that comply in all respects with these Conditions;

EIR means the Environmental Information Regulations 2004;

Exit Plan means the exit plan referred to in Condition 27

Event of Default means an event or circumstance set out in condition 27.1;

Financial Year means from 1 April to 31 March;

Fixed Assets means any Asset which consists of land, buildings, plant and equipment acquired, developed, enhanced, or constructed in connection with the Funded Activities;

FOIA means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Funded Activities means the activities set out in Schedule 2;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on **INSERT**; [This should match the Grant Funding Letter] (without prejudice to the continuation in force of these Conditions beyond that end date in relation to the Funded Activities):

General Data Protection Regulation and GDPR means (the General Data Protection Regulation (EU) 2016/679);

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with condition 4 and subject to the provisions set out at condition 26.

Grant Claim means a Grant Claim in the form specified by Schedule 7 submitted by the Grant Recipient to the Authority for payment of the Grant;

Grant Funding Agreement means the Grant Funding Letter, and these Conditions, together with the schedules to these Conditions and their respective appendices;

Grant Funding Letter means the letter the Authority issued to the Grant Recipient to which these Conditions are attached;

Grant Manager means the individual who has been nominated by the Authority to be the single point of contact for the Grant Recipient in relation to the Grant;

Grant Recipient Trade Mark means any trademark applied for or registered by the Grant Recipient; [Delete if not required]

HRA means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Ineligible Expenditure means expenditure incurred by the Grant Recipient which is not Eligible Expenditure and as set out in condition 5 of these Conditions;

Information Acts means the Data Protection Legislation, FOIA and the EIR, as amended from time to time;

Intellectual Property Rights or **IPRs** means copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions semiconductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade names, designs, know-how, trade secrets and any modifications, amendments, updates and new releases of the same and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

IPR Material means all material produced by the Grant Recipient or its Representatives [or as the case may be, a third party Grantee or any of their Representatives] [Only use if third party grants allowed] in relation to the Funded Activities during the Funding Period (including but not limited to, materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

Instalment Period means the intervals set out in Schedule 5 when the Authority will release payment of the Grant to the Grant Recipient during the Funding Period;

Joint Controllers means where two or more Controllers jointly determine the purposes and means of processing;

Law means any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of Section 4(1) EU Withdrawal Act 2018 as amended by EU (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Grant Recipient is bound to comply;

Losses means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and **Loss** will be interpreted accordingly;

[Major Asset means an Asset being used for the Funded Activities which is not a Fixed Asset but has a value as at the date of this funding Agreement of at least [£ **Insert the Major Assets value**]; Not normally required but needs to be inserted if Major Asset referred to in Asset definition legal must see this agreement if major asset included.

Match Funding means any contribution to the Funded Activities by the Grant Recipient or from a third party to the Grant Recipient to meet the balance of the Eligible Expenditure not supported by the Grant *that is not directly or indirectly funded by the Government or other public body* *[This wording includes both the Grant Recipient's existing own funds and income arising during the Funding Period as well as private funding specifically brought in to finance the Funded Activities. Other public funding is excluded to avoid exceeding State aid limits but may be permitted in specific cases: seek legal advice]. Grant Recipients are free to use Match Funding for all types of Expenditure on Funded Activities, but Grant Claims are limited to Eligible Expenditure.]*

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to condition 26;

Northern Ireland Protocol means the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement;

Party means the Authority or Grant Recipient and **Parties** must be each Party together;

Personal Data has the meaning given to it by the UK GDPR;

Procurement Regulations means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time;

Prohibited Act means:

- (a) directly or indirectly offering, giving or agreeing to give to any servant of the Authority or the Crown any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Funding Agreement; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Funding Agreement;
- (b) committing any offence:
 - (i) under the Bribery Act;
under legislation creating offences in respect of fraudulent acts; or
 - (ii) at common law in respect of fraudulent acts in relation to the Funding Agreement; or
- (c) defrauding or attempting to defraud or conspiring to defraud the Authority or the Crown;

Publication means any announcement, comment or publication of any publicity material by the Grant Recipient concerning the Funded Activities or the Authority;

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default pursuant to the Rectification Plan process set out in conditions 27.4;

Representatives means any of the Parties' duly authorised directors, employees, officers, agents, professional advisors and consultants;

Schedule means any of the schedules attached to these Conditions, which form part of the Grant Funding Agreement;

Special Payments means ex gratia expenditure by the Grant Recipient to a third party where no legal obligations exist for the payment and/or other extra-contractual expenditure. Special Payments may include, but is not limited to, out-of-court settlements, compensation or additional;

State Aid Law means the law embodied in Articles 107- 109 of the Treaty for the Functioning of the European Union and any related legislation adopted by the Council, European Parliament and/or the Commission (including implementing legislation) decisions and communications to the extent it applied or continues to apply at any time in the United Kingdom;

Third Party means any person or organisation other than the Grant Recipient or the Authority;

Trade and Cooperation Agreement means the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (as that agreement is modified or supplemented from time to time in accordance with any provision of it or of any other future relationship agreement);

UK GDPR means the retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679), as transposed into UK Law by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;

Unspent Monies means any monies paid to the Grant Recipient in advance of its Eligible Expenditure, which remains unspent and uncommitted at the end of the Financial Year, the Funding Period or because of termination or breach of these Conditions;

VAT means value added tax chargeable in the UK;

Working Day means any day from Monday to Friday (inclusive) which is not specified or proclaimed as a bank holiday in England and Wales pursuant to section 1 of the Banking and Financial Dealings Act 1971 including Christmas Day and Good Friday

- 2.2. In these Conditions, unless the context otherwise requires:
- 2.2.1. the singular includes the plural and vice versa;
 - 2.2.2. reference to a gender includes the other gender and the neuter;
 - 2.2.3. references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
 - 2.2.4. a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
 - 2.2.5. the words "**including**", "**other**", "**in particular**", "**for example**" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";
 - 2.2.6. Any reference in this Grant Funding Agreement which immediately before the date of exit from the EU (or such later date when relevant EU law ceases to have effect pursuant to Section 1A of the European Union (Withdrawal) Act 2018) is a reference to (as it has effect from time to time):
 - i. any EU regulation, EU decision, EU tertiary legislation or provision of the European Economic Area ("**EEA**") agreement ("**EU References**") which is to form part of domestic law by application of Section 3 of the European Union (Withdrawal) Act 2018 and which shall be read on and after the date of exit from the EU as a reference to the EU References as they form part of domestic law by virtue of Section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and
 - ii. any EU institution or EU authority or other such EU body shall be read on and after the date of exit from the EU as a reference to the UK institution, authority or body to which its functions were transferred.
 - 2.2.7. references to "**writing**" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;
 - 2.2.8. references to "**representations**" will be construed as references to present facts, to "**warranties**" as references to present and future facts and to "**undertakings**" as references to obligations under the Grant Funding Agreement;
 - 2.2.9. references to "**conditions**" and "**Schedules**" are, unless otherwise provided, references to the conditions and Schedules of these Conditions and references in any Schedule to parts, conditions and tables are, unless otherwise provided, references to the parts, conditions and tables of the Schedule in which these references appear; and

the headings in these Conditions are for ease of reference only and do not affect the interpretation or construction of these Conditions.

- 2.3. Where there is any conflict between the documents that make up this Grant Funding Agreement the conflict must be resolved in accordance with the following order of precedence:
 - 2.3.1. Any special conditions in the Grant Funding Letter;
 - 2.3.2. The Conditions set out within this Grant Funding Agreement;
 - 2.3.3. the Schedules to these Conditions and their respective appendices.
 - 2.3.4. the Grant Award Criteria.

3. Duration and Purpose of the Grant

- 3.1. The Funding Period starts on [] (the **Commencement Date**) and ends on [xx Month 20xx] unless terminated earlier in accordance with this Grant Funding Agreement. [Dates must match grant funding letter and 'Funding Period and 'Commencement date' references]
- 3.2. The Grant Recipient will ensure that the Funded Activities start on [xx Month 20xx] but where this has not been possible, that they start no later than 3 months after the Commencement Date.
- 3.3. The Grant Recipient must use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities unless the Authority has given prior written agreement, which must be recorded and notified through a change control notice.
- 3.4. The Authority may at its discretion agree to vary the Grant Funding as a result of changes to the Funded Activities or for any other reason. Any variation made under this condition 3.4 will not take effect unless recorded and notified through a change control notice.
- 3.5. If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on one month's written notice to the Grant Recipient.

4. Payment of Grant

Subject to the remainder of this condition 4 the Authority must pay the Grant Recipient an amount not exceeding a total of [insert the total Grant amount in words and pound sterling]. [The Authority must pay the Grant in pound sterling (GBP). [Remove wording in yellow if Recipient has indicated foreign bank account cannot accept GBP and include wording in yellow at 4.3]

- 4.1. The Grant Recipient must provide bank account details to the Authority that must be verified for means of electronic payment. The Grant Recipient must include the relevant

Grant Reference number on all invoices. The Grant must be paid into a separate bank account in the name of the Grant Recipient which must be an ordinary business bank account. At least two individual Representatives of the Grant Recipient must sign or otherwise expressly authorise all cheques from the bank account. **[it will be easier to clawback the Grant if you require the Grant Recipient to hold Grant money in a separate bank account. That way the Grant will not mix with the Grant Recipient's other funds. If you are paying the Grant ahead of need/the Funded Activities]**

- 4.2. The signatory must be the chief finance officer or someone with proper delegated authority. Any change of bank details must be notified immediately using the Confirmation of Bank Details and Signatories form to be provided by the Authority and signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.
- 4.3. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities. The Grant Recipient agrees that the Maximum Sum is the amount agreed as the GBP value, at the Commencement Date. **[Where it is more efficient to pay the Grant in a foreign currency, the Authority may do so, however, the Grant amount will still be that agreed in GBP as at the Commencement Date and any costs incurred in making a foreign transfer will count towards the Maximum Sum].****[Use if relevant for grants paid in non GBP currency and match to wording in 4]**
- 4.4. The Authority will only pay the Grant to the Grant Recipient in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities. The Authority will not pay the Grant until it is satisfied that the Grant Recipient has paid for the Funded Activities in full and the Funded Activities were delivered during the Funding Period. **[OR The Authority will only pay the Grant to the Grant Recipient once the Authority is satisfied that the Grant Recipient has provided a sufficient level of assurance to demonstrate that the Grant will be used for Eligible Expenditure. The Authority will be deemed to be satisfied that the Grant Recipient has provided a sufficient level of assurance as required above from the Commencement Date and throughout the Funding Period unless it otherwise notifies the Grant Recipient in light of its assessment of any report or other information received from the Grant Recipient it has reasonable grounds for suspecting that the Grant is or may not be being used for Eligible Expenditure in accordance with this Condition and for as long as the Grant Recipient fails to give any satisfactory assurance to the contrary]****(Sufficient level of assurance, HMT approval to pay, Due diligence including satisfactory previous grant usage and future plans and costings relevant to the project)****This text is used for advanced payments only.**
- 4.5. **The Grant Recipient must provide the Authority with evidence [of the costs/payments, which are classified as Eligible Expenditure in condition 0, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority].**
- 4.6. The Grant Recipient must declare to the Authority any Match Funding which been approved or received, before the Commencement Date. If the Grant Recipient intends

to apply for, is offered or receives any further Match Funding during the Funding Period, the Grant Recipient must notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient must confirm the amount, purpose and source of the Match Funding and the Authority must confirm whether it is agreeable to the Grant Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority must be entitled to terminate the Grant Funding Agreement in accordance with condition 27.1.9 [If using safeguarding conditions change to 27.1.9] and where applicable, require all or part of the Grant to be repaid.

4.7. Where the use of Match Funding is permitted the Grant Recipient must set out any Match Funding it receives in the format required by Schedule 5 and send that to the Authority. This is so the Authority knows the total funding the Grant Recipient has received for the Funded Activities.

4.8. The Grant Recipient agrees that:

4.8.1. it will not apply for, or obtain, Duplicate Funding in respect of any part of the Funded Activities which have been paid for in full using the Grant;

4.8.2. the Authority may refer the Grant Recipient to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;

4.8.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:

- (i) the Grant will be used for Eligible Expenditure only; and
- (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.

4.9. The Grant Recipient must submit a valid invoice for payment of Grant Funding, at such periods as are specified in Schedule 5 or otherwise agreed by the parties in writing. Each and every valid invoice submitted by the Grant Recipient to the Authority must include all such records and information as the Authority may require including details and evidence of expenses incurred and programme of work undertaken and such other information as is necessary to enable verification of the information and the amounts referred to in the claim for payment (Schedule 7). The Grant Recipient must include the relevant Grant Reference number on all invoices.

4.10. Unless otherwise stated in these Conditions, payment of the Grant will be made within 30 days of the Authority approving the Grant Recipient's Grant Claim.

4.11. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim for whatever reason arising.

4.12. The Authority reserves the right not to pay any Grant Claims which are not submitted within the period set out in condition 4.9 or which are incomplete, incorrect or submitted without the full supporting documentation.

- 4.13. The Grant Recipient must promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this condition 4.13, must fall due immediately. If the Grant Recipient fails to repay the due sum immediately [or within any other timeframe specified by the Authority] the sum will be recoverable summarily as a civil debt.
- 4.14. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that third party. The Authority has no responsibility for paying third party invoices.
- 4.15. Onward payment of the Grant and the use of sub-contractors must not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.16. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.17. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient must repay such Unspent Monies to the Authority no later than 30 days from the Authority's request for repayment.

5. Eligible and Ineligible Expenditure

- 5.1. The Authority will only pay to the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient must use the Grant solely for delivery of the Funded Activities (as set out in Schedule 2 of these Conditions).

The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activities:

- 5.1.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
- 5.1.2. giving evidence to Parliamentary Select Committees;
- 5.1.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
- 5.1.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);

- 5.1.5. providing independent, evidence based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
- 5.1.6. providing independent evidence based advice to local or national government as part of the general policy debate where that is in line with the objectives of the Grant.

5.2. [Guidance: To be removed unless agreed by the Grant Manager that this is a Research Grant.] The following list is specific to government research grants, including, for example, those awarded to the National Academies:

- 5.2.1. publishing and publicising the results of research paid for using taxpayer funded grants;
- 5.2.2. hosting science and research communication events, for example, science festivals, Royal Society's Summer Science Exhibition, visits, breakfasts, dinners or receptions, seminars, the use of newsletters and campaigns, and sharing information with Parliament to expound greater understanding of research outcomes or launch a research project or equipment;
- 5.2.3. working with or through a Third Party organisation or commercial partners, which are not professional lobbying organisations, to conduct, communicate or publish research findings and inform policy;
- 5.2.4. contributing expert scientific and academic advice to inform government policy and funding or make the case for science; and
- 5.2.5. developing proposals for future research grants.

5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:

- 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
- 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- 5.3.3. using the Grant to petition for additional funding;
- 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- 5.3.5. payments for activities of a political or exclusively religious nature;

5.4. Other examples of expenditure, which are prohibited, include the following:

- 5.4.1. contributions in kind;

- 5.4.2. interest payments or service charge payments for finance leases;
 - 5.4.3. gifts, to individuals, other than promotional materials;
 - 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
 - 5.4.5. payments for works or activities which the Grant Recipient has a statutory duty to undertake, or that are fully funded by other sources;
 - 5.4.6. bad debts to related parties;
 - 5.4.7. payments for unfair dismissal or other compensation;
 - 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient;
 - 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Funding Letter); and
 - 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority.
- 5.5. Expenditure includes any costs, expenses or other forms of payment. Expenditure is deemed to take place at the moment when money passes out of the Grant Recipient's control. This may take place when:
- 5.5.1. Legal tender is passed to a supplier (or, for wages, to an employee);
 - 5.5.2. A letter is posted to a supplier or employee containing a cheque; or
 - 5.5.3. An electronic instruction is sent to a bank/building society to make a payment to a supplier or employee by direct credit or bank transfer.

6. Annual Grant Review

Guidance: this condition 6 applies to Grants, which are for a period, which is greater than 1 year. If the Grant is for less than 1 year, this condition should be amended to incorporate a review period, which is reasonable and proportionate for the Funding Period.

- 6.1. The Authority will review the Grant annually. The Authority will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs set out in Schedule 3 of these Conditions by the Grant Recipient in accordance with condition 7.2 of these Conditions.
- 6.2. Each annual review may result in the Authority deciding that (for example a non-exclusive list includes):
 - 6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;
 - 6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;
 - 6.2.3. the outputs should be re-defined and agreed;

- 6.2.4. the Grant Recipient should provide the Authority with a draft Remedial Action Plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;
 - 6.2.5. the Authority should recover any Unspent Monies;
 - 6.2.6. the Grant be terminated in accordance with condition 27.11 of these Conditions.
- 6.3. If the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with condition 6.2.4 the Remedial Action Plan process set out in condition 27.4 to 27.10 must apply.
- 6.4. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with condition 6.2. The Authority is not however obliged to take such representations into account when making its decision as any such decision will be final and at the Authority's absolute discretion.

7. Monitoring and Reporting

- 7.1. The Grant Recipient must closely monitor the delivery and success of the Funded Activities throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are achieved.
- 7.2. The Grant Recipient must provide the Authority with all reasonable assistance and co-operation in relation to any ad-hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement.
- 7.3. The Grant Recipient must also provide the Authority with **annual report/quarterly report/report at intervals to be determined by the Authority** on:
- 7.3.1. the progress made towards achieving the agreed outputs and the defined longer term outcomes set out in Schedule 3 of these Conditions. Where possible, the report must quantify what has been achieved by reference to the Funded Activities' targets; and
 - 7.3.2. if relevant, provide details of any Assets either acquired or improved using the Grant.
- 7.4. The Grant Recipient must permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and must, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.

- 7.5. The Grant Recipient must record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.
- 7.6. The Grant Recipient must notify the Authority as soon as reasonably practicable of:
- 7.6.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and
 - 7.6.2. actual or potential variations to the Eligible Expenditure set out in Schedule 4 of these Conditions and/or any event which materially affects the continued accuracy of such information.
- 7.7. The Grant Recipient represents and undertakes (and must repeat such representations on delivery of its **annual/quarterly report**):
- 7.7.1. that the reports and information it gives pursuant to this condition 7 are accurate;
 - 7.7.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
 - 7.7.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. Auditing and Assurance

[Guidance: Grant Standard 6 states that Departments “need to gain assurance on how recipients use their grant funding and obtaining an independent accountants’ report is one way of doing this”. These Conditions contain provisions, which require the Grant Recipient to provide assurance by way of an independent auditor only. If the Department’s policy requires an alternative means of auditing condition 8 should be adapted accordingly.]

Where a Department intends to make a Grant to a statutory corporation, the Department will need to amend this condition 8 to reflect the auditing and assurance requirements applicable to that statutory corporation. The relevant legislation under which the corporation was incorporated may require that the corporation provide the respective Department with annual accounts which are then laid before Parliament. Departments will need to seek legal/commercial advice when amending these provisions to incorporate any specific statutory requirements to avoid duplication and/ or any conflict.]

- 8.1. Within six months of the end of each Financial Year the Grant Recipient must provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide

[SELECT AS APPROPRIATE:

[annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds.]

OR

a statement showing that the Grant has been certified by an independent and appropriately qualified auditor. Accompanied by the Grant Recipient's annual audited accounts.]

- 8.2. The Authority may, at any time during and up to 7 years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activities sites and relevant records. The Grant Recipient must ensure that necessary information and access rights are explicitly included within all arrangements with sub-contractors.
- 8.3. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient must, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.4. The Grant Recipient must:
 - 8.4.1. [if applicable] nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.4.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5. The Grant Recipient must retain all invoices, receipts, accounting records and any other documentation (including but not limited to, correspondence) relating to the Eligible Expenditure; income generated by the Funded Activities during the Funding Period for a period of 7 years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient must ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activities for a period of 7 years from the date on which the Funding Period ends.
- 8.7. The Grant Recipient must promptly provide revised forecasts of income and expenditure:
 - 8.7.1. when these forecasts increase or decrease by more than 10% of the original expenditure forecasts; and/or
 - 8.7.2. at the request of the Authority.

[ADDITIONAL OPTIONAL PROVISIONS- COMPLIANCE REQUIREMENTS FOR REGISTERED COMPANIES AND CHARITIES]

- 8.8. *Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file their annual return and accounts by the dates specified by Companies House.*

8.9. Where the Grant Recipient is a registered charity, the Grant Recipient must file their charity annual return by the date specified by the Charity Commissioner.

8.10. The Grant Recipient must provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner. If a Grant Recipient fails to comply with conditions [8.8] or [8.9] of these Conditions the Authority may suspend funding or terminate the Grant Funding Agreement in accordance with condition 27.1 of these Conditions.

9. Financial Management and Prevention of Bribery, Corruption, Fraud and Other Irregularity

- 9.1. The Grant Recipient must at all times comply with all applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient must require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified. The Grant Recipient must explain to the Authority what steps are being taken to investigate the irregularity and must keep the Authority informed on the progress of any such investigation. The Authority may however request that the matter referred (which the Grant Recipient is obliged to carry out) to external auditors or other Third Party as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that the Grant Recipient address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for Grant support and may be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of Her Majesty's Revenue and Customs.
- 9.6. For the purposes of condition 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. Conflicts of Interest

- 10.1. Neither the Grant Recipient nor its Representatives may engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.
- 10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. Confidentiality

- 11.1. Except to the extent set out in this condition 11 or where disclosure is expressly permitted, the Grant Recipient must treat all Confidential Information belonging to the Authority as confidential and must not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.
- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this condition 11 prevents the Authority disclosing any Confidential Information obtained from the Grant Recipient:
 - 11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or
 - 11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information under the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;
 - 11.3.3. where disclosure is required by Law, including under the Information Acts.
- 11.4. Nothing in this condition 11 prevents either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. Transparency

- 12.1. The Authority and the Grant Recipient acknowledge that except for any information which is exempt from disclosure in accordance with the provisions of the Information Acts, the content of the Grant Funding Agreement is not confidential.

13. Statutory Duties

- 13.1. The Grant Recipient agrees to adhere to its obligations under the Law including but not limited to the Information Acts and the HRA.
- 13.2. Where requested by the Authority, the Grant Recipient must provide reasonable assistance and cooperation to enable the Authority to comply with its information disclosure obligations under the Information Acts.
- 13.3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
- 13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. Data Protection and Public Procurement

This is the default position for grants. Other relationships may exist and must be considered before use of this clause. See drafting notes for information.

Data Protection

[Guidance: see note at paragraph 2.46 of the introduction to this Model Grant Funding Agreement for further details on the position regarding data protection following the end of the Brexit transition period.]

- 14.1. The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.
- 14.2. The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and must comply with the provisions set out in this condition 14 and Schedule 8

- 14.3. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes of this Grant Funding Agreement, the Parties accept that they are each a separate independent Controller in respect of such Personal Data. Each Party:
- (i) must comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data;
 - (ii) must be individually and separately responsible for its own compliance;
 - (iii) and do not and must not Process any Personal Data as Joint Controllers.
 - (iv) at their own cost enters into such specific agreements as may be reasonably required to enable each other to comply with their respective duties under the Data Protection Legislation as a result of the arrangements contemplated by this Grant Funding Agreement and give each other all reasonable assistance (including review by each party's legal advisors) in so complying.
- 14.4. The Parties acknowledge and agree that this Grant Funding Agreement does not require either Party to act as a Processor of the other. In the event that there is any change which requires either Party to act as a Processor the Parties agree, at their own cost, to enter into the standard data protection clauses set out in the Crown Commercial Services Procurement Policy Note 02/18 (as amended or replaced from time to time).
- 14.5. In the event that the Parties believe that there is a Joint Controller relationship, the Parties must seek to agree and enter into a Data Processing Joint Controller Agreement, all Parties acting reasonably. With respect to compliance with the Data Protection Legislation only and in the event of a conflict between the conditions of this agreement and any Data Processing Joint Controller Agreement, the terms of the Data Processing Joint Controller Agreement must take precedence.
- 14.6. Each Party must, with respect to its processing of Personal Data as a separate, independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1) (a), (b), (c) and (d) of the UK GDPR.

Public Procurement

- 14.7. The Grant Recipient must ensure that any of its Representatives involved in the Funded Activities will, adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.
- 14.8. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Grant Recipient must comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the Authority must not be liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

15. Subsidy Control

- 15.1. The Grant Recipient must ensure that the delivery of the Funded Activities does not put the Authority in breach of the UK's international obligations in respect of subsidies.
- 15.2. The Grant Recipient must maintain appropriate records of compliance with the relevant subsidy control regime and must take all reasonable steps to assist the Authority to comply with the same and respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- 15.3. The Grant Recipient acknowledges and represents that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and shall ensure that the Grant is not used in way that affects any such trade.

Guidance: if the Grant is being made relying on the basis that the UK's international obligations in respect of subsidies do not apply, please amend/delete the applicable paragraph below

. Please note that as well as the two scenarios set out below, individual free trade agreements vary in terms of specific exemptions and additional restrictions to subsidy control (for example there are exemptions for certain agricultural subsidies in the Trade and Co-operation Agreement). You should discuss these exemptions with your departmental lawyers as part of your subsidy analysis and they may suggest the inclusion of bespoke drafting.]

[[Guidance: if the subsidy does not engage the UK's international obligations because it is not being granted to an economic actor and/or enterprise, please use the below provision. Please note the definition of economic actor/enterprise can vary subtly across international agreements and should be checked.].

15.4 The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis that the Funded Activities being undertaken using the Grant are and will remain non-economic activities. The Grant Recipient shall ensure that measures are taken (where necessary), and maintained, to ensure that the Grant is not used to cross-subsidise any economic activity.

[Guidance: If subsidy is being made on the basis it is below the limit in the TCA and therefore out of scope of the agreement's provisions on subsidies please use this condition and Part 1 of Schedule 10].

The limit is 325,000 Special Drawing Rights which amounts to approximately £350,000 over any period of three fiscal years. The current valuation rate, at the time the subsidy is to be made, can be checked here. Even if the subsidy is outside the scope of the TCA you will still need to consider the UK's other international

obligations in respect of subsidies (e.g. WTO ASCM, other free trade agreements)].

15.5 The Grant is awarded as de-minimis on the basis that it is outside the scope of the Trade and Co-operation Agreement by virtue of Article 3.2(4) of Title XI of that Agreement and is subject to the conditions set out in Schedule 10 of these Conditions and will be conditional upon the receipt by the Authority of the declaration form in Schedule 10.

16. Intellectual Property Rights

- 16.1. Intellectual Property in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 16.2. The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all the IPR Material for the purpose of supporting the Funded Activities and other projects.
- 16.3. Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 16.4. The Grant Recipient must ensure that it has obtained the relevant agreement of the Third Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third Party software and other IPR. The Grant Recipient will be responsible for obtaining and maintaining all appropriate licences to use the Third Party software.

17. Safeguarding

- 17.1. The Grant Recipient will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the Project and/or this Grant Funding Agreement. This shall include, without limitation, that the Grant Recipient will:
 - 17.1.1. maintain a safeguarding policy which includes a statement of commitment to safeguarding and a zero tolerance statement on bullying, harassment and sexual exploitation and abuse;
 - 17.1.2. maintain a detailed register of safeguarding issues raised and how they were dealt with;
 - 17.1.3. have clear investigation and disciplinary procedures to use when allegations and complaints are made, and have clear processes in place for when a disclosure is made;

- 17.1.4. share its safeguarding policy with Representatives or Third Parties involved in the Project;
 - 17.1.5. maintain a whistle-blowing policy which protects whistle blowers from reprisals and includes clear processes for dealing with concerns raised;
 - 17.1.6. maintain a code of conduct for staff and volunteers that sets out clear expectations of behaviours - inside and outside the work place - and make clear what will happen in the event of non-compliance or breach of these standards; and
 - 17.1.7. meet or be working towards the minimum standards for Sexual Exploitation, Abuse and Harassment safeguarding: the Inter-Agency Standing Committee Minimum Operating Standards on Protection from Sexual Exploitation and Abuse (“PSEA”) and/or the PSEA elements of The Core Humanitarian Standard on Quality and Accountability.
- 17.2. The Grant Recipient shall provide to the Department, on the Department’s request, any documents maintained pursuant to Condition 17.1 and/or evidence of compliance with the requirements of Condition 17.1.
- 17.3. The Department has a zero tolerance approach towards sexual exploitation, abuse and harassment. The Grant Recipient will immediately contact the Department at ODA.Safeguarding@defra.gov.uk to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Grant Funding Agreement. The Grant Recipient should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.
- 17.4. The Grant Recipient shall also report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment that are not directly related to this Grant Funding Agreement but which would impact to the Department or the reputation of the Department or UK aid. For example, events that affect the governance or culture of the Grant Recipient, such as those related to senior management, must be reported.
- 17.5. The Grant Recipient will fully co-operate with investigations into any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment, whether led by the Department or any of its duly authorised Representatives.

18. Environmental Requirements

- 18.1. The Grant Recipient must perform the Funded Activities in accordance with the Authority’s environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

- 18.2. The Grant Recipient must pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Funded Activities or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
- 18.3. The Grant Recipient must take all possible precautions to ensure that any equipment and materials used in the provision of the Funded Activities do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority must be notified in advance of their use. The Grant Recipient must endeavour to reduce its impact on the environment, for example, by reducing fuel emissions wherever possible and avoiding single use plastics etc.

19. Assets

- 19.1. The purchase or creation of Assets under a revenue only grant is prohibited. **[Default option keep if no Assets permitted and remove rest of condition 19]**

Inventory of the Assets

- 19.2. The Grant Recipient [must agree in advance with the Authority any plans to purchase or improve any Fixed Assets at a cumulative cost exceeding **[£x please insert]** [and] must keep a register of all Fixed Assets **[and/or Major Assets]** acquired or improved at a cost exceeding **[£ please insert]**, wholly or partly using the Grant provided under the Grant Funding Agreement. Where the cost of purchasing or improving the Fixed Assets **[and/or Major Assets]** is less than **[£ please insert]**] authorisation is not required, but the Asset should be recorded on the fixed asset register. **[If Inventory of the Assets applies this becomes condition 19.1]**
- 19.3. Assets purchased with Grant funding must only be used for delivery of the Funded Activities.
- 19.4. For each entry in the register the following particulars must be shown where appropriate:
- 19.4.1. date of acquisition or improvement;
 - 19.4.2. description of the Asset;
 - 19.4.3. cost, net of recoverable VAT;
 - 19.4.4. location of the Asset;
 - 19.4.5. serial or identification numbers;
 - 19.4.6. location of the title deeds;
 - 19.4.7. date of any Disposal;
 - 19.4.8. depreciation/amortisation policy applied;

19.4.9. proceeds of any Disposal net of VAT; and

19.4.10. the identity of any person to whom the Asset has been transferred or sold.

19.5. The Authority reserves the right to require the Grant Recipient to maintain the above particulars as set out in 19.4.1-19.4.10 for any additional items which the Authority considers material to the overall Grant.

Disposal of Assets

19.6. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.

19.7. Assets purchased or improved using the Grant must be owned by the Authority until ownership is transferred disposed or is otherwise agreed in writing by the Authority. The Authority reserves the right to determine the outcome of any Asset created as a result of the Funded Activities or purchased with the Grant.

19.8. The Grant Recipient must not dispose of any Assets that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with the Grant without the prior written consent of the Authority. If the Authority grants consent to the Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Authority.

19.9. If the Grant Recipient disposes of any Asset without the prior written consent of the Authority, the Grant Recipient must use all reasonable endeavours to achieve the market price for the Assets and must pay to the Authority a proportion of the proceeds of such sale, equivalent to the proportion of the purchase or development costs of the Assets that was funded by the Grant, provided that the Authority may at its discretion allow the Grant Recipient to keep all or a part of the relevant proceeds where:

19.9.1. the sale of the Assets takes place after the end of the Asset Owning Period;

19.9.2. the proceeds of sale are to be applied directly to the purchase by the Grant Recipient of assets that are equivalent to or replacements for the Assets; or

19.9.3. the Authority is otherwise satisfied that the Recipient will apply those proceeds for purposes related to the Funded Activities.

19.10. The Grant Recipient must hold the proceeds from the Disposal of any Asset on trust for the Authority.

Charging of any Asset

19.11. The Grant Recipient must not create any charge, legal mortgage, debenture or lien over any Asset without the prior written consent of the Authority.

20. Insurance

20.1. The Grant Recipient must during the term of the Funding Period and the subsequent Financial Year and for a further 7 years after termination or expiry of these Conditions,

ensure that it has and maintains, at all times adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement.

20.2. The Grant Recipient must upon request produce to the Authority its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.

20.3. [Where the Grant Recipient (including any associated companies or Partners) receives more than 50/80 per cent of the Grant Recipient's total income from public funds, the Grant Recipient must notify the Authority. The Authority must review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement].

21. Assignment

21.1. The Grant Recipient must not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Funding Agreement or any rights under it, to another organisation or individual, without the Authority's prior approval.

21.2. Any approval given by the Authority must be subject to a condition that the Grant Recipient has first entered into a Grant Funding Agreement, authorised by the Authority, requiring the Grant Recipient to work with another organisation in delivering the Funded Activities.

22. Spending Controls – Marketing, Advertising, Communications and Consultancy

22.1. As part of the government's efficiency and reform programme, public funding for marketing, advertising, communications and consultancy is closely controlled. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure in these areas, either in connection with, or using funding provided, under this Agreement. A complete list of the controlled activities can be found at <https://www.gov.uk/government/publications/cabinet-office-controls>.

22.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant must deliver measurable outcomes that meet government objective to secure value for money.

23. Losses, Gifts and Special Payments

23.1. The Grant Recipient must obtain prior written consent from the Authority before:

- 23.1.1. writing off any debts or liabilities;
- 23.1.2. offering to make any Special Payments; and
- 23.1.3. giving any gifts.

in connection with this Grant Funding Agreement.

- 23.2. The Grant Recipient must keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activities.

24. Borrowing

- 24.1. In accordance with condition 19.10 and this 24, the Grant Recipient must obtain prior written consent from the Authority before:
 - 24.1.1. borrowing or lending money from any source in connection with the Grant Funding Agreement; and
 - 24.1.2. giving any guarantee, indemnities or letters of comfort that relate to the Grant Funding Agreement or have any impact on the Grant Recipient's ability to deliver the Funded Activities set out in the Grant Funding Agreement.

25. Publicity

[Guidance: The following condition may not be suitable for Research Grants. Departments should amend accordingly/insert Departmental specific conditions which allows for dissemination of results/publication of research findings or data].

- 25.1. The Grant Recipient gives consents to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application or any monitoring reports submitted to the Authority in accordance with condition **7.2** of these Conditions.
- 25.2. The Grant Recipient must comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.
- 25.3. Subject to conditions 25.4 and 25.5 below, the Grant Recipient must not make, or permit any person to make, a Publication without the prior written agreement of the Authority.
- 25.4. If the Grant Recipient wishes to seek the Authority's permission to make a Publication, it must send a written request for approval of the Publication and a copy of the material(s) or exact wording that it proposes to publish (the **Request**) to the Authority no later than 10 Working Days before the intended Publication date.
- 25.5. No later than five (5) Working Days of receiving the Grant Recipient's Request the Authority must confirm to the Grant Recipient in writing whether:

- (i) the Request has been granted;
- (ii) the Request is granted subject to the Grant Recipient accepting the Authority's reasonable required edits to the Publication; or
- (iii) the Request has not been granted.

25.6. In the event of sub condition 25.5(i) occurring, or if the Grant Recipient includes all of the Authority's required edits to the Publication pursuant to sub condition 25.5(ii) above, the Authority approves the Grant Recipient's Request.

25.7. In the event of sub condition 25.5 (iii) occurring the Authority does not approve the Grant Recipient's Request.

25.8. Where the Authority does not approve the Grant Recipient's Request the Authority will provide the Grant Recipient with written reasons for its decision.

25.9. If the Grant Recipient does not agree with the Authority's reasons for rejecting its Request, it may invoke the dispute resolution provisions set out in condition 28 of the Grant Funding Agreement.

The conditions above are the default position to use. Use the conditions below as an alternative to 25.3 to 25.9 if agreed.

25.10. The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.

25.11. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.

25.12. The Grant Recipient must acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) must include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.

25.13. In using the Authority's name and logo, the Grant Recipient must comply with all reasonable branding guidelines issued by the Authority from time to time.]

26. Changes to the Authority's Policy Requirements

26.1. The Authority must notify the Grant Recipient of any changes to the Authorities activities, which are supported by the Grant.

26.2. The Grant Recipient must accommodate any changes to the Authority's needs and policy requirements under these Conditions.

27. Clawback, Events of Default, Termination and Rights Reserved for Breach and Termination

Events of Default

- 27.1. The Authority may exercise its rights set out in condition 27.3 if any of the following events occur:
- 27.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities;
 - 27.1.2. the Grant Recipient fails to comply with its obligations under the Grant Funding Agreement, which is material in the opinion of the Authority;
 - 27.1.3. where delivery of the Funded Activities do not start within **three (3) months** of the Commencement Date and the Grant Recipient fails to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new date on which the Funded Activities must start with the Authority;
 - 27.1.4. the Grant Recipient uses the Grant for Ineligible Expenditure;
 - 27.1.5. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activities and in particular, with meeting the Agreed Outputs set out in Schedule 3 of these Conditions;
 - 27.1.6. the Grant Recipient fails to:
 - (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to condition 27.3.4 or condition 6.2.4; or
 - (ii) improve delivery of the Funded Activities in accordance with the Remedial Action Plan approved by the Authority;
 - 27.1.7. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);
 - 27.1.8. the Grant Recipient fails to declare Duplicate Funding;
 - 27.1.9. the Grant Recipient fails to declare any Match Funding in accordance with condition 4.6;
 - 27.1.10. the Grant Recipient receives funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;
 - 27.1.11. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;

- 27.1.12. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient, its Representatives or a Third Party, as soon as they become aware of it;
- 27.1.13. the Authority determines (acting reasonably) that the Grant Recipient or any of its Representatives has:
- (iii) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
 - (iv) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (v) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
 - (vi) failed to act in accordance with the Law; howsoever arising, including incurring expenditure on unlawful activities;
- 27.1.14. the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- 27.1.15. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- 27.1.16. the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol;
- 27.1.17. a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation;
- 27.1.18. The Grant Recipient breaches the Code of Conduct and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives in accordance with condition 32.2;
- 27.1.19. The Grant Recipient undergoes a Change of Control which the Authority, acting reasonably, considers:
- 27.1.20. will be materially detrimental to the Funded Activities and/or;
- 27.1.21. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;

- 27.1.22. the Authority believes that the Change of Control would raise national security concerns and/or;
- 27.1.23. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given.

27.2. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must notify the Grant Recipient to that effect in writing, setting out any relevant details, of the failure to comply with these Conditions or pertaining the Event of Default, and details of any action that the Authority intends to take or has taken.

Rights reserved for the Authority in relation to an Event of Default

27.3. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must take any one or more of the following actions:

- 27.3.1. suspend or terminate the payment of Grant for such period as the Authority determines; and/or
- 27.3.2. reduce the Maximum Sum in which case the payment of Grant must thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
- 27.3.3. require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums are recoverable as a civil debt; and/or
- 27.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) in accordance with the procedure set out in condition 27.4 to 27.10;
- 27.3.5. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

27.4. Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan in accordance with condition 27.3.4, the draft Remedial Action Plan must be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.

27.5. The draft Remedial Action Plan must set out:

- 27.5.1. full details of the Event of Default; and
- 27.5.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales.

27.6. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority must submit its comments on the draft Remedial Action Plan to the Grant Recipient.

- 27.7. The Authority must have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority must confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 27.8. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties must agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 27.9. If the Authority does not approve the draft Remedial Action Plan the Authority may, at its absolute discretion, terminate the Grant Funding Agreement.
- 27.10. The Authority must not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either condition 27.3.3 or 27.3.4 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Authority.

General Termination rights – Termination for Convenience

- 27.11. **[Guidance: this is a no fault break clause for either party]** Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to condition 27.9 27.3.4 above, either Party may terminate the Grant Funding Agreement at any time by giving at least **[3 months]** or **[a timescale proportionate to the Funding Period; whichever is the shorter]** written notice to the other Party.
- 27.12. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) must be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.
- 27.13. If the Authority terminates the Grant Funding Agreement in accordance with condition 27.11 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs must be identified by the Grant Recipient and must be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable must be determined solely by the Authority.
- 27.14. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

Change of Control

- 27.15. The Grant Recipient must notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating,

undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.

27.16. The Grant Recipient must ensure that any notification made pursuant to condition 27.15 must set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

27.17. Where the Grant Recipient has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under condition 27.15 must include any changes to the consortium members as well as the lead Grant Recipient.

27.18. Following notification of a Change of Control the Authority must be entitled to exercise its rights under condition 27.1 of these Conditions providing the Grant Recipient with notification of its proposed action in writing within **three (3) months** of:

- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
- (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

27.19. The Authority must not be entitled to terminate where an approval was granted prior to the Change of Control.

28. Exit Plan

28.1. Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient must prepare the Exit Plan within **three (3) months** of the signing of the Grant Funding Agreement and must comply with the exit provisions set out in Schedule 9 of these Conditions.

29. Dispute Resolution

29.1. The Parties must use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the continuance of the Grant Funding Agreement.

29.2. All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminates the Grant Funding Agreement) must be referred in the first instance to the Parties Representatives.

29.3. If the dispute cannot be resolved between the Parties Representatives within a maximum of **one month** then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

30. Limitation of Liability

- 30.1. The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient delivering/running the Funded Activities, the use of the Grant or from withdrawal, withholding or suspension of the Grant. The Recipient must indemnify and hold harmless the Authority, its Representatives with respect to all actions, claims, charges, demands Losses and proceedings arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Funded Activities, the non-fulfilment of obligations of the Grant Recipient under this Grant Funding Agreement or its obligations to Third Parties.
- 30.2. Subject to this condition 30, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

31. Vat

- 31.1. If VAT is held to be chargeable in respect of the Grant Funding Agreement, all payments must be deemed to be inclusive of all VAT and the Authority must not be obliged to pay any additional amount by way of VAT.
- 31.2. All sums or other consideration payable to or provided by the Grant Recipient to the Authority at any time must be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided, the Grant Recipient must at the same time or as the case may be on demand by HMRC in addition to such sums, or other consideration, pay to HMRC all the VAT so payable upon the receipt of a valid VAT invoice.

32. Code of Conduct for Grant Recipients

- 32.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct, which includes ensuring that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 32.2. The Grant Recipient must immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 32.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with condition 27.1.18.

33. Notices

- 33.1. All notices and other communications in relation to this Grant Funding Agreement must be in writing and must be deemed to have been duly given if personally delivered, e- mailed, or mailed (first class postage prepaid) to the address of the

relevant party, as referred to in the Grant Funding Letter or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in the Grant Funding Letter (Contact Details). If personally delivered or if e-mailed all such communications must be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they must be deemed received on the next Working Day) and if mailed all such communications must be deemed to have been given and received on the second Working Day following such mailing.

34. Governing Law

- 34.1. These Conditions must be governed by and construed in accordance with the law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.
- 34.2. The Applicant must accept the Grant Offer by electronically signing the document using the e-application system, following the guidance provided, within [xx] days from the date of the Grant Offer Letter.

Schedule 1 – Grant Offer Letter and Grant Application

Part A - Grant Offer Letter

**[Include a copy of your Grant Offer Letter]OR insert this text
Not applicable if this is a Direct Award Grant
Leaving text at this point means the numbering and references do not change
within the document body**

Schedule 1

Part B – Grant Recipient's [Grant Application]

[Include the Grant Recipient's application here]

Schedule 2 –The Funded Activities

[Guidance: You need to set out here is sufficient detail what the purpose of the grant is so you can monitor if the grant money is being spent for that purpose or not. Make this description flexible enough so the Grant Recipient has some scope for operational flexibility and a degree of freedom in its decision-making (within the parameters of the Funded Activities). Remember though the Grant Recipient is required to gain the Authority’s permission to amend the Funded Activities or to use the Grant for other purposes]

1. **Background/purpose of the Grant**

1.1. Background **[guidance: set out here what the policy objective is together with how this will be met by the provision of the grant].**

1.2. **Aims and objectives of the Funded Activities**

Guidance: set out here the aims and objective together with the outcomes and impacts resulting from the Funded Activities to demonstrate the need and benefit of the Grant

2. **Funded Activities**

[Guidance: set out here what the funded activities are. Include a project plan and any milestones you will be monitoring the delivery of the grant against. Make sure this section is consistent with the Grant Recipient’s grant application.]

Schedule 3 – Agreed Outputs and Long Term Outcomes

[Guidance: In accordance Grant Standard 8 all government grants must have outputs agreed and longer-term outcomes defined, wherever possible, to enable active performance management, including regular reviews and adjustments where deemed necessary. You should set out here details of the agreed milestones/agreed outcomes of the Funded Activities. You should also consider whether the outputs should have a measure per output, and for multi-year show which year output relates to] Table Headings are an example

[The agreed outputs and long term outcomes should enable the Department to monitor the whether the Funded Activities are being undertaken and/or whether action needs to be taken by the Department to adapt the aims/objectives of the Funded Activities or terminate the agreement.]

[The outputs should only be used to determine whether the grant-aided task has been performed. They should not seek to impose a system of service credits.]

| Milestone | Deliverable | Date | Cost | Authority Contribution |
|--------------|-------------|------|------|------------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | | | | |
| Total | | | | |

Table 1 Milestone Deliverables

Table 2 Milestone Reporting

| Milestone | Report Due | Report Type |
|-----------|------------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| | | |



Microsoft Word Document



Grant Usage Form

Schedule 5 – Payment Schedule

Please note this grant is subject to review each financial year. You must accept the funding continuation outcome for payments to continue. [Remove if funding only one financial year]

Guidance: You need to set out here how the department will pay the grant. For example, set out whether it will be a single block sum, or in instalments.

Consider if you are linking payment of the grant to specific project milestones or not. Make sure it corresponds to what you said about payment in the documents you issued when calling for grant applications.

Amend the table below to reflect an accurate record of how and when the grant will be paid.

You must have regard to the HM Treasury guidance, Managing Public Money³ and should only make payment of the grant on evidence of need or qualification, depending on the terms of the grant scheme.

| Milestone | Amount of Grant Funding Payable | Expected date of invoice |
|--------------|---------------------------------|--------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| Total | | |

Condition 4.3 of the Grant Funding Agreement requires the Grant Recipient to [declare any Match Funding before signing the Grant Funding Agreement /obtain prior written approval from the Authority before applying for/or accepting Match Funding].

All Match Funding must also be recorded in the Match Funding table below.

| Grant Funding Period | Match Funding Amount | Match Funding Payment Date |
|----------------------|----------------------|----------------------------|
| Y1 | | |
| Y2 | | |
| Y3 | | |
| Total | | |

³ <https://www.gov.uk/government/publications/managing-public-money>

Schedule 6 – Grant Recipient’s Bank Details

The Confirmation of Bank Details and Signatories Form must be issued and returned via bravo email with the Grant Offer Letter. In the case of Direct Award issue the form by direct email to the Grant Recipient after bravo internal approval stage. Insert the completed form here. Attach a blank form to the e-tendering record for the recipient’s future use. [GRANT TITLE] [ECM NUMBER] [PROJECT NUMBER]

This section should provide *your* bank details (not any intermediary) – the final destination and beneficiary account for any funds sent.

| | |
|---|---|
| Your Bank name: | Organisation name as per your bank account: |
| Your Bank address: | Your Bank account number: |
| Your IBAN number: | Your Swift code: |
| Currency of your account: | Preferred currency for payment: |
| Any information to be added with the payment: | |

If Your Bank is outside Europe, this section should provide additional details for any intermediary bank with appropriate routing information.

| | |
|---|--|
| Intermediary Bank name: | Intermediary Bank account number: |
| Intermediary Bank address: | Intermediary Bank code(s) eg Swift, BIC etc: |
| | |
| Any additional routing information to support the transfer: | |

AUTHORISED SIGNATORIES

The Signatories below are authorised to sign claim forms on behalf of the Grant Recipient. These signatures are binding in respect of the Grant Agreement.

| |
|-------------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|-------------------|
| Name: |
| Position: |
| Signature: |
| Date: |

1. PERSONS AUTHORISED TO ACCEPT THE GRANT FUNDING AGREEMENT

| |
|-------------------|
| Name: |
| Position: |
| Signature: |
| Date: |

| |
|-------------------|
| Name: |
| Position: |
| Signature: |
| Date: |

The Authority issue Grant Funding Agreements electronically. Electronic acceptance is required through the Authority's e-tendering portal. Recipients must ensure their registration on the platform is correct and up to date.

The Recipient must notify the Authority immediately of any changes to Bank Details or Authorisations.

General Data Protection Regulation: The information on this form will be recorded on the Authority's computer system. The information provided will be used for paying your fees and will not be passed to anyone outside of the Authority without the permission of the Grant Recipient.

I certify that:

- i. The work has been completed
- ii. That the breakdown is a true record of the expenditure incurred and is not included in any other claim
- iii. No other grant has been or will be claimed from Central Government or government agency towards these costs without the full knowledge and agreement of the Department.
- iv. The Bank Details Provided are those contained in the Grant Funding Agreement.
- v. I confirm that the Terms and Conditions of the grant funding agreement have been met.

I therefore claim payment of £.....

Signed..... Name. (CAPS).....

Position.....(authorised signatory)

Date.....

| Confirmation of Bank Details | | | |
|---|--|-----------------------|-------------------------------------|
| Bank Name: | | Account Holder Name | |
| Bank Account Number: | | IBAN/Swift Code | |
| Payments are normally made in GBP but may be made in equivalent currency. | | Currency for Payment: | Supporting Information Attached Y/N |

Schedule 8 – Data Protection Provisions

This is Defra default position for grants for any other position seek advice from the Data and Information Assurance Team (data.protection@defra.gov.uk) and draft a separate document which takes precedence over these conditions.

The contact details of the Authority's Data Protection Officer are: **Data and Information Assurance Team** data.protection@defra.gov.uk

The contact details of the Grant Recipient's Data Protection Officer are: **[Insert Contact details]**

Data Protection Legislation Condition Definitions:

Where they appear in this Schedule 8:

Personal Data Breach and Data Subject take the meaning given in the UK GDPR.

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data and the rights and freedoms of data subjects.

Data Loss Event: any event that results, or may result, in unauthorised access to Personal Data under these Conditions, and/or actual or potential loss and/or destruction of Personal Data in breach of these Conditions, including any Personal Data Breach.

Data Subject Request: a request made by, or on behalf of, a data subject in accordance with rights granted pursuant to the Data Protection Legislation.

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of such measures adopted by it.

Data Protection

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in condition 4, the Parties acknowledge that they are each separate independent Controllers in respect of such data.

2. The Grant Recipient must (and must procure that any of its Representatives must) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient must provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.
5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government and that these details may appear on the Government Grants Information System database which is available for search by other funders.
6. The Authority and the Grant Recipient must:
 - (a) ensure that the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other Party to the extent required in connection with Funded Activities.
7. Where a Party (the Data Receiving Party) receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party must provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - 7.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party must:
 - 7.2.1. promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and must forward such request or correspondence to the other Party; and
 - 7.2.2. provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
8. Each Party must promptly notify the other upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Agreement and must:

- 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
9. Without limiting any other provision of this Schedule 8, each of the Parties must, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data provided pursuant to this Agreement.
10. The Authority and the Grant Recipient must not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement.
11. The Grant Recipient must notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers

[Guidance: Only add paragraph 12 where the Grant Recipient and Authority are both independent Controllers and the Grant Recipient is based in the European Economic Area (EEA) and there is data flow from the EEA to the UK.]



Schedule 8 para12

Schedule 9 - Exit

[Guidance: this Schedule is in case you want to be able to get the Grant Recipient to exit the Funded Activities smoothly. It provides for an exit plan and for the Grant Recipient to help you to hand the Funded Activities over to another or to wrap them up altogether] If this is not required insert wording under the heading to ensure consistent references within the body of the document.

'Schedule not applicable'

1. The following definitions must apply in addition to the definitions contained in condition 2.1 of these Conditions (Definitions):

“Exit Plan” means the plan prepared and submitted by the Grant Recipient to the Authority to enable the smooth closure of transfer of the Funded Activities to the Authority or successor of the Grant Recipient.

General

2. The Grant Recipient must prepare an Exit Plan within the first three months of this Grant Funding Agreement to allow the smooth closure of the Funded Activities.
3. Where the Authority intends to continue the operation of the Funded Activities in broadly the same way after expiry or termination of the Grant Funding Agreement, either by performing them itself or by means of a successor, The Grant Recipient must endeavour to ensure the smooth and orderly transition of the Funded Activities and must co-operate with the Authority or the successor, as the case may be, in order to achieve such transition.
4. When such endeavours and co-operation are outside the scope of the Grant, the Grant Recipient must provide quotations for reasonable charges associated with providing such assistance and the Authority must pay such reasonable charges.
5. The Grant Recipient must comply with any reasonable request of the Authority for information relating to the performance of the Funded Activities.

Exit Planning

6. The Grant Recipient must, in conjunction with the Authority, maintain, and as necessary update, the Exit Plan throughout the Funding Period so that it can be implemented immediately, if required. From time-to-time either the Authority or the Grant Recipient may instigate a review of the Exit Plan.

7. The Grant Recipient must co-operate with all reasonable requests made by either the Authority or a successor body relating to exit transition arrangements for the Funded Activities.

Assistance

8. The Grant Recipient must use all reasonable endeavours to ensure that a transition of responsibility for the delivery of the Funded Activities to the successor body or the Authority, as the case may be, minimises any detrimental effect on the delivery of the Funded Activities and the Authority must use all reasonable endeavours to co-operate in such transfer.

Assets Register

9. The Grant Recipient must maintain throughout the exit period of this Grant an asset register in accordance with the Terms and Conditions of the Grant Funding Agreement.
10. The Grant Recipient must not change the status of any asset without the prior written consent of the Department where such a change would either be viewed as a major change or would require repayment in accordance with the Terms and Conditions of the Grant Funding Agreement.

Documentation and Access

11. The Grant Recipient must provide the Authority on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to the Authority or to a successor body, including any documentation required to support any bidding process for the provision of the Funded Activities. This includes full details of:
 - a) the work programme, objectives/targets, and other services delivered by the Grant Recipient under this Grant Funding Agreement;
 - b) any software, including Third Party software and any hardware used in connection with the delivery of the Funded Activities;
 - c) software and supply agreements used to deliver any services associated with delivery of the Funded Activities, including the agreements relating to any Third Party software identified by name of supplier, term of Grant, and charges payable under the Grant; and
 - d) any employees used by the Grant Recipient to help deliver the Funded Activities who are essential to this delivery; this information must be provided under conditions of confidentiality reasonably acceptable to the Grant Recipient.

12. The Authority may make the documentation available to suppliers who wish to bid for the provision of the activities. The Grant Recipient must respond expediently and in full to any reasonable questions by the Authority or the suppliers and must co-operate with any reasonable due diligence activities carried out by suppliers.

Transfer Support Activities

13. The Grant Recipient must co-operate with all reasonable requests made by either the Authority or a successor relating to the Funded Activities transition arrangements. The Authority and the Grant Recipient must discuss the implementation plan for the transition of the activities to either the Authority or a Successor body.

Schedule 10: Subsidy (Optional)

Remove the whole of this Schedule if there is no subsidy consideration for this grant. The Small amounts of financial assistance declaration form should be provided to the intended recipient for signature and return to include in this document if this condition applies.

Part 1: SMALL AMOUNTS OF FINANCIAL ASSISTANCE

[Guidance: use this Annex 10 where the Grant is awarded as a small amount of financial assistance which is an exempted subsidy under the Trade and Cooperation Agreement. Please note for the purpose of calculating whether a subsidy falls within the 325,000 Special Drawing Rights threshold, the Grant Recipient/Grantor should include any State aid granted in the relevant period (even if such State aid was considered *de minimis*)]

1. The Grant is awarded as in accordance with Article 3.2.4 of the Trade and Cooperation Agreement which enables the Grant Recipient to receive up to a maximum level of subsidy without engaging Chapter 3 of the Trade and Cooperation Agreement (a “Small Amount of Financial Assistance”). The current threshold is 325,000 Special Drawing Rights to a single economic actor over any period of three fiscal years.
2. The Grant Recipient acknowledges and accepts that the relevant limit for a Small Amount of Financial Assistance comprises the total amount of subsidy the Grant Recipient may receive from the state during that period **or the specified period or previous 3 fiscal year period**. That subsidy will include subsidy relating to other projects, subsidy provided by other public authorities and their agents, subsidy other than grants (for instance, foregone interest on loans), State aid granted prior to the 1 January 2021 or in accordance with State Aid Law (irrespective of whether such State aid was categorised as *de minimis*)
3. The award of this Grant will be conditional upon the Grant Recipient providing the Authority with the Small Amount of Financial Assistance declaration form confirming how much subsidy , if any, it has received in the current and previous 2 year fiscal period.
4. The Authority may not pay the Grant Recipient the Grant if, added to any previous subsidy the Grant Recipient has received during the current and last two fiscal years, the Grant causes Grant Recipient to exceed the relevant limit for a Small Amount of Financial Assistance.
5. For the purposes of that declaration:
 - a. the fiscal year is the fiscal year used by its business; and

- b. subsidy is subsidy granted to a single economic actor, which may include legal entities separate to Grant Recipient (such as current or former subsidiaries).
6. The Grant Recipient must retain the Grant Funding Agreement and the completed Small Amount of Financial Assistance declaration form and produce it on request by the Authority.
7. The Grant Recipient acknowledges that it is Grant Recipient's responsibility to read Chapter 3 of the Trade and Cooperation Agreement (and implementing legislation) in its entirety and seek advice (including legal advice) on its application to Grant Recipient's business if appropriate.
8. The Grant Recipient acknowledges that the Authority and Grant Recipient are jointly and severally responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Grant Funding Agreement are fulfilled.
9. Such records must be maintained by the Grant Recipient and the Authority for 10 years following the granting of the subsidy.

Include signed small amount of subsidy declaration if applicable



subsidy declaration
template

Management Document 1 Funding continuation letter

[CONTRACTORS LETTER HEAD]

Dear **Salutation**

Grant: [Insert name of grant] – [Insert Bravo ref]

Defra is pleased to confirm continued grant funding for financial year **[Insert start date]** to **[Insert end date]** with a total value of **£ [Insert figure], [Insert words]** pounds sterling. The totality of the Grant Funding Period is from **[Insert grant start date]** and ending on **[Insert grant end date]**.

Optional Section if the Grant Manager has indicated Changes are required to the Original Agreement

The continuation of the Grant funding is subject to the changes contained at Schedule 1 of this Grant Funding Continuation Letter.

Please note that all (*other*) terms and Conditions of the Original Grant Funding Agreement shall remain in full force and effect.

Please confirm your acceptance of the continuation of this grant funding by electronically accepting this Agreement, using the Authority's e-application system **within [7]** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant which should be undertaken through the messaging section of the e-tendering grant record.

Yours sincerely

Your name

On behalf of **[CONTRACTOR NAME]** and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

Schedule 1[Remove if not required]

CHANGE CONTROL NOTICE

| | |
|---------------------------------------|---------------|
| Change Control Notice number: | CCNxxx |
| Grant Funding Agreement title: | |
| Reference: | Ecm_ |
| Variation title: | |
| Number of pages attached: | xx |

WHEREAS the Grant Recipient and the Authority entered into a Grant Funding Agreement for the Approved Project dated [Insert Date] (the "Original Grant Funding Agreement") and now wish to amend the Original Grant Funding Agreement

IT IS AGREED as follows

1. CHANGES

1.1 With effect from [Insert date] the Original Grant Funding Agreement *(and subsequent CCNxx) shall be amended as set out in this Change Control Notice:

| | |
|-------------------------------------|--|
| Change requestor/originator: | |
| Summary and reason for change: | |
| Original Grant Funding: | Xxx |
| Additional Grant Funding: | Xxx |
| Revised Total Grant Funding: | xxx |
| Revised payment schedule: | See Schedule 1-Revised Payment Schedule |
| Original Grant Funding Period: | |
| Other change: | See Schedule x-xxx |

Management Document 2 Termination letter

[CONTRACTORS LETTERHEAD]

Dear **Salutation**

[INSERT DESCRIPTION OF GRANT] dated **[INSERT DATE OF GRANT AGREEMENT]** between the Secretary of State for Environment, Food and Rural Affairs and **[INSERT RECIPIENT'S NAME]** (the "Agreement")

I am writing to terminate the Agreement pursuant to condition **[INSERT CONDITION NUMBER]** **[Refer to correct clause in original agreement]** that allows us to terminate the Agreement on **[INSERT NUMBER OF [DAYS]/ [MONTHS]]** **[Insert from original agreement]** written notice.

Pursuant to condition **[INSERT CONDITION NUMBER]** **[Insert Clause number from original agreement]**, this notice is deemed served on **[INSERT DATE]** **[Next working day after date of letter in accordance with original termination clause]**. Therefore, the Agreement will terminate on **[INSERT DATE]** **[Insert date which equates to notice period after date of deemed notice]**, which is **[INSERT NUMBER OF DAYS]** **[Notice period found in relevant clause]** from the date of deemed service.

Yours sincerely

Your name
Your job title

On behalf of **[CONTRACTOR NAME]** and as an agent for and on behalf of the Secretary of State for Environment, Food and Rural Affairs

Management Document 3 Contract Change Notice



CHANGE CONTROL NOTICE

| | |
|---------------------------------------|---------------|
| Change Control Notice number: | CCNxxx |
| Grant Funding Agreement title: | |
| Reference: | Ecm_ |
| Variation title: | |
| Number of pages attached: | xx |

WHEREAS the Grant Recipient and the Authority entered into a Grant Funding Agreement for the Approved Project dated [Insert Date] (the "Original Grant Funding Agreement") and now wish to amend the Original Grant Funding Agreement

IT IS AGREED as follows

1. CHANGES

1.1. With effect from [Insert date] the Original Grant Funding Agreement *(and subsequent CCNxx) shall be amended as set out in this Change Control Notice:

| | |
|---|--|
| Change requestor/originator: | |
| Summary and reason for change: | |
| Original Grant Funding: Additional Grant Funding: Revised Total Grant Funding: | Xxx Xxx xxx |
| Revised payment schedule: | See Schedule 1-Revised Payment Schedule |
| Original Grant Funding Period: | |
| Other change: (e.g. change of grant manager) | See Schedule x-xxx |

1.2. Save as herein amended all other terms and Conditions of the Original Grant Funding Agreement shall remain in full force and effect.

Please confirm your acceptance of this CCN by electronically signing this document using the Authority's e-tendering system **within 7** days from the date of this letter. Please remember to quote the reference number above in any future communications relating to this grant. All communications should be made using the messaging section in the e-tendering grant record.

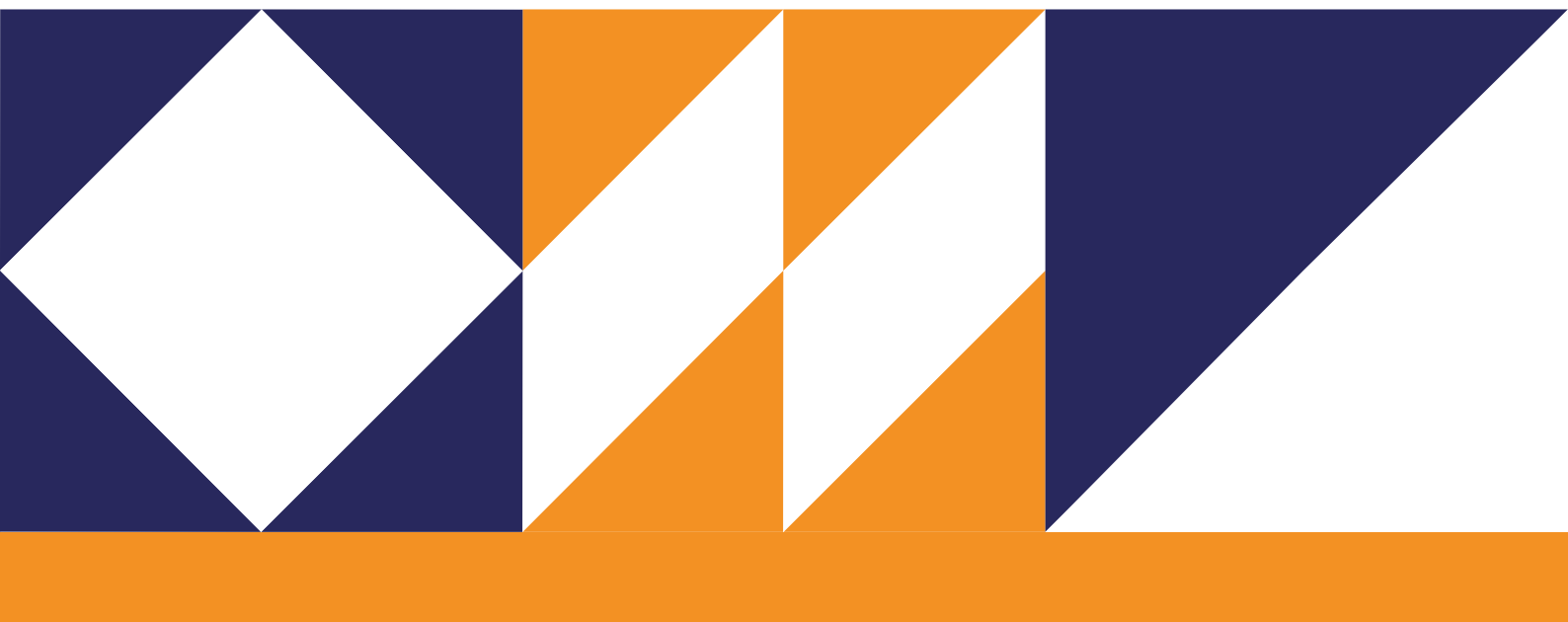
Schedule 1
REVISED PAYMENT SCHEDULE (or other change as required)

Annex 20: HMG Grant Functional Standards



HM Government

Government Functional Standard



GovS 015: Grants

Version: 2.0
Date issued: 21 July 2021

Approved



This functional standard is part of a suite of management standards that promotes consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement.

The suite of standards, and associated guidance, can be found at **GOV.UK/government/collections/functional-standards**.

Functional standards cross-refer to each other where needed, so can be confidently used together.

They contain both mandatory and advisory elements, described in consistent language (see the table below).

| Term | Intention |
|--------|--|
| shall | denotes a requirement: a mandatory element. |
| should | denotes a recommendation: an advisory element. |
| may | denotes approval. |
| might | denotes a possibility. |
| can | denotes both capability and possibility. |
| is/are | denotes a description. |

The meaning of words is as defined in the Shorter Oxford English Dictionary, except where defined in the Glossary in Annex B.

It is assumed that legal and regulatory requirements are always met.

Version 2.0 of this standard replaces the previous edition [version 31, January 2020]. The main changes, which reflect input from users of the previous version, are as follows:

- New Grants Advice Panel has changed to Complex Grants Advice Panel
- State aid has been updated to subsidy control
- The grants pipeline control has been added

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Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

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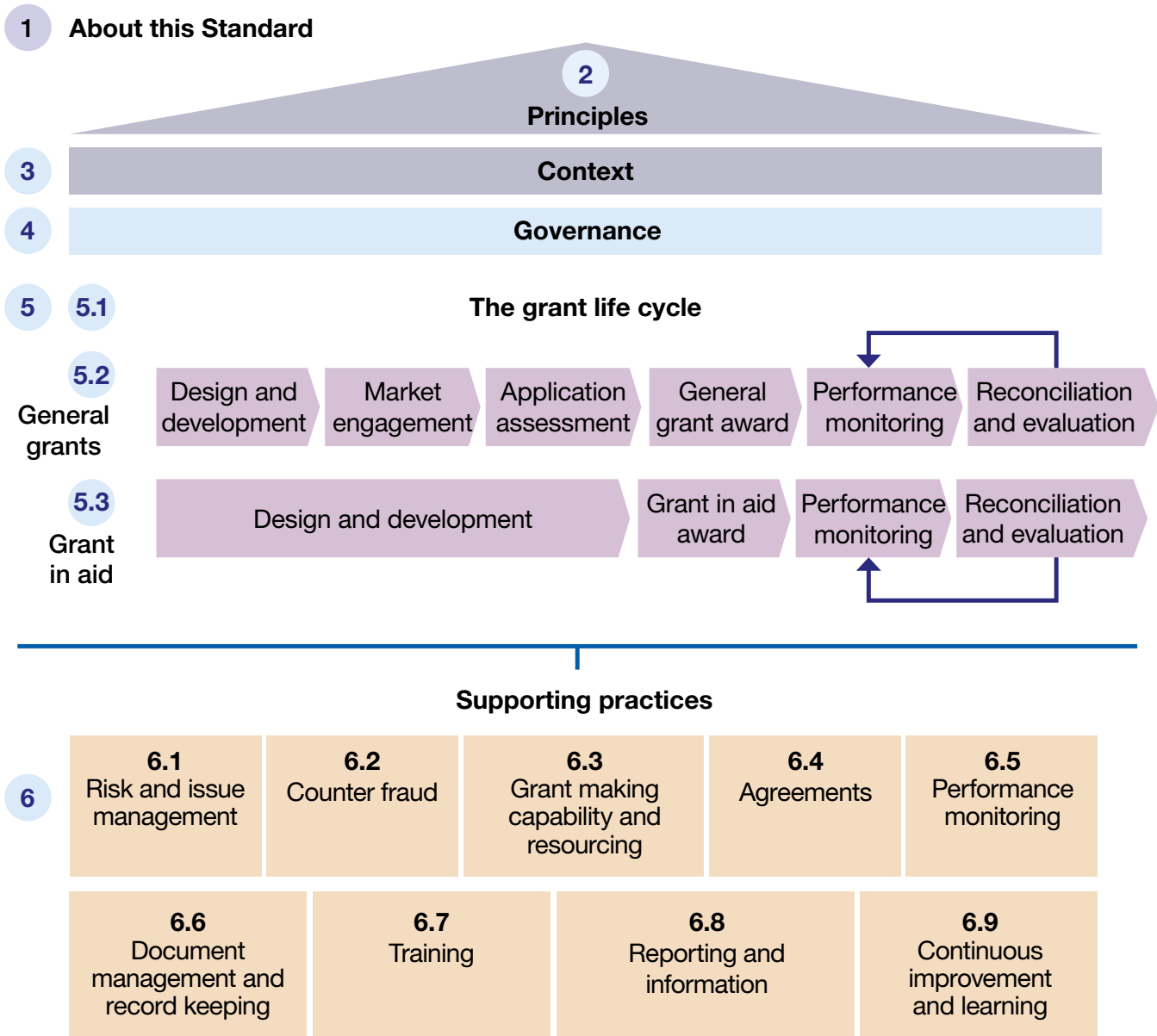


Figure 1 Structure and scope of this functional standard

1. About this government functional standard

1.1 Purpose of this government standard

The purpose of this government functional standard is to set expectations for the management of grants, and to promote efficient and effective grant making to ensure funding is used as intended and provides value for money through high-quality delivery.

This standard provides direction and guidance for:

- permanent secretaries
- directors general
- chief executive officers of arm's-length bodies
- senior officers responsible for grant schemes and awards
- policy teams
- senior civil servants who have overall responsibility for departmental grants policy and their grants champion
- assurance and internal audit teams and bodies
- and grant managers to ensure effective and efficient grant making

1.2 Scope of this government standard

This standard applies to the planning, delivery and management of Exchequer-funded government grants activity in all departments and arm's-length bodies, including general grants and grant-in-aid.

This standard applies to government departments and their arm's-length bodies. Other public sector organisations devolved or local might find this standard useful.

Note: an organisation, in the context of government functional standards, is the generic term used to describe a government department, arm's-length body, or any other entity that is identified as being within scope of a functional standard.

The structure of the standard is shown in Figure 1.

1.3 Government standards references

The following standards are directly necessary for the use of this standard:

GovS 003: Human Resources

GovS 006: Finance

GovS 008: Commercial

GovS 010: Analysis

GovS 013: Counter Fraud

GovS 014: Debt

A functional standard supports achievement of the outcomes sought by an organisation. It sets expectations for what needs to be done and why, relating to the functional work within its scope, in order to achieve those organisational outcomes. This makes it easier for a function to provide and maintain succinct, aligned and targeted requirements and guidance explaining how activities should be done.

For expectations relating to management of a function across government, and management of functional standards, GovS 001, Government Functions shall be followed.

2. Principles

Those engaged in managing grants at scheme and award level shall ensure:

1. grants objectives are aligned to government policy and organisational objectives;
2. the application of this standard is proportionate and appropriate, and is reflected in the approach taken to governance, management frameworks and controls, having regard to an accepted balance of opportunity and risk;
3. grants are made in the best interest of the public, the public purse, and operate in line with 'Managing Public Money' [2];
4. funding is administered with optimum efficiency, economy, effectiveness and prudence, to maximise value for public money;
5. responsibilities and accountabilities are defined, mutually consistent, and traceable across all levels of management; and
6. public service codes of conduct and ethics and those of associated professions are upheld.

3. Context

3.1 Background information

This section provides essential background information for the use of this functional standard.

There are several funding options available to the government, with grant funding a common choice. Government grant funding plays an important role domestically, in areas such as education, research, civil society and innovation, and abroad through international aid projects.

Grants can be used for a number of purposes including:

- providing financial subsidy to support something to happen
- supporting government policy initiatives
- funding research and development and innovation
- informing public policy

The management of grants varies depending on their intended purpose, the type of recipient, allocation method, underpinning legislation, and departmental policy-specific differences.

Funding is typically provided as a sum of money transferred permanently (though usually with an option to clawback for, among other things, misuse, or refund if not used at all) from a government department or its arm's-length body, to a recipient (an entity that is separate from the funder). The funding is to be used in a manner that furthers the implementation of government and/or departmental policy or obligation, but does not otherwise provide a direct economic benefit to the funder. Normally this is delivered as a discrete funding package from the department's own estimate paid on evidence of the recipient's expenditure or qualification, in arrears (or in advance by exception), as set out in the terms of the grant agreement.

Grants are awarded under statute for an agreed purpose, and usually attach specific conditions (e.g. about project terms) or other detailed forms of departmental control. Government funding, which gives commercial entities an advantage over their competitors, can distort competition and is prohibited unless it is compatible with subsidy control rules [2] or an appropriate exemption applies. Grants are outside the scope of VAT.

Grants are not gifts. As defined in 'Managing Public Money' [3], they are made under legislation, are subject to conditions, with some expectation that delivery will achieve the furtherance of a policy objective.

3.2 Grant categories

The format in which a grant is issued, is mainly differentiated by how recipients apply for or are entitled to the funding. There can be multiple allocation methods under a grant scheme, but only one allocation method per grant award. Descriptions of each category of grant are given below.

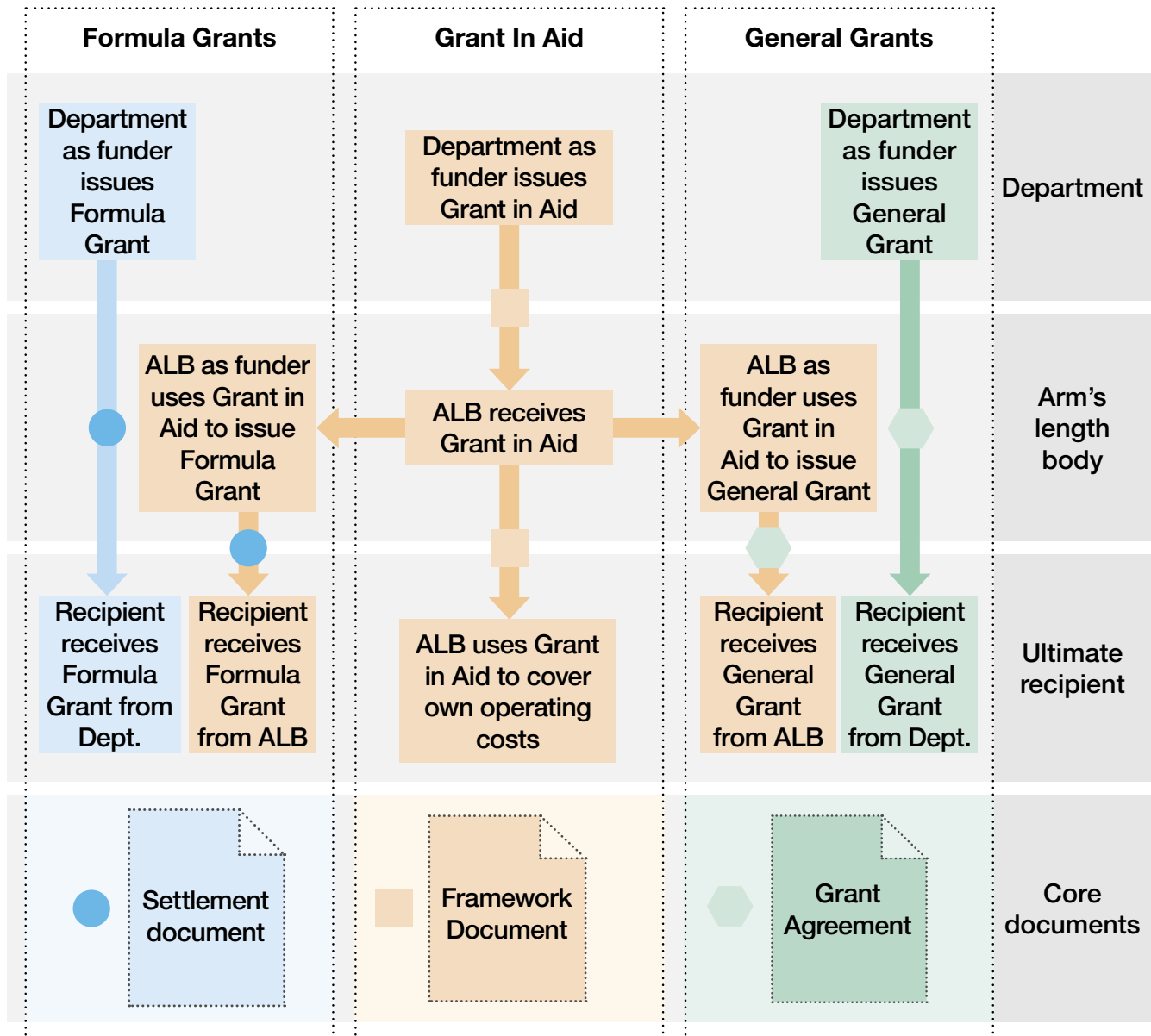


Figure 2 The relationship between different types of grant and the organisations involved

3.2.1 General grants

General grants are those made by departments or their grant-making arm's-length bodies, to outside bodies to reimburse expenditure on agreed specific items or functions, and paid only on statutory or common law conditions. They include 'competed', 'uncompeted' and 'criteria-based' grants.

General grants can also be in the form of a one-off payment, known as an endowment. General grants are most commonly defined after an organisation's budget has been agreed.

3.2.2 Grant-in-aid

'Grant-in-aid' refers to funds which are allocated from one part of government to another part of government for non-specific purposes, for example, central government funding for the running costs of non-departmental public bodies (NDPBs). Grant-in-aid can be used by the recipient to fund general grants and exceptionally, formula grants, as defined in the funding agreement. Grant-in-aid is defined prior to an organisation's budget being agreed and, as such, is included within the supply estimates and settlement letter, with which, GovS 006, Finance shall be followed.

3.2.3 Formula grants

Formula grants are those calculated by way of a formula. This funding is provided, in recognition of specific criteria, by central government, for example, to local authorities, schools and the police and is included in the supply estimates and settlement. Funding is determined by factors relevant to the purpose, such as population and levels of pupils who receive free school meals.

Formula grants are usually defined prior to an organisation's budget being agreed and, as such, are included within the supply estimates and settlement letter (or equivalent).

3.3 General grant schemes and awards

There are two levels to consider in general grant funding. At the higher level are grant schemes, or programmes, which can be used to denote a high level and overarching strategy or policy to which grants are a part of.

Within a grant scheme there are 'awards', which are the grant funding payments to recipients for a specific purpose or activity. Organisations can also make awards which do not come under an overarching scheme or programme.

Figure 3 illustrates the relationship between general grant schemes and awards.

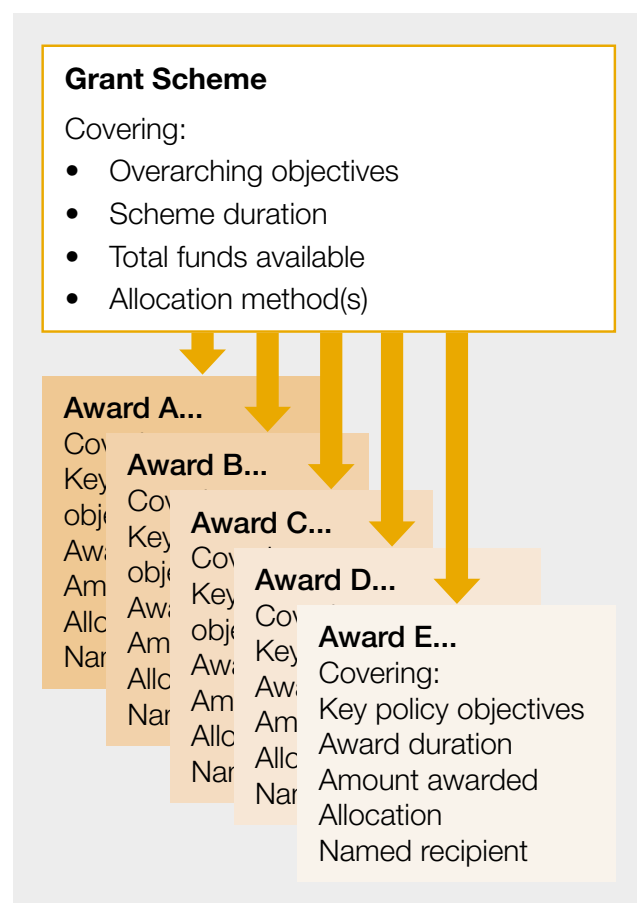


Figure 3 General grant schemes and awards

3.4 Grant Minimum Requirements

This standard is augmented by the grants guidance 'Minimum Requirements', that provide more detail about requirements, and context regarding how they might be met [1] which can be found in more detail on GOV.UK. The Minimum Requirements cover:

- senior officer responsible for a grant
- approvals and data capture
- complex grants advice panel
- business case development
- competition for funding government grants should be competed by default
- grant agreements
- risk, controls and assurance
- performance and monitoring
- annual review and reconciliation
- training

4. Governance

4.1 Governance and management framework

4.1.1 Overview

Governance comprises prioritising, authorising, directing, empowering and overseeing management, and assuring and reviewing performance for grants.

A governance and management framework shall be definite and established for the management of grants across government as a whole, and in government organisations, and comply with government and organisational policies and directives.

The governance and management framework should include the authority limits, roles and rules for making business decisions, degrees of autonomy, assurance needs, reporting structure, and accountabilities and responsibilities, together with the appropriate management practices, processes and associated documentation needed to meet this standard.

GovS 006, Finance shall be followed, and those accountable for the management of grants shall comply with the following documents:

- 'Managing Public Money' [2]
- 'Global Design Principles' [4]

4.1.2 Governance and management framework across government

The governance and management framework across government should include:

- mandatory policies, processes, data and other requirements, together with associated guidance
- requirements for tracking and reporting performance in organisations

- guidance and provision of expert support, training and assurance

4.1.3 Governance and management framework in an organisation

The governance of grants related functional work within an organisation should be an integrated part of that organisation's overall governance. A governance and management framework shall be defined and established (see 4.1.1), to set out the activities needed to manage grants in the organisation to meet this standard. The governance and management framework should:

- reflect organisational policies (if any) and expected standards of behaviour
- define how required activities should be managed (see sections 5 and 6)
- be periodically reviewed to ensure it is still valid

Minimum Requirements for grants should be followed.

Each department shall have a senior officer accountable for its grant funding (see 4.4.5), and the governance and management framework shall be referenced from the accounting officer's system statement [5].

4.2 Decision making

4.2.1 Overview

Decisions relating to grants management should be made, and approvals given in a timely manner, in accordance with the organisation's grant governance and management framework. Government policy and financial management controls (including delegations of authority) should be complied with. Decisions should be made by assessing options against defined criteria and in consultation with stakeholders and subject matter experts. Decisions should be recorded in the business case (or equivalent document).

Decisions might relate to:

- choice of funding mechanism
- approval of business justification
- approving an uncompleted award
- approving a grant award recommendation
- authorising payments
- approving a grant extension or change
- claims and dispute resolution
- suspending or terminating a grant award
- clawback

Decisions should be conditional where appropriate provided responsibility for fulfilling such conditions is assigned.

Decisions should be:

- holistic, taking account of the external context, policy considerations, potential negative impact and the relevant functional standards
- communicated to the relevant stakeholders

Cabinet Office expenditure controls require central government bodies to obtain expenditure approval from Cabinet Office ministers, or provide evidence of appropriate internal approval, based on professional advice from relevant functions, before certain expenditure is made or committed. Organisations should take advice from relevant functions well in advance of planned expenditure, and comply with expenditure controls guidance [7].

The Grants Management Function should take advice from other functions where necessary.

4.2.2 Justification of grants

To facilitate governance and scrutiny, grant activity shall be justified and documented throughout the grant life cycle (see section 5). Such evaluation should be in accordance with HM Treasury requirements (see Green Book [6]). Justification may be documented either in the form of a business case or other proportionate format, which should be defined in the organisation's grant governance and management framework.

The business case (or equivalent document), should be developed progressively for each grant in three steps through the life cycle (see section 5):

- strategy: idea formulation
- design: developing the detail of the grant model
- final approval: including policy and financial approval

If required, subsequent approval shall be obtained in accordance with HM Treasury, Cabinet Office policy and spend controls [7] and GovS 006, Finance shall be followed.

4.3 Assurance

4.3.1 Assurance framework

The purpose of assurance is to provide, through a systematic set of actions, confidence to senior leaders and stakeholders that work is controlled and supports safe and successful delivery of policy, strategy and objectives. Government grants should be afforded the appropriate level of scrutiny by the grant owning department, to ensure this functional standard is being adhered to and grant funding is being administered effectively.

Continuous monitoring should support the understanding of whether and how the risk profile is changing and the extent to which internal controls are operating as intended. It should also provide reasonable assurance over the management of risks to

an acceptable level in the achievement of organisational objectives (see 6.5).

Organisations should have a defined and established approach to assurance, which should be applied proportionately to the risk and value of the activity, and integrated with the organisation's overall assurance framework. Typically, assurance should be on at least three separate and defined levels including:

- 1st line: carried out by, or on behalf of the operational management that own and manage risk
- 2nd line: carried out by, or on behalf of senior management, independent of operational management, but oversee management of the risk to ensure the first line of defence is properly designed, in place and operating as intended
- 3rd line: carried out by independent audit, or other independent body, to provide senior management with an objective opinion on the effectiveness of governance, risk management and internal controls, including the effectiveness of the second and first lines of defence

The work of internal and external assurance providers should be planned to minimise disruption to other work, avoiding overlaps with other assurance activities and duplication of effort, whilst remaining rigorous and meeting the needs of stakeholders. Where assurance includes formal review activity, the customer for the review should be clearly identified.

The requirements of the *Orange Book: management of risk – principles and concepts*, should be met [8].

4.3.2 New general grants

It is recommended that new grants, which are high-value, high-risk, novel, contentious or repercussive, should be considered by an independent panel (the Complex Grants Advice Panel, see 4.4.6) to provide advice from experts on the efficiency and effectiveness of the proposed grant and the balance of opportunities versus risks associated with losses from fraud and error (see 6.2). Referral to the panel is mandatory for new grant schemes that are referenced in the government's manifesto commitments.

With the exception of schemes related to manifesto commitments, the decision as to which schemes are referred rests with the senior officer responsible for a grant, with advice from the Grants Management Function, or as defined in the organisation's management framework.

The advice given by the panel is for consideration by the grant-making organisation - its acceptance is not mandatory, although if the advice is rejected, justification should be provided, in particular for recommendations applicable to schemes referred on a mandatory basis, related to manifesto commitments.

Advice from the panel shall not detract from the accountabilities of those being advised.

4.4 Roles and accountabilities

4.4.1 Overview

Roles and accountabilities shall be defined in the organisation's governance and management framework and assigned to people with appropriate seniority, skills and experience. This should include, but is not limited to: the activities, outputs or outcomes they are responsible for, and the person they are accountable to.

The following roles are essential to the management of grant funding, and while organisations may change the titles and division of responsibilities, they shall have

(at a minimum) the roles outlined in the following section.

4.4.2 Senior officer accountable for grants across government

The senior officer accountable for grants across government is accountable to the chief operating officer of the Civil Service, for the development and implementation of cross-government grants policy and practice and should:

- provide leadership and direction with the aim of improving practice across government
- develop grant-related policy
- provide guidance, products and training to improve the efficiency and effectiveness of grants administration and reduce losses from fraud and error, via the grants Centre of Excellence
- develop products to improve the quality and robustness of grant agreements
- annually publish the status of grants (see 6.8)

The senior officer accountable for grants across government should work in collaboration with Government Finance Function and Government Commercial Function colleagues.

Note: this role is performed by the same person who leads the Grants Management Function across government, and GovS 001, Government Functions shall be followed, which sets common expectations for managing government functions and functional standards.

4.4.3 Accounting officer

The permanent head of a government department is usually its Principal Accounting Officer.

An organisation's Accounting Officer is accountable (via a Principal Accounting Officer where appropriate) to Parliament and the public for the stewardship of

public resources, ensuring they are used effectively and to high standards of probity.

The Principal Accounting Officer generally appoints the most senior executive in the arm's-length bodies within the department's ambit as an Accounting Officer.

The holder of this role is responsible for ensuring that:

- the estimate(s), including grants, presented to Parliament for the department's annual expenditure (consolidating its arm's-length bodies) are within the statutory powers and within the government's expenditure plans
- use of resources is within the ambit of the vote and consistent with the estimate(s) and
- shall answer to Parliament for stewardship of these responsibilities

4.4.4 Senior officer accountable for finance in an organisation

The senior officer accountable for finance in an organisation is responsible to the accounting officer for leadership of financial responsibilities within the organisation.

The holder of this role is responsible for ensuring that:

- the information on which decisions about the use of resources are based is reliable
- financial leadership
- maintaining strong and effective policies to control and manage the use of resources in the organisation

GovS 006, Finance shall be followed.

Note: 'Managing Public Money' [2] explains the role and responsibilities of the senior officer responsible for finance.

4.4.5 Senior officer accountable for an organisation's grants

The senior officer accountable for an organisation's grants is accountable to the senior officer accountable for finance. They are responsible for ensuring that the financial requirements for grants schemes and awards are implemented, in full, within the departments and its arm's-length bodies (if any) and depending on the management arrangements in place. In particular:

- providing leadership and direction for grant-making activity within the organisation
- ensuring the implementation of grant-related policy and compliance with this standard
- ensuring the required outcomes from grant-making activities are realised, at an acceptable level of risk and cost
- engaging, at senior level, with those accountable for all grant-making activity in the organisation
- providing advice and guidance to senior officers accountable for a grant and their teams

Note: this role is often undertaken by the senior officer accountable for finance in an organisation but can be undertaken by others with senior management accountabilities, such as the commercial director, although the senior officer accountable for finance retains overall accountability.

4.4.6 Senior officer responsible for a grant

The senior officer responsible for a grant is accountable to the senior officer accountable for grants in an organisation for ensuring that their assigned grant:

- is within the organisation's remit
- is covered by empowering legislation, which has provisions that adequately cover the activity being funded
- meets the organisation's objectives
- delivers the projected outcomes
- realises the required benefits

The senior officer responsible for a grant is further accountable for justifying the need for the grant and for ongoing governance, in particular:

- oversight of the governance and approval to ensure due regard is given to priority areas, including compliance with this functional standard and ensuring they have appropriate budget cover
- approval of the grant agreement and its terms and conditions
- approval of the due diligence model and fraud risk assessment and mitigation (see 6.1 and 6.2)
- ensuring details of the grant are entered on to the government grants information system (see 6.8)
- reporting to the Cabinet Office as required
- oversight and approval of annual reviews in relation to grants which cover multiple years

Note: a senior officer responsible for a grant is usually at senior civil service level, however, in some cases a grade 7 or senior executive officer who has appropriate delegated authority can be appropriate.

Note: this role is often referred to in departments as the senior responsible owner (SRO).

4.4.7 Grants champion

Each department shall appoint a grants champion who is accountable to the senior officer accountable for an organisation's grants and responsible for representing their department as the first point of contact on grant related matters.

The holder of this role is responsible for:

- disseminating information from the Grants Management Function
- managing data requests
- helping to promote compliance with this functional standard

The post holders are provided with a job description, which defines objectives, role and responsibilities. This role is reviewed periodically in response to feedback from stakeholders.

4.4.8 Grant manager

The grant managers in an organisation are accountable to the senior officer responsible for a grant for the day-to-day management and administration of grants, in line with this functional standard and associated government and organisational policies, including:

- design and development
- market engagement
- application assessment
- due diligence and fraud risk
- funding award
- performance and financial monitoring
- performance improvement action planning
- financial reconciliation
- evaluation and sharing learning

The individual acting as the grant manager may change as the grant proceeds through its life cycle (see 5).

Note: the holder of this role is likely to be a member of the commercial, finance or policy profession. This role is often referred to as a grant maker.

4.4.9 Specialist roles

Other department and organisation specialist roles should be defined to suit the needs of the grant-making activity being undertaken. This can be for managing a variety of aspects of grant-making practice, such as legal and commercial, in accordance with this functional standard and the organisation's grant governance and management framework. Specialist roles can also relate to the need for domain experience and expertise related to the purpose of the grant. Such roles may be either advisory as part of a team, or may take a leadership or executive role with accountability assigned.

4.5 Support to grant managers

4.5.1 Complex Grants Advice Panel

The Complex Grants Advice Panel is an independent, cross-government panel of experts, co-ordinated and chaired by the Cabinet Office, responsible for providing advice and recommendations on design and administration for applicable schemes, to the senior officer responsible for a grant. The Complex Grants Advice Panel is accountable to the senior officer accountable for grants (see 4.4.2). The panel forms part of the Cabinet Office Grants Pipeline Control [9] and referral to the panel is mandatory for new grant schemes that are referenced in the government's election manifesto document, and strongly recommended for high-value, high-risk, novel, contentious or repercussive schemes. The panel should meet regularly with the objective of:

- increasing the efficiency of grant making
- improving the effectiveness of grants
- mitigating losses from fraud and error

4.5.2 Use of third parties

Employment of agents from other sectors to undertake grant-making activity on behalf of the organisation should be subject to approval in accordance with the commercial approval framework where delivery is via a commercial delivery framework. GovS 008, Commercial shall be followed. Where delivery is via an arm's-length body, delivery should be in accordance with guidance in 'Managing Public Money' [2]. Such agents should be skilled and competent to carry out their tasks. Clear allocation of responsibilities and, where appropriate, indemnity against costs should be established.

5. Grant life cycle

5.1 The life cycle of government grants

The grant life cycle provides a framework for the management of grants. It comprises six main steps that should be reflected in an organisation's governance and management framework. The degree to which each step is applied should depend on the category of grant being administered (see 3.2) and associated risks. The life cycle is shown in Figure 4.

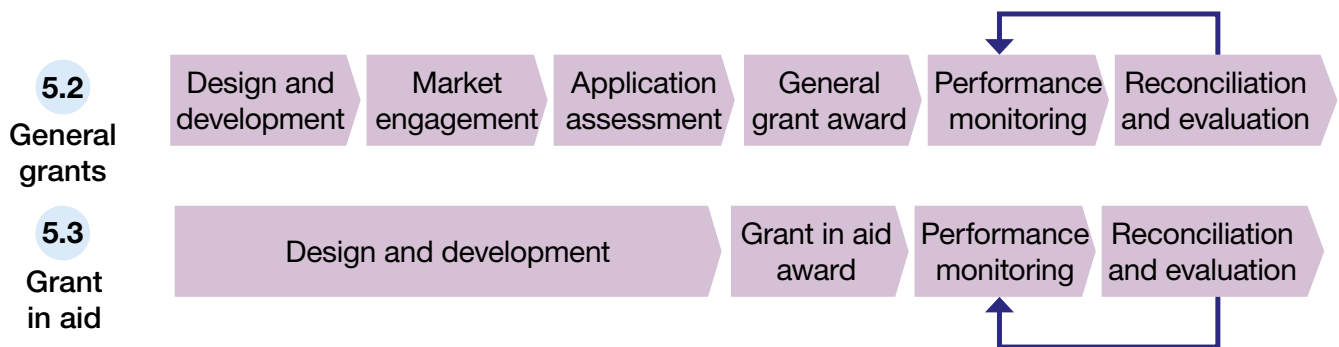


Figure 4 Life cycle for general grants and grant-in-aid

5.2 General grants life cycle

5.2.1 Design and development

The purpose of design and development is firstly to define the requirement for the use of a general grant as the appropriate mechanism to meet the policy objective (for example, rather than a commercial contract) and then to develop a grant model which is robust, proportionate and which will deliver value for money.

Policy requirements and outcomes should be confirmed by the senior officer accountable for the grant and defined in consultation with policy makers and other relevant stakeholders and specialists.

An initial analysis of the options and associated risks should be undertaken to enable and confirm the effective appraisal and selection of the optimum mechanism to deliver the intended outcome. Justification for choosing a particular option should be documented and should take account of:

- characteristics of the requirement and demand analysis
- opportunities and constraints in the recipient market
- findings from market analysis and engagement
- risks
- how the grant should be managed

Options should be chosen to maximise competition unless there is a clear justification for an uncompleted award.

GovS 010, Analysis shall be followed when conducting analysis.

When developing general grant models and criteria for assessing individuals and organisations for a grant award, consideration shall be given to combinations of risk indicators, which could affect the value of the grant, or even whether the grant should be awarded at all.

Where applicable, a pre-qualification questionnaire covering a comprehensive list of risk indicators should be developed to support effective engagement with potential applicants (see 5.2.2).

Details of the grant shall be entered on to the government grants information system (see 6.8) as soon as approval to develop the proposal has been given.

A robust business case (or equivalent document), proportionate to the level of expenditure and risk shall be developed (see 4.2.2).

A proportionate assessment of fraud risk shall be undertaken, including an assessment of mitigating actions (see 6.2).

Once a business case has been developed, it shall be approved, where it meets the requirements of the organisation's governance and approvals process (see 4.2.2), and details of the approval shall be entered into the government grants information system, in line with the requirements of the grants pipeline control process guidance.

5.2.2 Market engagement

The purpose of early market engagement is to support the development of an active pool of appropriate applicants, as well as ensuring that the grant is publicised and the opportunity made available to potential recipients, leading to healthy and appropriate competition for funding and delivering value for money.

Where significant collaboration or market creation is required, organisations should consider the use of a challenge fund to drive appropriate engagement.

The pool of potential recipients should be identified and engaged to confirm the likely demand and format of the grant.

Care should be taken not to provide any individual organisation or organisations with a competitive advantage. All relevant

information should be made available to all eligible applicants and grants should not be unfairly tailored to the needs of particular groups or organisations.

The business case should be refined, if necessary, and the delivery plan and sourcing strategy developed.

An assessment of the risk of breaching UK subsidy control rules [3], which could arise from grant funding, should be undertaken. Advice should be sought from legal specialists and the findings recorded in the business case. Grant-making organisations should ensure that their policy measures and projects comply with the rules. They should think about subsidy control early and seek advice to avoid problems and save time.

Once the strategy is approved the formal requirement, draft agreement, application form and assessment criteria should be developed and approved.

The Cabinet Office Model Grant Funding Agreement (MGFA) [10] should be used for general grants, except where the grant is so specialist that alternative terms and conditions would apply.

If applicable, the competition for the grant should be advertised and launched along with any questions from applicants and the associated responses. Responses to subsequent questions from applicants related to the scheme should be communicated to all applicants, for example, in a frequently asked questions document.

Government grants should be advertised and competed by default. Exceptions may be approved where competition would not be appropriate, for example when:

- awarding a grant to an organisation that is the only provider of the service that the grant is being set up to fund
- awarding a grant to an organisation which inhabits a unique position or offers a particularly specialist function

- if the value of the grant is low and the cost of approaching the market through a competition would exceed the benefit to be gained from competition between suppliers
- there is extreme urgency, where such urgency was not foreseeable and was not as a result of any action or inaction on the part of the awarding department
- in the event of market failure

If a decision is taken to award an uncompleted grant, detailed supporting evidence should be provided in the business case.

5.2.3 Application assessment

The purpose of application assessment is to identify the appropriate recipients, in line with the pre-agreed and publicised assessment criteria of the grant, and to reduce the likelihood of inefficiency and fraud.

Following completion of the assessments and before awarding the grant, the assessor should arrange for due diligence checks to be undertaken on the selected applicant(s), to inform award decisions. Consideration of potential fraud risk should form a part of this process (see 6.2). The use of a formal pre-qualification questionnaire should be considered, which tests applicants against a list of key risk indicators.

Once the assessment of applicants is complete, successful applicants should be sent a 'grant offer' letter. Unsuccessful applicants should receive a notification letter. Consideration should be given to providing feedback to unsuccessful applicants.

5.2.4 General grant award

The purpose of the grant award step is to formally make the award of funding to applicants that are successful via a competition, or via a direct award where a robust rationale has been approved.

The grant agreement (see 6.4.1) should be finalised, including performance metrics and supporting documents such as a grant management plan and performance management record.

Once the draft grant agreement has been signed off for use and tailored to the particulars of the scheme, authorised representatives of the funding organisation and the grant recipient shall sign a copy of the grant agreement, identifying the named accountable individual for the recipient organisation.

Once a grant agreement has been signed:

- payment mechanisms (such as purchase orders) should be set up
- documentation relating to the agreement should be securely stored (see 6.6) and government grants information system updated (see 6.8)

5.2.5 Performance monitoring

Throughout delivery, regular reviews of activity, risk and expenditure should be conducted and actions taken to address any issues or concerns identified (see 6.5).

Data and documentation should be securely stored (see 6.6) and government grants information system updated (see 6.8) as required.

5.2.6 Reconciliation

The purpose of the reconciliation and evaluation step is to establish that value for money has been achieved.

The reconciliation is to confirm that the delivery objectives have been achieved and that the funding has been used for the intended purpose and managed appropriately. Expenditure is assessed and any surplus funding identified and considered for recovery.

A financial reconciliation shall be undertaken towards the end of each financial year and at the end of the delivery period, taking

into account delivery against the key performance indicators (KPIs), milestones, and/or outcomes defined in the grant agreement. Payments should be reconciled with declared expenditure.

At each year-end, the person undertaking the reconciliation should make a recommendation to the senior officer responsible for a grant, based on the reconciliation findings and other available evidence. The recommendations may include (but are not limited to) any of the following:

- continuing in line with existing plans
- increasing or decreasing funding for the subsequent financial year
- re-defining and agreeing outcomes
- clawing back surplus funding
- clawing back funding that has been claimed or used fraudulently. GovS 014, Debt shall be followed
- terminating the grant

Such recommendations should be considered for implementation by the senior officer responsible for a grant. If the grant award is to be terminated or comes to a natural end, the government grants information system should be updated (see 6.8) and relevant documents archived (see 6.6).

5.2.7 Evaluation

The aim of the evaluation is to assess the impact of the funding and its success in delivering against the associated policy objectives. The evaluation model should be defined and agreed during the design and development step of the grants life cycle.

The senior officer responsible for a grant should commission an evaluation of the delivery of the scheme in relation to its specific policy objectives. The scope and scale of the evaluation, together with who should undertake the evaluation, should be determined by the nature, value and importance of the grant scheme, for example:

- basic internal assessment of delivery and outcomes
- formal evaluation by an external provider
- full evaluation, impact assessment and peer review

Any lessons learnt and good practice identified during the delivery of the grant should be shared (see 6.9).

Note: The Magenta Book contains guidance on evaluation [11].

5.3 Grant-in-aid life cycle

5.3.1 Design and development

Grant-in-aid is used to fund arm's-length bodies. The purpose of design and development is to define the requirement for grant-in-aid and set the high-level direction for the use of the funds.

Policy requirements and outcomes should be confirmed by the senior officer accountable for the grant, and defined in consultation with policy makers and other relevant stakeholders and specialists.

An initial analysis of the options and associated risks should be undertaken to enable the effective appraisal and selection of the optimum mechanism to deliver the intended outcome.

Justification for choosing a particular option should be documented and should take account of:

- characteristics of the requirement and demand analysis
- risks
- how the grant should be managed

GovS 010, Analysis shall be followed when conducting analysis.

When developing a grant-in-aid award, consideration shall be given to combinations of risk indicators, which could affect the value of the award, or whether the grant should be awarded at all.

A robust business case (or equivalent document), proportionate to the level of expenditure and risk, shall be developed (see 4.2.2), which includes reference to the assessment of fraud risks and mitigating actions (see 6.2).

Details of the grant shall be entered on to the government grants information system (see 6.8) as soon as approval to develop the scheme has been given.

Once a business case has been developed, it shall be approved where it meets the requirements of the organisation's governance and approvals process (see 4.2.2).

5.3.2 Grant-in-aid award

The purpose of grant award is to formally enable the transfer of funding to the recipient.

The framework document or equivalent document (see 6.4.2) shall set out the finalised requirements for administering the funding, including the key metrics and management information, together with any supporting documents such as a grant management plan or a strategy document, and a performance management record.

Once agreed:

- the authorised representatives of the funding organisation and the recipient organisation shall sign a copy of the agreement
- the documentation relating to the agreement should be securely stored (see 6.6) and the government grants information system updated (see 6.8)

5.3.3 Performance monitoring

Throughout delivery, regular reviews of activity, risk and expenditure should be conducted and actions taken to address any issues or concerns identified (see 6.6).

Data and documentation should be securely stored (see 6.6) and government grants information system updated (see 6.8), as required.

5.3.4 Reconciliation

The purpose of reconciliation and evaluation is to confirm that the funding organisation's delivery is in line with the terms of the framework document (or equivalent).

A financial reconciliation shall be undertaken towards the end of each financial year, which should take into account expenditure against the agreed categories, including administration costs, and delivery against the key performance indicators (KPIs), milestones, and/or outcomes defined in the framework document. Payments should be reconciled with declared expenditure.

The recommendations may include (but are not limited to) any of the following:

- continuing in line with existing plans
- increasing or decreasing funding for the subsequent financial year
- re-defining and agreeing outcomes
- clawing back surplus funding
- clawing back funding that has been claimed or used fraudulently. GovS 014, Debt shall be followed
- terminating the grant

Such recommendations should be considered for implementation by the senior officer responsible for a grant.

Where a grant-in-aid scheme is to be terminated, the government grants information system should be updated (see 6.8) and relevant documents archived (see 6.6).

5.3.5 Evaluation

The senior officer responsible for a grant should commission an evaluation of the delivery of the scheme in relation to its specific policy objectives. The scope and scale of the evaluation should be determined by the delivery organisation and agreed by the funding authority. It should take into account the nature, value and importance of the scheme, for example:

- basic internal assessment of delivery and outcomes
- formal evaluation by an external provider
- full evaluation, impact assessment and peer review

The evaluation should consider whether the delivery of specific interventions failed to meet, met or exceeded the objectives set out in the framework document.

Any lessons learnt and good practice identified during the delivery of the grant should be shared (see 6.9).

6. Supporting practices

6.1 Risk and issue management

The purpose of risk and issue management is to ensure government grants are awarded and completed successfully in support of government policy or organisational objectives, taking into account the extent of identified threats and opportunities.

The balance of overall opportunity and risk should be managed in accordance with the Orange Book [8].

Risks and issues should be:

- identified, assigned an owner and evaluated
- responded through mitigating actions to eliminate, reduce or avoid consequences or reduce the possibility of occurrence; risks may be accepted
- monitored to resolution and closed when no longer valid
- Risk controls should be reviewed to ensure they are still effective.

Grant-related risks might relate to:

- the ability of the market to provide the quantity and quality of activity required
- poor performance by recipients
- use of funding for a purpose other than that which was intended
- failure of a recipient to meet all or part of their obligations

Organisations shall ensure effective risk management is established in their assurance and governance processes. Risk registers should be defined, maintained and regularly reviewed by the organisation's senior officers who are accountable for grant activities.

Risk registers should include key risks and associated mitigations.

6.2 Counter fraud

The approach to counter fraud for grant schemes should be aligned with the organisation's counter fraud strategy and supported by an assessment of fraud risk which includes actions to prevent, detect and correct fraud. The purpose of this approach is to ensure that government grant funding in respect of policy delivery and the purchase or improvement of assets is awarded safely and used for its intended purpose.

When planning and managing Counter Fraud, GovS 013, Counter Fraud shall be followed.

An assessment of fraud risk shall be undertaken for every scheme proportionate to the value, sector and required activity of the scheme, and supported by mitigating actions appropriate to the identified risks. This assessment should be reviewed regularly and proactive actions taken to improve the likelihood of identifying and preventing fraud. Prevented and detected losses from fraud and error should be reported and appropriate and proportionate action taken to recover losses.

6.3 Grant-making capability and resourcing

The management of grant-making capability, capacity, resourcing and competency ensures that an organisation has the right resources and skills in place when needed.

Organisations should have in place an operating model capable of delivering the scope of this standard, including a pipeline of planned and future grant making and related activities necessary to manage and respond to risks and issues.

The resource baseline should include the target cost of the organisation's function, staff grade mix and resourcing plan in the context of its scope, which should include administration costs.

Grant-making activities should be planned in sufficient time to enable resources, including local and domain expertise where needed, to be identified and mobilised.

Grant-making work should be assigned to people who are competent and experienced, to carry out their assigned role (see 6.7). The appropriate level and number of specialists, who are trained and have proven competency, should be assigned to work on the development of each grant.

6.4 Agreements

The purpose of an agreement pertaining to a grant is to ensure that:

- the government's objectives in relation to a grant are clear
- funding is used for the purpose intended
- activity and expenditure can be monitored
- action can be taken early to suspend payment or terminate activity, where the grant is failing against its objectives
- fraudulently claimed, misused or surplus funding is recovered

General grants shall be covered by a grant agreement (see 6.4.1).

Grant-in-aid shall be covered under a framework document or equivalent (see 6.4.2).

6.4.1 Grant agreement (general grants)

Each general grant award shall be subject to a defined agreement between the grant-making body and the recipient and should be proportionate to the value of the grant being awarded and shall be underpinned by appropriate legislation. A grant agreement should be justified (see 4.2.2) and based on the content of the business case and written to ensure that the funding is used as intended. The agreement should include as a minimum:

- the purpose for which funding is to be used

- details of approved activity
- intended outcomes
- legal expectations
- eligible and ineligible expenditure
- required milestones
- financial and performance monitoring requirements
- payment suspension, termination and clawback arrangements
- insurance
- audit and assurance requirements
- specific conditions

Where outcomes cannot be specified, for example, in the case of innovation grants where the outcomes cannot be foreseen, there should be an unambiguous articulation of the purpose of the award, such as:

- why the research is being undertaken
- the required activity
- the aims and objectives

These should be linked to a monitoring regime to ensure that funding can be stopped if delivery does not match expectation or the aims are unlikely to be met.

Note: a model grant funding agreement is available from the grants Centre of Excellence on request, including variants for high and low value grants [10].

6.4.2 Framework document (grant-in-aid)

The framework document (or equivalent) defines the governance in relation to the relationship between the awarding body and the recipient organisation, including the management of grant-in-aid. The references to the management of the grant-in-aid, in the framework document, should be proportionate to the value of the grant being awarded. A framework document should comply with this functional standard, be justified (see 4.2.2) and include:

- the purpose of the award with key targets and objectives
- defined governance and management framework (see 4.1) including legal relationships, conduct, responsibility to Parliament (if any), plans for evolution and successor activities
- decision making (see 4.2.1)
- financial management

Note: for detail on framework documents see 'Managing Public Money' [2].

6.5 Performance monitoring

The purpose of performance monitoring is to ensure value for money is achieved for the outcomes delivered and to hold the award recipient to account for the delivery of the intended outcomes. Reports should be submitted to the grant-owning department, in line with the terms of the grant agreement or framework document.

Throughout delivery, the grant manager should conduct regular reviews of activity, risk and expenditure and take timely actions to address any issues or concerns identified. Monitoring should include a focus on detecting fraud and error (see 6.2) by tracking that grants achieve their intended outcomes and providing assurance that expenditure is within the eligible expenditure terms outlined in the applicable agreement.

The assessment of fraud risk (see 6.2) should be reviewed throughout the life of the grant to ensure it is relevant and appropriate. If necessary, any inappropriately used funds or assets should be considered for clawback.

6.6 Document management and record keeping

Document management and record keeping ensures necessary information, documentation, data and other records (both physical and electronic) are securely stored, distributed and retrievable when needed to support and evidence grant management practices.

Information, documents, data and records relating to grants and which need to be managed should be defined.

Information shall be retained to meet statutory and government requirements, in accordance with organisational information retention policies and legal requirements.

Records and data relating to a specific grant should be readily available during the currency of that grant.

6.7 Training

In performing their roles, and in meeting this standard, those undertaking grant management should have the appropriate level of support and shall have completed basic training to perform their role effectively. Such training should include knowledge of applicable sources of further guidance and the identification of empowering legislation underpinning individual grant schemes.

Note: An eLearning package: Introduction to Managing Government General Grants, designed to help grant managers comply with the above training requirement, is available on Civil Service's preferred learning platform. GovS 003, Human Resources shall be followed.

6.8 Reporting and information

Reporting ensures management teams and interested parties are aware of the current status and outlook regarding all aspects of government grant management, as defined in this standard.

The purpose of the government grants information system is to facilitate the recording and reporting of grant information across government, providing accurate data to help departments and arm's-length bodies to manage their grant portfolios efficiently and effectively, while helping to actively reducing the risk of fraud, through data.

Key data on government grants shall be recorded in the system, in line with Grants Management Function guidance, and shall include the following data as a minimum:

- value
- delivery period
- brief description of purpose
- owning department
- intermediary body (if any)
- recipient name

The overall status of government grants should be published annually, in line with the government's internal standard, in the form of the government grants statistics, by the senior officer accountable for grants across government.

Note: some sensitive grants may be withheld from the government grants information system entirely by departments, or certain sensitive information may be redacted at the time of publication on GOV.UK

Organisations shall report the status of grants as part of their annual report and resource account. GovS 006, Finance shall be followed.

Grant recipients shall report on their grants in accordance with their grant or framework document, as appropriate.

6.9 Continuous improvement and learning

Continuous improvement ensures government grant-making practices, at government and organisational levels, become more efficient and effective, delivering improved outcomes.

At the start of each step in the grant life cycle (see 5), those involved should identify and apply relevant lessons from previous work. Throughout the grant life cycle, lessons, including feedback from grant recipients, should be captured, evaluated and shared to facilitate continuous improvement.

Organisations should have a continuous improvement plan in place as part of their overall grant-making strategy and plan.

Progress should be reported regularly to relevant stakeholders. Organisations should collaborate to facilitate continuous improvement including:

- accessing best practice
- sharing lessons learned
- peer reviewing grant-making practices
- completing periodic assessments of current practices using a defined maturity framework

Organisational leaders and owners of standards, processes, methods, policy notes, tools and training should update their knowledge sources and communicate learning as appropriate.

A. References

All references are correct at the time of publication, users should check for updated versions.

| I.D. | Description |
|------|---|
| 1 | Cabinet Office, <i>Minimum Requirements</i> ; (2021) |
| 2 | HM Treasury, <i>Managing Public Money</i> ; (2013) |
| 3 | GOV.UK <i>Guidance on the UK's international subsidy control commitments</i> ; (2021) |
| 4 | Government Finance Function, <i>Global Design Principles</i> ; (2018) |
| 5 | HM Treasury, <i>Accounting officer system statements</i> ; (2017) |
| 6 | HM Treasury Green Book, <i>Guidance on how to appraise and evaluate policies, projects and programmes</i> |
| 7 | Cabinet Office, <i>Cabinet Office controls</i> ; (2018) |
| 8 | HM Treasury Orange Book, <i>Management of risk principles and concepts</i> |
| 9 | Grants Centre of Excellence, <i>Grants Pipeline Controls Framework</i> ; (2021) |
| 10 | Grants Centre of Excellence, <i>The Cabinet Office Model Grant Funding Agreement (MGFA)</i> |
| 11 | HM Treasury Magenta Book: <i>Guidance on what to consider when designing an evaluation</i> |

B. Glossary

See also the **common glossary of definitions** which includes a list of defined terms and phrases used across the suite of government functional standards. This glossary includes the term and definition.

| Term | Definition |
|--------------------------|---|
| arm's-length body (ALB) | <p>Central government bodies that carry out discrete functions on behalf of departments, but which are controlled or owned by them. They include executive agencies, non-departmental public bodies, and government-owned companies.</p> <p>More information on classification of public bodies can be found on GOV.UK</p> |
| assurance | <p>A general term for the confidence that can be derived from objective information over the successful conduct of activities, the efficient and effective design and operation of internal control, compliance with internal and external requirements, and the production of insightful and credible information to support decision making. Confidence diminishes when there are uncertainties around the integrity of information or of underlying processes.</p> |
| challenge fund | <p>A challenge fund is a pot of funding that has pre-published criteria attached to it. Organisations can apply to the fund and will receive a grant where they meet the published criteria. This would be considered competed funding.</p> |
| clawback | <p>The concept that where an asset financed by public money is sold, all or part of the proceeds of the sales should be returned to the Exchequer. Clawback can also apply when the purpose for which a general grant is given is not fulfilled.</p> |
| competed grant | <p>Funds for which applications are invited and evaluated, with awards made based on the outcome of the application.</p> |
| criteria-based grant | <p>Used to disseminate grant funding based on specific qualifying criteria, e.g. grants to assist those affected by floods.</p> |
| defined (way of working) | <p>In the context of standards, 'defined' denotes a documented way of working which people are expected to use. This can apply to any aspect of a governance or management framework for example processes, codes of practice, methods, templates, tools and guides.</p> |
| endowment | <p>An endowment is a usually paid as a one-off grant to enable the recipient to set up a fund from which to draw down over a number of years. Sometimes called a 'dowry'.</p> |

| Term | Definition |
|--------------------------------------|---|
| established (way of working) | In the context of standards, ‘established’ denotes a way of working that is implemented and used throughout the organisation. This can apply to any aspect of a governance or management framework for example processes, codes of practice, methods, templates, tools and guides. |
| formula grant | Grants calculated by way of a formula (e.g. grant funding provided by central government to local authorities, schools and the police, which is determined by factors such as population and levels of pupils who receive free school meals). |
| general grants | Grants made by departments or their grant-making arm’s-length bodies to outside bodies to reimburse expenditure on agreed items or functions, and often paid only on statutory conditions. They include competed, uncompleted and criteria-based grants. These grants are closely related in administration to contract procurement, whilst remaining legally distinct. |
| gift | Gifts include all transactions economically equivalent to free and unremunerated transfers from department to others. |
| governance | Governance defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation. It determines the rules and procedures through which the organisational objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation. |
| governance and management framework | A governance and management framework sets out the authority limits, decision making roles and rules, degrees of autonomy, assurance needs, reporting structure, accountabilities and roles and the appropriate management practices and associated documentation needed to meet this standard. |
| government grants information system | Part of the Grants Hub, the government grants information system is the central database for all government grants. |
| government grants statistics | The Cabinet Office publishes the government grants statistics on GOV.UK in March each year, sourced from the government grants information system, in order to fulfil the government’s transparency commitment. The statistics cover formula grants at scheme level and general grants at scheme and award level. |
| grant agreement | A grant agreement provides a legal framework and sets out details of the grant including what the funding is to be used for, what expenditure is expressly eligible and ineligible, together with details of the payment model, performance and monitoring regime, termination and clawback provision, and financial reconciliation. |

| Term | Definition |
|------------------|---|
| grant award | A grant award is made to meet one of the objectives of the overarching grant scheme. Grant awards can be made to organisations, registered and unregistered entities and individuals. |
| grant-in-aid | Regular payments by departments to outside bodies (usually NDPBs) to finance their operating expenditure. |
| grant scheme | Grant schemes are created to deliver a specific policy area, generally providing for a number of individual awards that sit within the scheme. |
| high-risk grants | High risk schemes would be classed as 'level 1' and are defined by value: generally, schemes with a value of £10m and above. |
| organisations | An organisation, in the context of government functional standards, is the generic term used to describe a government department, arm's-length body, or any other entity that is identified as being within scope of a functional standard. |
| outcomes | The result of change made by set activities, normally affecting real-world behaviour or circumstances. |
| outputs | A specialist product (the tangible or intangible artefact) that is produced, constructed or created as a result of a planned activity and handed over to users. |
| plan | A plan sets out how objectives, outcomes and outputs are to be delivered within defined constraints, in accordance with the strategy. |
| risk | Risk is the effect of uncertainty on objectives. Risk is usually expressed in terms of causes, potential events, and their consequences. |

| Term | Definition |
|------------------|--|
| subsidy | <p>Subsidy means financial assistance which:</p> <ul style="list-style-type: none"> (i) arises from the resources of the parties, including: <ul style="list-style-type: none"> (A) a direct or contingent transfer of funds such as direct grants, loans or loan guarantees; (B) the forgoing of revenue that is otherwise due; or (C) the provision of goods or services, or the purchase of goods or services; (ii) confers an economic advantage on one or more economic actors; (iii) is specific in so far as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services; and (iv) has, or could have, an effect on trade or investment between the parties. <p>More information on UK subsidy control can be found on GOV.UK.</p> |
| strategy | <p>A strategy outlines longer term objectives, outcomes and outputs, and the means to achieve them, to inform future decisions and planning.</p> |
| uncompeted grant | <p>A grant that is awarded to a single organisation or individual without a competition, for example, where there is only a single organisation that has the capability of delivering the objectives. Often referred to as a 'direct award'.</p> <p>Grant-in-aid is not part of this category.</p> |





Cabinet Office

Guidance for General Grants

Introduction

Version: 2

Date Issued: 31 August 2021

Important note

- ▶ This guidance applies only to general grants made by departments and their arm's length bodies (ALBs) using Exchequer funding. It does not apply to formula grants or grant in aid. [Managing Public Money](#) and local guidance within government grant making organisations is applicable to those categories and minimum requirements may be developed in future.
- ▶ Organisations' primary concern when administering grants is to have due regard to the Grants Functional Standard (GovS 015) and the key documents referred to within it including [Managing Public Money](#). Nothing in this guidance is intended to contradict or supersede these. Furthermore, this guidance is not intended to be an additional spending control - departments retain accountability for decisions on grants expenditure.
- ▶ This guidance should be read in conjunction with the wider set of minimum requirements guidance documents (including this introduction). Further information and tools supporting this guidance can be found online through the [grants Centre of Excellence \(CoE\)](#). It should also be read alongside organisations' internal guidance, where available, which will provide the departmental policy context.
- ▶ This guidance should be approached on a comply or explain basis. It is important to consider flexibility and proportionality in adhering to the minimum requirements. As such there may be some specific instances where the requirements may not be met in full. In these instances, appropriate justification should be recorded within the business case or equivalent approval documents (see paragraphs 5-8).

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Introduction

1. Minimum standards for government general grants (and supporting guidance) were originally published on [GOV.UK](https://www.gov.uk) in December 2016. This consisted of ten individual standards covering the end-to-end general grant making process, aimed at describing minimum expectations for the design, development and administration of general grants. In line with the development of government functions, these have been fully incorporated within a single Standard - the [Government Grants Functional Standard \(GovS 015\)](#) - and supporting minimum requirements, which can be accessed on [GOV.UK](https://www.gov.uk).
2. The minimum standards are now described as minimum requirements of the general grants process, as part of the Grants Functional Standard.
3. The Grants Functional Standard is applicable to grants administered by departments and Arm's Length Bodies (ALBs), either wholly or partly, using Exchequer funding. The Grants Functional Standard aims to ensure that departments deliver consistency, regularity and propriety in administering government grant funding.
4. This document serves as an introduction to the suite of guidance supporting the ten minimum requirements, and should also be read in conjunction with the Grants Functional Standard. This document provides an overview of:
 - the minimum requirements;
 - an introduction to the six-stage lifecycle of government grants and its interaction with the minimum requirements;
 - how this applies to public bodies;
 - support from the grants Centre of Excellence; and
 - a list of additional priorities.

The Comply or Explain Principle

5. This guidance should be approached on a *comply or explain* basis. In practice this means the organisation developing the grant scheme will demonstrate compliance with the minimum requirements or where that is not possible for specific elements of the requirements, provide a supporting rationale providing justification for any areas of non-compliance, as part of the business case, signed off at an appropriate level within the organisation.
6. It is important to consider flexibility and proportionality in adhering to the minimum requirements.
7. An example of this use of this principle would include the administration of general grants under Section 31 of the Local Government Act, 2003 (S.31). In these cases, government policy on localism dictates that funding should not be ring fenced, unless explicit approval is given by the MHCLG Secretary of State, therefore, full compliance with some elements of the minimum requirements for general grants will not be possible, such as many of the requirements under minimum requirement six, which covers grant agreements, and minimum requirement eight, which covers performance and monitoring. In these cases, the Ministry for Housing, Communities and Local

Government's (MHCLG) guidance for the administration of S.31 grants should be followed and a case developed to provide a rationale for any elements of the minimum requirements, with which compliance cannot be achieved. This should be recorded in the business case. For S.31 grant schemes, many elements of the minimum requirements will still be applicable, such as:

- uploading data to the Government Grants Information System (GGIS);
- complying with governance and approvals for the scheme level business case;
- undertaking a fraud risk assessment at scheme level; and
- ensuring clear guidance is provided to the recipients.

8. For clarity, the Grants Functional Standard, which covers the structure of the Function in grant making organisations, remains fully applicable to these schemes.

General Grants: Minimum Requirements

9. The ten minimum requirements are listed below, with further detailed guidance for each minimum requirement hosted alongside this document, on GOV.UK.

| MR | Minimum Requirement | Description |
|----|--|--|
| 1 | Senior officer responsible for a grant | All government grants shall have a named senior officer responsible for a grant with clearly defined responsibilities throughout the lifetime of the grant. <i>Note: this role is often referred to in departments as the senior responsible owner (SRO).</i> |
| 2 | Approvals and data capture | Departments shall ensure they have a robust grants approval process to approve spend over £100,000 , and that details of all current grant schemes and awards are available on the Government Grants Information System (GGIS) . |
| 3 | Complex grants advice panel | Complex government grants, including those that are high risk, novel, contentious or repercussive, as well as those undergoing a step change in scope or funding, should be considered for submission to the Complex Grants Advice Panel for scrutiny and advice from subject experts. |
| 4 | Business case development | A robust business case , proportionate to the level of expenditure and risk, shall be developed for all government grants. This should be scrutinised and approved in stages, as part of grants approval process, in line with the guidance in Managing Public Money. |

| | | |
|----|---|--|
| 5 | <u>Competition for funding</u> | Government grants should be competed by default ; exceptions may be approved where competition would not be appropriate. Detailed supporting evidence for any direct award decision should be provided in the approved business case. |
| 6 | <u>Grant agreements</u> | All government grants shall be awarded through robust grant agreements , proportionate to the value of the grant and which reflect the Grants Functional Standard for government grants, in line with guidance in Managing Public Money. All government grant agreements shall include terms of eligible expenditure. |
| 7 | <u>Risk, Controls and Assurance</u> | All government grants should be managed within an effective and proportionate control framework, including being subject to timely and proportionate due diligence, assurance and fraud risk assessment . |
| 8 | <u>Performance and monitoring</u> | All government grants should have outcomes agreed and longer-term outcomes defined , wherever possible, to enable active performance management, including regular reviews and adjustments where deemed necessary. |
| 9 | <u>Annual review and reconciliation</u> | All government grants should be reviewed annually at a minimum with a focus on financial reconciliation, taking into account delivery across the period, resulting in a decision to continue, discontinue or amend funding. |
| 10 | <u>Training</u> | All those involved in the development and administration of grant awards should undertake core training in grant management best practice. |

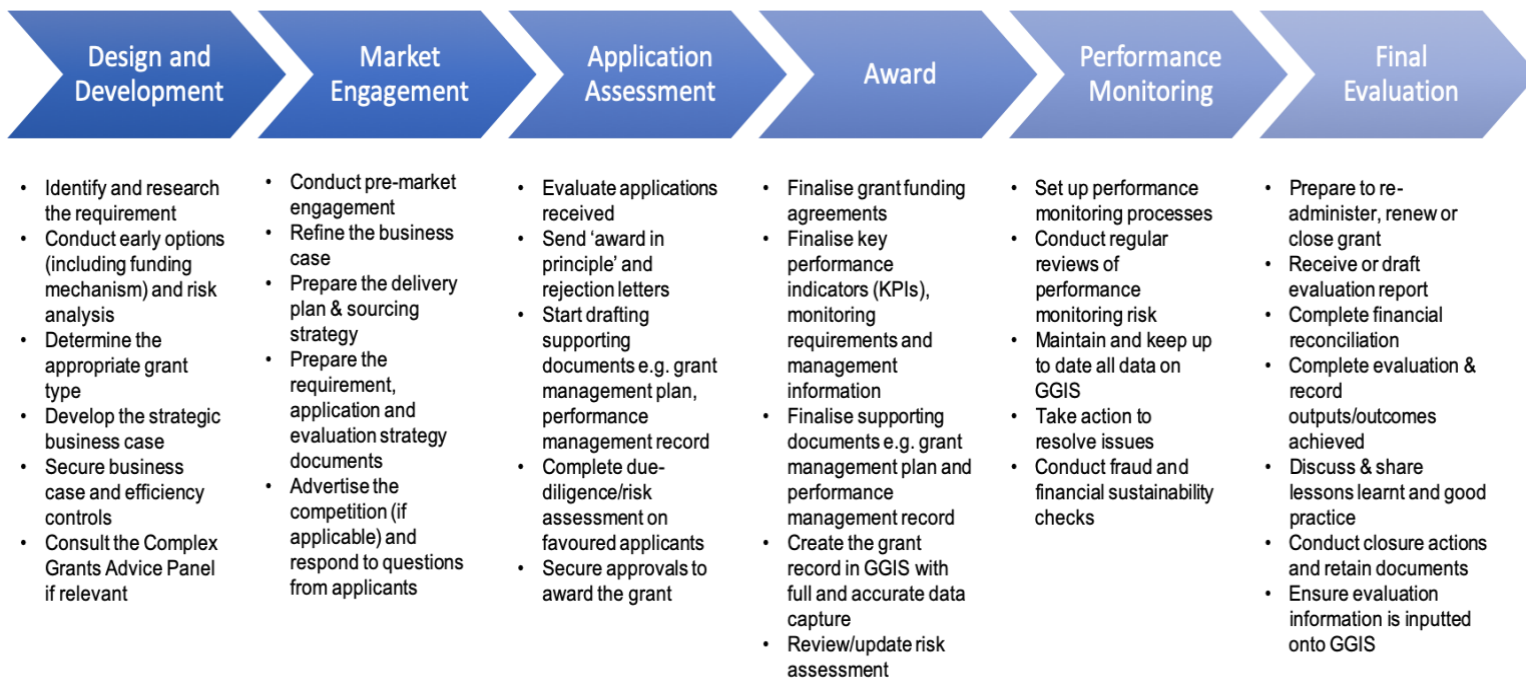
The Lifecycle for Government General Grants

10. The accepted lifecycle through which general grants are managed consists of six main steps - from design and development to final evaluation. These steps are outlined below, with some further detail on sub-processes. The lifecycle and process for grant-in-aid is covered in detail within the Grants Functional Standard.

11. The six-step lifecycle is designed to be applicable to all general grant schemes, across varying policy objectives, and is enabled by:

- departments' individual governance models;
- the capacity and capability of grant administration teams; and
- use of technology and insight from data sources such as the Government Grants Information System (GGIS) and any relevant documentation available from the grants Centre of Excellence.

Lifecycle overview



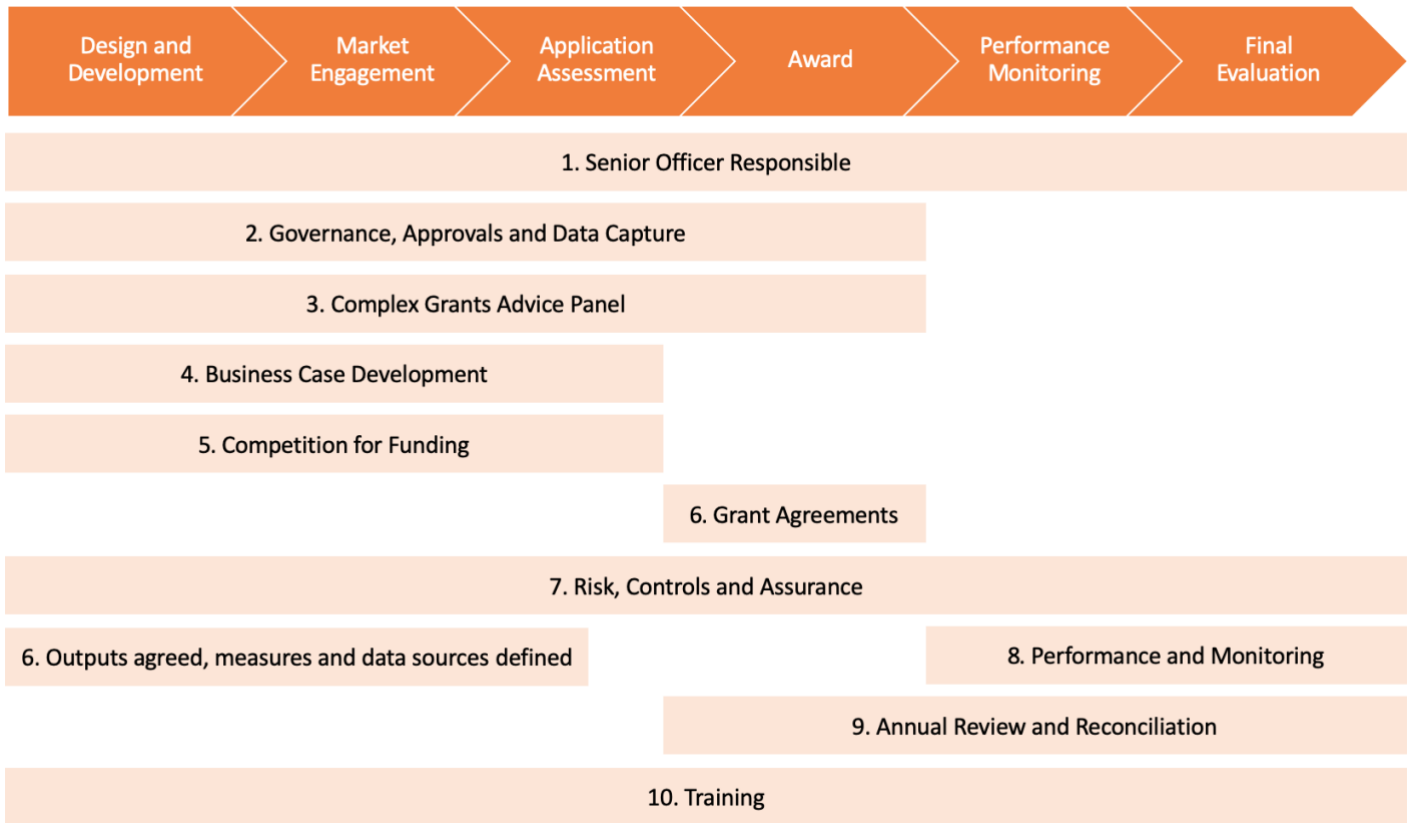
Lifecycle steps for Government General Grants

| | Steps | Description |
|---|-------------------------------|---|
| 1 | Design and Development | During the design and development stage, policy proposals are considered, external consultation can be sought (more information on early market engagement is in Minimum Requirement Two - Approvals and Data Capture) and the strategic business case for a grant is developed and approved. This initial stage requires grant-makers to critically assess whether the proposal should progress, based on a rigorous assessment of value for money and risk. When grant schemes are well designed from the very beginning, with input from appropriate subject matter experts such as policy, finance, commercial, legal, value for money can be achieved and the potential for losses through fraud and error mitigated, throughout the grant lifecycle. |
| 2 | Market Engagement | This stage of the lifecycle serves to identify a potential pool of applicants, as well as ensuring that the grant is publicised and the opportunity is made available to appropriate organisations. This leads to healthy and appropriate competition for funding, delivering cost effective outcomes. The benefits of appropriate competition have been clearly proven to outweigh the costs of competition and should be supported throughout the grant making process. If a grant scheme requires significant collaboration or market creation, consider the use of a challenge fund to drive appropriate engagement (more detail on challenge funds is in Minimum Requirement Five - Competition for Funding). |

| | | |
|---|-------------------------------|--|
| 3 | Application Assessment | <p>Pre-award, departments will review grant applications, and undertake initial due diligence checks to inform award decisions (more information is in Minimum Requirement Seven - Due Diligence and Fraud Risk). Weaknesses in the application assessment may result in a significant risk of fraud and loss to departments. At this stage in the process, the development of a formal pre-qualification questionnaire (PQQ) should be considered, which can be used to test against an exhaustive list of risk indicators and will help to ensure consistency in practice. An effective assessment model will help result in awards being made to appropriate recipients. The assessment will also enable the identification of riskier awards, so steps can be taken to manage that risk appropriately, for example, through monitoring and validation, throughout the grant-lifecycle.</p> |
| 4 | Award | <p>The award stage is critical because the grant agreement and performance measures, which will govern delivery, are agreed between both parties. These should be based on the work done at the business case stage and should ensure above all that the grant is used as intended. Performance and financial monitoring and validation requirements and responsibilities, including legal expectations, should be outlined clearly in the grant agreement to provide the tools for effective grant management. The grant agreement should provide the tools, through setting and agreeing clear expectations at the outset, to hold the grant recipient to account for the delivery of milestones and outcomes.</p> |
| 5 | Performance Monitoring | <p>Throughout the performance monitoring stage, regular reviews of agreed performance measures and expenditure shall be conducted, in line with the terms of the grant agreement, and action taken to address any concerns identified. By actively monitoring delivery, departments can: monitor payments versus expenditure, detect fraud, track if the grant is achieving its intended outcomes, and provide assurance that expenditure is within the eligible expenditure terms outlined in the grant agreement.</p> |
| 6 | Final Evaluation | <p>The evaluation model, including costs, should be developed and agreed at the design and development stage, with input from specialists such as Social Researchers, Statisticians and Economists. The evaluation should run throughout the delivery period, with the intention of the assuring that the grant has achieved its desired outcomes and to assess the impact. An evaluation of delivery, which is proportionate to the scheme in terms of scope and costs, should be undertaken for all grant schemes, with lessons learnt captured and shared to inform future interventions across government.</p> |

Minimum Requirements across the General Grants Lifecycle

12. There is a clear link between the ten minimum requirements and the six steps of the grants lifecycle, which is important for grant makers to consider throughout management of their grant(s). The following diagram shows how these align:



Accountabilities and Responsibilities

13. The development of a grant scheme involves a number of people across various professions, depending on the complexity. The matrix below provides a broad overview of key roles in the management of general grants, and provides an example illustration of where accountability and responsibility could rest.

| Tasks | Roles | | | | | | | |
|-------------------------|-------|---------|------------|------------|-------|-------|----------|--------------------|
| | SOR | Finance | Commercial | Policy/ALB | Legal | Audit | Economic | Project Management |
| GGIS* | A | I | I | R | I | I | I | I |
| Policy Development | A | C | C | R | C | I | I | I |
| CGAP: Referral / Advice | A | I | I | R | I | I | I | I |
| Business Case | A | A | C | A | A | I | A | A |
| Grant Agreement | A | A | R | R | C | C | I | I |
| Monitoring / Assurance | A | A | C | R | I | C | I | I |
| Reporting | A | I | I | R | I | I | I | I |

| | | | | | | | | |
|------------|---|---|---|---|---|---|---|---|
| Evaluation | A | C | I | R | I | I | C | I |
|------------|---|---|---|---|---|---|---|---|

* This refers to the input of information to the system.

| | | | | |
|-------------|-----------------|-----------------|---------------|--------------|
| Key: | R = Responsible | A = Accountable | C = Consulted | I = Informed |
|-------------|-----------------|-----------------|---------------|--------------|

Application of the Grants Functional Standard and Minimum Requirements for Arm's Length Bodies (ALBs)

14. Some departments have ALBs and other types of public bodies that carry out activities on their behalf. Usually, sponsor departments will have an agreed framework document, contract or memorandum of understanding with each ALB, which sets-out the nature of the relationship, the form of accountability, how the ALB is funded, and details of the activities the ALB will engage in. If an ALB or public body is awarding general grants that are themselves drawn from Exchequer funding, then the Grants Functional Standard shall apply management and administration of those schemes.
15. Moreover, sponsor departments are responsible for making sure, where applicable, that general grants administered via ALBs using Exchequer funding are compliant with the Grants Functional Standard and associated minimum requirements.
16. For more information on what constitutes an ALB (and other forms of public body) please review the guidance on [classification of public bodies](#).
17. The annual Cabinet Office publication that lists the current ALBs can be accessed via GOV.UK. The most recent version can be found under the section on [public bodies reports](#).
18. Another (though less regularly updated) list that also includes other forms of public bodies is the ['Departments, agencies and public bodies' list](#).

Grants Pipeline Control Framework

19. The Grants Pipeline Control Framework was introduced from April 2021 and is applicable to all Exchequer funded government grants. The aim of the Control is to increase the visibility of all categories of government grants at an earlier stage, and to enable the identification of an appropriate intervention and support model for grant making organisations involved in the development of government general grant schemes.
20. The Control forms part of the suite of Cabinet Office spending controls and is intended to help the Government Grants Management Function and government grant making organisations work together to ensure that general grants administration is compliant with the Grants Functional Standard and associated minimum requirements, and to enable the identification of high-value, high-risk, novel, contentious or repercussive schemes, to allow expert advice and support to be focused where it will make the most difference. Process guidance supporting the administration of the framework is published on the [grants Centre of Excellence \(CoE\)](#).

The Public Sector Equality Duty

21. In developing new grant schemes, government grant making organisations should have regard to the requirements of the Public Sector Equality Duty, which ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. A quick start guide can be found on GOV.UK: <https://www.gov.uk/government/publications/public-sector-quick-start-guide-to-the-public-sector-equality-duty>

The Government Grants Centre of Excellence (CoE)

"The launch of the [grants Centre of Excellence \(CoE\)](#) marks a step forward as we seek to reduce risk and improve the effectiveness of grant funding across government. The CoE can help build the capability we need to manage grants effectively across government, supported by our financial leaders."

What is the Centre of Excellence?

The [grants Centre of Excellence \(CoE\)](#) provides public servants involved in the development of government grants with access to support, best practice guidance, products, toolkits and training. The CoE's content is reviewed regularly and is developed in partnership with departments and Arm's Length Bodies (ALBs), to ensure a good fit with local policy and practice. You can register for access to the CoE if you are from a recognised government department or ALB.

Key benefits:

- **providing a focal point for departments on central policy:** with a focus on improving grant award and administration in line with government objectives to increase efficiency, improve effectiveness and reduce losses from fraud and error;
- **raising standards:** supporting appropriate proportionate practice to raising standards as required for grant schemes across government;
- **building resilience:** sharing access to best practice and learning from evaluations, across departmental boundaries;
- **increasing efficiency:** in the use of government resources through central access to guidance leading to a consistent and proportionate approach to the design and development and administration of government grant schemes;
- **coordinating and focusing activity:** the development of supporting products, provision of expert advice and sharing of best practice – seeking input from and reaching a wider audience; and
- **integrated and effective working:** between finance, policy and commercial colleagues to ensure a rigorous and expert approach, which maximises value for money.

Additional Priorities

Code of Conduct

22. In the management of grant funding, all government grant making organisations are expected to demonstrate the highest standards of professional conduct and to take

into consideration the public interest. Ethical behaviour plays a vital role in ensuring public trust in grants management and in upholding the reputation of government.

23. It is important to ensure that public money is not awarded to recipients that fall short of the ethical standards that departments require of them when carrying out the activities being funded. Grant making organisations are encouraged to make the necessary checks on potential recipients to ensure they have in place processes to safeguard against ethical issues such as: misuse of funds, conflicts of interest, environmental issues, or ensuring that vulnerable adults and children are protected. To address this, a [Code of Conduct for grant recipients](#) has been developed.
24. The Code of Conduct for government grant recipients is aligned to the equivalent [Code of Conduct for suppliers](#). The code sets out the expectations in terms of ethical and professional behaviour that the government places on grant recipients. It covers the behaviours which the government expects of a grant recipient and what a grant recipient can expect from government. Although the code itself does not have specific legal effect, it is given a legal basis within individual government grant agreements.
25. The Code of Conduct for Grant Recipients is split across three key areas, each with various sub headings:

| Employees / Service Users | Business Partners | Standards of Behaviour |
|--|--|--|
| <ul style="list-style-type: none"> • Respectful treatment • Professional behaviour • Interacting with vulnerable groups | <ul style="list-style-type: none"> • Risk management • Continuous improvement • End-to-end delivery • Value for money • Reputation and conflicts of interest • Cyber security and confidentiality • Environmentally sustainable funding | <ul style="list-style-type: none"> • Ethical behaviour • Counter fraud and corruption • Treatment of agents, partners, intermediaries and subcontractors • Transparency • Social responsibility |

Government Commercial Function

26. It is important to understand the differences between grant funding and contract procurement. One key consideration in deciding which mechanism is appropriate to the delivery of a policy, is whether or not the department is purchasing a product or service, or if it is supporting an activity which aligns with departmental policy for the public good. There are other differences, ranging from compliance with procurement rules, to the treatment of VAT, all of which will impact on whether grant funding or contract procurement is the best funding option.
27. As well as differences, there are also many similarities between the general grant and commercial contracting processes. Commercial practice is well established, so it is recommended that grant makers work with their colleagues in the Commercial

Function, to benefit from established best practice, so it can be effectively applied to grant funding models.

28. For more information refer to [Managing Public Money guidance](#) and the high level guidance note on *Grants and Alternative Funding Options*, which is located in the resource library under Guidance on the [grants Centre for Excellence \(CoE\)](#).
29. The *General Grants or Commercial Procurement* eLearning module can be found on the Government Commercial College which explains the key differences between a grant and a commercial contract, and their processes. A link to the platform can be found on the [grants Centre for Excellence \(CoE\)](#) in the Grants Foundation Learning Package.
30. Care should always be exercised when considering commercial practice, to ensure that commercial models are not inappropriately applied to general grants. Below is an example of commercial guidance, which can be applied effectively to general grants:

Competition bid-rigging toolkit

The Competition and Markets Authority has created a [digital toolkit](#) for analysing potential bid rigging and other anti-competitive behaviour. Whilst this is designed with commercial contracts in mind, it is of use and applicable to grants funding, especially within competed awards.

Subsidy Control

31. It is important that Senior Officer Responsible (SOR) for a grant scheme is aware of government guidance on subsidy control, for example:
 - [UK subsidy control rules](#) which replaced EU State Aid rules following the UK's exit from the European Union; and
 - [World Trade Organisation \(WTO\)](#) rules on subsidies.

More information can be found in [Minimum Requirement Five - Competition for Funding](#).

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Equality Impact Assessment: government grants minimum standards

Introduction

The [Equality Act 2010](#) has clarified and simplified the law and the Public Sector Equality Duties has set out what is expected of departments when making policy decisions. The Cabinet Office's inclusion approach supports best practice.

This approach along with the guidance from the Equality Commission has been used to consider the Introduction of Minimum Grants Standards in light of the Equality Act (EA) 2010.

The EIA

1) Name of the strategy, policy, programme or project being assessed.

The introduction of minimum standards for government grants.

2) Summarise the purpose of the proposal, and its desired outcomes.

Following the publication of the reports from the PAC/ PACAC inquiries into the Kids Company grant, John Manzoni, Chief Executive of the Civil Service, commissioned a cross-government grant review of direct award grants. The review was run in parallel with reviews undertaken by the Department for Education and the Office for Civil Society and Innovation in the Cabinet Office. Findings from the review have drawn from the recommendations from the PAC and PACAC reports, research undertaken by the Grants Efficiency Programme since October 2012, departmental reviews, and evidence gathered through deep dives with departments.

Areas of concern raised by the PAC in reference to the Kids Company covered the following:

- there was insufficient scrutiny of what Kids Company was delivering for taxpayers' money;
- departments ignored serious cash flow problems and lack of financial sustainability;
- Accounting Officers across the departments involved failed to stand up to ministers;
- funding decisions were not based on evidence nor did they follow due process; and
- the Government failed to learn lessons for failure and implement improvements.

The evidence highlights the potential for **significant strategic and operational risks** at every stage of the grant making process and very clearly demonstrates the need for improved and more accountable governance and for the introduction of clear minimum standards, to be applied across government.

The standards relate to general grants and not formula grants or grants-in-aid.

3) Who should benefit from the proposal and in what way?

The standards are intended to make the process of grant making more robust, effective and efficient and to help to prevent fraud. The introduction of the standards will benefit all grant making government departments and Arm's Length Bodies.

4) Is there any evidence or reason to believe that this proposal will be incompatible with The Compact?

The standards align with and support the Compact and we do not believe there is any evidence or reason to believe there is any conflict between the two.

The standards echo commitments in the Compact for a clear rationale for all funding decisions, and for agreed outcomes with clear and proportionate monitoring and reporting requirements. They support the Compact's commitment to ensuring that the widest possible

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range of organisations can be involved in the provision of services by requiring that grants are competed by default.

There may be a concern over the compatibility of the requirement in the standards for eligible expenditure clauses with the commitment in the Compact to “Respect and uphold the independence of Civil Society Organisations, to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist”. However, the standards do not interfere with organisations’ rights to campaign they merely prevent organisations from using government grant funding for purposes other than those set out in the grant agreement. The standards in no way interfere with the independence of civil society organisations and do not prevent a funded organisation from discussing the grant funded project with officials, Ministers or Parliament. Civil Society organisations can use other funds if they want to go further and actively lobby government.

We therefore consider that there are no conflicts between the Compact and the standards.

5) Is there any evidence or reason to believe that in relation to this proposal, there may be a difference in levels of uptake or participation by different groups or differences in the impact of the proposal on different groups:

The standards will be universally applied to all government grants, however, the specifics of compliance will differ, in line with diversity of the grant landscape.

6) Does evidence indicate that there will be a negative impact on some groups?:

The minimum grant standards are intended to ensure a more robust and consistent grant-making process across government. The grants standards do not offer any guidance on who should receive grants. We have shared the grants standards with stakeholders - both government departments and other interested parties and no concerns have been raised about any possible negative impacts.

We do not expect the minimum grants standards to have a negative impact on any groups as these are baseline standards which are being introduced to tighten up processes rather than guide decision making on who should receive grants.

We have considered whether these standards would have a negative impact on civil society organisations many of whom work with and for groups with protected characteristics. We understand that any adverse impact on the capacity of these organisations to communicate with political figures and the public on behalf of their beneficiaries will evidently have direct consequences for the beneficiaries themselves. We do not believe that the standards will impact the capacity of civil society organisations to communicate on behalf of their beneficiaries. The intent of the policy is to increase consistency and ensure compliance with HMT guidance on Managing Public Money, rather than directly influencing the distribution of grants in particular sectors. The grant standard relating to robust grant agreements includes a requirement for an eligible expenditure clause, which should include a restriction on lobbying but this would not prevent any other form of communication with government. It would also not preclude any civil society organisation from lobbying, merely from using government grants to fund that activity. We therefore do not consider that the standards will have any negative impacts but we will continue to engage with stakeholders on the impact of the standards and will monitor any evidence of adverse impacts, which arises.

7) Are there opportunities for positive impact or to promote equality of opportunity?

We have not been able to identify any such opportunities given the nature of this proposal.

8) Considering your answers to questions 1 - 5, do you believe a Full Equality Impact Assessment is needed?

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We do not believe that a full equality impact assessment is necessary at this time, however we will continue to monitor the impact of the minimum standards and if any unexpected impacts on groups with protected characteristics are reported we will reconsider whether a full equality impact assessment should be carried out.

9) Using the evidence listed above, fill in the table below to highlight the groups you think this proposal has the potential to impact upon:

| | Is there a potential for negative impact? | Is there a potential for a positive impact? | If yes please provide details of the impact |
|--|--|--|--|
| Age | No | No | |
| People with caring responsibilities | No | No | |
| People with disabilities | No | No | |
| Women or men (including expectant or new parents i.e. pregnancy and maternity and people who are married) | No | No | |
| Members of black or BME (minority ethnic background) | No | No | |
| People with a religion or belief (or who choose not to have a religion or belief) | No | No | |
| People who are lesbian, gay or bisexual (LGB) or in a Civil Partnership | No | No | |
| People who are transitioning from one gender to another | No | No | |

Conclusion

An EIA is a systematic process to identify the impact, or likely impact, a project or programme proposal will have on different groups of people (listed above). An impact is defined as 'an intentional or unintentional lasting consequence or significant change to people's lives brought about by an action or series of actions'. The impact can potentially be:

- positive – a positive impact will actively promote equality of opportunity for one or more groups, or improve equal opportunities/relations between groups; or
- adverse or negative – an adverse or negative impact causes disadvantage or exclusion. If such an impact is identified, the EIA process will ensure that it is as far as possible, either justified, eliminated, minimised or counter balanced by other measures; or
- neutral – a neutral impact is where there are no notable consequences for any diversity group.

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The Cabinet Office assessment is that the impact is neutral - the introduction of minimum standards is intended as a baseline for grant making. Moreover as the standards are being introduced on a 'comply or explain' basis, it is open to grant-makers to adapt processes where necessary and appropriate, to avoid any adverse impacts on particular groups, or to ensure a positive impact on particular groups, where appropriate, as long as they can show that the alternative approach fully delivers the same intent.



Guidance for General Grants

Minimum Requirement One: Senior Officer Responsible for a Grant

Version: 2

Date Issued: 31 August 2021

Important note

- ▶ This guidance applies only to general grants made by departments and their arm's length bodies (ALBs) using Exchequer funding. It does not apply to formula grants or grant in aid. [Managing Public Money](#) and local guidance within government grant making organisations is applicable to those categories and minimum requirements may be developed in future.
- ▶ Organisations' primary concern when administering grants is to have due regard to the Grants Functional Standard (GovS 015) and the key documents referred to within it including [Managing Public Money](#). Nothing in this guidance is intended to contradict or supersede these. Furthermore, this guidance is not intended to be an additional spending control - departments retain accountability for decisions on grants expenditure.
- ▶ This guidance should be read in conjunction with the wider set of minimum requirements guidance documents (including the introduction). Further information and tools supporting this guidance can be found online through the [grants Centre of Excellence \(CoE\)](#). It should also be read alongside organisations' internal guidance, where available, which will provide the departmental policy context.
- ▶ This guidance should be approached on a comply or explain basis. It is important to consider flexibility and proportionality in adhering to the minimum requirements. As such there may be some specific instances where the requirements may not be met in full. In these instances, appropriate justification should be recorded within the business case or equivalent approval documents.

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Minimum Requirement

All government grants shall have a **named senior officer responsible (SOR) for a grant** with clearly defined responsibilities throughout the lifetime of the grant.¹

Purpose

Minimum Requirement One: SOR for a grant and the guidance for general grants set out below, is about ensuring that an appropriate individual - with the necessary authority, capability and capacity, and a full understanding of their role and associated obligations - is assigned to each grant scheme, to take responsibility for delivering value for money and for managing risk within acceptable tolerances, as defined by their organisation.

¹ Note: this role was previously referred to as the senior responsible owner (SRO); as part of the move of standardising the Government Functions, the role identified within this minimum requirement is to be referred to as the 'senior officer responsible for a grant'. This is to distinguish between the SRO that is defined within the Project Delivery Functional Standard GovS002, whilst still acknowledging that some SROs may indeed also act as senior owners responsible for a grant.

Grants Functional Standard: Key References

Mandatory requirements are defined by the word ‘shall’ in the Grants Functional Standard which can be accessed [on GOV.UK](https://www.gov.uk). The ‘shalls’ for the management of grant schemes in relation to this minimum requirement have been extracted from the Standard and are set out below. *Please note that in some cases the information has been paraphrased for conciseness - refer to the standard itself for the full version.*

| Area | Requirement(s) | Context | Reference | Page |
|-------------------|---|---|---|------|
| Principles | <p>Those engaged in managing grants at scheme and award level shall ensure:</p> <ol style="list-style-type: none"> 1. grants objectives are aligned to government policy and organisational objectives; 2. the application of this standard is proportionate and appropriate, and is reflected in the approach taken to governance, management frameworks and controls, having regard to an accepted balance of opportunity and risk; 3. grants are made in the best interest of the public, the public purse, and operate in line with ‘Managing Public Money’ [2]; 4. funding is administered with optimum efficiency, economy, effectiveness and prudence, to maximise value for public money; 5. responsibilities and accountabilities are defined, mutually consistent, and traceable across all levels of management; and 6. public service codes of conduct and ethics and those of associated professions are upheld. | <p>The purpose of the government Grants Functional Standard is to set expectations and drive consistency in the management of grants, promoting efficient and effective grant making, to ensure funding is used as intended and provides value for money through high-quality delivery.</p> | <p>2 Principles</p> <p><i>Also refer to: Managing Public Money 1.1 Purpose of this government standard.</i></p> | 2 |

| | | | | |
|---|--|---|--|----------|
| <p>Governance Framework: Roles and Responsibilities</p> | <p>[Organisations] shall have (at a minimum) the following roles:</p> <ol style="list-style-type: none"> 1. Senior officer accountable for grants across government; 2. Accounting officer; 3. Senior officer accountable for finance in an organisation; 4. Senior officer accountable for an organisation's grants; 5. Senior officer responsible for a grant; 6. Grants champion; 7. Grant manager; 8. Specialist roles. | <p>Government grants should be afforded the appropriate level of scrutiny by the grant owning department, to ensure the government Grants Functional Standard is being adhered to and grant funding is being administered effectively. These roles are essential to the management of grant funding, and whilst organisations may change the titles and division of responsibilities they shall have (at a minimum) the roles outlined.</p> | <p>4.4 Roles and accountabilities.</p> | <p>9</p> |
|---|--|---|--|----------|

Overview

1. The SOR for a grant is responsible for ensuring that their assigned grant scheme(s) is aligned with the organisation's remit, legal powers and objectives, and delivers the intended outcomes and benefits. They report to the senior officer accountable for an organisation's grants - see the *Other Key Roles* section below.
2. The SOR for a grant should be assigned by the senior officer accountable for an organisation's grants (or an equivalent official within an organisation) prior to the design and development stage of the scheme. The role will continue until the benefits of the grant have been realised, evaluated and the findings disseminated within the organisation as appropriate, to inform the development of future grant schemes.
3. The SOR for a grant is usually at the senior civil service (SCS) level - although in some instances a Grade 7 or senior executive officer might be appropriate - with appropriate capability, capacity and delegated authority (per the department's specific guidelines). The SOR's role and responsibilities should be clearly communicated to the individual when they take on the position. This can be through an SOR delegation letter that would cover tenure, objectives and performance criteria, extent and limits of accountability (over financial controls, delegated authority etc.) and general development issues.
4. It is expected that departments will consider proportionality when defining the role for individual schemes, choosing the most appropriate person to deliver the requirement in terms of their knowledge and experience. Considerations may include the size of the grant in terms of the value, volume of individual awards the level of risk, including whether it is novel, contentious or repercussive, the duration of the grant and the department's risk tolerance.
5. The SOR will need to ensure that they have the appropriate level of resources to deliver the requirement throughout the grant's lifecycle, such as a grant manager and specialist support, as required (see the *Other Key Roles* section below). These should be appointed at a sufficiently early stage so as to set up the grant for success. Furthermore, the SOR will need to establish appropriate processes and controls to manage the grant in line with the organisation's governance framework for grants.
6. The SOR for a grant (and all staff involved with grants) should be given access to appropriate training to enable them to carry out their responsibilities effectively (refer to [Minimum Requirement Ten: Training](#) for further details). It is worth noting that approved training resources are available on the Grants Academy through the Centre of Excellence. SORs are also encouraged to share knowledge and experience with organisations across government, for example, through the Cabinet Office's SOR and Best Practice networks.
7. The name of the SOR for the grant is to be entered on to the Government Grants Information System (GGIS), to provide a level of assurance that a SOR has been assigned for each individual grant scheme in an organisation. The organisation should ensure that this information is updated where the SOR changes during the life of a grant. In addition, the name and contact details for the grant manager should also be recorded on the GGIS, to prevent inappropriate requests being directed to the SOR.
8. An outgoing SOR should adequately brief any replacement SOR, ensuring a smooth handover of responsibilities.

Responsibilities of the SOR for a Grant

9. The SOR is accountable for developing the business case for the grant and for navigating through their organisation's governance process for grants, in particular:
- compliance with the requirements of the Grants Pipeline Control Framework (process guidance can be found on the [grants Centre of Excellence \(CoE\)](#));
 - oversight of governance and approvals to ensure due regard is given to priority areas, including compliance with the Grants Functional Standard and ensuring appropriate budget cover is in place (refer to [Minimum Requirement Two: Governance, Approvals and Data Capture](#));
 - ensuring details of the grant are entered, and kept up-to-date, on the GGIS (refer to [Minimum Requirement Two: Governance, Approvals and Data Capture](#));
 - ensuring that grants are referred to the Complex Grants Advice Panel (CGAP), where required, that advice is considered, and the panel is provided with a written response covering action taken, or via a further meeting with CGAP (refer to [Minimum Requirement Three: CGAP](#));
 - development and approval of a Business Case, which is designed to be proportionate to the level of expenditure and risk, in alignment with delegated authority and governance (refer to [Minimum Requirement Four: Business Case](#));
 - ensuring that the grant is competed in line with guidance, or in the case of a direct award, is appropriately justified, recorded in the business case and approved (refer to [Minimum Requirement Five: Competition for Funding](#));
 - development and approval of the grant funding agreement template, including terms and conditions and associated schedules (refer to [Minimum Requirement Six: Grant Agreements](#));
 - management of risk, controls and assurance, approval of the due diligence model, and the fraud risk assessment and mitigation strategy (refer to [Minimum Requirement Seven: Risk, Controls and Assurance](#));
 - reporting to the Cabinet Office as required, for example, in response to an audit request and as part of continuous improvement against the requirements of the Grants Functional Standard, usually via the annual maturity assessment exercise;
 - ensuring appropriate monitoring of the performance of the grant – delivery and financial - and commissioning a proportionate evaluation of delivery in relation to the scheme's impact in relation to the policy objectives (refer to [Minimum Requirement Eight: Performance and Monitoring](#));
 - oversight and approval of annual final reviews for single and multi-year schemes, and implementing recommendations based on any findings from this, or other sources (refer to [Minimum Requirement Nine: Annual Review and Reconciliation](#)); and
 - ensuring that there are resources available, ensuring appropriate capability and capacity to administer the grant, and that all individuals involved in the development and management the grant have clear roles and responsibilities, and undergo appropriate training (refer to [Minimum Requirement Ten: Training](#)).

Note: the list above should not be considered exhaustive and is, therefore, in addition to any SOR requirements stipulated by the organisation.

SOR for a Grant in an Arm's Length Body

10. Arm's Length Bodies (ALB) that administer Exchequer funded general grants on behalf of its sponsor department will require an SOR for those grants, in line with the guidance above. Proportionality is a key factor in appointing the SOR - in this case consideration should also be given to the nature of the relationship between the ALB and its sponsor department with regards to levels of accountability, with key decisions being agreed with the department's sponsor team where appropriate, for example:
- some ALBs have opted for the role of SOR to be carried out by their Chief Executive Officers (CEOs) as they also fulfil the role of the Accounting Officer for the ALB, for example, where the volume of grants awarded is not particularly high and/ or when the CEO wishes to take direct responsibility for high value and/ or contentious awards; or
 - conversely, in many other instances, where ALBs make numerous low value awards, there may be the need for multiple SORs at an appropriate grade to cope with the volume of work.

Further Key Roles

Note: for more information about each of these roles, see section 4.4 Roles and Accountabilities in the Grants Functional Standard. It is worth noting that individual organisations may use different titles and may articulate the division of responsibilities in a slightly different way.

Senior Officer Accountable for Finance and Senior Officer Accountable for an Organisation's Grants

11. The SOR is expected to report to the senior officer accountable for an organisation's grants, who in turn will report to the senior officer accountable for finance.² The senior officer accountable for an organisation's grants and finance, are together responsible for ensuring that the financial requirements for grant schemes and awards are implemented, in full, within the department and its ALBs, where present, and depending on the management arrangements in place and described in the framework document.
12. The senior officer accountable for an organisation's grants provides leadership and direction for grant-making activity within the department and will direct the actions of SORs to ensure delivery is in line with expectations. They also ensure the implementation of grant related policy and compliance with the Grants Functional Standard.

Grant Manager

13. The grant manager is accountable to the SOR for a grant for the day-to-day management and administration of grants within an organisation, in line with the Grants Functional Standard and associated government and organisational policies.

²This should not be confused with the senior officer accountable for grants across government, who is accountable to the Chief Executive of the Civil Service, for the development and implementation of cross-government grants policy and practice.

Grant Champion

14. Each department has a grants champion who is responsible for representing their department as the single point of contact with, and disseminating information from the Cabinet Office grants management function, such as managing data requests and helping to promote adherence to the Grants Functional Standard.³ Some ALBs may elect to have their own grants champion, where that is considered proportionate and in line with the relationship with their sponsor department. The grants champion role is defined in a full role description, which is available on the grants Centre of Excellence.
15. SORs will work closely with their grants champions to ensure they are aware of the information flowing from Cabinet Office grants management function.

Other Stakeholders

16. SORs will need to interact with a variety of stakeholders throughout the lifecycle of their grant(s). These may include:
 - policy teams that work on awarding, monitoring and evaluating individual grants;
 - the Complex Grants Advice Panel (CGAP), an independent, cross-government expert panel, coordinated by Cabinet Office and HM Treasury;
 - grants recipients, their advisers and in some instances representative bodies;
 - specialists and support staff that may be utilised to cover issues such as those relating to commercial, legal, finance, risk, analysis and counter-fraud; and
 - governmental or parliamentary oversight bodies, such as the Government Internal Audit Agency or the National Audit Office.

Further Resources

17. In adhering to this minimum requirement and additional guidance, and in addition to the references and resources highlighted earlier in this document, organisations may want to consider the following resources found on the [grants Centre of Excellence \(CoE\)](#) - in particular:
 - training covering '[performing the role of SOR for a grant](#)', available through the Government Grants Academy page; and
 - the role of the Grants Champion.
18. The following materials may also be useful in defining the role of the grant SOR:
 - [GovS002 – Project Delivery](#), includes guidance on the role of the Senior Responsible Owner (SRO) for major projects, which may be useful in considering the role of the grants SOR; and
 - further guidance on the [role of the SRO](#) published by the Infrastructure Projects Authority (IPA).

³Grants champions are chosen, appointed and listed by their organisation, and SORs ought to be able to find their grants champion internally. SORs can also request the contact details of their grants champions from the Cabinet Office grants management function which makes all reasonable effort to hold that data centrally.



Cabinet Office

Guidance for General Grants

Minimum Requirement Two: Governance, Approvals & Data Capture

Version: 2

Date Issued: 31 August 2021

Important note

- ▶ This guidance applies only to general grants made by departments and their arm's length bodies (ALBs) using Exchequer funding. It does not apply to formula grants or grant in aid. [Managing Public Money](#) and local guidance within government grant making organisations is applicable to those categories and minimum requirements may be developed in future.
- ▶ Organisations' primary concern when administering grants is to have due regard to the 'Grants Functional Standard' (GovS 015) and the key documents referred to within it, including [Managing Public Money](#). Nothing in this guidance is intended to contradict or supersede these. Furthermore, this guidance is not intended to be an additional spending control - departments retain accountability for decisions on grants expenditure.
- ▶ This guidance should be read in conjunction with the wider set of minimum requirements guidance documents (including the introduction). Further information and tools supporting this guidance can be found online through the [grants Centre of Excellence \(CoE\)](#). Further references and resources are highlighted throughout. It should also be read alongside organisations' internal guidance, where available, which will provide the departmental policy context.
- ▶ This guidance should be approached on a 'comply or explain' basis. It is important to consider flexibility and proportionality in adhering to the minimum requirements. As such there may be some specific instances where the requirements may not be met in full. In these instances, appropriate justification should be recorded within the business case or equivalent approval documents.

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Minimum Requirement

Departments shall ensure they have a **robust grants approval process to approve spend over £100,000**, and that details of all current grant schemes and awards are **available on the Government Grants Information System (GGIS)**.

Purpose

Minimum Requirement Two: Governance, Approvals and Data Capture is to ensure that government grant making organisations have a robust and proportionate governance process in place to scrutinise and approve grants - including a related, proportionate approach for grants with a value of less than £100,000. This is particularly important throughout design and development and prior to award, to optimise value for money and minimise risk. The requirement will ensure that the required grants data are entered onto the GGIS in line with the Memorandum of Understanding agreed with central departments, to enable strategic planning across government and to allow government to meet its transparency commitments.

Grants Functional Standard: Key References

Mandatory requirements are defined by the word ‘shall’ in the Grants Functional Standard which can be accessed [on GOV.UK](https://www.gov.uk). The ‘shalls’ for the management of grants related to this minimum requirement have been extracted from the Standard and are set out below. *Please note that in some cases the information has been paraphrased for conciseness - refer to the standard itself for the full version.*

| Area | Requirement(s) | Context | Reference | Page |
|--------------------|--|--|--|------|
| Governance: | A governance and management framework shall be definite and established for the management of grants across government as a whole, and in government organisations, and comply with government and organisational policies and directives. | Grants governance comprises authorising, directing, empowering and overseeing the management of funding. The governance of grant making activities should be an integrated part of the organisation’s overall governance arrangements. | 4.1 Governance and management framework. <i>Also refer to: HM Treasury, Accounting officer system statements.</i> | 6 |
| Governance: | Each organisation shall have a senior officer accountable for its grant funding and a defined and established governance framework which: <ul style="list-style-type: none"> • complies with government and organisational policies and directives, and with the government Grants Functional Standard; • defines which activity should be included and how it should be managed; • should be reflected in the respective accounting officer system statement [1]; • should be periodically reviewed to ensure it is still valid. | [As above] | 4.1 Governance and management framework. <i>Also refer to: 4.4 Roles and accountabilities.</i> | 6 |

| Area | Requirement(s) | Context | Reference | Page |
|---------------------------------|---|--|--|------|
| Governance: Approvals | To facilitate governance and scrutiny, grant activity shall be justified and documented throughout the grant life cycle. Such evaluation should be in accordance with HM Treasury requirements (see Green Book [6]). Justification may be documented either in the form of a business case or other proportionate format, which should be defined in the organisation's grant governance and management framework. | Decisions should be made, and approvals given in a timely manner, in accordance with the organisation's grant governance and management framework, financial management controls (including delegations of authority) and government policy. | 4.2.2 Justification of grants. <i>Also refer to: 5 Grant life cycle, Green Book [4], 4.2.1 Decision making.</i> | 8 |
| Governance: Approvals | If required, subsequent approval shall be obtained in accordance with HM Treasury, Cabinet Office policy and spend controls [7] and GovS 006, Finance shall be followed. | [As above] | 4.2.2 Justification of grants. <i>Also refer to: 5 Grant life cycle, Cabinet Office controls, 2018, 4.2 Decision making.</i> | 8 |
| Governance: | GovS 006, Finance shall be followed, and those accountable for the management of grants shall comply with the following documents: <ul style="list-style-type: none"> • 'Managing Public Money' [2]; • 'Global Design Principles' [4]. | Grants governance comprises authorising, directing, empowering and overseeing the management of funding. The governance of grant making activities should be an integrated part of the organisation's overall governance arrangements. | 4.1 Governance and management framework. <i>Also refer to: GovS 006 Finance, Managing Public Money, Global Design Principles.</i> | 6 |

| Area | Requirement(s) | Context | Reference | Page |
|--|--|---|--|-----------|
| <p>Grant Life Cycle:</p> | <p>Details of the grant shall be entered on to the Government Grants Information System (see 6.8) as soon as approval to develop the proposal has been given.</p> <p>A robust business case (or equivalent document), proportionate to the level of expenditure and risk shall be developed (see 4.2.2).</p> <p>A proportionate assessment of fraud risk shall be undertaken, including an assessment of mitigating actions (see 6.2).</p> <p>Once a business case has been developed, it shall be approved, where it meets the requirements of the organisation's governance and approvals process (see 4.2.2), and details of the approval shall be entered into the Government Grants Information System, in line with the requirements of the grants pipeline control process guidance.</p> | <p>The purpose of the Government Grants Information System is to facilitate the recording and reporting of grant information across government, providing accurate data to help departments to manage their grant portfolios efficiently and effectively, while helping to actively reduce the risk of fraud, through data.</p> | <p>5.2.1 Design and development</p> <p><i>Also refer to: 6.6 Document management and record keeping 6.8 Reporting and information.</i></p> | <p>13</p> |
| <p>Supporting practices: Document management and record keeping</p> | <p>Information shall be retained to meet statutory and government requirements, in accordance with organisational information retention policies and legal requirements.</p> | <p>Document management and record keeping ensures necessary information, documentation, data and other records (both physical and electronic) are securely stored, distributed and retrievable when needed to support and evidence grant management practices.</p> | <p>6.6 Document management and record keeping.</p> | <p>21</p> |