



# The NDA group

## Local social and economic impact practitioners' guidance

October 2023

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*Throughout this document we use the terminology **NDA group** this refers to Dounreay Site Restoration Ltd, LLW Repository Limited, Magnox Ltd, the Nuclear Decommissioning Authority and Sellafield Ltd.*

## Introduction

- 1.1 This guidance has been developed to ensure that people who administer NDA socio-economic<sup>1</sup> funding follow a common, rigorous and evidence-based approach to managing, measuring and reporting on our activity and outcomes.
- 1.2 It sets out a standardised set of processes as well as common definitions and standards. It follows Cabinet Office guidelines as set out in 'Managing Public Money' and 'Government Functional Standard for General Grants' which are intended to provide transparency, better achievement against objectives and value for money, but adapts these to reflect the circumstances, in particular the legal basis, for the NDA group work.
- 1.3 Whilst this guidance is intended for internal use within the NDA group, it has been published to encourage transparency and joint working between stakeholders. This document will be regularly reviewed and revised as appropriate, and we welcome any views and suggestions for improvement.
- 1.4 This guidance is mandatory for all organisations using the NDA's Socio-economic powers (as set out in section 10(2)d of the Energy Act (2004)). Any exceptions to that rule are set out in this guidance.

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<sup>1</sup> The term Socio-economic funding also covers social impact, economic development, community investment, community benefit, social value etc and other funding for social, economic and environmental interventions.

1.5 The approach described in this document should result in:

- Better project selection: ensuring those proposals support NDA group objectives.
- Better measurement of outcomes: An ability to objectively measure and report upon how we positively impact upon the social and economic effects of our decommissioning activity.
- Better reporting: scaling up of the reporting to a group level, giving a more accurate reflection of the significant social impact being made across NDA communities.
- Better communications: An improved internal profile for Socio-economics which will support us in the next stage of mainstreaming Socio-economics into our day-to-day decision-making; moving us towards a point where we apply Socio-economic considerations to all NDA spend in the future.
- An improved reputation and improved stakeholder relations.

1.6 The NDA was given both a duty and a power with regard to the social, economic and environmental life of its communities; with the intention of minimising the adverse impact of its decommissioning. These obligations are described in s.7(1) of the Energy Act 2004, which states:

*'the NDA shall have the [supplemental] function, to the extent that it considers it appropriate to do so, of...giving encouragement and other support to activities that benefit the social or economic life of communities living near designated installations, designated sites or designated facilities or that produce other environmental benefits for such communities'.*

1.7 The NDA's function in this regard is underwritten in s.10(2)d of the Energy Act, which states: 'the powers of the NDA include, in particular, power to make grants or loans to persons undertaking activities that benefit the social or economic life of

communities living near designated installations, designated sites or designated facilities or that produce other environmental benefits for such communities'.

- 1.8 The Energy Act (2004) also stipulates that the NDA has a general duty in carrying out its functions to take account of relevant Government policy, safeguarding the environment, health and safety and nuclear security (this is set out in section 9 of the legislation). This also covers some more detailed provisions which this guidance is designed to pick up.
- 1.9 The NDA's socio-economic function was written into the Energy Act in the light of the experiences of the coal-mining communities after the large-scale pit closures in the 1980s. Forty years later, those communities still suffer a disproportionate amount of unemployment, lack of economic opportunity, ill-health, poor educational attainment, and poor social outcomes. However, there are significant differences between the experience of coal-mining and nuclear communities, meaning different types of support are required.
- 1.10 The funding provided by the NDA is intended to ensure that our communities avoid adverse outcomes. We want to take a strategic, longer-term perspective and ensure decisions are focused on transformative outcomes, issues of evidenced need and opportunity.
- 1.11 This guidance covers three categories of funding:
- **Large projects** – NDA contribution over £200,000
  - **Medium projects** – NDA contribution between £10,000 and £200,000
  - **Small, also called good neighbour, projects** – NDA contribution up to £10,000

1.12 These thresholds will be kept under review, consulted upon and changed if necessary.

1.13 Our funding principles apply to all three of these categories, but we will apply our governance proportionately. The amounts above refer to the NDA's contribution to projects.

## Framework for grant funding decisions

2.1 We have developed a framework based on the National Audit Office criteria for Value for Money and adapted to our work in the local community. All of the NDA's work needs to represent value for money for the taxpayer and so needs to demonstrate:

- **Economy** - the minimum use of resources to achieve specified outcomes.
- **Effectiveness** - the relationship between outputs, e.g. services, and the resources used to produce them.
- **Efficiency** - the extent to which objectives are achieved and the relationship between intended and actual impacts of a service.

Our process of grant funding needs to follow this framework. To measure economy, we need to understand what outcomes we are trying to achieve and be able to measure them.

### **Assessing needs and specifying outcomes**

2.2 Our Local Social and Economic Impact Strategy sets out some site-by-site priorities. It has been drawn up in consultation with local authorities and other stakeholders and sets our main priorities. Our starting point is that activities featured in the strategy meet local needs and therefore we will prioritise projects and programmes which feature in or align strongly with the strategy.

2.3 However, there may be other opportunities that the NDA could fund or part fund that go beyond these, but is limited by its legal vires in the Energy Act (2004). The NDA will therefore consider funding projects within the following themes:

- **Resilient economies** - projects or programmes designed to enable and support the conditions for local economic output, improved productivity and growth.
- **Thriving communities** - projects or programmes designed to enable and support the conditions for social cohesion, supporting disadvantaged groups and other social benefits.
- **Sustainable Incomes** – projects or programmes designed to improve access and aspirations to work through a programme of high impact education, skills, personal development and employability support activities.
- **Sustainable growth** - projects and programmes focussed on environmental improvements and environmental sustainability. These projects should seek to support the environmental legacy in/around our sites with the support of local communities, align with key government priorities (for example renewable energy/net zero/carbon reduction) and be able to demonstrate a positive environmental impact throughout the project lifecycle.

The NDA's Local Social and Economic Impact Strategy and approach to empowering local communities contributes to the delivery of the NDA's sustainability strategy both in terms of its focus on the socio-economic and environmental legacies, but by also supporting those projects that seek to maximise local benefit from core decommissioning activities. Examples might include:

- Projects linked to NDA's Research & Development (R&D) expenditure.
- Projects linked to NDA's supply chain work.

- Projects linked to NDA's transports and logistics work, property and asset management, people strategy, skills programmes or information governance.
- Projects that seek to leverage and deliver positive impact across social, economic and environmental pillars are particularly welcomed. For more information on sustainability, please refer to the NDA group Sustainability Strategy <https://www.gov.uk/government/publications/the-nda-group-sustainability-strategy-2022>

The NDA's Local Social and Economic Impact Strategy includes a section on local projects and initiatives (section 5). We will be particularly supportive of projects in this section, or which align with this section.

- 2.4 The NDA will consider funding feasibility studies and work to develop business cases for large projects provided an applicant makes a robust case. Applicants should complete our standard online application form for the level of funding requested.
- 2.5 All projects funded by the NDA group should report on outcomes. For medium & large projects we use a methodology called TOMs to standardise these measures. TOMs stands for Themes, Outcomes and Measures.
- 2.6 The Measures describe specific, quantifiable activities that will support the delivery of the outcomes and align to the themes in section 2.3. The value of the grant will determine the number of measures that are required and monitored over the lifetime of the intervention. The table below sets out measurement requirements.
- **Large:** A Full TOMs analysis required. All relevant TOMs assessed, project-specific report produced.



- **Medium:** Between 1-4 measures, depending on spend and expected impact.
- **Small:** No TOM analysis required, but outcomes should be reported on.

2.7 We have set out the TOMs that we use below for clarity. Our online forms ask applicants to select the TOMs they think are relevant and to put in expected values for them (small project are excluded and medium sized projects need only apply 1-4 measure). These measures are used as part of project selection and approval. Approval panels may decide to change the expected outcomes if they think the applicant's assessment is either too pessimistic or optimistic. Once projects are approved, applicants will be expected to report against the TOMs until project completion.

| Sustainable Incomes |   |                |
|---------------------|---|----------------|
| NDA Ref             | Measure   | Units          |
| NDA1                | Employment - expressed as number of people employed locally per year (converted into full-time equivalents)                         | no. people FTE |
| NDA2                | Employment – percentage of people living locally employed by the project per year (converted into full-time equivalents)            | %              |
| NDA3                | Employment - graduates retained in the local workforce two years after completing a graduate training programme (numbers of people) | %              |
| NDA4                | Employment - number of people employed who were previously unemployed for a year or longer  | no. people FTE |
| NDA5                | Employment – number of people who were not in employment, education, or training (NEETs) who have a job as a result of the project  | no. people FTE |

|        |   |                                 |
|--------|---|---------------------------------|
| NDA6   | Employment - number of people employed as a result of the project who are rehabilitating young offenders (18-24 years old)  | no. people FTE                  |
| NDA7   | Employment - number of people employed locally as a result of the project who are people with disabilities  | no. people FTE                  |
| NDA8   | Employability – number of hours dedicated to supporting local unemployed people into work through a co-ordinated programme, by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 years old)  | no. hrs*no. attendees           |
| NDA9   | Employability – No. of hours dedicated to supporting local unemployed people into work through a co-ordinated programme, by providing career mentoring, including mock interviews, CV advice, and careers guidance (16 - 24 years old)  | no. hrs*no. attendees           |
| NDA10  | Employability – Early years primary and nursery support (e.g. breakfast clubs, "brokerage" etc.) provided as a result of the project being funded   | £ invested including staff time |
| NDA11  | Engagement - General engagement or support to enable general engagement with local young people through educational outreach e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time as a result of the project being funded) | no. staff hours                 |
| NDA11a | Education - Number of school pupils involved in the project, annually   | no.                             |
| NDA11b | Education - Attainment rates in relation to benchmark (i.e. before project) and the changes to benchmark that you are expecting after the project has finished (expressed as numbers of pupils)   | no.                             |
| NDA11c | Education - Attainment gap per Pupil Premium pupil against (local) benchmark (expressed as numbers of pupils)   | no.                             |

|                            |  |                        |
|----------------------------|--|------------------------|
| NDA12                      | Education - Expert, qualified engagement or support to enable expert, qualified engagement through a coordinated programme with [local] young people through educational outreach e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time) | no. staff expert hours |
| NDA13                      | Education – Number of apprenticeships that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2, 3 or 4  | no. weeks              |
| NDA14                      | Education - Number of weeks spent on work placements or pre-employment course for people locally; 1-6 weeks student placements (unpaid)  | no. weeks              |
| NDA15                      | Education – Number of weeks spent on meaningful local work placements or pre-employment course (minimum 5 days) for people who are Not in Employment, Education or Training (NEET) (unpaid)  | no. weeks              |
| NDA16                      | Education - Meaningful local work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)   | no. weeks              |
| <b>Resilient Economies</b> |  |                        |
| <b>NDA Ref</b>             | <b>Measure</b>   | <b>Units</b>           |
| NDA17                      | Business support - provision of expert business advice to SMEs and social enterprises, including business start-ups and micro-businesses (e.g. digital support/financial & business advice/legal advice/HR advice/bid support/H&S, etc) (expressed as hours)   | no. expert hrs         |
| NDA18                      | Economy - Total relevant incremental annual revenue increase for local businesses (expressed as an estimated total)  | £                      |
| NDA19                      | Economy - Total relevant incremental annual revenue for local small businesses (expressed as an estimated total)   | £                      |

|                             |  |                                 |
|-----------------------------|--|---------------------------------|
| NDA20                       | Economy - Total relevant incremental annual revenue for Voluntary Community and Social Enterprise (expressed as an estimated total)  | £                               |
| NDA21                       | Economy - Attract inward investment into local area, including matched funding   | £                               |
| NDA22                       | Economy - Percentage of contracts with the supply chain on which Social Value commitments, measurement and reporting are required  | % of contracts                  |
| <b>Thriving Communities</b> |  |                                 |
| <b>NDA Ref</b>              | <b>Measure</b>   | <b>Units</b>                    |
| NDA23                       | Initiatives aimed at making local communities safer or reducing crime or anti-social behaviour (expressed as people reached)   | £ invested including staff time |
| NDA24                       | Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the community, including physical activities for adults and children. (expressed as people reached) | £ invested including staff time |
| NDA25                       | Initiatives or interventions taken to promote good mental health or that increase access to effective mental health support (expressed as people reached)  | £ invested including staff time |
| NDA26                       | Provision of expert business advice to Voluntary Community and Social Enterprises as organisations and directly to individuals in the community (expressed in hours)   | no. staff expert hours          |
| NDA27                       | Equipment or resources donated to Voluntary Community and Social Enterprises (£ equivalent value)  | £                               |
| NDA28                       | Number of voluntary hours donated to support Voluntary Community and Social Enterprises (excludes expert business advice)  | no. staff hours                 |
| NDA29                       | Donations or in-kind contributions to local community projects (£ & materials)   | £ value                         |
| NDA30                       | Time allowed by organisation for its staff to volunteer in the community   | Hrs                             |

|   |  |                                 |
|---|--|---------------------------------|
| NDA31   | Voluntary time dedicated to sustainably maintaining and improving public spaces, creation or management of green infrastructure, increasing biodiversity, or keeping green spaces clean  | no. staff hours                 |
| <b>Protecting and Improving our Environment</b> |  |                                 |
| <b>NDA Ref</b>                                  | <b>Measure</b>   | <b>Units</b>                    |
| NDA32   | Environment - Savings in CO2 emissions on contract not from transport (specify how these are to be achieved)   | tCO2e                           |
| NDA33   | Environment - Car miles saved on the project (e.g. cycle to work programmes, public transport or car-pooling programmes etc)   | miles                           |
| NDA34   | Environment - Number of low or no emission staff vehicles included on project (miles driven)   | miles                           |
| NDA35   | Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean.   | £                               |
| NDA36   | Environment - Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste and keep resources in circulation longer). | % of contracts                  |
| <b>New Social Value Ideas</b>                   |  |                                 |
| <b>NDA Ref</b>                                  | <b>Measure</b>   | <b>Units</b>                    |
| NDA37   | Develop a measurable plan with time-based outputs that supports the delivery of our collective impact objective with sustainable outcomes  | Y/N                             |
| NDA38   | £ value invested in Capacity Building, e.g. brokerage, on strategic programmes, excluding provision of expert business advice to Local SMEs and Social Enterprises   | £ invested including staff time |

### 3. Eligible projects

3.1 We will only support projects that are near one of our sites. This is generally defined as the district council area where the site is located and, where sites are close to authority boundaries, the neighbouring district council:

- Berkeley (local authority district: Stroud)
- Bradwell (local authority district: Maldon)
- Capenhurst (local authority district: Cheshire West and Chester)
- Chapelcross (county and local authority: Dumfries and Galloway and Carlisle)
- Dounreay (Caithness and North Sutherland)
- Dungeness A (local authority districts: Folkestone & Hythe, Ashford, Rother)
- Harwell (local authority district: Vale of White Horse)
- Hinkley Point A (local authority district: Somerset Council covering Sedgemoor, Somerset West)
- Hunterston (local authority district: North Ayrshire)
- Low Level Waste Repository (LLWR) (Cumberland Council formerly Copeland Borough Council)
- Oldbury (local authority district: South Gloucestershire)
- Sizewell A (local authority district: East Suffolk Coastal)
- Sellafield (local authority district: Cumberland Council formerly Copeland Borough Council and Allerdale Borough Council)
- Springfields (local authority district: Fylde)
- Trawsfynydd (local authority district: Gwynedd)

- Winfrith (local authority district: Dorset)
- Wylfa (local authority district: Isle of Anglesey)

3.2 Within these geographical restrictions, the NDA group can fund local organisations provided they are:

- Constituted community/voluntary/charity groups - local branches of national charities are only eligible money if money raised is spent locally.
- State funded education provider or pre-school group (but not all types of expenditure can be supported and nothing which is an obligation of another Authority or Department will be supported).
- Public sector bodies.
- A company (but support must be compliant with Subsidy Control Rules). We reserve the right to take or require legal advice before determining eligibility for companies.

3.3 The NDA group cannot give community funding to private individuals. The section below on the financial case sets out more detail on eligibility and restrictions.

3.4 The following items will be regarded as ineligible spend in any project application:

- Spend that does not meet project objectives.
- Expenditure that cannot be measured.
- Projected benefits to areas outside our geographical boundaries.
- Religious or political benefits.
- Aims are contrary to UK Government policy.
- Aims are part of core Government policy/activity.
- Paid for lobbying:

- which means using grant funds 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.
- using grant funds to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant.
- using grant funding to petition for additional funding.
- Expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy.
- Input VAT reclaimable by the grant recipient from HMRC.
- Activities that other organisation (eg Local Authority/Local Education Authority/National Charities) have an obligation to provide.
- Applications from organisations that previously received NDA group funding that did not comply with our conditions (e.g. end of project reports).
- Individual, group sponsorships and other activities raising money for 3rd parties.
- Loan payments.
- National charities where funding is collected and administered centrally, exceptions may be made where local branches raise and spend their own funding.
- Repeat funding requests in the same financial year.
- Hospitality, awards sponsorships or the purchase of tables at events.
- Prizes or prize draw print costs for fundraising events.
- Retrospective projects.
- Interest payments or service charge payments for finance leases.
- Gifts.
- Statutory fines, criminal fines or penalties.



- 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.
- Bad debts to related parties; and
- Payments for unfair dismissal or other compensation.

## 4. Application and information required

4.1 The NDA is an evidence-driven organisation and makes regular assessments of the Social and Economic conditions near its sites. All projects supported by the NDA need to be supported by a written application for funding. When applications are assessed, other than those that are classified as 'small', the NDA will look at five aspects of the application:

- Strategic case
- Economic case
- Commercial case
- Financial case
- Management case

4.2 This 5-case model approach will form the business case for the application. This allows us to assess the likely economy, effectiveness and efficiency of our funding. There must be an evidence-based assessment. We take a proportionate approach:

- Large applications will be subject to a full business case, in line with the detailed points set out below.

- Medium applications will be appraised according to a summary 5 case model, as prompted in our standard application form. Business cases or business plans can be provided as supporting information.
- Small applications will not be subject to a business case, but a limited amount of evidence, as proof of spend and outcome, will be required. The online application form makes clear what information is required. This guidance can be read by applicants for background, but following the online application form should be sufficient. An end of project report will be required.

4.3 It is for applicants to complete applications and provide a business case where it is required. The Socio-economic teams in each NDA business will be responsible for ensuring their robustness before submission to the appropriate decision-making committee with their recommendations. Teams can require further evidence from the applicant and refuse to progress an application where the evidence is not sufficiently robust, applications that are incomplete, or insufficiently robust should not progress.

### **Strategic Case**

4.4 The strategic case for funding determines whether the project has a robust case for our intervention, and whether it fits with wider public policy objectives. It specifies the identified problems, the aims and objectives of the project to address these problems and how the project contributes to solving local problems.

4.5 The NDA will assess evidence to demonstrate:

- The local need/opportunity a project is addressing.
- Whether a project features or is aligned with the NDA's socio-economic strategy.

- If a project is not featured in the NDA socio-economic strategy, then it needs to align with at least one of the NDA's "themes" and show it can generate measurable outcomes.
- The application form or business case needs to set out levels of local support for the projects and how this local support is expressed (for example financial support, in-kind, policy).
- The project is consistent with – and ideally supports - national or local government strategies.
- Does not duplicate core activity which is funded by any Government departments or local councils.
- Demonstrates local stakeholder support and collaborative working.

4.6 All projects are different, and evidence of claims can be presented differently. Suitable forms of evidence may include Government policy documents, Indices of Multiple Deprivation data, other economic or social data, financial commitments, evidence from surveys or feasibility studies.

4.7 If a project seeks to make a link to the NDA's general decommissioning activities, then the strategic case should also articulate how these activities could support social, economic or environmental outcomes. An example could be a project using NDA land that has been decommissioned or a project that links to NDA's internal skills and education budgets.

## **Economic Case**

4.8 The economic case for funding assesses the economic costs and benefits of the project to the local community. This is different to financial costs and benefits. It should consider the alternative options for achieving the desired objectives so should

include an options appraisal, and a 'do nothing' option. There should be a cost/benefit analysis of each option. This section should include proposed monitoring and evaluation methodology.

4.9 The decision-making panels will look for evidence to demonstrate:

- Why NDA support is needed and what the likely economic/social/environmental impacts of a lack of any support are.
- That the applicant cannot fund the project themselves.
- That other methods to achieve the same/similar outcomes have been ruled out.
- That the project is the most appropriate body/route.
- How much of the expected outcomes might happen anyway without NDA support.
- For multi-year projects, whether all costs and benefits are quantified on an annual basis.
- Whether optimism bias is appropriately accounted for.

4.10 All projects are different, and evidence of claims can be presented differently. Suitable forms of evidence may include: Bank statements, Rejection letters, cost breakdown/quotes, economic/social analysis.

### **Commercial Case**

4.11 The commercial case is concerned with feasibility and sustainability and the effect of funding changes on deliverability. It should address any procurement required or purchase of goods or services. It should clarify contractual questions, including contractual milestones and delivery dates. Responsibility for agreed outputs should

be assigned. Risk management should be dealt with here. This section should also provide:

- Evidence that the project regarded is feasible and deliverable.
- Evidence that the organisation delivering the project is a sustainable, reliable partner.
- Clear and credible milestones and delivery dates.
- What (if any) procurement is required and the procurement strategy.
- Identification of risks and a plan to mitigate against them.
- Any major dependencies – in other words, whether the project is dependent on any decisions or events outside of the applicant's control.

4.12 Supporting evidence should be included to underpin any statements made.

## **Financial Case**

4.13 The financial case is concerned with issues of affordability and sources of funding, including all expected costs. It deals with contingencies, match-funding and clawback provisions. The financial case sets out:

- The proportion of funding the NDA is being asked to provide in relation to total cost of the project. The NDA encourage applicants to seek a minimum of 50% of the funding from other sources, unless there is strong evidence that no other funding is available.
- Whether match funding is secured from all parties.
- A clear justification if the NDA is first to commit funding.
- What contingencies are in place for cost-overruns.
- Guarantees.

- What claw-back provisions are required.
- Breakdown of costs.

4.14 The financial case should also include information required to minimise fraud and loss. For large projects the NDA may ask to:

- Assess grant risk indicators; including:
  - Grant to revenue ratio
  - Web presence
  - Length of grant period
  - Grant value
  - Type of recipient
  - Turnover of Board members (as appropriate)
  - Potential conflicts of interest
  - Track record
  - Timeliness of financial reporting
  - Address search or use of PO box
  - Plan risk mitigation actions
  - Risk rating
- Conduct due diligence on potential grant recipient, including:
  - Performance
  - Eligibility
  - Basic financial checks
  - Past track record
  - Background of grant recipient
  - Short and medium-term viability of organisation
  - Level of scrutiny proportionate to level of grant/risk
  - For high risk/high levels of grant, consider taking advice from finance/legal etc.
  - Ensuring funding never goes to private individuals

## Management Case

4.15 The management case is concerned with deliverability. It sets out management responsibilities, governance and reporting arrangements, as well as any gate review and post-project review arrangements. PR and monitoring costs must be budgeted for here.

4.16 The NDA will look for evidence that:

- Detailed delivery plans are in place.
- There are appropriate gates or staged process.
- There is a performance monitoring and reporting system.
- There are appropriate Governance arrangements in place.
- The application including relevant information on ED&I issues:
  - Does the proposal actively seek to support under-represented groups?
  - Is there a risk that it could be discriminatory?
- Environmental issues: whether the proposal actively seek to make environmental improvements and whether there a risk that it could be environmentally damaging.
- Does the proposal require project management techniques? Are those skills available to the applicant?
- What PR and communication do we require? Has the applicant got the necessary skills? Is it already costed?
- What post-project sustainability arrangements are in place and is it properly costed?
- Is the applicant using auditors or any third party assurance?

- 4.17 Suitable evidence may include: Programme of work/plans inc. dates, targets, milestones, ultimate objectives, job specs, phased delivery plans to include operation, Legal Compliance Assessment, Regulatory Compliance, policy documents, inc. ED&I, a Communications Plan, an Evaluation Plan.
- 4.18 **Reminder:** An application for funding over £200,000 requires a completed on-line application form, an annexed business case and supporting documentation. An application for funding ranging between £10,000 - £200,000 needs a completed on-line application form, supporting documentation but does not require a business case. Applications for less than £10,000 have a lighter on-line application form but still need to show how funding leads to outcomes.

## Legal Issues and Documentation

### Subsidy Control Rules (formerly State Aid)

- 4.19 The NDA group is subject to the UK's Subsidy Control Regime (formerly State Aid). As a result, all medium & large applications will be considered in light of Subsidy Control Rules. Where grants cannot be made in compliance with these rules funding will not be provided. Where funding is subsequently found to breach Subsidy Control rules it may be recovered from the recipient organisation. More information on UK subsidy control can be found on GOV.UK

## 5. Governance

- 5.1 The NDA group has been criticised in the past for complex decision-making for Socio-economic/social impact projects. We apply the same principles of governance to all our funding, but ensure that governance is proportionate.



- 5.2 All large projects over £200,000 are assessed by a "One NDA Socio-economic panel" which is expected to meet approximately 4-6 times per year. It brings together relevant representatives and experts from the NDA businesses. The panel is advisory in nature, and the final decision on funding is taken by the delegated decision budget holder. For Sellafield projects, this is the Sellafield CEO or a person in Sellafield Ltd with the delegated authority. For Magnox projects, this is the Magnox CEO or a person in Magnox Ltd with the delegated authority. For projects funded by the NDA corporate centre, the decision-maker is the NDA CEO or a person with delegated authority. The membership, roles and responsibilities of the panel will be published on the NDA website.
- 5.3 In exceptional cases, and to aid efficiency of the assessment process, the One NDA Socio-Economic panel may be convened on an ad-hoc basis either physically or in correspondence to consider urgent funding requests.
- 5.4 This single One NDA approach means that all decisions are made on the same basis across the estate. This should ensure a wide strategic view and benefit of experience from one another's teams.

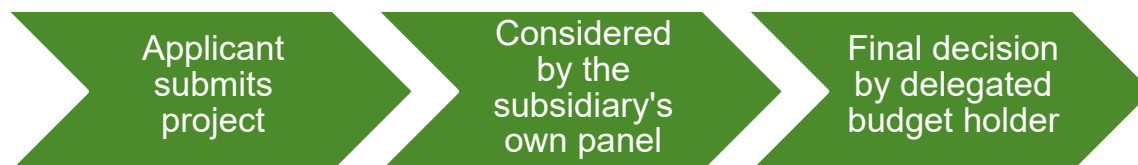
### **Large project over £200,000**



### **Medium projects between £10,000 and £200,000**

- 5.5 All medium-sized projects are assessed by a panel made up of people in an individual business. These projects are not reviewed by the One NDA Panel. Again, the panels are advisory. The final decision is taken by the budget holder in the business or an

appropriately established, and quorate, committee. For Sellafield projects this is the Sellafield CEO or a person in Sellafield Ltd with the delegated authority. For Magnox projects, this is the Magnox CEO or a person in Magnox Ltd with the delegated authority. For projects funded by the NDA corporate centre, the decision-maker is the NDA CEO or a person with delegated authority.



5.6 For all large and medium sized projects, the panels should assess the strategic case, the economic case, the commercial case, and the management case.

### **Small projects up to £10,000**

5.7 Magnox, Sellafield, LLWR and Dounreay should each have their own "good neighbour panel". This panel makes decision to fund small projects.



5.8 Panels should assess projects in a proportionate manner, in line with the NDA's standard methodology, which is itself based on the Treasury 5 case model.

### **Approval and Award**

5.9 Approved grants are recorded and logged on the appropriate system along with the supporting documentation. The grant funding agreement and performance measures are agreed between both parties – these should be based on the work done at the Business Case stage and should ensure above all that the grant is used as intended. Performance monitoring requirements and legal expectations should be outlined clearly in order to enhance the effectiveness with which grants can be monitored i.e.

providing the facility, through setting and agreeing clear expectations at the outset, to hold the grant recipient to account for the delivery of the intended outputs.

- 5.10 A Grant Acceptance Schedule (GAS) should be issued to all recipients. Grant agreements, including those administered through third parties, should clearly state the purpose for which the grant is awarded, provide details of approved activity and set out categories of eligible and ineligible expenditure, and establish requirements for provision of evidence of progress and spend.

Evidence of spend would typically be an itemised list of spending accompanied by a letter from the Chief Financial Officer, Chief Executive Officer or Fund Manager confirming that the funding has been spent as originally agreed.

Applicants will also be required to provide evidence of spend for the value of the grant awarded. Photographs, invoices/receipts etc. will be required as evidence.

- 5.11 The key terms and conditions to be covered are set out below.

- A clear description of the scheme/ aims and objectives of the grant.
- A clear description of how money should be spent.
- Eligible expenditure terms, which prohibit paid for lobbying and improper expenses.
- Data protection policy.
- Audit/ assurance.
- Agreed outputs/ TOMs-based KPIs/ milestones.
- Financial and activity based reporting and validation.
- Requirements for provision of evidence during delivery
- Subsidy Control rules (formerly State Aid).
- Payment model which reflects need and provides terms for suspension and claw-back and grant termination and,

- Evaluation and lessons learned

5.12 To help improve governance and identify any areas where issues related to the use of the system continue, the NDA Socio-Economic team will undertake monthly sample checks on applications completed.

All outcomes will be shared with the socio-economic teams across the group to help improve practice in line with system requirements

## Payment of Grants

5.13 In accordance with Managing Public Money, it is expected that grant funding payment models will reflect need, and avoid paying portions of funding up-front, except in circumstances where a formal request has been made that can be justified and is approved via the NDA's formal governance route. Where possible, the NDA socio-economic group will seek to link the release of regular payments to the receipt of satisfactorily completed delivery and financial returns, with the submission of returns triggering the release of payments, following the successful completion of whatever validation checking regime is specified in the grant agreement.

## Budget Management and Monitoring

5.14 The NDA Local Social and Economic Impact budget will be managed and monitored in line with existing NDA financial and budget management procedures.

- 5.15 In common with much of the public sector, the NDA works within annual budget allocations. However the NDA will consider multi-year commitments where there is a clear and robust business case and where the project delivery and spending profile requires it. Likewise budget carry-over may be permitted should the profile of project delivery necessitate it but only if budget availability allows.

## **Change control**

- 5.16 Any changes to the delivery of the project post award requested by the applicant that result in a change of scope of the project i.e. repurposing of funding, changes to project end dates, or changes to milestones etc, require approval from the Grantor. Approval must be sought via a Project Variance Form to be completed and submitted by the applicant for approval. Changes will be reviewed by the relevant panel and the decision to approve or reject the request will be made in writing to the applicant.

Changes to the management of the grant award that differ to the terms set out within the grant agreement will need to be justified and reflected (in a timely manner) as a revision to the grant agreement, or even as a separate grant agreement entirely.

## **6. GDPR**

- 6.1 We must inform applicants what data we are collecting and for how long we will retain it. We must obtain their explicit permission to share within the estate and with auditors. Refusal to allow the collection and/or sharing of information would render the application unsupportable.

## **7. Performance Monitoring:**

- 7.1 The purpose of performance monitoring is to ensure value for money is achieved for the outcomes delivered and to hold the award recipient to account for the delivery of the intended outcomes. Reports should be submitted as requested in line with the terms of the grant agreement. Throughout delivery, regular reviews of activity, risk

and expenditure will be carried out and necessary actions will be taken to address any issues or concerns identified. Monitoring will include a focus on detecting fraud and error by tracking that all grants achieve their intended outcomes and providing assurance that expenditure is within the eligible expenditure terms outlined in the applicable agreement. The assessment of fraud risk should be reviewed throughout the life of the grant to ensure it is relevant and appropriate. If necessary, any inappropriately used funds or assets should be considered for clawback. Random audits will be conducted

## 8. End of Project Evaluation:

- 8.1 At the end of a grant's life, an evaluation of the grant should be conducted, financial payments reconciled, and lessons learnt disseminated. This may require an end of project report to be completed, a review of project governance for lessons learned purposes, ensuring appropriate PR and publicity, requirements for regular post-project review as necessary to monitor longer-term outcomes – this would have been agreed at outset.

## 9. Roles and Responsibilities

### **NDA Central Team**

- Develops group wide guidance and strategy in consultation with the rest of the NDA group.
- Responsible for group wide reporting.
- Maintains group wide grants management systems.
- Helps team comply with policy and guidelines.
- Monitors spend and performance.

- Exception reporting and enforcement.
- Prepares annual estate-wide performance report.
- Runs NDA Socio-economic Panel.
- Maintains group wide pages on gov.uk.
- Develops case studies for publication.
- Holds a contingency budget for large or atypical projects.
- Spot checks.

### **Businesses**

- Deliver NDA's Socio-economic duties & powers.
- Report quarterly on spend, activity, progress and outcomes.
- Collect and store evidence of progress and spend from Applicants.
- Maintains positive stakeholder relations with local economic development organisations.
- Works with local economic development organisations to develop appropriate interventions.
- Prepares annual Socio-economic performance report, submitted to NDA Central team by end-June to cover the activities and outcomes of the previous calendar year.
- Run Socio-economic panels in accordance with Business governance standards.

### **One NDA Socio-economic Panel**

- Assesses all large applications.
- Monitors performance of previously approved applications.

- Conducts lessons learned exercises at project end and makes policy/practice changes as a result.
- Updates guidance as necessary.
- Receives regular reports from all businesses on medium/small project activity.
- Makes recommendations to NDA Sanction Committee where delegated authority is insufficient to make a decision.

## **Applicants**

- Carries out activities in line with the Grant Acceptance Schedule (GAS).
- Submits documentation as and when requested.
- Submits performance reports and evidence of spend and other supporting evidence as and when requested.
- Upon request makes themselves and documentation available for audit.
- Engages in PR activities as required.
- Submits an end of project report.
- Supports the development of case studies as required.
- Complies with all condition of funding as set out in grant award.

## 10. Supporting Systems

10.1 The NDA operates a single grants management system, with business specific accounts. It is an end-to-end process, operating from receipt of an initial query through project monitoring and end-of-project sign-off. It simplifies processes, makes the Socio-economic function easier to manage, quicker to report upon and more transparent. From the receipt of an initial application to an end of project report – all data and documentation can be and should be held on the system. It



automatically sends out performance update and evidence requests and generates a variety of reports.

- 10.2 All Socio-economic practitioners must undergo regular central training around managing public money, governance and economic appraisal, plus any other training necessary.