



Annex F – Draft Grant Agreement

This Funding Agreement is dated [] 201[X] and is made between

(1) **The Secretary of State for Communities and Local Government** (the “**Department**” or “**the Secretary of State**”), and

(2) **[Name of organisation]** of **[address]** (the “**grant recipient**”).

1. Definitions

1.1 In this Funding Agreement:

“**Cohort**” means the group of young people referred onto the project.

“**Eligible Outcomes**” means the delivery outcomes attached at Annex A.

“**Funding Agreement**” means this agreement, the Schedule and Annexes

“**Funding Period**” means the period for which grant is awarded, commencing on [X] and ending 31 March 201[X]

“**Project**” means the proposal for financial assistance dated [XXXXX] and attached at Annex A

1.2 References in this Funding Agreement to an Annex, Schedule, clause or sub-clause mean an Annex, Schedule, clause or sub-clause of this Funding Agreement.

2. Grant

2.1 Subject to:

a) the grant recipient achieving Eligible Outcomes as set out in the Project;
and

b) the grant recipient complying with the terms and conditions set out in this Funding Agreement;

the Secretary of State agrees to pay grant to the grant recipient.

2.2. Details of the programme, powers under which the grant is paid, amount of grant and Treasury consent (if needed) are listed in the Schedule.



3. Amount of grant

3.1 The maximum amount of grant is £[X]. Up to this maximum, payments will be according to the Eligible Outcomes achieved, as set out in Annex A.

4. Payment arrangements

4.1 Details of payment arrangements are listed in the Schedule.

4.2 The Department may, at its discretion, make payments in respect of future outcomes where costs have been incurred which exceed outcomes payments made in that financial year.

5. Progress reporting

5.1 The grant recipient (or its authorised representative) must be in regular communication with the Department regarding progress of the Project as set out in Annex A.

5.2 If the grant recipient (or its authorised representative) becomes aware that the Eligible Outcomes for the Project are likely to be different from those forecast to a degree that a reasonable person would find significant, the grant recipient must inform the Department as soon as possible and provide an explanation.

5.3 The grant recipient (or its authorised representative) must discuss in advance with the Department any significant changes to the scope of the Project before those changes are implemented, but shall be free to make operational changes to how the Project is delivered in line with the objectives set out in Annex A. If the grant recipient wishes to change the size of the cohort, this must be agreed in advance with the Department.

5.4 The department reserves the right to terminate this Funding Agreement upon 3 months' notice if outcomes fall below 50% of those anticipated in Annex A over two successive quarters.

5.5 The department reserves the right to terminate this Funding Agreement upon 3 months' notice if outcomes fall below 75% of those anticipated in Annex A over two successive quarters and expenditure by the grant recipient is less than 85% of the anticipated expenditure in Annex A over those quarters.

5.6 If outcomes fall below 50% of those anticipated over one quarter, or if outcomes fall below 75% of those anticipated over two successive quarters, then the grant recipient will provide an explanation to the Department in



writing setting out their plans for improvement, and if requested take part in a performance review.

5.7 Termination rights pertaining to conditions 5.4 and 5.5 commence three calendar quarters after the Funding Period Start Date.

5.8 Spot checks will be carried out in accordance with Annex B.

6. Records to be kept

The grant recipient must keep a record of expenditure and all income generated by the Project during the Funding Period, and retain all accounting records relating to that expenditure and income for a period of at least six years from the date on which the Funding Period ends. The grant recipient must make these available at any reasonable time for inspection by officials from the Department or their representatives or by the Comptroller and Auditor General or his representatives. In the event that a Special Purpose Vehicle (SPV) is responsible for record keeping during the life of the project, and is then wound down at the end of the funding period, an accountable organisation must be identified to assume this responsibility for the six years following the end of the funding period.

7. Income and other receipts

7.1 In determining the maximum amount of grant he or she is prepared to pay towards the Project, the Secretary of State has taken account of the estimates of income to be generated from the Project and contributions or grants towards the Project as set out in the bid. If the Project generates any additional income, or there are any contributions in excess of these amounts, the grant recipient must notify the Department as soon as possible and state the amounts received or to be received.

7.2 The Department may allow the grant recipient to retain the amount notified, if it is satisfied that the grant recipient will use it for the purposes of the Project. Otherwise, the Department may reduce the overall grant available by the amount of double-payment that the grant recipient has received.

8. Obligations on the part of the grant recipient

The grant recipient must:

- a) ensure that all delivery partners fulfill their obligations under this Funding Agreement;
- b) comply with its legal obligations and behave in a responsible manner that does not bring the Department into disrepute;



c) ensure its officers, members and employees avoid conflicts of interest. The grant recipient must inform the Department as soon as possible if it has any grounds for suspecting financial irregularity in the use of the grant;

d) give appropriate publicity to the Project by drawing attention to the benefits and opportunities it affords. In acknowledging the government's contribution, the grant recipient must comply with any guidance on publicity provided by the Department. All publicity material must include the logo of the Department;

e) subject to the proper and reasonable protection of any confidential and proprietary IPR owned by the grant recipient prior to the start of the Project, allow any information, know-how, system or process learned from or created in operating the Project to be disseminated by the Department to those external to the Department without the prior written consent of the grant recipient (or their authorised representative)

9. Breach of conditions and recovery of grant

9.1 If the grant recipient fails to comply with any of the Terms and Conditions, or if any of the events mentioned in sub-clause 9.2 occur, the Department may reduce, suspend, or withhold grant payments

9.2 The events referred to in sub-clause 9.1 are as follows:

a) there is a change in control or ownership of the grant recipient or the grant recipient ceases to operate or changes the nature of its operations to an extent which, in the opinion of a reasonable person, is considered to be significant or prejudicial to the satisfactory continuance of the Project.

b) the grant recipient is the subject of a proposal for a voluntary arrangement; or has a petition for an administration order or a winding up order brought against it; or passes a resolution to wind up; or makes any composition, arrangement, conveyance or assignment for the benefit of its creditors, or purports to do so; or is subject to the appointment of a receiver, administrator or liquidator

9.3 If any of the events mentioned in sub-clause 9.4 occur, the Department may reduce, suspend, or withhold grant payments, or require all or any part of the grant to be repaid. The grant recipient must repay any amount required to be repaid under this condition within 30 days of receiving the demand for repayment.

9.4 The events referred to in sub-clause 9.3 are as follows:



- a) the grant recipient is struck from the register at the Charity Commission, or, being a company, is struck from the register at Companies House due to impropriety/irregularity
- b) any information provided in the bid or in any subsequent supporting correspondence is inaccurate to the extent that a reasonable person would consider to be significantly misleading;
- c) the Department has evidence that funds have been misappropriated or subject to fraud; or
- d) the grant recipient, in the view of a reasonable person, takes inadequate measures to investigate and resolve any reported irregularity.

9.5 In the event that it becomes necessary to take steps to enforce the Terms and Conditions of this Funding Agreement, the Department will write to the chief executive (or equivalent) of the grant recipient giving particulars of its concern about the Project or of any breach of any of the terms and conditions of the grant.

9.6 The grant recipient must act within 30 days to address the Department's concern or rectify the breach, and may consult the Department or agree with it an action plan for resolving the problem. If the Department, assuming the perspective of a reasonable person, is not satisfied with steps taken by the grant recipient to address its concern or rectify the breach, it may take steps to withhold or suspend the further payment of grant, or to recover grant already paid.

10. Termination

In the event that the grant is terminated for reasons other than those stipulated in clause 9, the grant recipient will have recourse to claim for costs reasonably incurred in order to deliver the project up to that point. In such circumstances, the Department will consider claims for any potential lost opportunity. This claim will be net of outcome payments already received.

Signature:

Name:

(authorised to sign on behalf of the Secretary of State)

Date:



..... **accepts the grant and agrees to comply with the
Terms and Conditions contained in this Funding Agreement.**

Signed by a person authorised to sign on behalf of the grant recipient:

Signature:

Name:

Position:

Date:

Principal contacts:

.....

Attachments:

Schedule

Annex A The Project

Annex B Progress report

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Schedule

Name of Project:

Power under which grant is to be paid:

Grant recipient's principal contact in the Department:

Funding period:

Amount of grant:

Payment arrangements:

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