



Department for
Digital, Culture,
Media & Sport

Digital Leadership Fund 2018 - Guidance for Applicants

Introduction

In the Civil Society Strategy, government committed to building a digitally confident social sector so that civil society could be at the heart of the digital revolution. The Digital Leadership Fund has been established as one of the keys ways in which government is delivering on this commitment.

During the Civil Society Strategy engagement exercise, lack of motivation and understanding from charity leaders was cited as a significant barrier to digital social innovation. According to the 2018 UK Digital Skills Report, only 6% of charities consider their trustee boards to be digitally savvy and 77% want their leaders to better understand what digital can help them achieve. Many leaders simply think digital is 'not for us'. This cultural barrier leads to low investment in exploring digital solutions, impedes staff-driven innovation and results in low take-up of free training and tools.

The purpose of the Digital Leadership Fund is to improve the level of digital leadership skills among civil society leaders by adding value to a number of existing digital leadership training programmes. The aim is for participants to develop an understanding of how technology can help their organisations achieve their social missions in a more effective and efficient way, and become better equipped to embed this change at an operational level.

This guide introduces the Digital Leadership Fund and details how to apply.

This £1,000,000 funding round is open to applicants in England only. Grant awards will fund the expansion, improvement, or re-working of an existing digital leadership training programme. The aim is to improve the digital capability of civil society leaders so they are able to confidently embed digital in their organisations. Civil society leaders can include civil society chief executives, trustees, or senior teams. The criteria for the Fund and what the applicant will be expected to deliver is detailed below.

Applications should be between £10,000 and £170,000. Organisations must deliver an expansion, improvement or re-working of an existing training programme by 31st March 2019. Applications are welcomed from individual organisations or consortia with an identified lead organisation. We are particularly interested in receiving applications from organisations whose projects cover more than one location, cover locations outside of London, or include a peer-learning element.

Notes

- This fund is open to organisations from England.
- Grants are awarded for the financial year 2018/19. Funds must be spent and all projects and activity must be delivered in full by 31st March 2019.
- The value of the grant requested within this financial year must not represent more than 50% of the applicant organisation's, or consortia's collective, annual income.
- Where applicable, bids must include details of safeguarding arrangements.

Applicants will be informed whether or not they have been successful in December 2018. We expect individual grant agreements will be finalised with successful applicants by December 2019. Exact timing will vary on a case-by-case basis.

Application details

- **The deadline for applications is 7th December 2018.**
- All applicants should answer all questions on the application form.
- Completed applications should be submitted to digitalleadershipfund@culture.gov.uk.
- All applications received by the closing date will be assessed following the closing date.
- Any applications received after the closing date will not be assessed.
- All available information and guidance relating to this round of funding is contained within this document and the application form.

Criteria

All applications will be assessed against the following criteria:

- Increased value added: Applicants must describe the value added which will be delivered as a result of the funding through changes made to their existing training programme.
- Accessibility: Bids must consider how the expanded, improved or re-worked programme will be as accessible to civil society leaders as possible. In addition to the requirement for travel and subsistence of participants to be covered by the programme, applicants must describe how the training will be made accessible with regard to geography, time investment made by participants and level of ability.
- Adherence to timeframes: Applicants must demonstrate realistic plans to complete all programme activity by 31st March 2019, to adhere to the deadline for grant drawdown on this date.
- Ability to deliver: Applications must demonstrate the organisation's capability and capacity to deliver the project, including through evidence of sufficient specialist expertise as well as through outlining a clear project plan;

- Evaluation: Applications must provide plans for robust evaluation of the project, including the level and number of outputs and outcomes to be measured;
- Sustainability: Bids must outline how the impact of the project will last beyond Digital Leadership Funding.

Guidance for applicants

Who is running the fund?

The Office for Civil Society (OCS), which is part of the Department of Digital, Culture, Media and Sport (DCMS) will run and manage the fund.

Who can apply to the fund?

This fund is open to individual, and consortias of, organisations from England, that propose clear projects that fit the criteria for the relevant category of funding. Organisations including private sector organisations, charities, community-led businesses, social enterprises, mutuals, public sector organisations and community organisations are all eligible to apply.

How much funding will be given?

We will consider applications for between £10,000 and £170,000.

The amount of grant a grant recipient, or consortia, receives per financial year should not exceed 50% of that financial year's annual collective turnover/income. As an example: if an organisation (or consortia) applied for a £100,000 grant to be received over one financial year, the collective annual turnover needs to be £200,000 or more in order that the grant is not more than 50% of the annual turnover/income. If applicable, we may seek to adjust this figure based on income of the parent organisation.

Applicants can apply for a grant of up to £170,000 in order to stay below the state aid *de minimis* threshold. Applicants must ensure they have not received more than £170,000 from a public body over a rolling period of 3 fiscal years that could be deemed state aid.

We will fund successful applications up until the end of financial year 2018/19, i.e. until 31st March 2019. Applicants will be informed of whether or not they have been successful by December 2018. Although exact timing will vary on a case-by-case basis, we expect individual grant agreements will be finalised with successful applicants by the end of 2018. Projects may start at risk from the date they are directly informed by DCMS that the application has been successful. Expenditure incurred prior to this date cannot be claimed.

Any programme delivered through this grant must pay for travel and subsistence for training participants, in order to make the training as financially accessible as possible for the civil society organisations that need it. Please ensure you include travel and subsistence costs in your budget breakdown.

What types of programmes are we looking to fund?

The grant provided will fund the expansion, improvement or re-working of an existing digital leadership training programme which will result in greater value added to civil society leaders with regard to their digital leadership capability. When we refer to an expanded, improved or re-worked training programme, this does not necessarily mean a 'scale-up' or 'expansion' through an increase in the number of training opportunities provided. We are also interested in funding programmes which improve the learning experience for participants, for example through improving the method of learning, even if the numbers of participants remain the same. Another way to 're-work' a programme to result in increased value added could be to use the funding from this grant to subsidise the cost of training for participants.

Some examples of how programmes which increase the value added are:

1. Training provider A currently delivers a training programme which offers 100 small charity Chief Executives places on a two-day training course. With the Digital Leadership Fund grant, training provider A is able to expand this programme, increasing the number of available places from 100 to 200. ***The value added is that 100 more charity leaders receive digital leadership training.***
2. Training provider B currently delivers a programme webinars to civil society leaders, offering 300 webinar places. Using the Digital Leadership Fund grant, training provider B is able to convert 150 of those places to face-to-face workshops. The improved programme means that training provider B offers 150 webinar places and 150 face-to-face workshop places, allowing participants to choose a mode of training that suits them better. ***The value added is that participants can now choose a more suitable mode of training to suit their needs, and that there are now 150 workshop sessions which are likely to provide better outcomes for participants than webinars.***
3. Training provider C currently delivers a training programme for 80 social enterprise trustees, for which it charges £250 per participant. Using the Digital Leadership Fund grant, training provider C is able to subsidise this cost, making it free for trustees to undertake training. ***The value added is that the existing training has been made financially accessible for more trustees.***
4. Training provider D currently delivers a training programme for 100 digital leads in civil society organisations. The training is face-to-face and is delivered through five separate sessions, all held at their headquarters in London. Using the Digital Leadership Fund grant, training provider D is able to expand the geographical spread of the training by hiring external venues in other English cities and paying for facilitators to travel to those locations. ***The value added is that more training is now made available to digital leads in English regions, where the provisions are much lower than in London.***

How much can the added-value programme differ from the programme already being delivered?

We are looking to fund programmes which are already being delivered. We are not looking to accept applications for programmes which will need to be planned, designed and delivered from scratch. However, we are open to receiving applications which build on learnings, materials, content, structure or participant base of an existing course.

Who is the proposed audience of the training programme?

We are looking to fund programmes which improve the digital leadership skills of any civil society leaders. This definition includes civil society chief executives, trustees, senior teams or digital leads. The aim is to provide people in senior positions who have the authority to bring about digital transformation with the right skills to do so.

Is there guidance on the geographical reach of proposed projects?

The Digital Leadership Fund is an England only fund. This means that funds can be used to support beneficiaries in England only.

DCMS will ensure as broad a distribution of training programmes as possible across English regions. As such, we are interested in receiving applications to deliver training across a number of English regions if possible, and particularly programmes operating outside London. However, this is not an essential requirement, and we are also accepting applications within narrow geographical boundaries or single locations.

Additionally, all applicants must demonstrate that they have planned how lessons learnt from the funded work will be disseminated through relevant networks.

How many grants can I apply for?

If you would like us to consider more than one project, you are welcome to submit more than one application. You must submit a separate, stand-alone application for each project.

Equal opportunities and diversity

All applicants will be expected to show how their project activities are inclusive and operate within an equal opportunities and diversity framework.

Payment model

All applicants will be expected to clearly set out a proposal for how much funding will be drawn down in each month until 31st March 2019. There may be some months when no funding is drawn down. You will need to support this with a detailed budget breakdown. Your drawdown requests and budget must fit the DCMS financial year (1st April to 31st March). Please bear in mind that in order to process the payment by 31st March, we will require a final invoice for any activity being delivered on 15th March 2019.

If your application is successful, your formal grant offer letter will set out the total amount of grant we will pay in this financial year and each month.

Will will look to make payments in arrears. You will need to provide a breakdown of actual, eligible expenditure in order to make a claim. We will only pay out the amount you can evidence as spent.

DCMS makes payments in arrears and only pay in advance by exception. If you wish to be paid at the point of need, you will be asked to explain, justify and evidence your reasons in your application. This includes ensuring that your request fits with one or more of the point of need criteria, which are:

1. Your organisation does not have enough working capital to start the project, such as costs for a recruitment process to staff the project.
2. Without advance payment your organisation would be forced to breach its own internal policies to cover the costs e.g. they might be forced to use too much of their free reserves or they might not have any free reserves.
3. Where there are specific legal barriers to your organisation re-claiming costs in arrears.

Your request will be considered as part of the assessment process. If your application and point of need request are approved you will be expected to provide quarterly reconciliation details for the duration of your project detailing any underspend against funds received. You will be required to reconcile any underspend before further funding is released. You will also be required to complete a formal Financial Reconciliation Statement (FRS) form at the end of each financial year.

Variations between proposed drawdown amounts and actual drawdown requests across quarters of the same financial year will be accepted, with explanation and justification. However, we will not be able to vary funds across financial years. All allocated funds must be spent by 31st March 2019 any funds not drawdown by the end of the financial year will become unavailable.

Whether paid in arrears or at point of need, you must be able to transparently report on a quarterly basis and provide evidence of expenditure on the use of the Digital Leadership Fund. The Digital Leadership Fund grant must be shown as restricted funds in your accounts and you must be able to identify separately the value and purpose of the grant in your audited accounts. You will be asked to describe the financial management systems and processes you will put in place to ensure you can achieve this in your application.

Monitoring, evaluation and learning

We are committed to ensuring that funded work is appropriately monitored and evaluated and that lessons learnt and examples of good practice are made widely available; evaluation and sharing of good practice should be built into every application.

Applicants will be expected to list anticipated outputs and outcomes and to explain the data collection and monitoring systems that will be put in place to enable these to be evidenced and for projects to be properly evaluated.

Applicants must also demonstrate how lessons learnt from the funded work will be disseminated through relevant networks.

Exclusions

We will not fund:

- Academic research - We will not fund academic or desk-based research projects. However, applications for action research, including pilot projects to test new ideas, are welcomed (please note: funding for any follow-on work is not guaranteed).
- Appeals.
- Campaigning and awareness raising.
- Core costs - other than for those that can be evidenced as directly related to the project outlined in the application.
- Debts or loans.
- Fees for professional fundraisers.
- Party political organisations.
- Projects outside our funding priorities.
- Promotion of religious beliefs.
- Retrospective funding.
- Schools, colleges and hospitals.

Advocacy and lobbying

The following can not be funded by the Digital Leadership Fund: activity 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.

Eligible expenditure

Eligible expenditure does extend to cover following list of activities, as long as they are directly relevant to the delivery of the Digital Leadership Fund:

- Giving evidence to Select Committees.
- Attending meetings with Ministers or officials to discuss the progress of a taxpayer funded grant scheme.
- Responding to public consultations, where the topic is relevant to the objectives of the grant scheme. This does not include spending government grant funds on lobbying other people to respond to the consultation.

- Providing independent, evidence based policy recommendations to local government, departments or Ministers, where that is the objective of a taxpayer funded grant scheme.
- 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 scheme.

Completing your application form

General tips:

- There are a number of guidance notes contained in square brackets in the application form, please read these carefully and respond to all relevant points. Please delete or overtype the information in brackets once you have read and understood it.
- Write clearly and concisely avoiding the use of jargon or abbreviations; remember that the assessor reading your application may not have a background in your field of expertise.
- Do not exceed stated word limits.

Section 1 - Organisation details:

- Please ensure that the contact details given are for the day-to-day contact for all enquiries relating to the project application.
- This section requires you to input details relating to the lead organisation; we welcome applications from consortiums, but require one organisation to take the lead role as the applicant, main point of contact, payee for funds, and responsible body who agrees to ensure the terms and conditions of the grant offer are upheld by all involved.
- Please ensure you have received permission from a senior decision-maker at your organisation before making an application. Please provide their contact details.
- Please make clear what Government funding, if any, you have received in the last five years. Highlight any funding which you are currently receiving. Please provide evidence for this when submitting your application.

Section 2 - Current training programme details:

- This section of the application gives you the opportunity to describe in detail how your current training programme operates.
- The questions within each section are there to guide your answers. If you wish to include any additional information which isn't covered in the questions, you can do so in 2.12.
- For section 2.9 you can include any evaluation reports you may have to support your answer. You can include this as an Annex or attach it to your application.
- Please provide a detailed programme budget. You can include this in an Annex if helpful.

Section 3 - The improved training programme proposal:

- In this section, please describe how your training programme will be improved using the grant from the Digital Leadership Fund.
- Use section 3.2 to describe changes or improvements made to the programme within each of the sub-sections. You can use section 3.2 f to provide any additional information which you feel isn't covered in sections 3.2 a-e.
- Please refer to the criteria set out on page 2 of this document in your response to section 3.4.
- In section 3.5, you can set out a written timeline, or provide a visual timeline if you find this helpful. You can include this as an Annex.
- In section 3.6, please set out how the grant from this fund will go towards creating an improved training programme with increased value for the beneficiary. Some examples of what this might look like are outlined on page 4 of this document.
- In section 3.7, it may be useful to attach a proposed project plan and timeline as an Annex. This should be a high-level plan, with key milestones marked clearly.
- In section 3.8, please describe how your programme will have a long term impact, even though funding itself will end in March 2019. This may include content or infrastructure which can be reused, a cohort of trained individuals acting as champions, or through improving the sector's motivation for digital through communications accompanying the training.

Section 4 - Financial information and budget:

- In section 4.2 b, you are asked about whether you are requesting payment in arrears or at point of need. DCMS makes payments in arrears and only pay in advance by exception. If you wish to be paid at the point of need, you will be asked to explain, justify and evidence your reasons in your application. This includes ensuring that your request fits with one or more of the point of need criteria, which are:
 - Your organisation does not have enough working capital to start the project, such as costs for a recruitment process to staff the project
 - Without advance payment your organisation would be forced to breach its own internal policies to cover the costs e.g. they might be forced to use too much of their free reserves or they might not have any free reserves
 - Where there are specific legal barriers to your organisation re-claiming costs in arrears
- In section 4.3, please provide a breakdown of all costs associated with this programme which money from the Fund will be paying towards. Please note that the Fund requires travel and subsistence to be covered for participants undertaking training, and build this into your estimation.
- You are required to calculate the cost per beneficiary for your project. We ask you to do a simple calculation of total project cost divided by total number of beneficiaries to provide your answer. You are asked to provide an explanation for the answer. We will not be assessing your numerical answer. We understand that some projects will have a higher cost per beneficiary than others depending on the type of training provided.

- You will also need to set out your financial management and control mechanisms explaining how you will ensure that Digital Leadership Funding can be accounted for, on a quarterly basis, accurately and transparently.
- When considering whether your programme delivers social value, you ought to consider the additional economic, social, and environmental outcomes that may be delivered as part of your training. For more information on social value, see [here](#).

Section 5 - Project risks:

- Please set out the main three risks associated with this programme, and how you plan to mitigate them.

Section 6 - Mandatory documentation:

- This section is a checklist ensuring you have provided all the necessary documentation. Explanations are made of each item in turn.
- Please use the checkboxes to indicate which documents you have/have not included.

Authorisation:

- Your application form must be signed by someone with the authority to represent your organisation in making the application, for example: the chief executive, the head of finance, or the head of the board of trustees.

How we decide

Applications will be assessed on their individual merits according to the following:

- Overall clarity of application – how easy it is for us to understand what you are proposing and how well this addresses the issues outlined.
- Fit with Digital Leadership Fund criteria for the relevant category or categories of funding.
- Scale, reach or value added of project outputs and outcomes.
- Deliverability – including suitability of timescales, demonstrable capacity and capability, relevant previous experience, and clarity of quarterly activities.
- Suitability of monitoring, evaluation and learning mechanisms.
- Value for money.
- Suitability of financial management mechanisms.

Your organisation will also need to pass our due diligence checks which ensure:

- The grant award does not exceed 50% of your annual income.
- We have received and reviewed at least two references.
- You are registered with the Charity Commission and/or Companies House website and have filed all required returns.

- If you have been funded by another part of government, we seek feedback from that department.
- You are not already receiving funding for this project from government, meaning your project is funded twice.
- Trustees are not related and there is no indication of fraud.
- Where multiple organisations are located at the same postcode, there is no indication of fraud - if you do have the same postcode as other organisations you will be asked to provide an explanation.

Please note: in the event your last financial year end was more than 6 months ago we may request further accounting information at a later date as part of the due diligence process.

The decision about which applications receive funding will also take into account the need to ensure a fair geographical and thematic spread of activities across England.

You will not be contacted for clarification or further information. It is your responsibility to ensure your application is concise, fully completed and that you supply all necessary supporting documentation.

The only instance where a government official may contact you is where the level of funding you have requested cannot be met and a lesser amount is being offered. In this case, you will be invited to consider a lesser amount and submit a summary of activities, outputs, outcomes and budget (realigned to fit the revised funding on offer) for consideration. If contacted under these circumstances, please note that the time frame for providing your initial response may be very short.

When making decisions:

- We will give equal consideration to all applications that meet our criteria.
- We will be open and accountable in our procedures.
- All staff will be required to declare conflicts of interest. If there is a conflict of interest, they will not be involved in the assessment process or the decision to award a grant.

If you are offered a grant

Our standard terms and conditions apply to every grant we award (see Annex A). Your grant offer letter will set out any additional conditions that apply specifically to your grant. The letter will also set out what the grant is for and the payment schedule. Once we have awarded a grant, we will ask you for regular financial and performance monitoring reports and a final project report at the end of the funding term.

Please note:

- Grant money will not be paid until we have received your written acceptance of the terms and conditions attached to your grant offer.

- If applying as a consortium, all partner organisations will also be required to provide written acceptance of the terms and conditions, it will be the lead applicant's responsibility to seek this acceptance.
- You must acknowledge you have received our grant in your annual report and accounts covering the period of the project.
- If there is any breach of the terms and conditions, or your organisation ceases to operate before the grant has been spent, grant monies may have to be repaid.
- When the grant ends, the Digital Leadership Fund does not have a commitment to provide any further funding for the project.
- Anyone found to be acting dishonestly in making an application for funding or spending the grant will be reported to the police and may be liable for prosecution.

If you have any complaints about the application process, please email digitalleadershipfund@culture.gov.uk in the first instance.

ANNEX A

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 22);
 - 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 organizations 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. **Event of Default** is defined in clause 52);
 - i. **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;
 - j. **Financial Year** means the period running from the 1st April in the first year to 31st March in the second year;
 - k. **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;
 - l. **Grant** means the grant payable by Us to You as set out in the Grant Offer Letter under the terms of the Grant Agreement;
 - m. **Grant Offer Letter** means the letter from Us to You offering You a Grant for the Project;
 - n. **Information Acts** means the Freedom of Information Act 2000, the Data Protection Act 2018, the General Data Protection Regulation (EU 2016/679), and the Environmental Information Regulations 2004;
 - o. **Intellectual Property Rights** means all copyright, patents, trade marks, database rights, design rights, goodwill, know-how and all other intellectual property rights, whether registered or unregistered, in any part of the world;
 - p. **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;
 - q. **Payment Request Form** is the form specified in the Grant Offer Letter;
 - r. **Parties** means You and Us, and each a **Party**;
 - s. **Project** means the project described in the Annex 1 to the Agreement;

- t. **Reference Rate** means the base rate as calculated in accordance with the Communication from the European Commission on the revision of the method for setting the reference and discount rates (OJ C14, 19.01.2008, p.6) and published by the European Commission in the Official Journal;
 - u. **Revised Cash Flow Profile** is defined in clause 18);
 - v. **Tranche** means the tranches of Grant specified in the Grant Offer Letter;
 - w. **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
 - x. **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 the Grant Offer Letter.
- 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 may 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 in relation to the Project, 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. You understand that Our obligation does not extend to paying You any amounts in respect of VAT in addition to the Grant and that the Grant made by Us to You is inclusive of any VAT.

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 must 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 on the last working day of the month in response to a request for payment from You (a "Claim"). 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.
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.
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 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. If an overspend has occurred, We may delay or defer payment of any excess spending above the Cash Flow Profile.
20. If an underspend has occurred, and if You consider that the Cash Flow Profile for the remainder of the Financial Year is uncertain at that date, You must provide two forecasts: one showing the most likely Revised Cash Flow Profile and the other the maximum possible Revised Cash Flow Profile. You must also submit such supporting and explanatory information as We may reasonably require.
21. 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

22. 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.
23. 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 the 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.

24. 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.

25. 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

26. 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 quarter 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. 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.

27. 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.
28. Throughout the Grant 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.
29. 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.
30. You must permit (and comply with) any surveys of management controls and systems, including internal audit reviews, as may be required by Us.
31. You must present the Payment Schedule (Annex 3) 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.
32. Your Chief Executive (or equivalent) should ensure that the systems governing the Grant funding are subject to independent review.
33. 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.

Annual Grant Review

34. 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.
35. 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.
36. You may make representations to Us regarding any recommendations made in accordance with clause 35). 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.

Financial Management and Controls

37. 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 system of internal controls, including formal procedures and processes for the identification and management of risk including safeguards against fraud, theft and waste, 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

38. 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.
39. 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.

40. You must show the Grant as restricted funds in Your accounts; the Grant must not be included in general funds.
41. 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.
42. Where the Grant funding allows for capital spend, You must keep a register of fixed assets acquired or improved with the Grant.
43. 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.
44. You must provide Us 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 Commission.

Intellectual Property Rights

45. 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 46).
46. We will own the Intellectual Property Rights in all reports, materials, documents and other products produced in whole or in part using the Grant.
47. Any copyright or database rights in materials produced using the Grant will be made available to You for use in accordance with the Open Government Licence[1].
48. Other than as expressly set out in this Grant Agreement, You do not have any right to use Our name, logos or trademarks on any of Your products or services without Our prior written consent.
49. We may freely share any information, know-how, systems or processes developed during the Funding Period to support similar projects.

Disposal of assets, change of use and assignment

50. 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.

Fraud

51. 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.

Borrowing

52. 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

53. 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;
 - d. You fail to take adequate measures to investigate and resolve any reported Financial Irregularity;
 - e. 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;
 - f. 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;
- g. You receive funding from any other source for the Eligible Expenditure which is funded by the Grant;
 - h. You are involved in illegal activity in Your administration of the Project;
 - i. 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
 - j. You are otherwise in material breach of this Grant Agreement.

54. 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.

55. We may retain or set off any sums You owe to Us (whether because of repayment required under clause 53) or otherwise) against any sums due from Us to You under this Grant Agreement or any other agreement We have with You.

56. Without prejudice to clause 53), We may terminate this Grant Agreement by giving three months notice in writing.

57. 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.

58. 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.

EU law

59. 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 obligation arising under European Union law (including any decision by the European Commission). The interest rate payable will be at least 100 basis points above the Reference Rate in force on the date of payment.

Procurement

60. You must comply with all applicable public procurement law in connection with the Project.

61. 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.

62. 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

63. 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 not 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 <http://www.promptpaymentcode.org.uk>.

Losses, Gifts and Ex Gratia Payments

64. 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

65. 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.

66. 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 its staff or officers or volunteers.

Publicity

67. We may acknowledge Your involvement in the Project and Your receipt of the Grant without prior notice to You.

68. You must not issue any publicity relating to the Grant except in a form to be agreed in advance by Us.

Variation of the terms and conditions

69. 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

70. 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

71. 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

72. 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

73. 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

74. 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

75. 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).
76. 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.
77. 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.
78. 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.
79. We will take reasonable steps to notify You of a request for information to the extent that it is permissible and reasonably practical for it 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.
80. 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.
81. 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.
82. 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. It is currently government practice that this information then be redacted for online publication along with other government grants information. Content and format of information provided to 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

83. All notices, invoices and other communications relating to the Grant Agreement must

be in writing and in English and must be served by 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.

84. A Party may change its address or email address by giving notice in accordance with clause 75).

85. 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 if 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

86. You must at all times act with utmost good faith towards Us and must at all time co-operate fully with Us.

87. 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.

88. 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.

89. Both parties will use their best endeavours to uphold the principles and undertakings of The Compact.

Whole agreement

90. 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

91. 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.

92. Subject to clause 83), 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

93. 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 its 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.

[1] See <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>.