

ANNEX 2

DCMS Standard terms and conditions of grants

Definitions

- 1) In these terms and conditions:
 - a) **Accountable Officer** is the person You appoint in accordance with clause 20;
 - b) **Agreement** or **Grant Agreement** means the Agreement specified in the Grant Offer Letter, including these terms and conditions and any other Annexes and appendices notified in the Grant Offer Letter;
 - c) **Asset** means any asset that is to be purchased or developed using Grant funds, including equipment or fixed assets;
 - d) **Cash Flow Profile** is defined in clause 17;
 - e) **Claim** is defined in clause 12;
 - f) **Compact** means the document entitled “The Compact – The Coalition Government and civil society organisations working effectively in partnership for the benefit of communities and citizens in England” published on www.gov.uk;
 - g) **Eligible Expenditure** are the costs specified in Annex 1 to the Agreement;
 - h) **Employment Regulations** means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) (‘TUPE’) or any successor legislation;
 - i) **Event of Default** is defined in clause 79;
 - j) **Financial Irregularity** includes, regardless of the amount, any fraud, other impropriety, or mismanagement in relation to the Grant or the Project, including the use of the Grant for purposes other than the Project;
 - k) **Financial Year** means the period running from the 1st April to 31st March in the following year;
 - l) **Former Grant Recipient** means any third-party provider carrying out activities which are the same or substantially similar to any of the Funded Activities and who is in receipt of grant funding provided by Us for the purposes of carrying out such activities, before the Relevant Transfer Date;
 - m) **Funded Activities** are the activities specified in Annex 3 to the Grant Agreement;
 - n) **Funding Period** means the period for which the Grant is awarded, starting on the date of this Grant Agreement and ending at the end of the Financial Year in which the last Tranche is payable;
 - o) **Grant** means the grant payable by Us to You as set out in the Grant Offer Letter under the terms of the Grant Agreement;
 - p) **Grant Offer Letter** means the letter from Us to You offering You a Grant for the Project;
 - q) **Information Acts** means the Freedom of Information Act 2000, the Data Protection Act 2018, the UK General Data Protection Regulation (the retained EU law version of the GDPR (EU 2016/679), as transposed into UK law by the Data Protection, Electronic Communication and Privacy (EU Exit) (Amendments etc) Regulations 2019), and the Environmental Information Regulations 2004;
 - r) **Intellectual Property Rights** means all copyright, patents, trademarks, database rights, design rights, goodwill, know-how and all other intellectual property rights, whether registered or unregistered, in any part of the world;
 - s) **Managing Public Money** means the guidance issued by the Treasury in August 2015 concerning the proper use of public funds, and includes any subsequent updates to that guidance from time to time;
 - t) **Milestone** means the planned completion date of a significant event in the Project;

- u) **Payment Request Form** is the form specified in the Grant Offer Letter;
- v) **Parties** means You and Us, and each a **Party**;
- w) **Project** means the project described in the Annex 1 to the Agreement;
- x) **Relevant Transfer** means a transfer of employment to which the Employment Regulations apply;
- y) **Relevant Transfer Date** means in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
- z) **Replacement Funded Activities** means any activities which are the same as or substantially similar to any of the Funded Activities and which are provided in substitution for any of the Funded Activities after the expiry or termination or partial termination of the Grant Agreement whether those services are provided by Us or a third party;
- aa) **Replacement Grant Recipient** means any third-party provider of Replacement Funded Activities (or where We are providing Replacement Funded Activities for Our own account, Us);
- bb) **Revised Cash Flow Profile** is defined in clause 18;
- cc) **State Subsidy Rules** means the subsidy and control principles of the UK-EU Trade and Co-operation Agreement 2020 and other treaty obligations in connection with state subsidies set out in [HM Government's Technical Guidance on the UK's international subsidy control commitments](#);
- dd) **Tranche** means the tranches of Grant specified in the Agreement;
- ee) **We, Us and Our** means the Secretary of State for Digital, Culture, Media and Sport and includes those officials and employees acting on behalf of the Secretary of State; and
- ff) **You and Your** means the organisation that We are giving the Grant to, as specified in the Grant Offer Letter, and includes officials, employees and agents acting for You.

2) In these terms and conditions:

- a) references to numbered clauses are references to the relevant clause in these terms and conditions;
- b) any obligation on any Party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done;
- c) the headings to the clauses of these terms and conditions are for information only and do not affect the interpretation of the Agreement;
- d) any reference to an enactment includes reference to that enactment as amended or replaced from time to time and to any subordinate legislation or byelaw made under that enactment; and
- e) the word 'including' shall be understood as meaning 'including without limitation'.

Provision of Grant

- 3) Subject to You complying with the terms and conditions set out in the Grant Agreement, We agree to pay to You the Grant in respect of Eligible Expenditure incurred by You in the Tranches and in the Financial Years set out in this Grant Agreement.
- 4) The Grant must be used solely for the purposes set out in the Project Description and must not be applied other than in accordance with the terms of this Grant Agreement.

You must not make any material change to the Project without Our prior written consent.

- 5) Each Tranche must only be used by You to offset Eligible Expenditure incurred in connection with the Project in the Financial Year for that Tranche. You shall not retain any unspent portion of a Tranche that has not been used by the end of the Financial Year to which the Tranche relates, without Our written permission.
- 6) Each Tranche may not be used to fund any other expenditure (including expenditure other than for the Project or expenditure for the Project incurred outside of the relevant Financial Year for the Tranche in question).
- 7) Where You receive funding from a third party for the Eligible Expenditure or to fund the same expenditure as is funded by this Grant, You must notify Us promptly and provide Us with details of the amount and purpose of the funding.

Eligible Expenditure and VAT

- 8) Only costs incurred in respect of those goods and services physically received in the Financial Years specified are Eligible Expenditure for the purposes of this Grant Agreement. Costs incurred in respect of any goods or services received outside the Financial Years specified or to a total value greater than that set out in the Grant Offer Letter for any one Financial Year (or in total) are not Eligible Expenditure. Eligible Expenditure is limited, in all cases, to costs which:
 - a) are incurred between the date You sign the Grant Offer Letter and the end of the Financial Year for the last Tranche payable
 - b) are net of VAT recoverable by You from HM Revenue and Customs; and
 - c) are gross of unrecoverable VAT.
- 9) You acknowledge that the Grant is not consideration for any taxable supply to Us for VAT purposes. In the event VAT is held to be chargeable, all Grant payments made by Us to You shall be deemed to be inclusive of any VAT, and You understand that Our obligation does not extend to paying You any amounts in respect of VAT in addition to the Grant.

Payment of Grant

- 10) You acknowledge that the amount specified in the Grant Offer Letter is the total amount of Grant that We may pay and that this amount will not be increased as a result of any overspend or otherwise. You shall promptly repay any money incorrectly paid to You by Us, either as a result of an administrative error or otherwise.
- 11) The Grant will not be paid in advance of need.
- 12) The Grant will be payable in instalments in arrears by Us in response to a request for payment from You (a "**Claim**") and the receipt of necessary itemised Eligible Expenditure incurred by You. You must submit all Claims to Us using the **Payment Request Form** annexed to the Grant Offer Letter by the 10th working day of the month.

- 13) We may request and You must supply proof of expenditure and any other supporting documentation and information in addition to the Payment Request Form as We may require. This evidence must be provided in full and will be audited by Us.
- 14) We will pay instalments of the Grant only if We are satisfied that all supporting information in connection with the Claim has been supplied to Our satisfaction. We will not make any payment unless full information as reasonably requested by Us (including, but not limited to, those documents outlined in clause 34, 36 and 37 below) has been provided during the course of the Funding Period.
- 15) We do not commit to renew or continue financial support to You after the Funding Period has ended.
- 16) If any part of the Grant remains unspent on conclusion of the Project, You shall ensure that any unspent funds are promptly returned to Us.

Forecasts

- 17) You must provide Us with an anticipated spend on the Project (the “**Cash Flow Profile**”) at least one month before the first Claim is submitted to Us in each Financial Year for the Grant. We may request and You must provide such additional information as We may reasonably require in addition to the Cash Flow Profile.
- 18) In the event of any changes to the Cash Flow Profile, You must provide Us with a revised Cash Flow Profile (the “**Revised Cash Flow Profile**”) by 30th November for the remainder of that Financial Year, taking into account any over or underspend which has occurred.
- 19) Once the Revised Cash Flow Profile or Profiles for a Financial Year has been submitted no further funding above the highest of those submitted Profiles will be available for that Financial Year except at Our discretion.

Accountability

- 20) Prior to the submission of the first Claim, You must confirm to Us the appointment of an Accountable Officer to be responsible for ensuring that You spend the Grant in a manner which complies with the terms and conditions of the Grant Agreement.
- 21) In particular the Accountable Officer must:
 - a) advise You on the discharge of Your responsibilities under this Grant Agreement and under any subsequent terms and conditions agreed by You and Us, or any guidance or other information notified by Us
 - b) safeguard, control and ensure the efficient, economical and effective management of the Grant;
 - c) seek to ensure that financial considerations, including any issues of propriety, regularity and value for money are taken into account at all stages in relation to the Grant;
 - d) be responsible for signing the accounts relating to the Grant, ensuring that they are properly prepared and presented and that proper accounting records are

maintained in such form as is suitable to Your requirements as well as complying with generally accepted accounting practices to which You are subject;

- e) ensure that conflicts are avoided, or, where they do arise, immediately inform Our Accounting Officer of the situation before proceeding further; and
 - f) not assign absolutely to any person the responsibilities set out in this clause, although day-to-day duties may be delegated to appropriate members of Your staff (including the signing of the Payment Request Forms);
 - g) You must notify Us in advance of any change of appointment of Accountable Officer.
 - h) Engage with Us and/or Our appointed advisers on an open book basis providing free and timely access to any information requested to ensure compliance with the terms of this Grant Agreement and to avoid HMG incurring any unnecessary costs.
- 22) You remain responsible for compliance with the conditions of this Grant Agreement in relation to the entire Grant, regardless of whether You work in partnership with another organisation or individual, or sub-grant or delegate any part of the delivery of the Project.
- 23) You must ensure that any organisation or individual You partner with, sub-grant to, or delegate to, in the course of delivering the Project, is subject to the same obligations with regard to Grant funds as are imposed upon You in this Grant Agreement, or such different obligations as We agree in writing.

Monitoring and Reporting

- 24) The Grant is offered on condition that You:
- a) provide Us with a written financial report and written operational report on Your use of the Grant and the progress with the Project every month or at such other interval as We reasonably require, including targets, outcomes, expenditure monitoring arrangements and performance measures, in accordance with the terms of the Grant Offer Letter and in such format as We reasonably require. Where data is distilled to a bespoke format understood only by yourselves, a narrative explanation is required to explain what the document represents and if necessary, supported by additional evidence. Delay in providing the required information may lead to Your Grant payments being withheld, reduced or withdrawn;
 - b) at Our request, provide Us with such further information, explanations and documents as We may reasonably require in order to determine whether the conditions of this Grant Agreement have been complied with;
 - c) permit any person authorised by Us such reasonable access to Your employees, agents, premises, facilities and/or records, as We may reasonably require in order to determine whether the conditions of this Grant Agreement have been complied with;
 - d) permit Our representatives to observe Your management/trustee/steering group meetings whenever these meetings are to discuss the Project; and

- e) retain copies of all papers and minutes of management committee/trustee/board /steering group meetings whenever these papers and minutes relate to work funded by the Grant. Copies of such information must be made available to Us, on request.
- 25) If You experience financial or other difficulties which may have a material impact on the effective delivery of the Project You must notify Us as soon as possible so that, if possible and without creating any legal obligation, We will have an opportunity to provide assistance in resolving the problem or take action to protect the Grant funds.
- 26) Throughout the Funding Period, You must maintain an internal audit function which will operate in accordance with the International Standards on Auditing (UK and Ireland) in force from time to time, or such other audit function as agreed in writing by Us.
- 27) You must comply with (and facilitate Our compliance with) all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to You and Us.
- 28) You must permit (and comply with) any surveys of management controls and systems, including internal audit reviews, as may be required by Us.
- 29) You must present the Payment Schedule (Annex 6) and the Eligible Expenditure form (Annex 1) to Your external auditors/accountants for certification. The external auditors/accountants' report should state whether, in their opinion, the Grant was applied in accordance with this Grant Agreement.
- 30) Your Chief Executive (or equivalent) should ensure that the systems governing the Grant funding are subject to independent review.
- 31) The systems in place to govern the Grant funding should be appropriate to the size of Your organisation, the level of the Grant, risk to the public funds provided and cost of the review. These arrangements may be reviewed by Us in line with HM Treasury's Public Sector Internal Audit Standards.

Monthly Reporting Requirements

- 32) You must ensure that, as part of the monthly Grant Claim submission, We receive:
 - a) a summary progress report outlining performance against Your Annual Delivery Plan KPIs for the relevant Financial Year and agreed outputs set out in Annex 4 to the Grant Funding Agreement falling due to be completed within the relevant monthly period;
 - b) a statement of anticipated expenditure in the form of a cash flow forecast for the upcoming month and a cash flow statement detailing all year to date Eligible Expenditure incurred in respect of the Funded Activities including demonstrating that £nil reserves would be generated from the Grant;
 - c) a statement of actual Eligible Expenditure incurred in respect of the Funded Activities up to the end of that period, in addition to Monthly Management Accounts;
 - d) a full year Eligible Expenditure forecast;

- e) detail on salaries, key purchasing decisions, key risks including issues of key person dependence, gaps in management, succession plans, financial management and governance and Subsidy Control compliance;
- f) The information detailed above is an initial list of evidence requirements and does not represent an exhaustive list. The Grant will be monitored for DCMS with possible assistance of external advisers. As such additional or supplementary information and evidence may be requested as We may reasonably require.

Monthly Management Meeting

- 33) On a monthly basis We and You shall discuss, at a working level, the performance of the previous month and relevant Grant Claim. This shall be an opportunity for either party to raise queries relating to Grant activity and/or payment process.
- 34) Meetings will be organised by You and You shall provide Us with a report at least 48 hours prior to this meeting including progress against objectives and the YTD financial position.

Quarterly Management Meeting

- 35) The Parties will attend quarterly management meetings and discussions will, at a minimum, include progress against the milestones set out in the Delivery Plan (Annex 4) and progress against the commercial sustainability plan prepared by You as part of your submission to the Grant competition.
- 36) Meetings will be organised by You and will be supported by a quarterly Programme Management Report, prepared by You, that will be provided at least one week in advance to DCMS officials. The report will include progress against Your plans to increase revenue from non-government sources and an updated quarterly forecast, including details on any material changes in the breakdown of proposed spend.

End of Year Report

- 37) You will organise an annual review meeting with Us. You will provide an annual report to Us demonstrating the impact of the Project to date. This should be submitted no later than fifteen (15) working days following the end of the Funding Period. The annual report should include:
 - a) confirmation whether the Grant has been used for the agreed purposes;
 - b) confirmation whether Milestones have been achieved;
 - c) confirmation whether KPIs have been met;
 - d) reconciliation of expenditure against the annual Grant budget.

Senior Officer Responsible/CEO Review Conversation

- 38) Following the final monitoring meeting, Your Chief Executive or their nominated deputy will take part in a review conversation (where requested by DCMS) with DCMS' Senior Officer Responsible or their nominated deputy in order to discuss any issues related to the delivery of Your programmes.

Annual Accounts

- 39) You shall provide Us with a copy of Your annual accounts within six months of the end of the relevant Financial Year in respect of each year in which the Grant is paid and a copy of Your audited accounts within nine months of the end of the Financial Year in respect of each year in which the Grant is paid.
- 40) You shall on request provide Us with such further information, explanations and documents as We may reasonably require to verify any information contained in the reports provided under this clause.

Annual Grant Review

- 41) The Grant will be reviewed annually and the review will take into account Your delivery of the Project against agreed outputs of the Grant Agreement. As part of the annual review We will have regard to the reports produced by You in accordance with the Grant Agreement.
- 42) Each annual review may result in Our making a recommendation that:
 - a) the Project and Grant Agreement continue in line with existing plans;
 - b) there should be an increase or decrease in Grant funding for the subsequent Financial Year;
 - c) the agreed outputs should be re-defined and agreed;
 - d) We should recover surplus funding;
 - e) the Grant Agreement should be terminated.
- 43) You may make representations to Us regarding any recommendations made in accordance with clause 42. We are not however obliged to act on such representations when making Our recommendation and any recommendation will be final and at Our absolute discretion

Delivery Plan

- 44) Grant funding shall be provided by Us to You in respect of Eligible Expenditure set out in Annex 3 incurred by you in carrying out the activities set out in the Delivery Plan in Annex 4.
- 45) The Delivery Plan annexed to this Agreement has been prepared by You and agreed with the Department for Digital, Culture, Media and Sport. The Delivery Plan annexed shall relate to the current Financial Year.
- 46) The Delivery Plan shall include the details of:
 - a) the business landscape which forms the background against Your strategy which is to be executed;
 - b) the high level plans to be adopted by You to implement Your strategy over the term of the Delivery Plan. These figures must be supported by clear, specific, and contemporary documentary evidence;
 - c) the financial forecasts detailing predicted Grant income and how it will be expended in delivering the Delivery Plan;

- d) any material changes from an earlier Delivery Plan;
- e) Overview of financial, management and internal financial reporting procedures, including key accounting policies, compliance with appropriate accounting standards;
- f) Corporate governance arrangements, project governance and anti-corruption/anti-fraud policies;
- g) Overview of key remuneration policies and procedures and dividends;
- h) a commercial sustainability plan setting out how You will continue to deliver the grant activities beyond the grant funded period.

Compliance with the Delivery Plan

- 47) You shall:
- a) operate in accordance with the Delivery Plan and the financial forecast as modified from time to time;
 - b) comply with Your Articles of Association; and
 - c) ensure that procedures are in place to enforce policies relating to:
 - i) anti-corruption
 - ii) intellectual property
 - iii) Subsidy control
 - iv) rules on management
 - v) financial control
 - vi) any other matter which is necessary to ensure Your continued compliance with Your legal obligations

Financial Management and Controls

- 48) You must maintain to Our satisfaction an appropriate system of financial management and control, and in particular You must:
- a) pay the Grant into a separate, designated bank account in Your name, which must be an ordinary business bank account, and not transfer any part of the Grant to other bank accounts except as necessary to carry out the Project;
 - b) keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant funds You receive, and ensure all invoices, receipts, accounting records and other documents relating to the use of the Grant are kept for a period of at least seven years after the last payments financed by this Grant;
 - c) ensure that a record is kept of all special payments (including ex-gratia payments) as defined in Managing Public Money and losses of cash or equipment and that these are suitably recorded in the statement of accounts for each Financial Year;
 - d) ensure that a record is kept of gifts and hospitality, funded by the Grant;
 - e) introduce and maintain a sound administration and audit process and system of internal controls, including formal procedures and processes for the identification and management of risk including safeguards against fraud, theft, waste or any other

impropriety or mismanagement in connection with the administration of the Grant, and ensure that the system is subject to independent review;

- f) comply with such other relevant guidance on the administrative practices relating to the expenditure of public funds as notified by Us;
- g) ensure that all officers, employees and other persons engaged or consulted in connection with this Agreement know that they must avoid conflicts of interest. You must establish formal procedures obliging all such persons to declare any actual or potential personal or financial interest in any matter concerning this Agreement, and to be excluded from any discussion or decision making relating to the matter concerned;
- h) ensure that any purchases of equipment, goods and services are based on value for money i.e. quality (or fitness for purpose) and delivery against price.

Accounts

- 49) You must keep proper books of accounts. You must open Your accounts to inspection by the Comptroller and Auditor General if requested for the purposes of any examination, under section 6(1) of the National Audit Act 1983, of the economy, efficiency and effectiveness with which You have used Your resources.
- 50) We and persons authorised by Us, as well as the Comptroller and Auditor General, his staff at the National Audit Office and agents and advisers (the “NAO”) may examine such documents as We or they may reasonably require which are owned, held or otherwise within Your control and may require You to produce such oral or written explanations as We or the NAO may reasonably consider necessary. You must ensure that Your employees, agents and contractors produce such explanations.
- 51) You must show the Grant as restricted funds in Your accounts; the Grant must not be included in general funds.
- 52) You must identify separately the value and purpose of the Grant in Your audited (or where permitted under charity law, independently examined) accounts (or in the notes thereto) and in Your Annual Report, and must, at Our request, send Us a copy of such accounts and Annual Report for each Financial Year in which the Grant is paid.
- 53) Where the Grant funding allows for capital spend, You must keep a register of fixed assets acquired or improved with the Grant.
- 54) Where You are a company registered at Companies House and/or a registered charity, You must file Your annual return and accounts by the dates specified by Companies House and the Charity Commission respectively.
- 55) You must provide Us with copies of Your annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commission.

Spending Controls - Marketing, Advertising, Communications and Consultancy

- 56) You must notify Us prior to any proposed additional expenditure beyond the activities set out in the Delivery Plan on advertising, communications, consultancy or marketing either in connection with, or using the Grant.

- 57) You should provide evidence that any additional marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant will deliver measurable outcomes that meet government objectives to secure value for money.

Intellectual Property Rights

- 58) For the avoidance of doubt, You will retain all Intellectual Property Rights that are:
- a) vested in or licensed to You prior to the Funding Period; or
 - b) developed by You during the Funding Period but which do not fall within clause 59.
- 59) We will own the Intellectual Property Rights in all reports, materials, documents and other products produced in whole or in part using the Grant and Intellectual Property Rights in materials produced with DCMS funding prior to the Funding Period. This clause 59 shall survive termination of the Grant Agreement.
- 60) Any copyright or database rights in materials produced using the Grant and materials produced using any previous DCMS funding that are owned by Us pursuant to clause 59 will be made available to You for use in accordance with the Open Government Licence, available at <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>.
- 61) Other than as expressly set out in this Grant Agreement, You do not have any right to use Our name, logos or trade marks on any of Your products or services without Our prior written consent.
- 62) We may freely share any information, know-how, systems or processes developed during the Funding Period to support similar projects.

Inventory of the Assets

- 63) You shall notify Us in advance of any plans to purchase or improve any Assets at a cumulative cost exceeding £100,000 and must keep a register of all Assets acquired or improved at a cost exceeding £500, wholly or partly using the Grant provided under the Grant Agreement. Where the cost of purchasing or improving the fixed assets

and/or major assets is less than £100,000 authorisation is not required, but the Asset should be recorded on the fixed asset register where the value exceeds £500.

- 64) Assets purchased with Grant funding must only be used for delivery of the Funded Activities.
- 65) For each entry in the register the following particulars must be shown where appropriate:
 - a) date of acquisition or improvement;
 - b) description of the Asset;
 - c) cost, net of recoverable VAT;
 - d) location of the Asset;
 - e) serial or identification numbers;
 - f) location of the title deeds;
 - g) date of any disposal;
 - h) depreciation/amortisation policy applied;
 - i) proceeds of any Disposal net of VAT; and
 - j) the identity of any person to whom the Asset has been transferred or sold.
- 66) We reserve the right to require You to maintain the above particulars as set out in clauses 63-65 for any additional items which We consider material to the overall Grant.

Disposal of Assets, change of use and assignment

- 67) We reserve the right to determine the outcome of any Assets created as a result of the Funded Activities or purchased with Grant monies.
 - a) You must seek approval from Us if You or Your contractors wish to dispose of, transfer or change the use of any Asset that was acquired or improved with Grant monies and must not sell any Asset below market value without prior written permission from Us.
 - b) Any proceeds will be surrendered to Us in full, unless otherwise agreed by Us.
 - c) You may not, without the prior written consent from Us, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement.

TUPE

- 68) You agree that if the Employment Regulations apply at the commencement of this Grant Agreement, then You will:
 - a) comply with Your obligations arising under the Employment Regulations and shall indemnify Us and/or any Former Grant Recipient for any loss arising from any failure so to comply; and
 - b) indemnify the Former Grant Recipient for 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 arising from any claim by any employee or person claiming to have been an

employee (or their employee representative) of the Former Grant Recipient, and/or any sub-contractor of the Former Grant Recipient, which arises or is alleged to arise from any act or omission by You, and/or any of Your subcontractors, after the Relevant Transfer Date.

- 69) Within 14 days of any request from Us, You will fully and accurately disclose to Us all staff information including, but not limited to, the total number of staff assigned for the purposes of the Employment Regulations to the Funded Activities, including, where relevant, any staff of any sub-contractor contracted and engaged by You. For each person identified you must provide, in a suitably anonymised format so as to comply with the Information Acts, details of:
- a) the activities they perform;
 - b) age;
 - c) start date;
 - d) place of work;
 - e) notice period;
 - f) redundancy payment entitlement;
 - g) salary, benefits and pension entitlements;
 - h) employment status;
 - i) identity of employer;
 - j) working arrangements;
 - k) outstanding liabilities;
 - l) sickness absence;
 - m) copies of all relevant employment contracts and related documents;
 - n) all information required under regulation 11 of the Employment Regulations or as reasonably requested by Us.
- 70) You warrant the accuracy of the information provided under clause 69 and will notify Us of any changes to the information as soon as reasonably possible. You shall permit Us to use and disclose the information to any prospective Replacement Grant Recipient.
- 71) In the 6 months before the expiry of the Grant Agreement, You will not change the identity and number of staff assigned to the Funded Activities or their terms and conditions, other than in the ordinary course of business.
- 72) You will co-operate with Us in respect of any exit transition arrangements by allowing any Replacement Grant Recipient to communicate with and meet the affected employees or their representatives.
- 73) You shall indemnify Us and/or any Replacement Grant Recipient for 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 arising from:
- a) Your failure to comply with the provisions of clauses 68-75; and/or
 - b) any claim by any employee or person claiming to be Your employee (or their employee representative), and/or any of Your sub-contractors, which arises or is

alleged to arise from any act or omission by You, and/or any of Your sub-contractors, on or before the date of a Relevant Transfer.

- 74) The provisions of clauses 68-75 apply during the term of this Grant Agreement and indefinitely after it terminates or expires.
- 75) The relevant third party shall be able to enforce its rights under clauses 68-75 but their consent will not be required to vary these clauses as the Parties may agree.

Fraud

- 76) You will 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 2010.
- 77) If You have any grounds for suspecting Financial Irregularity in the use of any part of the Grant or in relation to the Project, You must notify Us immediately, and, where appropriate the police. You must explain to Us what steps are being taken to investigate the suspicion, and keep Us informed about the progress of the investigation. Any grounds for suspecting Financial Irregularity includes what You, acting with due care, should have suspected as well as what is actually proven.

Borrowing

- 78) You must obtain prior written consent from Us before:
 - a) borrowing or lending money from any source;
 - b) charging or agreeing any security over any Asset; and/or
 - c) giving any guarantee, indemnities or letters of comfort,that relates to the Project, or has any impact on Your ability to deliver the Project.

Termination, Withholding and Repayment of Grant

- 79) An Event of Default occurs if:
 - a) You fail to comply with any term or condition of this Grant Agreement;
 - b) You fail to complete the Project or have failed to make satisfactory progress with the Project or any part of it, in accordance with any agreed timetable;
 - c) any information given or representations made by You to Us is found to be incorrect or incomplete to an extent which We reasonably consider to be material;
 - i) if there is a concern over Your ability to operate as a going concern (financial stability)
 - ii) if You do not have adequate experience, staff, systems in place to deliver the Project effectively and on time (ability to deliver)
 - iii) if You do not have adequate processes and controls in place to manage onward grantees (onward granting)
 - iv) if there are issues with or lack of internal control or governance procedures (governance and controls)

- v) if there are concerns over processes or approach to safeguarding (safeguarding)
 - vi) if there are concerns over the legitimacy of the source of funds
- d) You fail to cooperate with DCMS' due diligence process and to respond to all reasonable requests for information in a timely manner.
 - e) You fail to implement actions to redress issues or measures identified during the due diligence process, in the timescales agreed
 - f) You fail to invest the total grant amount paid by Us by a mutually agreed date
 - g) You fail to take adequate measures to investigate and resolve any reported Financial Irregularity;
 - h) You cease to operate and / or change the nature of Your operations to an extent which We reasonably consider to be material, including if You (or any substantial part of Your operations) merge with or are taken over by another organisation;
 - i) before the end of the Funding Period You:
 - i) are subject to a proposal for a voluntary arrangement or have a petition for an administration order or a winding up order brought against You;
 - ii) pass a resolution to wind up Your business;
 - iii) make any composition, arrangement, conveyance or assignment for the benefit of Your creditors, or purport to do the same; or
 - iv) are subject to the appointment of a receiver, administrator or liquidator; or
 - v) are unable to pay Your debts as they fall due;
 - j) You receive funding from any other source for the Eligible Expenditure which is funded by the Grant which You have failed to notify Us about;
 - k) You are involved in illegal activity in Your administration of the Project;
 - l) You take any actions which in Our reasonable opinion are likely to bring Our name or reputation, or that of the wider government, into disrepute, or which pose a risk to public money; or
 - m) You are otherwise in material breach of this Grant Agreement.
- 80) If an Event of Default occurs, We may, at Our discretion:
- a) suspend and withhold the payment of Grant for such period as We may determine;
 - b) require You to repay all or any part of the Grant that has been paid to You (or such lesser amount as We may determine) by issuing a demand for repayment. Prior to issuing such a demand, We may (at Our sole discretion) give You an opportunity to rectify such breach or occurrence, delay or defer any further payments of Grant instalments to You until such time as the breach has been remedied; and/or

- c) terminate this Grant Agreement by serving written notice where the Event of Default is incapable of being remedied or is not remedied within such reasonable period as We may determine, being not less than 30 days.
- 81) We may retain or set off any sums You owe to Us (whether because of repayment required under clause 80 or otherwise) against any sums due from Us to You under this Grant Agreement or any other agreement We have with You.
- 82) Without prejudice to clause 80, We may terminate this Grant Agreement by giving three months' notice in writing.
- 83) Any termination of this Grant Agreement is without prejudice to any other rights or remedies of the Parties under this Grant Agreement or at law and will not affect any accrued rights or obligations of the Parties at the date of termination.
- 84) We also have the right to impose additional terms and conditions on the Grant if an Event of Default occurs or if We have reasonable grounds to believe that it is necessary to protect public money.

State Subsidies

- 85) You shall ensure the activities funded by the Grant are compatible with, and do not put Us in breach of, the State Subsidy Rules. You shall maintain appropriate records of compliance with the State Subsidy Rules and will take all reasonable steps to assist Us to comply with the same and respond to any proceedings or investigations into the activities funded by the Grant by any relevant court or tribunal of relevant jurisdiction or regulatory body. We may vary or suspend any or all payments of the Grant and/or require repayment of the Grant already paid, together with interest earned by You from the date of payment, if We are required to do so as a result of any part of the Grant failing to comply with the State Subsidy Rules.

Procurement

- 86) You must comply with all applicable public procurement law in connection with the Project.
- 87) In particular, if You are a contracting authority as defined in the Public Contracts Regulations 2015, You must carry out any procurement in accordance with those Regulations.
- 88) If You are not a contracting authority as defined in those Regulations, You must carry out any procurement by way of fair and open practices. You must aim to secure value for money in all Your procurement decisions.

Prompt Payment

- 89) You must comply with the Government's Prompt Payment Code and therefore endeavour to make all payments to contractors etc. from Grant money paid under this Grant Agreement by the agreed date or within 30 days if no date is specified, with the exception of any payments that are disputed by You. Details of the Prompt Payment Code can be found on the website <https://www.smallbusinesscommissioner.gov.uk/ppc/about-us/>.

Losses, Gifts and Ex Gratia Payments

- 90) You must not, without Our approval, make novel or contentious payments or gifts from the Grant. These include any payment which is likely to cause embarrassment to and/or repercussions for Us and/or the Government or may result in unusual or over generous conditions of service, such as excessive severance packages. If You are in any doubt about the regularity or propriety of any payment, You must consult Us for advice before making the payment and must not make the payment unless and until We approve it.

Compliance with the law

- 91) You must comply with all statutory requirements, law and regulations of the United Kingdom, including in particular relevant health and safety law, laws prohibiting any form of discrimination, and the Information Acts.
- 92) You and Your representatives must comply with, and must use all reasonable endeavours to ensure that Your activities and those individuals and organisations funded by this Grant comply with, the Equality Act 2010. In particular, You shall ensure that when services are provided by or through this Grant, due regard is given to the need to:
- a) eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010;
 - b) advance equality of opportunity between people who share a protected characteristic and those who do not share it; and
 - c) foster good relations between people who share a protected characteristic and those who do not share it.
- 93) You shall comply in all material respects with all applicable environmental laws and regulations in force in relation to the Project. In particular, You shall:
- a) perform the activities funded by the Grant in accordance with our environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of consumer single-use plastics, ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
 - b) pay due regard to the use of recycled products, so long as they are not detrimental to the Project or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
 - c) take all possible precautions to ensure that any equipment and materials used pursuant to the Project do not contain chlorofluorocarbons, halons or any other damaging substances. You shall endeavour to reduce carbon and fuel emissions wherever possible.
- 94) You will notify Us of any change to Your constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into Your activities or those of Your staff or officers or volunteers.

Publicity

- 95) We may acknowledge Your involvement in the Project and Your receipt of the Grant without prior notice to You.
- 96) You give consent to Us to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from Your initial Grant application or any monitoring reports submitted to Us in accordance with clause 32 of these conditions.
- 97) We consent to You carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.
- 98) Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature Our logo. If a third party wishes to use Our logo, You must first seek permission from Us.

Variation of the terms and conditions

- 99) No amendment, waiver or variation of any of the terms and conditions of this Grant Agreement will be valid or effective unless made in writing and signed by or on behalf of the Parties.

Assignment

- 100) You must not assign or transfer this Grant Agreement or any of Your rights under it without Our prior written consent.

Contract (Rights of Third Parties) Act 1999

- 101) Subject to clause 75, no person who is not a party to this Agreement will have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

Joint and several liability

- 102) If You are not a company nor an incorporated entity with a distinct legal personality, the individuals who enter into and sign this Grant Agreement on Your behalf shall be jointly and severally liable for Your obligations and liabilities arising under this Grant Agreement.

No partnership or agency

- 103) This Grant Agreement shall not create any partnership or joint venture between You and Us, nor any relationship of principal and agent, nor authorise You to make or enter into any commitments for or on behalf of Us.

Waiver

- 104) No failure or delay by either Party to exercise any right or remedy under this Grant Agreement shall be construed as a waiver of any other right or remedy.

Freedom of Information, Data Protection and Human Rights

- 105) You must observe Your obligations under the Information Acts and the Human Rights Act 1998 and under the common law duty of confidentiality and shall comply with all applicable laws, regulations, best practice and codes of practice (and shall notify Us immediately of any significant departure from such legislation, regulations or codes).
- 106) You hereby acknowledge that We are subject to requirements under the Information Acts. Where requested by Us, You will provide reasonable assistance and cooperation to Us to assist Our compliance with Our information disclosure obligations.
- 107) At Our request, You will provide Us with all such relevant documents and information relating to Your data protection policies and procedures as We may reasonably require.
- 108) You acknowledge that We, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning You and this Agreement without consulting with You.
- 109) We will take reasonable steps to notify You of a request for information to the extent that it is permissible and reasonably practical for Us to do so but (notwithstanding any other provision in this Agreement) We will be responsible for determining in Our absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.
- 110) You agree that You are the data controller of any personal data processed by You pursuant to the Project, as those terms are defined in the Information Acts in force at the relevant time. You will comply fully with the Information Acts to the extent that they are applicable to You.
- 111) You agree that We may share details of the Grant and the name of Your organisation with the UK Government and that such details may appear on the Government Grants Information System database which is available for search by other funders.
- 112) Where the Project Description permits You to use the Grant for providing onward grants, You are to provide information to enable Us to record the onward grants on the Government Grants Information System and other online platforms which publish grants information. It is currently government practice that this information then be redacted for online publication along with other government grants information. The content and format of the information to be provided will be determined by Us. We will not require information provided by You to Us on onward grants to include personal data as defined in the Information Acts.

Notices

- 113) All notices, invoices and other communications relating to the Grant Agreement must be in writing and in English and must be served on the other Party:
 - a) at the address indicated in the Grant Offer Letter for that Party; or
 - b) at the email address shown at the head of the Grant Offer Letter for Us, and
 - c) at the email address provided by You as requested in the Grant Offer Letter for You.
- 114) A Party may change its address or email address by giving notice in accordance with clause 113.

- 115) Notices will be deemed to be delivered:
- a) if delivered by hand, on receipt;
 - b) if sent by pre-paid registered first class post (providing it is not returned as undelivered to the sender), two working days after posting;
 - c) if sent by email, on the date of delivery, unless it is sent on a day which is not a working day or after 3pm on a working day, in which case the email is deemed to have been received on the next working day.

Governing Law and resolution of disputes

- 116) You must at all times act with utmost good faith towards Us and must at all times co-operate fully with Us.
- 117) Both Parties must attempt in good faith to negotiate the settlement of any dispute arising out of or in connection with the Grant Agreement without delay.
- 118) The Grant Agreement is governed and construed in accordance with the law of England and the Parties hereby submit to the exclusive jurisdiction of the English Courts.
- 119) Both parties will use their best endeavours to uphold the principles and undertakings of The Compact.

Whole agreement

- 120) The Grant Agreement sets out the entire agreement between the Parties. It replaces all previous negotiations, agreements, understandings and representations between the Parties, whether oral or in writing, on the subject matter of the Grant Agreement.

Liability

- 121) Nothing in the Grant Agreement limits either Party's liability for:
- a) personal injury or death which is caused by that Party's negligence;
 - b) fraud or fraudulent misrepresentation; or
 - c) any other matter in respect of which liability cannot, by applicable law, be limited.
- 122) Subject to clause 121, We accept no liability for any consequences, whether direct or indirect, that may come about from You running the Project, the use of the Grant or from withdrawal of the Grant. We will not be liable to any third party with whom You have entered into any contract for the provision of goods and services to You for the Project, or to whom You have sub-granted or delegated in relation to the Project. You will ensure that any such contracts and agreements include a provision to the effect that the third party's recourse is to You.

Authorisations

- 123) You make the following representations and warranties to and for Our benefit and acknowledge that We have made this Grant available in reliance on such representations and warranties:
- a) Your obligations under the Grant Agreement are legal, valid, binding and enforceable;
 - b) all authorisations and consents necessary to enable You to enter into and perform Your obligations under this Grant Agreement have been obtained; and
 - c) The person or persons signing this Grant Agreement are duly authorised to sign on Your behalf.
- 124) The Parties agree that it is their intention to be legally contractually bound by this Grant.

Code of Conduct for Recipients of Government General Grants

- 125) You acknowledge that by signing the Grant Offer Letter You agree to take account of the Code of Conduct for Recipients of Government General Grants ([link](#)), which includes ensuring that Your representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- a) You shall immediately notify Us if You become aware of any actual or suspected breaches of the principles outlined in the Code of Conduct;
 - b) You acknowledge that a failure to notify Us of an actual or suspected breach of the Code of Conduct may result in Our immediately suspending the Grant funding, terminating the Grant and taking action to recover some or all of the funds paid to You.

Exit plan

- 126) Where We require You to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, You shall prepare the Exit Plan within three (3) months of the requirement being notified to You and shall comply with the exit provisions set out in Annex 5 of these Conditions.

ANNEX 3
Eligible Expenditure Schedule (breakdown of forecast grant expenditure)

ANNEX 4
Annual Delivery Plan

ANNEX 5 Exit Plan

1. The following definitions shall apply in addition to the definitions contained in paragraph 1 of these terms and conditions (Definitions):

“Exit Plan” means the plan prepared and submitted by You to Us to enable the smooth closure or transfer of the Funded Activities to Us or a Replacement Grant Recipient.

General

2. Where We intend to continue the operation of the Funded Activities in broadly the same way after expiry or termination of the Grant Agreement, either by performing them Ourselves or by means of a successor, You shall use all reasonable endeavours to ensure the smooth and orderly transition of the Funded Activities and shall co-operate with Us or a Replacement Grant Recipient, as the case may be, in order to achieve such transition.
3. When such endeavours and co-operation are outside the scope of the Grant, You shall provide quotations for reasonable charges associated with providing such assistance and We shall pay such reasonable charges.
4. You will comply with any reasonable request from Us for information relating to the performance of the Funded Activities.

Exit Planning

5. You will, in conjunction with Us, 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 We or You may instigate a review of the Exit Plan.
6. You will co-operate with all reasonable requests made by either Us or a Replacement Grant Recipient relating to exit transition arrangements for the Funded Activities.

Assistance

7. You will use all reasonable endeavours to ensure that a transition of responsibility for the delivery of the Funded Activities to Replacement Grant Recipient or Us, as the case may be, minimises any detrimental effect on the delivery of the Funded Activities and We will use all reasonable endeavours to co-operate in such transfer.

Assets Register

8. You shall maintain throughout the exit period of this Grant an asset register in accordance with the terms and conditions of the Grant Agreement.
9. You shall not change the status of any Asset without Our prior written consent 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 Agreement.

Documentation and Access

10. You shall provide Us on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to Us or to a Replacement Grant Recipient, 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 You under this Grant 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 You to help deliver the Funded Activities who are essential to this delivery; this information shall be provided under conditions of confidentiality reasonably acceptable to You.
11. We may make the documentation available to organisations who wish to bid for the provision of the activities. You shall respond expediently and in full to any reasonable questions by Us or the organisations and shall co-operate with any reasonable due diligence activities carried out by organisations.

Transfer Support Activities

12. You shall co-operate with all reasonable requests made by either Us or a successor relating to the Funded Activities transition arrangements. We and You shall discuss the implementation plan for the transition of the activities to either Us or a Replacement Grant Recipient.

ANNEX 6
Payment Request Form