

**JUNE 2023**

**DEPARTMENT FOR ENERGY SECURITY AND NET ZERO**

**and**

**[THE GRANT RECIPIENT]**

**GRANT FUNDING AGREEMENT FOR  
GREEN HOME FINANCE ACCELERATOR – PILOT PHASE**

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TEMPLATE

JUNE 2023

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

**Between:**

- (1) DEPARTMENT FOR ENERGY SECURITY AND NET ZERO 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 DESNZ /SICE project ref. no.]

**BACKGROUND**

- A. 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.
- B. The Authority ran a competition for grant applications in respect of [GREEN HOME FINANCE ACCELERATOR – PILOT PHASE]
- C. 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]
- D. The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement; and
- E. 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;

**Branding Manual** means the HM Government of the United Kingdom of Great Britain and Northern Ireland Branding Manual Funded by UK Government first published by the Cabinet Office in November 2022, and is available [here](#), including any subsequent updates from time to time;

**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](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 [28] of the Grant Offer Letter;

**Confidential Information** means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the date of the 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.

**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;

**DPA 2018** means the Data Protection Act 2018;

**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;

**De Minimis Regulation** means Commission Regulation (EU) 1407/2013;

**De Minimis State Aid** means State aid granted pursuant to the De Minimis Regulation;

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

**Domestic Law** means an applicable law, statute, by-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;

**Employment Regulations** means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) or any successor legislation;

**EIR** means the Environmental Information Regulations 2004;

**EU GDPR** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;

**Event of Default** means an event or circumstance as defined by paragraph 26.3.

**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;

**Former Grant Recipient** means any third-party provider carrying out activities which are the same or substantially similar to any of the Funded Activities and who is in receipt of grant funding provided by the Authority for the purposes of carrying out such activities, before the date of the Relevant Transfer;

**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 PROJECT END DATE];

**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 26.

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

**HMRC** means HM Revenue and Customs;

**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);

**Independent Controller** means a Party which is Controller of the same Personal Data as the other Party and there is no element of joint control with regards to that Personal Data;

**Instalment Period** means the intervals set out in Annex 3 when the Authority will release payment of the Grant to the Grant Recipient during the Funding Period;

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

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

**Law** mean any applicable law, statute, right within the meaning of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020, 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;

**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 26;

**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;

**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:

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

showing or not showing favour or disfavour to any person in relation to the Funding Agreement;

- (b) committing any offence:

under the Bribery Act;

under legislation creating offences in respect of fraudulent acts; or

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;

**Relevant Transfer** means a transfer of employment to which the Employment Regulations apply;



**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 26.4 to 26.10

**Replacement Funded Activities means** any activities which are the same or substantially similar to any of the Funded Activities and which are provided in substitution for any of the Funded Activities after the expiry or termination or partial termination of this Grant Funding Agreement whether those services are provided by the Authority or a third party;

**Replacement Grant Recipient means** any third-party provided or Replacement Funded Activities (or where the Authority is providing Replacement Funded Activities for its own account, the Authority);

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

**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;

**Subsidy Control Act means** the Subsidy Control Act 2022 which implements a domestic subsidy control regime in the United Kingdom;

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

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

**UK GDPR means** Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (United Kingdom General Data Protection Regulation), as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, together with the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019;

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

**VAT means** value added tax chargeable in the UK;

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

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

- (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 Funding Period starts on [ ] (the **Commencement Date**) and ends on [xx Month 20xx] unless terminated earlier in accordance with this Grant Funding Agreement.
- 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.

### 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 Chief Finance Officer 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.
- 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 is so the Authority knows the total funding the Grant Recipient has received for the Funded Activities.
- 4.9. The Grant Recipient agrees that:
  - 4.9.1. It 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 should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;
  - 4.9.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
    - (i) The Grant 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 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 the full 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 error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this paragraph 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. It is recommended that 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 of 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 (as set out in Annex 5 of these Conditions):
  - 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. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:
- 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
  - 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
  - 5.3.3. using the Grant to petition for additional funding;
  - 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
  - 5.3.5. input VAT reclaimable by the grant recipient from HMRC;
  - 5.3.6. payments for activities of a political or exclusively religious nature;
- 5.4. Other examples of expenditure, which are prohibited, include the following:
- 5.4.1. contributions in kind;
  - 5.4.2. interest payments or service charge payments for finance leases;
  - 5.4.3. gifts;
  - 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
  - 5.4.5. payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
  - 5.4.6. bad debts to related parties;
  - 5.4.7. payments for unfair dismissal or other compensation;
  - 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient (other than those Assets that are used for delivery of the Funded Activity);
  - 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter);
  - 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority; and

## **6. ANNUAL GRANT REVIEW**

- 6.1. The Authority will review the Grant quarterly or annually as appropriate. 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 or 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**

- 7.1.1. 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.
- 7.1.2. 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.
- 7.1.3. 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.
- 7.1.4. 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.
- 7.2. In accordance with Annex 2 of this Grant Funding Agreement, the Grant Recipient shall provide the Authority with annual and quarterly reports on:
- 7.2.1. 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:
- 1. Grant spend to date and outcomes;
  - 2. Forecasted estimates of grant spend; and
  - 3. 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
- 7.2.2. if relevant, provide details of any Assets either acquired or improved using the Grant.

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- 7.2.3. 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.
- 7.2.4. 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.
- 7.3. The Grant Recipient will notify the Authority as soon as reasonably practicable of:
- 7.3.1. 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
- 7.3.2. 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.
- 7.3.3. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of its annual and quarterly reports):
- 7.3.4. that the reports and information it gives pursuant to this paragraph 7 are accurate;
- 7.3.5. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
- 7.3.6. 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 (6) 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.
- 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 26.1 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. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified. The Grant Recipient shall explain to the Authority what steps are being taken to investigate the irregularity and shall keep the Authority informed about the progress of any such investigation. The Authority may however request that the matter referred (which the Grant Recipient is obliged to carry out) to external auditors or other third parties as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that Grant Recipient take additional measures 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. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for grant support and 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:
- 11.3.3 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;
- 11.3.4 The obligations in this Condition 11.3.2 shall continue to apply after the expiry or termination of this Grant Funding Agreement;
- 11.3.5 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;
- 11.3.6 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
- 11.3.7 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. ;
- 11.3.8 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 AND PUBLIC PROCUREMENT

### 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;
  - (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 domestic obligations under the Subsidy Control Act or its international obligations in respect of subsidies.
- 15.2. The Grant Recipient agrees to comply with the following additional conditions in order to ensure that the Grant remains consistent with the subsidy control principles in Schedule 1 to the Subsidy Control Act [optional: and the energy and environment principles in Schedule 2 to the Subsidy Control Act] :

- 15.3. 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.
- 15.4. 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.
- 15.5. The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis that the Funded Activities being undertaken using the Grant are, and will remain, non-economic activities. The Grant Recipient shall ensure that measures are taken (where necessary), and maintained, to ensure that the Grant is not used to cross-subsidise any economic activity.
- 15.6. The Grant is awarded on the basis that that the subsidy control requirements do not apply by virtue of Section 36 of Subsidy Control Act and is subject to the conditions set out in Annex 10 of these Conditions and will be conditional upon the receipt by the Authority of the declaration form 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 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 Activities 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:

- i. date of acquisition or improvement;
- ii. description of the Asset;
- iii. cost, net of recoverable VAT;
- iv. location of the Asset;
- v. serial or identification numbers;
- vi. location of the title deeds;
- vii. date of any Disposal;
- viii. depreciation/amortisation policy applied;
- ix. proceeds of any Disposal net of VAT; and
- x. 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.

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 Not used.

#### **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 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.

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 one senior (Director or equivalent Level) staff from their organisation to the dissemination events organised by DESNZ. Where this is not possible, you must contact DESNZ 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 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; and/or

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 26.3.3 or 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 Recipient has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under paragraph 26.15 shall include any changes to the consortium members as well as the lead Grant Recipient.
- 26.18 Following notification of a Change of Control the Authority shall be entitled to exercise its rights under paragraph 0 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 TUPE**

- 27.1 [The Grant Recipient agrees that if the Employment Regulations apply in respect of this Grant Funding Agreement on the commencement of the Funded Activities, then it shall comply with its obligations arising under the Employment Regulations and (if applicable) New Fair Deal (including entering into an Admission Agreement) and shall indemnify the Buyer and/or any Former Grant Recipient for any loss arising from any failure so to comply.]
- 27.2 The Grant Recipient agrees that no later than [12 months] prior to the expiry or termination of this Grant Funding Agreement and thereafter at intervals stimulated by the Authority (not to be more frequent than every 30 days), the Grant Recipient shall fully and accurately disclose to the Authority all staffing information reasonably required by the Authority including, but not limited to, the total number of staff assigned for the purposes of the Employment Regulations to the Funded Activities. This shall include, where relevant, the staff of any sub-contractor engaged by the Grant Recipient to deliver the Funded Activities (or part of the Funded Activities). For each person so identified, the Grant Recipient shall provide, in a suitably anonymised format so as to comply with the Data Protection Legislation, details of:
- 27.2.1 the activities they perform;
  - 27.2.2 amount of working time assigned to the Funded Activities;
  - 27.2.3 date of birth;
  - 27.2.4 start date;

- 27.2.5 length of continuous service;
  - 27.2.6 place of work;
  - 27.2.7 notice period;
  - 27.2.8 employment status;
  - 27.2.9 identity of employer;
  - 27.2.10 redundancy pay entitlement;
  - 27.2.11 salary, benefits and pension entitlements;
  - 27.2.12 any applicable collective agreement;
  - 27.2.13 copies of all relevant employment contracts and related documents; and
  - 27.2.14 all information required under regulation 11 of the Employment Regulations or as reasonably requested by the Authority.
- 27.3 The Grant Recipient warrants the accuracy of the information provided under this clause and will notify the Authority of any changes to the information as soon as reasonably possible. The Grant Recipient consents to the Authority sharing the information provided under this clause to any prospective Replacement Grant Recipient.
- 27.4 In the [12 months] before the expiry of this Grant Funding Agreement, the Grant Recipient shall not without the prior consent of the Authority (such consent not to be unreasonably withheld or delayed):
- 27.4.1 change the identity and number of staff assigned to the Funded Activities other than in the ordinary course of business;
  - 27.4.2 amend or vary the terms and conditions of employment or engagement of any staff assigned to the Funded Activities other than in the ordinary course of business; and/or
  - 27.4.3 terminate or give notice to terminate the employment or engagement of any staff assigned to the Funded Activities (other than in circumstances in which the termination is for reasons of misconduct or lack of capability).
- 27.5 The Grant Recipient shall comply with all its employment obligations up to the date of a Relevant Transfer including, but not limited to, the payment of all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which are attributable in whole or in part to the period ending on (but not including) the date of a Relevant Transfer) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Grant Recipient; and (ii) the Replacement Grant Recipient.
- 27.6 The Grant Recipient will co-operate with the Authority in respect of any exit transition arrangements by allowing any Replacement Grant Recipient to communicate with and meet the affected employees or their representatives.
- 27.7 [The Grant Recipient will indemnify the Authority and/or any Replacement Grant Recipient against any claim, losses, liability, expense or demand whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise arising from:
- 27.7.1 its failure to comply with the provisions of this clause; and/or
  - 27.7.2 any claim by any employee or person claiming to be an employee (or their employee representative) of the Grant Recipient, and/or any sub-contractor of the Grant Recipient, which arises or is alleged to arise from any act or omission by the Grant Recipient, and/or any sub-contractor of the Grant Recipient, before but not including the date of a Relevant Transfer.]

27.8 The provisions of this clause apply during the term of this Grant Funding Agreement and indefinitely after it terminates or expires.

27.9 Notwithstanding any other provisions of this Grant Funding Agreement, for the purposes of this clause the relevant third party shall be able to enforce its rights under this clause, but their consent will not be required to vary these clauses as the Authority and the Grant Recipient may agree.

## **28 EXIT PLAN**

28.1 Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient 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.

## **29 DISPUTE RESOLUTION**

29.1 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.

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

29.3 If the dispute cannot be resolved between the Parties Representatives within a maximum of 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).

## **30 LIMITATION OF LIABILITY**

30.1 The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient 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.

30.2 Subject to this paragraph 30, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

30.3 Subject to condition 29.1, 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].

## **31 VAT**

31.1 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.

31.2 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.

## 32 CODE OF CONDUCT FOR GRANT RECIPIENTS AND BRANDING MANUAL

### 32.1 The Grant Recipient:

32.1.1 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.

32.1.2 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.

32.1.3 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 26.1.18.

### 32.2. The Grant Recipient shall at all times during and following the end of the Funding Period:

32.2.1. comply with requirements of the [Branding Manual](#) in relation to the Funded Activities; and

32.2.2. cease use of the Funded by UK Government logo on demand if directed to do so by the Authority.

## 33 NOTICES

33.1 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.

## 34 GOVERNING LAW

34.1 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.

## 35 CHANGES TO THIS GRANT FUNDING AGREEMENT

35.1 Either Party can request a variation to the terms of this Grant Funding Agreement. Any such variation is only effective if agreed in writing and signed by authorised representatives of both Parties. The Authority is not required to accept a variation request made by the Grant Recipient.

**SIGNED by:** .....  
**[insert authorised**                   **Signature**  
**signatory's**  
**name]**

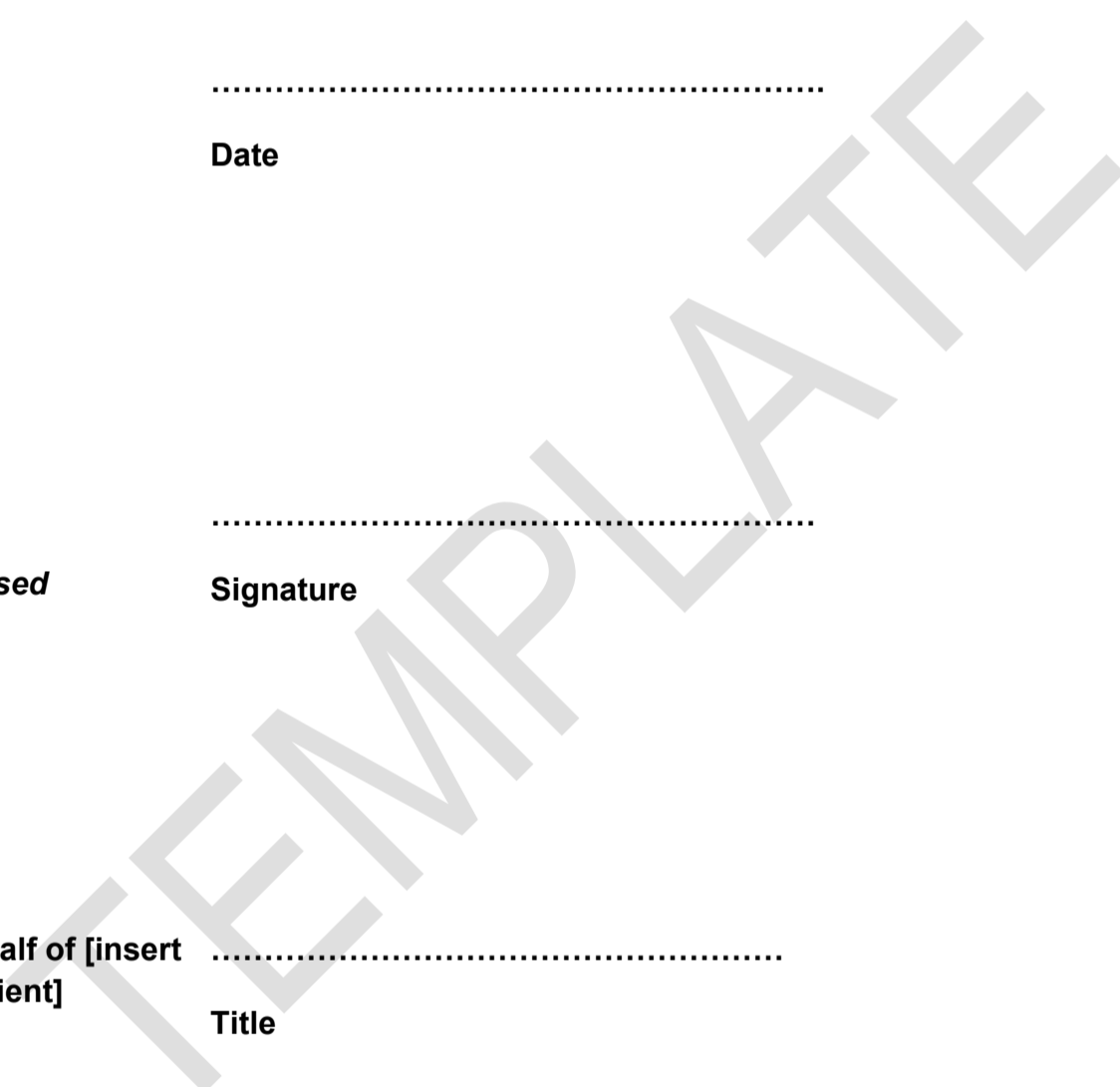
**for and on behalf of the** .....  
**Department for Energy**  
**Security and Net Zero** **Title**  
**(DESNZ)**

.....  
**Date**

**SIGNED by** .....  
**[insert authorised**                   **Signature**  
**signatory's**  
**name]**

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

.....  
**Date**



**ANNEX 1 PART A – GRANT OFFER LETTER**

[Include the Grant Offer Letter here]

TEMPLATE

**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	

<b>Milestone</b>	<b>Due</b>	<b>Maximum grant payable</b>	<b>Evidence of achievement to be provided</b>	<b>Verification criterion</b>
			•	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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				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

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JUNE 2023

**ANNEX 3 – PAYMENT SCHEDULE**

**Project Tables**

See Annex 2 for Payment Schedule

**Approved Match Funding**

Fill in table below

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

TEMPLATE

**ANNEX 4 – GRANT RECIPIENT’S BANK DETAILS**

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"/>	<input type="text"/>

**Part 3: Address for remittance advice**

**Choose one method only**

Send our remittance advice by post  **Postal address (if different from Part 1)**

Postcode

Send our remittance advice via email

**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	Name
<input type="text"/>	<input type="text"/>
Position in the organisation	Position in the organisation
<input type="text"/>	<input type="text"/>
Signature	Signature
<input type="text"/>	<input type="text"/>
Date	Date
<input type="text"/>	<input type="text"/>

**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.

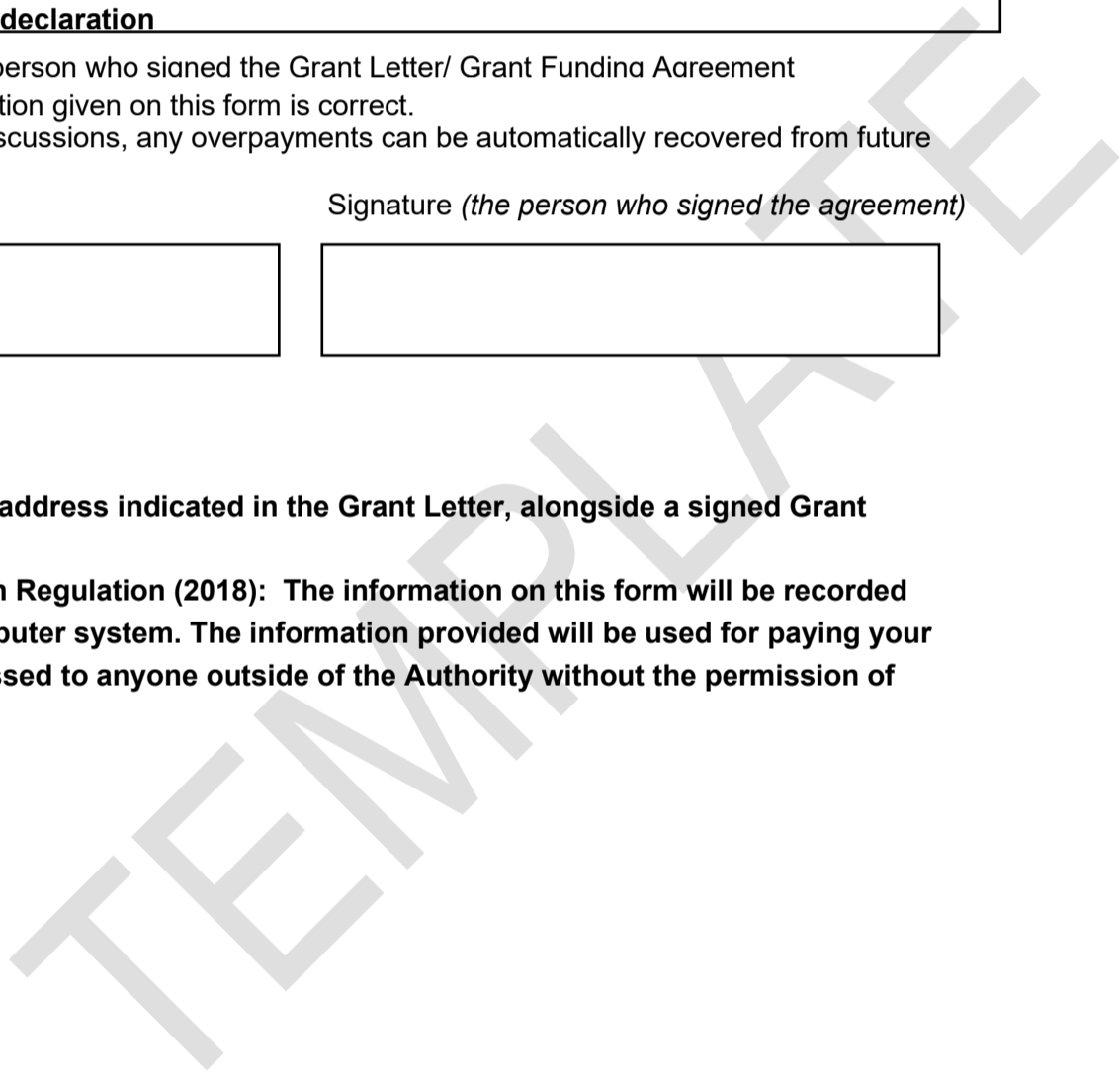
Name	Signature <i>(the person who signed the agreement)</i>
<input type="text"/>	<input type="text"/>

Date

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

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 completed in the application.

<b>Item of Expenditure</b>	<b>Budget (in UK Sterling)/forecast expenditure</b>
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)
<b>Year 2</b>		

TEMPLATE

## Part 2: NZIP KEY PERFORMANCE INDICATORS

DESNZ 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.

DESNZ 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. DESNZ 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 DESNZ 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
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- High level definitions of the KPIs are as follows<sup>1</sup>: **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 DESNZ, Other Public Sector and Private Funding.
- **KPI 6ii:**
  - **Amount of follow-on funding** raised because of the DESNZ-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

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



- **KPI 8:**
  - **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 (tCO<sub>2</sub>e) 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 DESNZ 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 DESNZ Monitoring Officer at the specified time points, who will then review and quality assure it.

**ANNEX 7 – CONTACT DETAILS**

The main departmental contact in connection with the Grant is:

Name of contact	Shane Long
Position in organisation	Programme Manager
Email address	Shane.long@energysecurity.go.uk
Telephone number	+443000686721
Postal address	BEIS, 1 Victoria Street, London, SW1H 0ET

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

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 1: 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, 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 only provide Personal Data to each other:
  - (a) to the extent required in connection with the Funded Activities;
  - (b) in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects to meet the requirements of Articles 13 and 14 of the UK GDPR); and
  - (c) where the Personal Data is subject to UK GDPR and where the provision of Personal Data from one Party to another involves transfer of such data to outside the UK, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:
    - (i) the transfer is in accordance with Article 45 of the UK GDPR or Section 17A of the DPA 2018; or
    - (ii) the transferring Party has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or DPA 2018 section 17C) as determined by the non-transferring Party which could include the International Data Transfer Agreement or International Data Transfer Agreement Addendum to the European Commission's Standard Contractual Clauses as published by the Information Commissioner's Office as well as any additional measures determined by the non-transferring Party;
    - (iii) the Data Subject has enforceable rights and effective legal remedies;
    - (iv) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
    - (v) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the processing of the Personal Data;
  - (d) where the Personal Data is subject to EU GDPR and where the provision of Personal Data from one Party to another involves transfer of such data to outside the EU, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:
    - (i) the transfer is in accordance with Article 45 of the EU GDPR; or

- (ii) the transferring Party has provided appropriate safeguards in relation to the transfer in accordance with Article 46 of the EU GDPR as determined by the non-transferring Party which could include relevant parties entering into Standard Contractual Clauses in the European Commission's decision 2021/914/EU or such updated version of such Standard Contractual Clauses as are published from time to time as well as any additional measures determined by the non-transferring Party;
  - (iii) the Data Subject has enforceable rights and effective legal remedies;
  - (iv) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
  - (v) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the processing of the Personal Data; and
- (e) where it has recorded any such transfer in Part 1A.
7. Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, 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 UK GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the UK GDPR.
8. A Party Processing Personal Data for the purposes of the Grant Funding Agreement shall maintain a record of its Processing activities in accordance with Article 30 UK GDPR and shall make the record available to the other Party upon reasonable request.
9. 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 Grant Funding Agreement:
- 9.1. 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
  - 9.2. 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:
    - (a) 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
    - (b) 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.
10. 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 Grant Funding Agreement and shall:
- 10.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
  - 10.2. implement any measures necessary to restore the security of any compromised Personal Data;
  - 10.3. 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
  - 10.4. 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.

11. Without limiting any other provision of this Annex 8, Part 1, 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.
12. The Authority and the Grant Recipient shall not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Grant Funding Agreement which is specified in Part 1A of this Annex 8.
13. The 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.
14. The Parties shall be responsible for their own compliance with Articles 13 and 14 of the UK GDPR in respect of the processing of Personal Data for the purposes of this Grant Funding Agreement.
15. A Party processing Personal Data in connection with this Grant Funding Agreement shall maintain a record of its processing activities in accordance with Article 30 of the UK GDPR and shall make the record available to the other Party upon reasonable request.

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## **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.

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## ANNEX 10 – SUBSIDY CONTROL

### SUBSIDY CONTROL DEFINITIONS APPLICABLE TO THIS GRANT:

**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

#### [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 experimental development as defined below and outlined below.

**Experimental Development** means “acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is not necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements”.

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 DESNZ 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 – Single Companies	Small	70%
	Medium	60%
	Large	50%
Industrial Research – Collaborations can be Business to Business; Business and Research Organisation(s); or Between Research Organisations.	Small	80%
	Medium	75%
	Large	65%
Experimental Development – Single Companies	Small	45%
	Medium	35%
	Large	25%
	Small	60%
	Medium	50%

<b>Experimental Development</b> – Collaborations can be Business to Business; Business and Research Organisation(s); or Between Research Organisations.	<b>Large</b>	<b>40%</b>
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**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.

TEMPLATE

## 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 experimental development 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 Experimental Development.
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 any funding from, or attributable to, any public authority or 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.

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