

15th March 2022

ANNEX 1

DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

and

[THE GRANT RECIPIENT]

GRANT FUNDING AGREEMENT FOR **[INSERT COMPETITION TITLE]**

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TEMPLATE

15th March 2022

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

Between:

- (1) DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY acting on behalf of the Crown whose principal address is at 1 Victoria Street, Westminster, London, SW1H 0ET, United Kingdom (the “**Authority**”)
- (2) [INSERT THE NAME OF THE GRANT RECIPIENT], [COMPANIES HOUSE REGISTRATION NUMBER, IF A COMPANY] whose principal address is at [ADDRESS] (the “**Grant Recipient**”).

In relation to:

Project Name: [Insert project name]

Project Number: [insert BEIS/SICE project ref. no.]

BACKGROUND

The Grant is made pursuant to section 5 of the Science and Technology Act 1965. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Offer Letter.

- A. The Authority ran a competition for grant applications in respect of [insert competition title];
- B. The Grant Recipient was successful under that competition and the Authority awarded it a grant to deliver [insert one sentence description of project activities and key deliverables];
- C. The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement; and
- D. The Grant Recipient will use the Grant for the Funded Activities.

1. INTRODUCTION

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority up to the Maximum Sum.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in accordance with this Grant Funding Agreement.
- 1.3. The Authority makes the Grant to the Grant Recipient on the basis of the Grant Recipient’s grant application a copy of which is attached at Annex 1 Part B for the provision of delivery of the Funded Activities.
- 1.4. The Parties confirm that it is their intention to be legally bound by this Grant Funding Agreement.

2. DEFINITIONS AND INTERPRETATION

- 2.1. Where they appear in these Conditions:

Annex means the annexes attached to these Conditions which form part of the Funding Agreement;

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

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

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

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

Capital Grants means the sum or sums of money provided by a grant making body to the grant recipient for items such as buildings, equipment, land or machinery;

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

Commencement Date means the date on which the Funding Agreement comes into effect, being the **[Insert commencement date]**;

Conditions Subsequent means any of the Conditions Subsequent described as such and set out in paragraph [17] of the Grant Offer Letter to capture any formal Stage Gates agreed;

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the date of the Funding Agreement, including but not limited to:

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

Confidential Information shall not include information which:

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

Contracting Authority means any contracting authority (other than the Authority) as defined in regulation 3 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the GDPR;

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

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

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

Data Protection Legislation means (i) the GDPR, and any applicable national implementing Law as amended from time to time (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy (iii) all applicable Law about the processing of Personal Data and privacy;

DPA 2018 means the Data Protection Act 2018;

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

Duplicate Funding means funding provided by a Third Party to the Grant Recipient, which is for the same purpose as the Grant, but has not been declared to the Authority;

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

Eligible Expenditure means the payments made by the Grant Recipient during the Funding Period for the purposes of delivering the Funded Activities which comply in all respects with the eligibility rules set out in paragraph 5 of these Conditions;

EIR means the Environmental Information Regulations 2004;

Event of Default means an event or circumstance as defined by paragraph 25.3;

Financial Year means from 1 April to 31 March;

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

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

Funded Activities means the activities set out in Annex 2 of these Conditions;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on **[INSERT]**;

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

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with paragraph 4 of these Conditions and subject to the provisions set out at paragraph 25.

Grant Claim means the payment request **claim form** submitted by the Grant Recipient to the Authority for payment of the Grant;

Grant Continuation Letter means the letter issued by the Authority to the Grant Recipient which offers the Grant Recipient a Phase 2 Grant;

Grant Funding Agreement means these Conditions together with its annexes and schedules including but not limited to Annex 1 Part A Grant Offer Letter;

Grant Offer Letter means the letter the Authority issued to the Grant Recipient dated [] a copy of which is set out in Annex 1 Part A;

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

Grant Continuation Letter means the letter issued by the Authority to the Grant Recipient which offers the Grant Recipient a Phase 2 Grant

Grant Term means the period in which the Funded Activities will be completed starting on the Commencement Date and ending on [insert end of Project date];

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

Ineligible Expenditure means expenditure which is not Eligible Expenditure and as set out in paragraph 5 of these Conditions;

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

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

IP Completion Day has the meaning given to it in the European Union (Withdrawal) Act 2018;

IPR Material means all material produced by the Grant Recipient or its Representatives during the Grant Term (including but not limited to, materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

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

KPIs means the Key Performance Indicators set out in Annex 6 of this Agreement;

Law means any applicable law, statute, byelaw, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation;

[Longstop Date means *[insert date for completion of Conditions Subsequent]*]

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

Major Asset means an Asset being used for the Funded Activities which is not a Fixed Asset but has a value as at the date of this funding Agreement of at least £10,000.

Match Funding means any contribution to the Funded Activities from a Third Party to the Grant Recipient to meet the balance of the Eligible Expenditure not supported by the Grant;

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to paragraph 25;

Milestone means the milestones set out in Annex 3 of this Grant Funding Agreement;

Milestone Period means the period between the start of this Grant Funding Agreement and the first Milestone, or between any previous and subsequent Milestone set out in Annex 3, as applicable;

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

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

Personal Data has the meaning given to it in the Data Protection Legislation as amended from time to time;

Phase 1 means activities taking place during the Design and Development of Demand Side Response (DSR) Systems phase after the issuing of the Grant Offer Letter;

Phase 2 means activities taking place during the Laboratory testing and Demonstration phase after the issuing of a Grant Continuation Letter;

Phase 3 means activities taking place during the Demonstration in settings indicative of the Real World phase after the issuing of the Second Grant Continuation Letter;

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

Prohibited Act means:

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

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

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default pursuant to the Rectification Plan process set out in paragraphs 25.5 to 25.12;

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

Second Grant Continuation Letter means the letter issued by the Authority to the Grant Recipient which offers the Grant Recipient a Phase 3 Grant;

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

State Aid Law means the law embodied in Article 107- 109 of section 2, Title VII of the Common Rules on Competition, Taxation and Approximation of Laws – Consolidated Versions of the Treaty on European Union and the Treaty for the Functioning of the European Union or any Domestic Law which replaces such State Aid Law following the UK's exit from the European Union;

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

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

VAT means value added tax chargeable in the UK;

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

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

- (i) the singular includes the plural and vice versa;
- (ii) reference to a gender includes the other gender and the neuter;
- (iii) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- (iv) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (v) any reference in these Conditions which immediately before IP Completion Day was a reference to (as it has effect from time to time):
 - (i) any EU regulation, EU decision, EU tertiary legislation or provision of the European Economic Area (“**EEA**”) agreement (“**EU References**”) which forms part of domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after IP Completion Day as a reference to the EU References as they form part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and
 - (ii) any EU institution or EU authority or other such EU body shall be read on and after IP Completion Day as a reference to the UK institution, authority or body to which its functions were transferred;
- (vi) the words "including", "other", "in particular", "for example" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";
- (vii) references to “writing” include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;
- (viii) references to “representations” will be construed as references to present facts, to “warranties” as references to present and future facts and to “undertakings” as references to obligations under the Grant Funding Agreement;
- (ix) references to “paragraphs” and “Annexes” are, unless otherwise provided, references to the paragraphs and annexes of these Conditions and references in any Annex to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the Annex in which these references appear; and
- (x) the headings in these Conditions are for ease of reference only and will not affect the interpretation or construction of these Conditions.

2.3. Where there is any conflict between the documents that make up this Grant Funding Agreement the conflict shall be resolved in accordance with the following order of precedence:

- (1) Annex 1 Part A – The Authority’s Grant Offer Letter;
- (2) the Conditions set out within this Grant Funding Agreement (including for the avoidance of doubt Annexes 2-10);

- (3) Annex 1 Part B – The Grant Recipient's Grant Application.

CONDITIONS

3. DURATION AND PURPOSE OF THE GRANT

- 3.1. The Grant Term starts on [] (the **Commencement Date**) and ends on [xx Month 20xx] unless:
- 3.1.1. terminated earlier in accordance with this Grant Funding Agreement; or
 - 3.1.2. extended in accordance with the Grant Continuation Letter (in which case the Funding Period shall end on the date set out in the Grant Continuation Letter or if no date is set out, the completion of the Phase 2 Funded Activities).
 - 3.1.3. extended in accordance with the Second Grant Continuation Letter (in which case the Funding Period shall end on the date set out in the Second Grant Continuation Letter).
- 3.2. The Grant Recipient will ensure that the Funded Activities start on [xx Month 20xx] but where this has not been possible, that they start no later than one (1) month after the Commencement Date.
- 3.3. The Grant Recipient shall use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities.
- 3.4. If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on three (3) months written notice to the Grant Recipient.
- 3.4. The Grant Recipient acknowledges that at the Commencement Date, it has only been awarded Grant for Phase 1 (subject to the terms of this Grant Funding Agreement) and that the Grant received for Phase 1 does not automatically entitle it to any grant funding in Phase 2 or Phase 3.
- 3.5. The award of grant funding for Phase 2 shall be triggered upon the issue by the Authority of a Grant Continuation Letter and upon receipt of such, this Grant Funding Agreement shall be extended in accordance with the terms of the Grant Continuation Letter. No guarantee or representation is made by the Authority that a Grant Continuation Letter will be issued.
- 3.6. Should the Grant Recipient not receive a Grant Continuation Letter by [xx Month 20xx], this Grant Funding Agreement shall expire on the date specified in paragraph 3.1 and the Grant Recipient shall not be required to carry out its Phase 2 works and the Funding Period shall end.
- 3.7. The award of grant funding for Phase 3 shall be triggered upon the issue by the Authority of a Second Grant Continuation Letter and upon receipt of such, this Grant Funding Agreement shall be extended in accordance with the terms of the Grant Continuation Letter. No guarantee or representation is made by the Authority that a Grant Continuation Letter will be issued.
- 3.8. Should the Grant Recipient not receive a Second Grant Continuation Letter by [xx Month 20xx] this Grant Funding Agreement shall expire on the completion of works relating to Phase 2 and the Grant Recipient shall not be required to carry out its Phase 3 works and the Funding Period shall end.

4. PAYMENT OF GRANT

- 4.1. Subject to the remainder of this paragraph 4 the Authority shall pay the Grant Recipient an amount not exceeding [total Grant amount in words and pound sterling]. The Authority shall pay the Grant in pound sterling (GBP) and into a bank located in the UK.
- 4.2. The Grant Recipient must complete and sign the Confirmation of Bank Details and Signatories (Annex 4) as part of their acceptance of the Grant. No payment can be made in advance of receipt of a correctly completed and signed form.
- 4.3. The signatory must be the CFO or someone with proper delegated authority. Any change of bank details must be notified immediately on the same form, signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.

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- 4.4. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities. The Grant Recipient agrees that the Maximum Sum is the amount agreed as the GBP value, at the Commencement Date.
- 4.5. The Authority will only pay the Grant to the Grant Recipient in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities. The Authority will not pay the Grant until it is satisfied that the Grant Recipient has paid for the Funded Activities set out in the relevant Milestone in full and the relevant Funded Activities have been delivered on the relevant Milestone delivery date set out in Annex 3.
- 4.6. The Grant Recipient will provide the Authority with evidence of the costs/payments, which are classified as Eligible Expenditure in paragraph 5.2, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority.
- 4.7. The Grant Recipient shall declare to the Authority any Match Funding which been approved or received, before the Commencement Date. If the Grant Recipient intends to apply for, is offered or receives any further Match Funding during the Grant Term, the Grant Recipient shall notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient shall confirm the amount, purpose and source of the Match Funding and the Authority shall confirm whether it is agreeable to the Grant Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority shall be entitled to terminate the Grant Funding Agreement in accordance with paragraph 26.1.9 and where applicable, require all or part of the Grant to be repaid.
- 4.8. Where the use of Match Funding is permitted the Grant Recipient shall set out any Match Funding it receives in the format required by Annex 5 and send that to the Authority. This will enable the Authority to monitor the total cumulative funding that the Grant Recipient has received for the Funded Activities.
- 4.9. The Grant Recipient agrees that:
- 4.9.1. It has not previously obtained, is not currently in receipt of, and it will not apply for or obtain Duplicate Funding in respect of any part of the Funded Activities;
- 4.9.2. the Authority may refer it to the police, where it has reasonable grounds to believe that the Grant Recipient has dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;
- 4.9.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
- (i) The Grant Recipient will use the Grant payment for Eligible Expenditure only; and
- (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.
- 4.10. The Grant Recipient shall submit the Grant Claim together with a updated copy of Annex 5 of the Grant Funding Agreement on or after the relevant Milestone Period as set out in Annex 2 of the Grant Funding Agreement, and in any event within 5 days of the relevant Milestone Period.
- 4.11. Unless otherwise stated in these Conditions, payment of the Grant Claim will be made within 30 days of the Authority approving the Grant Recipient's Grant Claim.
- 4.12. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- 4.13. The Authority reserves the right not to pay any Grant Claims not submitted within the period set out in paragraph 4.10 or Grant Claims which are incomplete, incorrect or submitted without all required supporting documentation.
- 4.14. The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative or other error. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this paragraph

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- 4.14, shall fall due immediately. If the Grant Recipient fails to repay the due sum immediately or within 10 Working Days the sum will be recoverable summarily as a civil debt.
- 4.15. The Grant will be paid into a separate bank account in the name of the Grant Recipient which must be an ordinary business bank account. All cheques from the bank account must be signed by at least two individual Representatives of the Grant Recipient.
- 4.16. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that Third Party. The Authority has no responsibility for paying Third Party invoices.
- 4.17. Onward payment of the Grant and the use of sub-contractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.18. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.19. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Authority no later than 30 Working Days of the Authority's request for repayment.
- 4.20. The Grant Recipient shall provide the Authority with a grant closure report, updated benefits record, and a reasonable assurance report within two (2) months of the final payment milestone as set out in Annex 2 of the Grant Funding Agreement. The Authority shall withhold the final milestone payment until receipt a grant closure report, updated benefits record, and a reasonable assurance report.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1. The Authority will only pay the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient will use the Grant solely for delivery of the Funded Activities (as set out in Annex 2 of these Conditions).
- 5.2. The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activity:
- 5.2.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
- 5.2.2. giving evidence to Parliamentary Select Committees;
- 5.2.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
- 5.2.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);
- 5.2.5. providing independent, evidence-based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
- 5.2.6. providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.
- 5.3. **PARAGRAPH NOT USED** The following list is specific to government research grants, including, for example, those awarded to the National Academies:
- 5.3.1. publishing and publicising the results of research paid for using taxpayer funded grants;
- 5.3.2. hosting science and research communication events, for example, science festivals, Royal Society's Summer Science Exhibition, visits, breakfasts, dinners or receptions, seminars, the use of newsletters and campaigns, and sharing

- information with Parliament to expound greater understanding of research outcomes or launch a research project or equipment;
 - 5.3.3. working with or through a third party organisation or commercial partners, which are not professional lobbying organisations, to conduct, communicate or publish research findings and inform policy;
 - 5.3.4. contributing expert scientific and academic advice to inform government policy and funding or make the case for science; and
 - 5.3.5. developing proposals for future research grants.
- 5.4. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:
- 5.4.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
 - 5.4.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
 - 5.4.3. using the Grant to petition for additional funding;
 - 5.4.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
 - 5.4.5. input VAT reclaimable by the grant recipient from HMRC;
 - 5.4.6. payments for activities of a political or exclusively religious nature;
- 5.5. Other examples of expenditure, which are prohibited, include the following:
- 5.5.1. contributions in kind;
 - 5.5.2. interest payments or service charge payments for finance leases;
 - 5.5.3. gifts;
 - 5.5.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
 - 5.5.5. payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
 - 5.5.6. bad debts to related parties;
 - 5.5.7. payments for unfair dismissal or other compensation;
 - 5.5.8. contingency or contingent costs
 - 5.5.9. depreciation, amortisation or impairment of assets owned by the Grant Recipient (other than those Assets that are used for delivery of the Funded Activity);
 - 5.5.10. the acquisition of improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter);

5.5.11. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority; and

5.5.12. [costs associated with securing intellectual property arising from or associated with this project]. **Guidance: Only applicable if the Grant Recipient is a Large Enterprise**

6. ANNUAL GRANT REVIEW

6.1. The Authority will review the Grant annually. The Authority will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs set out in Annex 6 of these Conditions by the Grant Recipient in accordance with paragraph 7.2 of these Conditions.

6.2. Each quarterly and annual review may result in the Authority deciding that (for example a non-exclusive list includes):

6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;

6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;

6.2.3. the outputs, Milestones and KPIs should be re-defined and agreed;

6.2.4. the Grant Recipient should provide the Authority with a draft remedial action plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;

6.2.5. the Authority should recover any Unspent Monies;

6.2.6. the Grant be terminated in accordance with paragraph 26.11 of these Conditions.

6.3. If the Grant Recipient is required to submit a draft remedial action plan in accordance with paragraph 6.2.4 the Remedial Action Plan process set out in paragraph 26.4 to 26.10 shall apply.

6.4. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with paragraph 6.2. The Authority is not however obliged to take such representations into account when making its decision as any such decision will be final and at the Authority's absolute discretion.

7. MONITORING AND REPORTING

7.1 The Grant Recipient shall closely monitor the delivery and success of the Funded Activities throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are achieved.

7.1.1. The Grant Recipient shall continue to engage in monitoring and evaluation of the results and development of the Funded Activity by the Authority and its Contracted Parties in accordance with the KPI Reporting Table in Annex 6, Part 2 of the Grant Funding Agreement. This monitoring and evaluation shall include all requirements in this condition 7 and continued reporting on the KPI Performance Metrics in accordance with Annex 6, Part 2 of the Grant Funding Agreement.

7.1.2. The Grant Recipient shall provide reasonable access to evidence and information for the purposes of evaluation and learning in relation to energy innovation policy. This may include, but is not limited to, being interviewed as part of an evaluation, participation in a learning workshop, completing surveys and responding to requests for data.

The Grant Recipient shall

7.2. The Grant Recipient shall provide the Authority with all reasonable assistance and co-operation in relation to any ad-hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement.

7.3. The Grant Recipient shall also provide the Authority with:

7.3.1. quarterly reports before the end of May, August and November in the year during the Funded Activities, the content of the reports being in accordance with Annex 2 of this Grant Funding Agreement; and including, but not limited to, the following:

- (i) Grant spend to date and outcomes;
- (ii) Forecasted estimates of grant spend; and
- (iii) Forecasted estimates of Grant spend and total eligible expenditure on the Funded Activities for each month of the current Financial Year and for each subsequent Financial Year until the end of the Funded Activities; and

7.3.2. where relevant, details of any Assets either acquired or improved using the Grant.

7.4. The Grant Recipient will permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and will, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.

7.5. The Grant Recipient will record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.

7.6. The Grant Recipient will notify the Authority as soon as reasonably practicable of:

7.6.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and

7.6.2. actual or potential variations to the Eligible Expenditure set out in Annex 5 of these Conditions and/or any event which materially affects the continued accuracy of such information.

7.7. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of its annual and quarterly reports):

7.7.1. that the reports and information it gives pursuant to this paragraph 7 are accurate;

7.7.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and

7.7.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. AUDITING AND ASSURANCE

8.1. Within six months of the end of each Financial Year the Grant Recipient will provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds.

8.2. The Authority may, at any time during and up to seven years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activities sites and relevant records. The Grant Recipient will ensure that necessary information and access rights are explicitly included within all arrangements with sub-contractors.

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- 8.3. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient will, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.4. The Grant Recipient shall:
- 8.4.1. nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.4.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5. The Grant Recipient shall retain all invoices, receipts, accounting records and any other documentation (including but not limited to, correspondence) relating to the Eligible Expenditure; income generated by the Funded Activities during the Funding Period for a period of seven years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activities for a period of seven years from the date on which the Funding Period ends.
- 8.7. The Grant Recipient will promptly provide revised forecasts of income and expenditure:
- 8.7.1. Where there are material changes that impact the Grant Recipient as a going concern; and/or
 - 8.7.2. at the request of the Authority.
- 8.8. Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file their annual return and accounts by the dates specified by Companies House.
- 8.9. Where the Grant Recipient is a registered charity, the Grant Recipient must file their charity annual return by the date specified by the Charity Commissioner.
- 8.10. The Grant Recipient shall provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner. If a Grant Recipient fails to comply with paragraphs 8.8 or 8.9 of these Conditions the Authority may suspend funding or terminate the Grant Funding Agreement in accordance with paragraph 26 of these Conditions.

9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY

- 9.1. The Grant Recipient 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.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. The Grant Recipient must notify all cases of fraud or theft (whether proven or suspected) relating to the Funded Activities to the Authority as soon as they are identified and explain to the Authority what steps are being taken to investigate the irregularity and keep the Authority informed about the progress of such investigation. The Authority may then request their referral (which the Grant Recipient is obliged to carry out) to external auditors or other third parties as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that Grant Recipient take immediate additional actions to address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Grounds for suspecting financial irregularity include what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.

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9.5. The Grant Recipient agrees and accepts that it may become ineligible for grant support and be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of HMRC.

9.6. For the purposes of paragraph 9.4 “financial irregularity” includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. CONFLICTS OF INTEREST

10.1. Neither the Grant Recipient nor its Representatives shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.

10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. CONFIDENTIALITY

11.1. Except to the extent set out in this paragraph 11 or where disclosure is expressly permitted, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.

11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.

11.3. Nothing in this paragraph 11 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:

11.3.1 for the purpose of the examination and certification of the Authority’s accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or

11.3.2 The Authority shall procure that the Contracted Parties do not disclose any Confidential Information to any third party without the prior written consent of the Authority and that the Contracted Parties comply with the following requirements:

- (i) To the extent that it is necessary and approved by the Authority for the Contracted Parties to disclose Confidential Information to their staff, agents and sub-contractors, they shall ensure that such staff, agents and sub-contractors are subject to the same obligations as the Contracted Parties in respect of all Confidential Information;
- (ii) The obligations in this Condition 11.3.2 shall continue to apply after the expiry or termination of this Grant Funding Agreement;
- (iii) The Contracted Parties shall not handle or examine any document or thing bearing a Government security classification higher than “Official” other than in a Government establishment and they shall not remove any such document or thing from such Government establishment without the prior written consent of the Authority;
- (iv) The Contracted Parties shall not communicate with representatives of the general or technical press, radio, television or other communications media with regard to this Grant Funding Agreement and related matters unless previously agreed in writing by the Authority; and

- (v) The Contracted Parties shall not make use of this Grant Funding Agreement or any related Confidential Information otherwise than for the purposes of carrying out the required services related to this Grant Funding Agreement under its contract with the Authority unless previously agreed in writing by the Authority. ;

11.3.3 where disclosure is required by Law, including under the Information Acts.

- 11.4. Nothing in this paragraph 11 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. TRANSPARENCY

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

13. STATUTORY DUTIES

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

14. DATA PROTECTION, PUBLIC PROCUREMENT AND STATE AID

Data Protection

- 14.1. The Grant Recipient and the Authority will comply at all times with its respective obligations under Data Protection Legislation.
- 14.2. The Parties agree that for the purposes of the Data Protection Legislation the Grant Recipient is a Data Controller and the Authority is a Data Controller unless otherwise specified in Annex 8 of these Conditions.
- 14.3. The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and shall comply with the provisions set out in this paragraph 14 and Part 3 of Annex 8.
- 14.4. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes of this Grant Funding Agreement, the Parties accept that they are each a separate independent Controller in respect of such Personal Data. Each Party:
 - (i) shall comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data;

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

(iii) do not and will not Process any Personal Data as Joint Controllers.

- 14.5. Each Party shall, with respect to its processing of Personal Data as Independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the GDPR.

Public Procurement

- 14.6. The Grant Recipient will ensure that any of its Representatives involved in the Funded Activities will, adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.

- 14.7. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Grant Recipient will comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the Authority shall not be liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

15. SUBSIDY CONTROL

- 15.1. The Grant Recipient will ensure that delivery of the Funded Activities does not put the Authority in breach of the UK's international obligations in respect of subsidies.

- 15.2. The Grant Recipient will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Authority to comply with the same and respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.

- 15.3. The Grant Recipient acknowledges and represents that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and shall ensure that the Grant is not used in way that affects any such trade.

- 15.4. It is important to ensure that the Grant is not, and does not become, an unlawful State aid under Article 107 of the Treaty on the Functioning of the European Union (for the purposes of the application of Article 10 of the Northern Ireland Protocol) or a "subsidy" for the purposes of the Trade and Cooperation Agreement. State aid and subsidy frameworks ensure that States do not unfairly subsidise their own industry or particular parts of it.

- 15.5. The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis that it is in accordance with the Northern Ireland Protocol (where appropriate), the subsidy control provisions of the EU-UK Trade Agreement and any Domestic Law which replaces State Aid Law following the UK's exit from the European Union and on the basis that the Funded Activities meet the conditions set out in Annex 10.

16. INTELLECTUAL PROPERTY RIGHTS

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

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

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

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

17. ENVIRONMENTAL REQUIREMENTS

- 17.1. The Grant Recipient shall perform the Funded Activity in accordance with the Authority's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances

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and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

17.2. The Grant Recipient shall pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Funded Activity or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.

17.3. The Grant Recipient shall take all possible precautions to ensure that any equipment and materials used in the provision of the Funded Activity do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority shall be notified in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

18. ASSETS

Inventory of the Assets

18.1. The Grant Recipient shall agree in advance with the Authority any plans to purchase or improve any Fixed Assets at a cumulative cost exceeding £10,000 and must keep a register of all Fixed Assets and Major Assets acquired or improved at a cost exceeding £10,000, wholly or partly using the Grant provided under the Grant Funding Agreement. Where the cost of purchasing or improving the Fixed Assets and Major Assets is less than £10,000 authorisation is not required, but the Asset should be recorded on the fixed asset register.

18.1.1. For the avoidance of doubt, IPR developed during the Funding Period is not considered to be an Asset subject to this condition 18.

18.2. The Grant may be used for the depreciation of any Assets only insofar as they are used for delivery of the Funded Activity and only as set out in Annex 5 of the Grant Funding Agreement. .

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

18.3.1. date of acquisition or improvement;

18.3.2. description of the Asset;

18.3.3. cost, net of recoverable VAT;

18.3.4. location of the Asset;

18.3.5. serial or identification numbers;

18.3.6. location of the title deeds;

18.3.7. date of any Disposal;

18.3.8. depreciation/amortisation policy applied;

18.3.9. proceeds of any Disposal net of VAT; and

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

18.4. The Authority reserves the right to require the Grant Recipient to maintain the above particulars as set out in 18.3.1-18.3.10 for any additional items which the Authority considers material to the overall Grant.

Disposal of Asset

18.5. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.

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- 18.6. The Grant Recipient must not dispose of any Assets that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with the Grant without the prior written consent of the Authority. If the Authority grants consent to the Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Authority.
- 18.7. If the Grant Recipient disposes of any Asset without the prior written consent of the Authority, the Grant Recipient must use all reasonable endeavours to achieve the market price for the Assets and must pay to the Authority a proportion of the proceeds of such sale, equivalent to the proportion of the purchase or development costs of the Assets that was funded by the Grant, provided that the Authority may at its discretion allow the Grant Recipient to keep all or a part of the relevant proceeds where:
- 18.7.1. the sale of the Assets takes place after the end of the Asset Owning Period;
- 18.7.2. the proceeds of sale are to be applied directly to the purchase by the Grant Recipient of assets that are equivalent to or replacements for the Assets; or
- 18.7.3. the Authority is otherwise satisfied that the Recipient will apply those proceeds for purposes related to the Funded Activities.
- 18.8. In the event that the Grant Recipient disposes of any Asset in accordance with condition 18.7, the Grant Recipient shall hold the proceeds from the Disposal of that Asset on trust for the Authority.

Charging of any Asset

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

19. INSURANCE

- 19.1. The Grant Recipient will, during the Grant Term, and for as long as it reasonably considers it necessary following the termination or expiry of these Conditions, ensure that it has and maintains, at all times adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement.
- 19.2. The Grant Recipient will upon request produce to the Authority its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.
- 19.3. Where the Grant Recipient receives more than ten (10) per cent of the Grant Recipient's total income from public funds, the Grant Recipient will notify the Authority. The Authority will review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement.

20. ASSIGNMENT

- 20.1. The Grant Recipient will not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Funding Agreement or any rights under it, to another organisation or individual, without the Authority's prior approval.
- 20.2. Any approval given by the Authority will be subject to a condition that the Grant Recipient has first entered into a Grant Funding Agreement, authorised by the Authority, requiring the Grant Recipient to work with another organisation in delivering the Funded Activities.

21. SPENDING CONTROLS – MARKETING, ADVERTISING, COMMUNICATIONS AND CONSULTANCY

- 21.1. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure on advertising, communications, consultancy or marketing either in connection with, or using the Grant.

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- 21.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant will deliver measurable outcomes that meet government objective to secure value for money.
- 21.3. If applicable the Grant Recipient must provide a commitment to send a senior (Director or equivalent Level) staff from their organisation to the dissemination events organised by BEIS. Where this is not possible, you must contact BEIS as soon as possible to make alternative arrangements.

22. LOSSES, GIFTS AND SPECIAL PAYMENTS

- 22.1. The Grant Recipient must obtain prior written consent from the Authority before:
- 22.1.1. writing off any debts or liabilities;
 - 22.1.2. offering to make any Special Payments; and
 - 22.1.3. giving any gifts
- in connection with this Grant Funding Agreement.
- 22.2. The Grant Recipient will keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activity.

23. BORROWING

- 23.1. In accordance with paragraph 17.10 and this 23, the Grant Recipient must obtain prior written consent from the Authority before:
- 23.1.1. borrowing or lending money from any source in connection with the Grant Funding Agreement; and
 - 23.1.2. giving any guarantee, indemnities or letters of comfort that relate to the Grant Funding Agreement or have any impact on the Grant Recipient's ability to deliver the Funded Activities set out in the Grant Funding Agreement.

24. PUBLICITY

- 24.1. The Grant Recipient gives consents to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant Application or any monitoring reports submitted to the Authority in accordance with paragraph 7.2 of these Conditions. We will not publish any information which is in our view commercially sensitive, unless legally required to do so.
- 24.2. The Grant Recipient will comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.
- 24.3. The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.
- 24.4. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.
- 24.5. The Grant Recipient will acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) will include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.

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

25. CHANGES TO THE AUTHORITY'S REQUIREMENTS

25.1. The Authority will notify the Grant Recipient of any changes to their activities, which are supported by the Grant.

25.2. The Grant Recipient will accommodate any changes to the Authority's needs and requirements under these Conditions.

26. CLAWBACK, EVENTS OF DEFAULT, TERMINATION AND RIGHTS RESERVED FOR BREACH AND TERMINATION

26.1. The Authority may exercise its rights set out in paragraph 26.3 if any of the following events occur:

26.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities;

26.1.2. the Grant Recipient fails to comply with its obligations under the Grant Funding Agreement, which is material in the opinion of the Authority;

26.1.3. where delivery of the Funded Activities do not start within three (3) months of the Commencement Date and the Grant Recipient fails to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new date on which the Funded Activities shall start with the Authority;

26.1.4. the Grant Recipient uses the Grant for Ineligible Expenditure;

26.1.5. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activity and in particular fails to notify the Authority within one month of any failure or delay in meeting one or more milestones as set out in Annex 2 of the Grant Funding Agreement and/or fails for more than three consecutive months to comply with delivery of the milestones as set out in Annex 2 of the Grant Funding Agreement as amended and agreed with the Authority in accordance with condition 6.1.

26.1.6. the Grant Recipient fails to:

- (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to paragraph 26.3.4 or paragraph 6.2.4; or
- (ii) improve delivery of the Funded Activities in accordance with the Remedial Action Plan approved by the Authority;
- (iii) prevent a continued failure to deliver a milestone set out in Annex 2 of the Grant Funding Agreement, to remedy any milestone delivery failure to the satisfaction of the Authority, or to prevent reoccurrence of any milestone delivery failure within a subsequent 6 month period from the date of approval of a Remedial Action Plan.

26.1.7. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);

26.1.8. the Grant Recipient fails to declare Duplicate Funding;

26.1.9. the Grant Recipient fails to declare any Match Funding in accordance with paragraph 4.7;

26.1.10. the Grant Recipient receives funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;

26.1.11. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;

26.1.12. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient, its Representatives or a Third Party, as soon as they become aware of it;

26.1.13. the Authority determines (acting reasonably) that the Grant Recipient or any of its Representatives has:

- (i) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
- (ii) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;

- (iii) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
- (iv) failed to act in accordance with the Law; howsoever arising, including incurring expenditure on unlawful activities;

- 26.1.14. the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- 26.1.15. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- 26.1.16. the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol.
- 26.1.17. a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's obligations under the Trade and Cooperation Agreement or the terms of any UK subsidy control legislation;
- 26.1.18. The Grant Recipient breaches the Code of Conduct and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives in accordance with paragraph 31.2;
- 26.1.19. The Grant Recipient undergoes a Change of Control which the Authority, acting reasonably, considers:
- 26.1.20. will be materially detrimental to the Funded Activities and/or;
 - 26.1.21. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;
 - 26.1.22. the Authority believes that the Change of Control would raise national security concerns and/or;
 - 26.1.23. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given.

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

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

- 26.3. Where, the Authority determines that an Event of Default has or may have occurred, the Authority shall take any one or more of the following actions:
- 26.3.1. suspend or terminate the payment of Grant for such period as the Authority shall determine; and/or
 - 26.3.2. reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
 - 26.3.3. require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums shall be recovered as a civil debt; and/or
 - 26.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) in accordance with the procedure set out in paragraphs 26.4 to 26.10;
 - 26.3.5. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

26.4. Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan in accordance with paragraph 26.3.4, the draft Remedial Action Plan shall be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.

26.5. The draft Remedial Action Plan shall set out:

- 26.5.1. full details of the Event of Default; and
- 26.5.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales.
- 26.6. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority will submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 26.7. The Authority shall have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority shall confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 26.8. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 26.9. If the Authority does not approve the draft Remedial Action Plan the Authority may, at its absolute discretion, terminate the Grant Funding Agreement.
- 26.10. The Authority shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either paragraph 26.3.3 or 26.3.4 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Authority.

General Termination rights – Termination for Convenience

- 26.11. Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to paragraph 26.3.4 above, either Party may terminate the Grant Funding Agreement at any time by giving at least 3 months written notice to the other Party.
- 26.12. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) shall be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.
- 26.13. If the Authority terminates the Grant Funding Agreement in accordance with paragraph 26.11 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs will be identified by the Grant Recipient and will be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by the Authority.
- 26.14. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

Change of Control

- 26.15. The Grant Recipient shall notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.
- 26.16. The Grant Recipient shall ensure that any notification made pursuant to paragraph 26.15 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.
- 26.17. Where the Grant has been awarded to a consortium, and the recipients of the Grant have entered into a collaboration agreement, the notification required under paragraph 26.15 shall include any changes to the consortium members.
- 26.18. Following notification of a Change of Control, the Authority shall be entitled to exercise its rights under paragraph 26.1 of these Conditions providing the Grant Recipient with notification of its proposed action in writing within three (3) months of:
- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
 - (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

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

27. EXIT PLAN

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

28. DISPUTE RESOLUTION

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

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

28.3. If the dispute cannot be resolved between the Parties Representatives within a maximum of three (3) months, then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

29. LIMITATION OF LIABILITY

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

29.2. Subject to this paragraph 29, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

29.3. Subject to condition 28.1, the Grant Recipient's total aggregate liability to the Authority, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with the Funded Activities, the Grant and the Grant Funding Agreement shall be limited to £[double total grant funding amount]

30. VAT

30.1. If VAT is held to chargeable in respect of the Grant Funding Agreement, all payments shall be deemed to be inclusive of all VAT and the Authority shall not be obliged to pay any additional amount by way of VAT.

30.2. All sums or other consideration payable to or provided by the Grant Recipient to the Authority at any time shall be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided the Grant Recipient shall at the same time or as the case may be on demand by the Secretary of State in addition to such sums or other consideration pay to the Secretary of State all the VAT so payable upon the receipt of a valid VAT invoice.

31. CODE OF CONDUCT FOR GRANT RECIPIENTS

31.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct for Grant Recipients (the **Code of Conduct** <https://www.gov.uk/government/publications/supplier-code-of-conduct>) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.

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31.2. The Grant Recipient shall immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.

31.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 25.3.12.

32. NOTICES

32.1. All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in Annex 7 or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in Annex 7 (Contact Details). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

33. GOVERNING LAW

33.1. These Conditions will be governed by and construed in accordance with the law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.

SIGNED by:

**[insert authorised
signatory's
name]**

.....
Signature

**for and on behalf of the
Department for Business,
Energy and Industrial
Strategy (BEIS)**

.....
Title

.....
Date

SIGNED by

[insert authorised Signature

signatory's

name]

for and on behalf of **[insert**
name of Recipient]

Title

.....

Date

TEMPLATE

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ANNEX 1 PART A – GRANT OFFER LETTER - OVERLEAF

TEMPLATE

[Date]

[Grantee address]

Dear [insert name]

[INSERT TITLE OF GRANT]

1. The Secretary of State for Business, Energy and Industrial Strategy (referred to in this letter as “**We**”/ “**Us**”/ “**Our**”), offers **[insert name of grantee, and company number, if a company]** (referred to in this letter as “**You**”/ “**Your**”) a grant (“**Grant**”) subject to Your agreement to, and compliance with, the terms and conditions set out or referred to in this letter, its Appendices and Schedules. These terms and conditions should be read in conjunction with the standard terms and conditions in the Grant Funding Agreement and accompanying Annexes issued by Us (the “**Grant Funding Agreement**”), which together comprise the “**Agreement**” on which the Grant is given by Us to You.
2. [This offer is made pursuant to Your successful application in the recent call **[insert title/date/reference of call and internet link to grant call]**].
3. The Grant is offered under section 5 of the Science and Technology Act 1965.

Amount of Grant

4. The maximum amount of Grant offered is up to [insert amount in figures (insert amount in words) for the period ending 31 March [insert date]]. This is the total amount of Grant that We may pay and this amount will not be increased as a result of any overspend or otherwise. [Note: Use wording below where the Grant is e.g. split between financial years.]

[This will be paid as follows:

up to £ [insert amount in figures (insert amount in words)] in financial year ending on 31 March [insert date]; and

up to £ [insert amount in figures (insert amount in words)] in financial year ending on 31 March [insert date].]

[Consortia – As required]

Purpose of Grant

5. The Grant is offered to You to contribute to certain expenditure (see paragraphs 7 to 8) (“**Eligible Expenditure**”) where that expenditure is reasonably incurred by You in undertaking **[summarise the project]** (“**the Funded Activities**”).
6. A description of the Funded Activities is set out in **Annex 2** to the Grant Funding Agreement.

Eligible Expenditure

7. Subject to paragraphs 8 and 9, the Eligible Expenditure is limited to the costs specified in **Annex 5** to the Grant Funding Agreement.
8. Under no circumstances may the Grant be claimed or used to cover any Ineligible Expenditure listed in paragraph 5.4 of the Grant Funding Agreement or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Expenditure for the purposes of this letter). The Eligible Expenditure must be kept to the minimum for the efficient conduct of the Funded Activities, and expenditure that We reasonably determine to be in excess of that amount does not constitute Eligible Expenditure.

Funding Period

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9. The Eligible Expenditure for which the Grant is awarded is expenditure limited to costs which are incurred between **[the date You sign this letter] [or insert the date]** and **[insert an end date such as the date of the end of the financial year for the last instalment payable]**.

Payment of Grant

10. The Grant will be paid [in accordance with the instalments in **Annex 3** to the Grant Funding Agreement], in arrears, on a reimbursement basis upon receipt from You of a **Grant claim Form** in the form set out in **Appendix 1 to this letter** by [insert deadline] [the deadlines specified in the Grant Funding Agreement].

Accountable Officer

- 11.1 You must appoint a person (the “Accountable Officer”) responsible for ensuring that You use the Grant in compliance with the Agreement and notify Us of the identity of the Accountable Officer. We must approve the appointment of any person who is not the Chief Executive Officer or Chief Financial Officer.
- 11.2 The Accountable Officer must maintain oversight of Your use of the Grant and:
- a) safeguard, control and ensure the efficient, economical and effective management of the Grant;
 - b) advise You on the discharge of Your responsibilities under the Agreement and under any subsequent terms and conditions agreed by You and Us, or any guidance or other information notified by Us;
 - c) ensure that principles of probity, robust governance, transparency and value for money are maintained at all times 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 a form that complies with generally accepted accounting practices to which You are subject; and
 - e) ensure that conflicts of interest are avoided.

Grant Claims

12. Your Grant claim[s] must include the following:
- a) the information and evidence required for the relevant instalment in paragraph 4 of the Grant Funding Agreement; and
 - b) accompanying that information and evidence, the appropriate assurance required by paragraph 8 of the Grant Funding Agreement.

Conditions Precedent

13. The offer of Grant is conditional on You providing Us with the following:
- a) the completed and signed form in Annex 4 of the Grant Funding Agreement confirming Your bank details and the details of Your signatories;
 - b) evidence showing that an Accountable Officer has been appointed;
14. You must ensure that We receive the information and evidence required above on or by **[insert deadline]**. Should You fail to do so, or should We reasonably conclude that the information and evidence provided prior to that deadline is unsatisfactory, We shall be entitled to withdraw the Grant (and any Grant already paid by then will be repayable with interest).

Subsidy Control

15. It is important to ensure that the Grant is not, and does not become, an unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union (for the purposes of the application of Article 10 of the Northern Ireland Protocol) or a

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“subsidy” for the purposes of the Trade and Cooperation Agreement. State aid and subsidy frameworks ensure that States do not unfairly subsidise their own industry or particular parts of it.

Conditions

16. You must comply with the standard terms and conditions set out in the Grant Funding Agreement which apply to this Grant and accompany this letter, in addition to all other requirements set out or referred to in this letter and its Appendices.

17. The standard terms and conditions in the Grant Funding Agreement are amended as follows:

In **paragraph 8.1** of the standard terms and conditions in the Grant Funding Agreement the requirement to provide independent assurance and certification of Grant claims by an independent auditor shall apply to this grant offer letter as follows:

[Conditions Subsequent linked to Stage Gate if relevant]

Director’s declaration

Your Grant claim[s] must be accompanied by a statement by one of Your directors (or if You are not a company, an officer of equivalent status) in the following terms:

“I confirm that I have considered the information and evidence provided in support of this Grant claim, and the terms and conditions of the Grant and that:

- a) the information and evidence is complete, true and accurate. If I give information which I know is not correct or complete, I understand that action may be taken against me; and
- b) we have complied with the terms and conditions of the Grant.

Reasonable assurance report

In addition to a statement by one of your directors, Your Grant claim[s] must be accompanied by a reasonable assurance report from an independent reporting accountant in the form in **Schedule 1** to this letter if You have:

- a) incurred Eligible Expenditure of £100,000 (one hundred thousand pounds) or more; or
- b) the total amount of the Grant is £1 million (one million pounds) or more.

Accountants: engagement terms

Where an assurance report is required, You must engage the relevant accountant on the terms in **Schedule 2** to this letter. The documentation in Schedules 1 to 2 is based on templates in Technical Release AAF 01/10 (Framework Document for accountants’ reports on grant claims) of the Institute of Chartered Accountants in England and Wales (ICAEW). You must not materially modify those terms and conditions without the prior consent in writing of the Secretary of State.

Accountant’s payment

Where an assurance report is required, You are responsible for paying the accountant’s fees and must not use the Grant to do so.

18. In the event of any conflict or inconsistency between the Grant offer letter and the Grant Funding Agreement, the Grant offer letter takes precedence.

Notices and contact

19. In communicating with Us, Your contact within the Department of Business, Energy and Industrial Strategy is:

[Insert contact details]

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Duration of offer

20. This offer remains open until 5pm on xxxx 201*, at which point it expires. If You wish to accept this offer, You must ensure that We receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time.

Acceptance

21. If You wish to accept this offer, You must sign and date both copies of the Grant Funding Agreement and the grant offer letter appended to each Grant Funding Agreement and return one signed copy to Us. It must be signed by someone who is authorised to sign on behalf of your organisation. Please provide evidence of their authority to sign and bind your organisation. Please also provide a day to day contact name and email address.

[DRAFTING NOTE: This is the acceptance wording for the two grant offer letters appended to each copy of the Grant Funding Agreement.]

Acceptance

22. If You wish to accept this offer, You must sign and date this letter as indicated below. It must be signed by someone who is authorised to sign on behalf of Your organisation. Please also provide a date to day contact name and email address.

Yours sincerely,

..... **[Insert BEIS signatory]**

Agreement

I confirm, for and on behalf of the **[insert name of Grantee]**, the agreement of **[insert name of Grantee]** to the terms and conditions set out or referred to in this letter and its Appendices and Schedules.

Signed:

Printed Name:

Position:

Date:

Day to day contact for the Grant:

Name:

Position:

Email address:

Accountable Officer for the Grant:

Name:

Email address:

TEMPLATE

APPENDIX 1
GRANT CLAIM FORM

CLAIM FOR PAYMENT OF GRANT

This form must be used when you wish to claim an instalment of the Grant. When making a Grant claim, as set out in the standard terms and conditions of in the Grant Funding Agreement, We may request and You must supply proof of expenditure and any other supporting documentation and information in addition to the Grant claim Form as We may require.

Name of Applicant Organisation:

Period of claim (Month) 201X to (Month) 201X

Period	Grant claimed this period <i>(excluding Administration costs)</i>	Activities undertaken and Eligible Expenditure incurred	Evidence provided in support	Total Grant claimed this period (including Administration costs)
Totals				

DEPARTMENT FOR BUSINESS, ENERGY & INDUSTRIAL STRATEGY

SCHEDULE 1
REASONABLE ASSURANCE REPORT

To: Directors and the Secretary of State for Business, Energy and Industrial Strategy ("BEIS")

This report is produced in accordance with the terms of our letter of engagement dated [XX] for the purpose of reporting to [the directors of client] (the 'company') and BEIS in connection with the Grant claim for the monies receivable from BEIS under its Grant Funding Agreement dated X in respect of [project name] [for the period ended [date]] and in accordance with the terms of our engagement letter dated [date] (attached).

Our report is prepared solely for the confidential use of [insert name of grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. This report is released to [insert name of grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent except where there is a statutory requirement of disclosure. Without assuming or accepting any responsibility or liability in respect of this report to any party other than [insert name of grant recipient] and BEIS, we acknowledge that [insert name of grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of [insert name of grant recipient] and BEIS and particular features of our engagement determined by their needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against [name of accountant] for any purpose or in any context. Any party other than [insert name of grant recipient] and BEIS which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, [name of accountant] will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

As directors of the company, you are responsible for ensuring that the company maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the company, and in respect of grant claims, as the company's directors (the 'directors') you are responsible for compiling claims in accordance with the Grant Funding Agreement, ensuring that only eligible items are included in each grant claim and for ensuring that all terms of such offer letters have been complied with or varied in writing with the provider. It is also the directors' responsibility to extract relevant financial information from the company's accounting records, to make the calculations specified in the grant offer letter, and to provide relevant financial information to BEIS.

Our approach

We conducted our engagement in accordance with ISAE 3000 (*Assurance engagements other than audits and reviews of historical financial information*). We performed a reasonable assurance engagement as defined in the framework. For the purpose of the engagement we have been provided by the directors with a schedule (attached to this report) ("the schedule") showing the company's eligible expenditure and the Grant Funding Agreement. The directors of the company remain solely responsible for the schedule.

The objective of a reasonable assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the schedule.

[Inherent limitations]

[The following two paragraphs only to be used only where the accountants are the auditors of the grant recipient]

[Our audit work on the financial statements of [grant recipient] is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as [grant recipient]'s external auditors. Our audit report on the financial statements is made solely to [grant recipient]'s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to [grant recipient]'s members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than [grant recipient] and [grant recipient]'s members as a body, for our audit work, for our audit reports, or for the opinions we have formed.]

To the fullest extent permitted by law we do not and will not, by virtue of our reports/confirmations or otherwise, assume or accept any duty of care or liability under this engagement to [grant recipient] or to [BEIS] or to any other party, whether in contract, negligence or otherwise in relation to our audits of [grant recipient]'s financial statements.]

Conclusion

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In our opinion, [the schedule] has been prepared, in all material respects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

or

Except for [detail minor exceptions noted], in our opinion [the schedule] has been prepared, in all material aspects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

or

In our opinion [the schedule] has not been prepared, in all material respects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

[insert details of issues leading to qualification of opinion]

Firm of Accountants
Office
Date

TEMPLATE

SCHEDULE 2
REPORTING ACCOUNTANTS: LETTER OF ENGAGEMENT

Letter of engagement

The following are the pre-agreed terms of engagement on which the [grant recipient] engages accountants to perform [a reasonable assurance report] in connection with the [name of [grant claim]].

The Secretary of State for Business, Energy and Industrial Strategy (“BEIS”) accepts that an agreement between the [grant recipient], its reporting accountants and BEIS on these terms is formed when the accountants sign and submit to BEIS a report as set out in clause 3 below.

NB: BEIS will not need to sign anything. By publishing this document BEIS confirms that these pre-agreed terms form its agreement with [grant recipient] and the reporting accountants. Once the accountants’ report is submitted to BEIS in accordance with these terms BEIS will accept that an agreement is formed. If the terms of the standardised engagement letter are to be revised, BEIS will need to confirm its acceptance of the new terms before an agreement is formed.

In these terms of engagement:

1. Introduction

The [grant recipient] is required to submit to BEIS reports as set out in clause 3 below that are also signed by an accountant to provide independent assurance. These terms of engagement set out the basis on which the accountant will sign the report.

2. The [grant recipient]’s responsibilities

- 2.1 The [grant recipient] is responsible for producing information, maintaining proper records complying with the terms of any legislation or regulatory requirements and BEIS’s terms and conditions of grant (‘the grant conditions’) and providing relevant information to BEIS in accordance with the requirements of the grant conditions. The [grant recipient] is responsible for ensuring that the non-financial records can be reconciled to the financial records.
- 2.2 The management of the [grant recipient] will make available to the accountant all records, correspondence, information and explanations that the accountant considers necessary to enable the accountant to perform the accountant’s work.
- 2.3 The [grant recipient] and BEIS accept that the ability of the accountant to perform its work effectively depends upon the [grant recipient] providing full and free access to the financial and other records and the [grant recipient] shall procure that any such records held by a third party are made available to the accountant.
- 2.4 The accountant accepts that, whether or not the [grant recipient] meets its obligations, the accountant remains under an obligation to BEIS to perform its work with reasonable care. The failure by the [grant recipient] to meet its obligations may cause the accountant to qualify its report or be unable to provide a report.

3. Scope of the accountant’s work

- 3.1 The [grant recipient] will provide the accountant with such information, explanations and documentation that the accountant considers necessary to carry out its responsibilities. The accountant will seek written representations from management in relation to matters for which independent corroboration is not available. The accountant will also seek confirmation that any significant matters of which the accountant should be aware have been brought to the accountant’s attention.
- 3.2 The accountant will perform carry out a [limited][reasonable] level of assurance assignment and subject to any adverse findings will produce a report in the form set out in [Appendix X].
- 3.3 The accountant will not subject the information provided by the [grant recipient] to checking or verification except to the extent expressly stated. While the accountant will perform the accountant’s work with reasonable skill and care, the accountant’s work should not be relied upon to disclose all misstatements, fraud or errors that might exist.

4. Form of the accountant’s report

- 4.1 The accountant’s reports are prepared on the following bases:

- 4.1.1 the accountant's reports are prepared solely for the confidential use of the [grant recipient] and BEIS and solely for the purpose of submission to BEIS in connection with BEIS's requirements in connection with [name of grant]. They may not be relied upon by the [grant recipient] or BEIS for any other purpose;
- 4.1.2 without imposing on the accountant and without the accountant assuming (or being perceived as assuming) any duty or responsibility and without imposing or accepting any liability to anyone except the [grant recipient] and BEIS, BEIS may disclose the reports to the European Commission for state aid purposes, Parliament, the Comptroller and Auditor General (NAO) and others who demonstrate statutory rights of access to the report;
- 4.1.3 neither the [grant recipient], BEIS [or others] may rely on any oral or draft reports the accountant provides. The accountant accepts responsibility to the [grant recipient] and BEIS for the accountant's final signed reports only;
- 4.1.4 the report will be prepared solely for the confidential use of [grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. The report will be released to the [grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without the accountant's prior written consent, except where there is a legal or statutory right of access. Without assuming or accepting any responsibility or liability in respect of the report to any party other than [grant recipient] and BEIS, we acknowledge that [grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise their statutory rights of access to this report;
- 4.1.5 to the fullest extent permitted by law, except for the [grant recipient] and BEIS, the firm of accountants, its partners and staff neither owe nor accept any duty to any person (including, without limitation, any person who may use or refer to any of BEIS's publications) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in the accountant's reports.

5. Liability provisions

- 5.1 The accountant will perform the engagement with reasonable skill and care and accepts responsibility to the [grant recipient] and to BEIS for losses, damages, costs or expenses ('losses') caused by its breach of contract, negligence or wilful default, subject to the following provisions:
 - 5.1.1 The accountant will not be responsible or liable if such losses are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than the accountant, except where, on the basis of the enquiries normally undertaken by accountants within the scope set out in these terms of engagement, it would have been reasonable for the accountant to discover such defects.
 - 5.1.2 The accountant accepts liability without limit for the consequences of its own fraud and for any other liability which it is not permitted by law to limit or exclude.
 - 5.1.3 Subject to the previous paragraph (5.1.2), the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise, to each of the [grant recipient] and BEIS, arising from or in connection with the work which is the subject of these terms (including any addition or variation to the work), shall not exceed the maximum value of the relevant Grant instalment to which the Grant claim relates (as set out in the Grant Funding Agreement).
- 5.2 The [grant recipient] and BEIS agree that they will not bring any claims or proceedings against any individual partners, members, directors or employees of the accountant. This clause is intended to benefit such partners, members, directors and employees who may enforce this clause pursuant to the Contracts (Rights of Third Parties) Act 1999 ('the Act'). Notwithstanding any benefits or rights conferred by this agreement on any third party by virtue of the Act, the parties to this agreement may agree to vary or rescind this agreement without any third party's consent. Other than as expressly provided in these terms, the Act is excluded.
- 5.3 Any claims, whether in contract, negligence or otherwise, must be formally commenced within 4 years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than 6 years after relevant report was issued (or, if no report was issued, when the accountant accepted the engagement in writing). This expressly overrides any statutory provision which would otherwise apply.
- 5.4 This engagement is separate from and unrelated to any audit work of the accountant on the financial statements of the [grant recipient] for the purposes of any applicable statutory or regulatory or other auditing framework and nothing herein creates obligations or liabilities regarding the accountant's audit work, which would not otherwise exist.

6. Fees

The accountant's fees, together with VAT and out-of-pocket expenses, will be agreed with and billed to the [grant recipient]. BEIS is not liable to pay the accountant's fees.

7. Quality of service

The accountant will investigate all complaints. BEIS or the [grant recipient] have the right to take any complaint to the ICAEW. BEIS or the [grant recipient] may obtain an explanation of the mechanisms that operate in respect of a complaint to the ICAEW at www.icaew.co.uk/complaints or by writing to the ICAEW at the ICAEW Professional Standards Office, Metropolitan House, 321 Avebury Boulevard, Milton Keynes MK9 2FZ UK.

8. Providing services to other parties

The accountant will not be prevented or restricted by virtue of the accountant's relationship with the [grant recipient] and BEIS, including anything in these terms of engagement, from providing services to other clients. The accountant's standard internal procedures are designed to ensure that confidential information communicated to the accountant during the course of an assignment will be maintained confidentially.

9. Applicable law and jurisdiction

9.1 This agreement shall be governed by and interpreted and construed in accordance with the law of England.

9.2 The [grant recipient], BEIS and the accountant irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise on any basis in connection with the validity, effect, interpretation or performance of, or the legal relationship established by this agreement or otherwise arising in connection with this agreement.

10. Alteration to terms

All additions, amendments and variations to these terms of engagement shall be binding only if in writing and signed by the duly authorised representatives of the parties. These terms supersede any previous agreements and representations (unless based on fraud) between the parties in respect of the scope of the accountant's work and the accountant's report or the obligations of any of the parties relating thereto (whether oral or written) and represents the entire agreement and understanding between the parties. These terms do not affect any separate agreement in writing between the [grant recipient] and the accountant.

15th March 2022

ANNEX 1 PART B – GRANT RECIPIENT’S GRANT APPLICATION

[Include the Grant Recipient’s application here]

TEMPLATE

ANNEX 2 –THE FUNDED ACTIVITIES

Fill in table below

Company/Consortia	
Name of project	
Grant size requested (£)	
Project Cost	
Grant size awarded (£)	
Date	
Version	

Milestone	Due	Maximum grant payable	Evidence of achievement to be provided	Verification criterion
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable

				satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
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			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State
			•	Sufficient content and quality to the reasonable satisfaction of the Secretary of State

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15th March 2022

ANNEX 3 – PAYMENT SCHEDULE

Project Tables

See Annex 2 for Payment Schedule

Approved Match Funding

Fill in table below

GRANT FUNDING PERIOD	TOTAL MATCH FUNDING RECEIVED	MATCH FUNDING PAYMENT DATE (if applicable)
Year 1		
Year 2		
Year 3		

TEMPLATE

ANNEX 4 – GRANT RECIPIENT’S BANK DETAILS

Guidance: The Grant Recipient must complete parts 1 to 5. Part 5 must only be completed by the person who signed the Grant Letter/ Agreement with the Authority, or their replacement.

The Grant Determination number is the Grant Application Reference Number.

The Grant Recipient should take a photocopy of the form for their records and return the original along with the signed Grant Funding Agreement to the address indicated in the Grant Letter.

Part 1: Grant recipient details

Name of Main Grant Holder	Address of Grant Holder
<input type="text"/>	<input type="text"/>
Grant Determination number	
<input type="text"/>	Postcode:
Grant name	Contact telephone number
<input type="text"/>	<input type="text"/>

Part 2: Bank details

Bank / Building Society name	Account name
<input type="text"/>	<input type="text"/>
Branch name	Account number
<input type="text"/>	<input type="text"/>
Bank sort code	Account type
<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>
Building Society roll number	Branch address
<input type="text"/>	Postcode:
	<input type="text"/>

Part 3: Address for remittance advice

Choose one method only	Postal address (if different from Part 1)
Send our remittance advice by post <input type="checkbox"/>	<input type="text"/>
Send our remittance advice via email	
	Postcode
	<input type="text"/>

Part 4: Authorised signatories

The names and specimen signatures of people authorised to sign claim forms on behalf of the person who signed the Grant Funding Agreement are shown below. These signatures are binding on this organisation in respect of the Agreement.

Name

Position in the organisation

Signature

Date

--	--	--	--	--

Name

Position in the organisation

Signature

Date

--	--	--	--	--

Part 5: Grant recipient declaration

To be completed by the person who signed the Grant Letter/ Grant Funding Agreement

- I certify that the information given on this form is correct.
- I agree that following discussions, any overpayments can be automatically recovered from future payments.

Name

Signature *(the person who signed the agreement)*

Date

--	--	--	--	--

Return this form to the address indicated in the Grant Letter, alongside a signed Grant Funding Agreement.

General Data Protection Regulation (2018): The information on this form will be recorded on the Authority's computer system. The information provided will be used for paying your fees and will not be passed to anyone outside of the Authority without the permission of the Grant Recipient.

ANNEX 5 – ELIGIBLE EXPENDITURE SCHEDULE

This Annex shows a breakdown of forecast grant expenditure taken from the most recent version of the Project Cost Breakdown Form - Grant completed in the application.

Item of Expenditure	Budget (in UK Sterling)/forecast expenditure
Labour	
Materials	
Capital Equipment	
Sub-contract	
Travel and Subsistence	
Other Costs	

TEMPLATE

ANNEX 6 – AGREED OUTPUTS AND NZIP KEY PERFORMANCE INDICATORS

Part 1: Agreed Outputs

The Grant Recipient is required to achieve the following milestones and performance measures in connection with the Grant:

- 1.
- 2.
- 3.
- 4.

Outputs measured Year 1	Measure	Frequency (annually/quarterly/monthly/other)
Year 2		

TEMPLOYEE

Part 2: NZIP KEY PERFORMANCE INDICATORS

BEIS conducts independent evaluations of many of its programmes. The Grant Recipient will be required to collaborate in reasonable evaluation activities, including, but not limited to, completing questionnaires or surveys, participating in interviews and workshops, communicating the learnings from the project, providing costs/sales data and elaboration of any of the measures covered in the below KPIs.

BEIS requires all grant recipients under the Net Zero Innovation Portfolio (NZIP) to report on KPIs to provide a consistent approach to reporting evidence to track and measure key outputs, outcomes and impacts. The evidence collected is used to demonstrate the impact of the NZIP on achieving the government's Net Zero ambitions and is necessary to be able to run future competitions.

Grant recipients will be required to review and report on KPIs at various intervals for each project, including at the start of the project, annually, at project closure and for up to three years after project closure. BEIS will supply grant recipients with a reporting template to complete at set intervals, and recipients are expected to return the template to their Monitoring Officer upon completion, who will review and quality assure it.

Please note that the NZIP KPIs are under review and are subject to change. All changes will be communicated in advance of collection.

The KPIs BEIS anticipates collecting throughout the NZIP are as follows:

KPI	KPI description
KPI 1	Number of energy innovation projects supported
KPI 2	Number of projects that have successfully met objectives
KPI 3	Number (and size) of Organisations supported to deliver project (Lead Partner and Other Organisations as named on grant offer/ contract)
KPI 4	Number of active Business Relationships and Collaborations supported (Formal and Informal, Overall and New)
KPI 5	Advancement of Low Carbon Solutions - Technology Readiness Levels
KPI 6i	Initial Financial Leverage from the private sector to deliver project
6ii	Follow-on Funding to progress the innovation further forward
KPI 7i	Reduction in the unit cost of energy
7ii	Increase in energy efficiency/ Reduced energy demand
7iii	Increase in energy system flexibility
KPI 8	Steps towards commercialisation of the innovation including sales in the UK and internationally
KPI 9	Reduction in carbon emissions

KPI 10	Policy impact and socio-political support
--------	---

- High level definitions of the KPIs are as follows¹: **KPI 3:**
 - **Lead partner** delivering the project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation to deliver the project.
 - **Other partner organisations** involved in delivering the project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation to deliver the project. This does not include sub-contractors.
 - This information should be repeated for each organisation listed
- **KPI 4:**
 - **Formal relationships and collaborations:**
 - These are companies or organisations brought on board in a formal contractual capacity (including those in receipt of monetary payment) to deliver the project e.g. a sub-contractor.
 - Number of formal business relationships. For each relationship, organisation or company name and type of formal relationship.
 - **Informal relationships and collaborations:**
 - Informal relationships and collaborations are defined as not being contractual but brought on board in an advisory or joint delivery capacity with a substantive contribution to the project. Examples include academic collaborations, such as via an advisory group, or collaborations with companies in the supply chain. This should include those worked with for a substantive/ significant or on-going period and not just a one-off contribution
 - Number of informal business relationships. For each relationship, organisation or company name and type of formal relationship
- **KPI 5:**
 - **Technology Readiness Levels:**
 - Covers both current and anticipated levels (e.g. by project closure or by a specified future date)
- **KPI 6i:**
 - **Project funding structure:**
 - Details of amount of BEIS, Other Public Sector and Private Funding.
- **KPI 6ii:**
 - **Amount of follow-on funding** raised because of the BEIS-funded project (£m) and the source (public or private). Follow-on funding can occur in the form of grant funding (e.g. EU, Innovate UK, etc.), internal R&D investment, or private investment.
 - Only required for original or related projects (e.g. progressing the technology of the project further along the TRL scale).
- **KPI 7i:**
 - Scope and scale of **impact on reducing energy costs** including:
 - Capital and operating cost reduction
 - Calculation of potential benefits in 2032
 - Alternative approaches are available where above data is not available
- **KPI 7ii:**
 - Scope and scale of **impact on reducing energy demand/increasing energy efficiency** including:
 - Reduction in energy used in MWh
 - Calculation of potential benefits in 2032
 - Alternative approaches are available where above data is not available
- **KPI 7iii:**

Scope and scale of **impact on energy system flexibility** including:

 - The peak power which could be controlled through the flexibility technology (MW)
 - The duration of the controlled load, generation or storage capacity (hours)
 - Calculation of potential benefits in 2032
- **KPI 8:**

¹ As above, NZIP KPI definitions are under review and may be subject to change. All changes will be communicated in advance of collection.

- **Commercial readiness levels** (current and anticipated) including:
 - Steps towards commercialisation incl. licensing agreements, commercial partnerships, product certifications etc. if taken and national/international standards passed
 - UK and International sales secured and their value.

- **KPI 9:**
 - Scope and scale of **impact on carbon emissions** including:
 - Carbon emissions (tCO₂e) and an explanation of how this has been achieved
 - Calculation of potential benefits in 2032
 - Alternative approaches are available where above data is not available

- **KPI 10:** Scope and scale of **policy impact and socio-political support** including:
 - Policy engagement activities participated in, including with regulators, government, industry, civil society or pressure groups.
 - Strategic documents (incl. Green or White papers) informed by the project

At project kick off, your BEIS Monitoring Officer will provide further details about the calculation of these KPIs and assist with the initial completion and measurement of these KPIs. The KPIs should be reported to your BEIS Monitoring Officer at the specified time points, who will then review and quality assure it.

TEMPLATE

ANNEX 7 – CONTACT DETAILS

The main departmental contact in connection with the Grant is:

Name of contact	[REDACTED]
Position in organisation	[REDACTED]
Email address	[REDACTED]
Telephone number	[REDACTED]
Fax number	[REDACTED]
Postal address	[REDACTED]

This information is correct at the date of the Grant Funding Agreement. The Authority will send you a revised contact sheet if any of the details changes.

The Grant Recipient's main contact in connection with the Grant Funding Agreement is:

Reference	
Organisation	[REDACTED]
Name of contact	[REDACTED]
Position in organisation	[REDACTED]
Email address	[REDACTED]
Telephone number	[REDACTED]
Fax number	[REDACTED]
Postal address	[REDACTED]

Please inform the Authority if the Grant Recipient's main contact changes.

ANNEX 8 – DATA PROTECTION PROVISIONS**Part 1: DATA PROTECTION LEGISLATION PARAGRAPH DEFINITIONS:**

Breach, Data Protection Officer and Data Subject, take the meaning given in the GDPR.

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.

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

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

GDPR: the General Data Protection Regulation (*Regulation (EU) 2016/679*).

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

Processor Personnel: means all directors, officers, employees, agents, consultants and Recipients of the Processor and/or of any Sub-Processor engaged in the performance of its obligations under these Conditions.

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it including the adoption of any measures and standards relating to the protection of Personal Data which the Authority communicates to the Grant Recipient from time to time.

Sub-processor: any Third Party appointed to process Personal Data on behalf of that Processor related to these Conditions.

ANNEX 8

Part 2: Annex for Independent Controller

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in paragraph 4, the Parties acknowledge that they are each separate independent Controllers in respect of such data.
2. The Grant Recipient shall (and shall procure that any of its Representatives shall) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.
5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government [and that these details may appear on the Government Grants Information System database which is available for search by other funders.
6. The Authority and the Grant Recipient shall:
 - (a) ensure that the provision of Personal Data to the other party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other party to the extent required in connection with Funded Activity.
7. Where a Party (the "**Data Receiving Party**") receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party shall provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - 7.2. where the request or correspondence is directed to the other party and/or relates to the other party's Processing of the Personal Data, the Data Receiving Party will:
 - (b) promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other party that it has received the same and shall forward such request or correspondence to the other party; and
 - (c) provide any information and/or assistance as reasonably requested by the other party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
8. Each party shall promptly notify the other party upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other party pursuant to this Agreement and shall:
 - 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that party's relationship with the relevant Data Subjects, save as required by Law.

9. Without limiting any other provision of this Annex 8, Part 2, each of the Parties shall, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data.
10. Authority and the Grant Recipient shall not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement Grant Recipient will notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers.

TEMPLATE

ANNEX 9 - EXIT

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

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

General

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

Exit Planning

6. The Grant Recipient will, in conjunction with the Authority, maintain, and as necessary update, the Exit Plan throughout the Funding Period so that it can be implemented immediately, if required. From time-to-time either the Authority or the Grant Recipient may instigate a review of the Exit Plan.
7. The Grant Recipient will co-operate with all reasonable requests made by either the Authority or a successor body relating to exit transition arrangements for the Funded Activities.

Assistance

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

Assets Register

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

Documentation and Access

11. The Grant Recipient shall provide the Authority on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to the Authority or to a successor body, including any documentation required to support any bidding process for the provision of the Funded Activities. This includes full details of:
 - a) the work programme, objectives/targets, and other services delivered by the Grant Recipient under this Grant Funding Agreement;
 - b) any software, including Third Party software and any hardware used in connection with the delivery of the Funded Activities;

- c) software and supply agreements used to deliver any services associated with delivery of the Funded Activities, including the agreements relating to any Third Party software identified by name of supplier, term of Grant, and charges payable under the Grant; and
 - d) any employees used by the Grant Recipient to help deliver the Funded Activities who are essential to this delivery; this information shall be provided under conditions of confidentiality reasonably acceptable to the Grant Recipient.
12. The Authority may make the documentation available to suppliers who wish to bid for the provision of the activities. The Grant Recipient shall respond expediently and in full to any reasonable questions by the Authority or the suppliers and shall co-operate with any reasonable due diligence activities carried out by suppliers.

Transfer Support Activities

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

TEMPLATE

SUBSIDY CONTROL DEFINITIONS APPLICABLE TO THIS GRANT:

Feasibility Study: a feasibility study evaluates and analyses a project. It aims to find its strengths, weaknesses, opportunities, and threats. Feasibility studies also identify what resources are needed to complete the project, as well how likely it is to successfully meet its objectives.

Experimental Development: experimental development aims to develop new or improved products, processes, and services. It uses existing relevant knowledge and skills in fields including technology, science and business. Work involved in experimental development may include, but is not limited to prototyping, demonstrations, testing and validation, (including pilot tests). These could be completed in simulated or real-life situations.

Common results of experimental development include prototype and pilots (including versions which could be used commercially) and improvements to products or services.

Experimental development does not need to result in a final product. Routine changes to existing products, processes or services are not classed as experimental development.

Industrial Research: this involves planned research or investigation aiming to gain new knowledge and skills for developing new products, processes, or services and/or significantly improving existing products, processes, or services. Work may include but isn't limited to; making component parts for complex systems, building prototypes in a lab, or with simulated interfaces to existing systems, and trailing short manufacturing runs (pilot lines) if relevant.

Medium sized business: a staff headcount of less than 250 people and a turnover of less than or equal to £45m, or a balance sheet total of less than or equal to £39m.

Small sized business: a staff headcount of less than 50 people and a turnover of less than or equal to £9m, or a balance sheet total of less than or equal to £9m.

Micro sized business: a staff headcount of less than 10 people and a turnover of less than or equal to £2m, or a balance sheet total of less than or equal to £2m.

The businesses that fall into the categories defined above are classed as Small and Medium Enterprises (SMEs). A **large sized business** in this context means any enterprise which is not a SME.

SECTION 1

Award of Grant [Support for Start-Ups]

1. The Grant is awarded as support for start-ups.
2. The Grant is awarded on the understanding that you:
 - a) are a Small-sized Business (including Micro-sized Businesses)
 - and
 - b) have been in existence for less than 5 years and not listed on any stock exchange
 - and

c) have not taken over the activity of another company, not yet have distributed profits and have not been formed through a merger

and

d) the company R&D expenses must represent at least 10% of total operating expenses in at least one of the three years preceding the date of application or in the case of a start-up without any financial history, in the audit of its current fiscal period, as certified by an external auditor.

3. In accepting this grant offer, and any payment of the Grant, you represent and warrant that the understandings in paragraph 2 above are correct. If they are not, the Grant may become repayable in accordance with section 26 of the Grant Agreement Terms and Conditions.
4. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You in respect of eligible costs permitted by this scheme, where these are incurred as part of the Funded Activities. The amount of public funding (including the Grant) that You may receive for the Project must not exceed:
 - a. £...m (...Pounds) in total; and
 - b. a grant intensity being up to ...% of Your total Eligible Expenditure incurred on the Funded Activities.
5. For the purpose of paragraph 4, public funding includes any funding from, or attributable to, any public authority or additionally in the case of projects located in Northern Ireland, an EU institution.

Please inform the Authority in writing, and as soon as possible, if these circumstances cease to apply or the Grant Recipient has grounds to consider that they are likely to do so. The Grant Recipient must also provide the Authority with any evidence requested to satisfy it that the Grant Recipient has complied with the grant intensity requirements and that it have sufficient Match Funding in place.

OR

[Support for Research and Development Projects]

1. The Grant is awarded as support for [Insert relevant Research and Development Project].
2. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You in respect of eligible costs permitted by this scheme, where these are incurred as part of the Funded Activities. The amount of public funding (including the Grant) that You may receive for the Project must not exceed:
 - a. £...m (...Pounds) in total; and
 - b. a grant intensity being up to [Insert aid intensity rate for lead company] of Your total Eligible Expenditure incurred on the Funded Activities.
3. For the purpose of paragraph 4, public funding includes any funding from, or attributable to, any public authority or additionally in the case of projects located in Northern Ireland, an EU institution.

Please inform the Authority in writing, and as soon as possible, if these circumstances cease to apply or the Grant Recipient has grounds to consider that they are likely to do so. The Grant Recipient must also provide the Authority with any evidence requested to satisfy it that the Grant Recipient has complied with the grant intensity requirements and that it has sufficient Match Funding in place.

SECTION 2

General Conditions

Part 1 - General

The Grant is awarded within the terms of the Northern Ireland Protocol (where appropriate) and EU-UK Trade and Cooperation Agreement (TCA) (dated 31 December 2020) and World Trade Organization (WTO) Subsidies and Countervailing Measures. This will define the type of innovation activities which can be funded and will limit the amount of funding which can be provided to each participant in a funded project.

The Grant will fund industrial research as defined below and outlined below.

Industrial Research means “planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components/parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.”

The funding levels awarded must be consistent with the grant intensity levels summarised in Table 1 below. Please note that these are maximum funding levels, and BEIS may decide to award less than the maximum in order to strengthen leverage and value for money, taking into account the specific project requirements.

Research Category	Type & size of applicant	Maximum amount of funding towards eligible Project Costs
Industrial Research - projects delivered by sole organisations or collaborations (i.e. consortium made up of either several businesses, including at least one SME; or business(es) and at least one research organisation); and the results of the project are widely disseminated (i.e. through conferences, publication, open access repositories, or free or open source software) Note: Certain conditions must be fulfilled for collaboration and for dissemination (see section 4.4 below)	Small enterprise	80%
	Medium enterprise	75%
	Large enterprise	65%
Industrial Research – Universities or Research Organisations	Universities may be entitled to receive 80% of Full Economic Costs (based on the TRAC methodology) and other research organisations may be entitled to receive full funding for their eligible project costs as long as they are not undertaking any economic activities in the project. University and research organisations should confirm the funding position with BEIS prior to application.	

Table 1: Maximum grant funding amounts

Note: Compliance with grant intensity levels is a requirement of this Grant and the risk of non-compliance rests with the Grant Recipient.

Part 2 – Specific conditions relating to the Northern Ireland Protocol

In this case, You acknowledge and represent that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant may affect trade in goods or wholesale electricity between Northern Ireland and the European Union and that the Grant is subject to State Aid Law as it applies to the UK under Article 10 of the Northern Ireland Protocol.

The Grant is awarded as aid for industrial research in accordance with Article 25 (aid for research and development projects) of the EU State Aid General Block Exemption Regulation (“GBER”) 1 and is subject to the following understandings and conditions:

1. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You in respect of eligible costs permitted under Article 25(3) of GBER, where these are incurred in a part of the Funded Activities constituting Industrial Research.
2. The amount of public funding (including the Grant) that You may receive for the Funded Activities must not exceed €15m (fifteen million Euros) in total, in accordance with Article 4(1)(iii) of GBER.
3. The relevant aid intensity applied to the public funding, being a percentage of Your or any Consortium Members’ total Eligible Expenditure incurred on the Funded Activities, must not exceed the applicable percentages set out in Table 1 above that applies to You or that Consortium Member respectively, in accordance with Article 25(5)(c) and Article 25(6)(b)(i) and/or (ii) of GBER.
4. The maximum aid intensities set out in Table 1 have been increased from 25% of Eligible Expenditure as permitted under Article 25(5)(c) of GBER for certain applicants based on their type and size, in accordance with Article 25(6)(a) of GBER, and on the basis that the project involves effective collaboration between undertakings among which at least one is an SME, and no single undertaking bears more than 70% of the Eligible Costs, in accordance with Article 25(6)(b)(i), and/or on the basis that the results of the project will be widely disseminated through conferences, publication, open access repositories, or free or open source software, in accordance with Article 25(6)(b)(ii).
5. For the purpose of paragraphs 2-4, public funding includes and funding from, or attributable to, any public authority of EU institution.
6. Please inform the Authority in writing, and as soon as possible, of any change in Your circumstances (or those of any Consortium Member) or if You have grounds to consider that Your circumstances (or those of any Consortium Member) are likely to change in a way which may affect Your compliance with the understandings and conditions set out above and below. You must also provide Us with any evidence requested to satisfy Us that You have complied with the aid intensity requirements.
7. You must comply with all applicable State Aid Law as it applies to the UK under Article 10 of the Northern Ireland Protocol and ensure that all requirements for the application of GBER are met.
8. You are not entitled to the Grant or any payment of it if You are, or become, subject to a recovery order following a previous EU Commission decision declaring any aid illegal and incompatible with the internal market.
9. You confirm that you are not a company in difficulty as defined in Article 2.18 of GBER and You commit to informing Us as soon as reasonably practicable of any change in this status; We reserve the right to terminate the Grant Funding Agreement if Your status changes.
10. You confirm that, prior to the commencement of the Project, You submitted an application which confirmed the undertaking’s name and size, description of the Funded Activities (including its start and end dates), location of the Funded Activities, list of costs and type of aid and amount of public funding required.
11. You informed Us of any other public funding applied for or awarded against the Eligible Expenditure; it is on this basis that We have ensured that the total public funding for the Funded Activities is within the amounts permitted by GBER.
12. We are responsible for informing the EU Commission of aid awards, including summary notification of the aid to the Commission via the electronic notification system and publication of details of the aid as required from 1 July 2016;
13. In the case of an award of aid in excess of €500,000, You consent to the publication of the following information: name of the beneficiary, beneficiary’s identifier, type of enterprise (SME/large) at the time of granting, region in which the beneficiary is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency,

aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure; for schemes under Articles 16 and 21 of GBER, name of the entrusted entity, and the names of the selected financial intermediaries.

14. You are responsible individually, and jointly with Us, for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in the Grant Funding Agreement and the GBER are fulfilled.
15. Such records must be maintained by You and Us for 10 years following the granting of the aid and shall be made available to the EU Commission within a period of 20 working days if requested
16. We may (without qualifying the generality of Our monitoring rights under the Grant Funding Agreement) monitor Your compliance with the requirements of paragraphs 12 and 13 of this Part and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.

TEMPLATE