



Department
for Education

Terms and Conditions DfE Grant Funding Agreement

**For Agreements entered into from 1 April
2024**

April 2024

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Summary

For Grant Funding Agreements entered into on and from 1 April 2024

Standard Grant Terms and Conditions of Agreement

These Grant Terms and Conditions are the standard terms and conditions for general grants awarded by the Department for Education (the Department), in place of all previous versions published on the GOV.UK website. The Department may at any time in future vary these Grant Terms and Conditions and upload new versions onto the GOV.UK website.

This version of the Grant Terms and Conditions automatically applies to all new Grant Funding Agreements entered into from the date above and provides for automatic substitution of newer versions as and when they are published. Whether this version applies to agreements made before that date depends on whether those agreements make provision for automatic substitution; if not, a formal variation agreement is required.

Where a Recipient offers or purports to apply alternative Grant Terms and Conditions, these will be legally ineffective, unless otherwise expressly agreed in writing by the Department, represented by the Department's commercial policy service head or their duly authorised representative, and duly incorporated into the grant funding agreement.

Grant recipients should note that by accepting any Grant Offer Letter from the Department in line with its instructions they are automatically deemed to have read and accepted each of these Grant Terms and Conditions.

Please also note that these Grant Terms and Conditions are intended to be used by the Department for the award of financial assistance (generally in the form of grants) for specific ringfenced projects, schemes or programmes (and are not generally used for grant-in-aid or funding of arm's length bodies).

1 Introduction and Legal Status

- 1.1. These Grant Terms and Conditions must be read in conjunction with and subject to the Grant Terms and Conditions set out in the Grant Offer Letter issued by the Department of which they form part and are subject to change in accordance with clause 1.2 below.
- 1.2. The Department may from time to time publish new versions of its standard Grant Terms and Conditions on its GOV.UK website with effect from a specified date for all new awards of financial assistance. Each set of new Grant Terms and Conditions will where indicated automatically be deemed to apply to this Grant Funding Agreement in substitution for the version in force at the date of the Grant Offer Letter or (as the case may be) any other version substituted from time to time in accordance with this clause.

- 1.3. These Grant Terms and Conditions when not automatically brought into force by grant funding agreements entered into before the specified date will apply to such agreements in substitution for previous versions if and when so agreed between their respective parties.

2 Definitions

- 2.1. In this Agreement the following terms will have the following meanings:

Agreement: these Grant Terms and Conditions, together with the Grant Offer Letter and any relevant Annexes and associated schedules or documents attached, which may also be referred to as this “Grant Funding Agreement”.

Applicable Subsidy Control Legislation: the Subsidy Control Act 2022 and any applicable international subsidies legislation.

Asset: any item capable of being purchased for money or money’s worth which has a continuous useful life of one year or more, regardless of whether it is treated as such by Your accounting policy.

Breach: a failure to comply with any term of this Agreement.

Budget: the details of grant resource budget allocations set out in Annex E, as varied from time to time in accordance with this Agreement.

Contracting Authority: a public body or other person subject to and under a duty to comply with the Procurement Regulations.

Committed: at a particular date means Funding that the Recipient is contractually obliged to pay to a third party in respect of any part of the Funded Activities provided i) that the relevant Funded Activities have been undertaken by the third party at the particular date, ii) that the payment to a third party is approved as part of the Funded Activities, and iii) the arrangement to pay the third party is on standard arm’s length terms.

Conflicts of Interest: any conflict of interest, any risk of a conflict of interest and any apparent conflict of interest arising through the Grant Recipient (or the Grant Recipient’s Personnel) engaging in any activity or obtaining any interest that is likely to conflict with or restrict the Grant Recipient in performing the activity fairly and independently.

Contractor: any contractor, person or organisation who is engaged by You to undertake the relevant Funded Activities (and any of that contractor's, person's or organisation's employees, agents, and subcontractors). 'Contracts' has a corresponding meaning.

Department: the Department for Education, acting on behalf of the Secretary of State.

DfE Grant Manager: the Department member of staff authorised to undertake day-to-day grant monitoring and management, and the single point of contact for the Grant Recipient, as initially indicated in the Grant Offer Letter or from time to time notified to You by e-mail.

Data Protection Legislation: (i) the UK GDPR; (ii) the DPA 2018 to the extent that it relates to the processing of Personal Data and privacy; (iii) (to the extent that it applies) the EU GDPR; (iv) all applicable Law relating to the processing of Personal Data and privacy.

EIR: the Environmental Information Regulations 2004.

Eligible Expenditure: the expenditure incurred by You during the Funding Period for the purposes of carrying out the Funded Activities which comply in all respects with the eligibility rules set out in clause 11 (Eligible Expenditure).

Employment Regulations: the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246).

Exit Plan: the plan allowing for the smooth closure or transfer of the Funded Activities required by clause 37 (Exit Plan).

Financial Year: the period of twelve months commencing on 1 April in any calendar year to 31 March in the following calendar year (both dates inclusive).

FOIA: the Freedom of Information Act 2000.

Fraud: any offence under any applicable Law creating offences in respect of fraudulent acts including fraudulent acts in relation to the Grant Funding Agreement, defrauding or attempting to defraud or conspiring to defraud the Crown.

Funded Activities or Activity: any work, tasks, services or other activities carried out in relation to the Project/Scheme/Programme or work products, materials and other resources in whatever medium created or produced in the course of carrying out such activities (as described in the Grant Offer Letter and more particularly described in Annex F), for which Funding is provided, provided that they meet the aims and objectives laid down in Annex F and all other relevant Grant Terms and Conditions.

Funding: the grant funding or other form of financial assistance set out in Annex E (Details of Grant Resource Budget Allocation).

Funding Period: the period specified in the Grant Offer Letter within which the Funded Activities must be carried out and completed, being the total period for which the Funding has been allocated.

Grant Claim: claims for Funding made by You under clause 9.

Grant Offer Letter: the signed and dated letter from the Department to the Grant Recipient confirming the award of the Funding.

Grant Recipient or Recipient: the party named as such in the Grant Offer Letter.

Grant Recipient's Grant Manager: the Grant Recipient's member of staff authorised to undertake day-to-day operational and management functions, and the single point of contact for the Department, as from time to time notified to the Department by e-mail.

Grant Terms and Conditions: the terms and conditions as set out in this document as varied or supplemented by any terms and conditions in the Grant Offer Letter.

HRA: the Human Rights Act 1998.

Information Legislation: Data Protection Legislation, the Freedom of Information Act 2000 and the EIR.

Law: any applicable law, including common 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, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation.

Match Funding: the contribution to the Funded Activities to meet the balance of Eligible Expenditure not supported by Funding. The Match Funding details and any additional specific conditions relating to this financial contribution are documented in the Grant Offer Letter and relevant Annexes.

Material Breach: any Breach by the Recipient (including an anticipatory Breach) which, in the reasonable opinion of the Department, has or will have a serious and adverse impact on the Funded Activities or achievement of the Outcomes, or is otherwise a breach of any of clauses 4, 11, 18-22 inclusive, 24, 30, 42-45 inclusive, 47, 51-52 inclusive or 53.

Milestone: any date specified in Annex F for achievement of an Outcome.

Outcomes: the outcomes to be achieved by the Funded Activities, as set out in Annex F.

Party / Parties: a party or parties to this Agreement.

Key Performance Indicator or KPI: the standards the Grant Recipient must achieve in providing the Funded Activities where specified in this Agreement.

Performance Improvement Plan: a Report to be provided in accordance with Clause 15 where a Performance Issue has been identified.

Performance Issue: a potential failure or failure to meet a Milestone, perform the Funded Activities or achieve the Outcomes in accordance with this Agreement.

Personnel: in relation to the Grant Recipient, any employee, officer (as defined in the Companies Act 2006), agent, volunteer, contractor or professional adviser of the Grant Recipient engaged in the performance of the Funded Activities.

Procurement Regulations: the Law governing the procurement of public contracts made up of the Procurement Act 2023, the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016, the Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time.

Relevant Transfer: a transfer of employment to which the Employment Regulations apply.

Report: any report required by the Agreement (including under Annexes G or J) and any reports required under these Grant Terms and Conditions, including clauses 13 and 14.

Secretary of State: the Secretary of State for Education.

Us/We/Our: the Secretary of State/Secretary of State's and the Department for Education/Department for Education's and includes Our employees and those acting for Us.

Unspent: at a particular date means Funding that has not been spent or Committed by the Recipient.

You/Yourself/Your: the Grant Recipient/Grant Recipient's.

3 Interpretation

3.1. In this Grant Funding Agreement, unless the context otherwise requires:

- a) the singular includes the plural and vice versa;
- b) reference to a gender includes any gender;
- c) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- d) a reference to any law, guideline or policy includes a reference to that law as amended, extended, consolidated, or re-enacted from time to time;
- e) 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";
- f) 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;
- g) 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 this Agreement;
- h) references to "clauses", Annexes and "Schedules" are, unless otherwise provided, references respectively to the clauses of these Grant Terms and Conditions, Annexes to the Grant Offer Letter as incorporated into the Grant Funding Agreement or schedules to either of the above;
- i) the headings in this Agreement are for ease of reference only and will not affect the interpretation or construction of this Agreement;
- j) words and phrases defined in the Grant Offer Letter have the same meaning when used in these Grant Terms and Conditions; and
- k) references to months will be construed as calendar months.

4 Purpose and Scope of Funding

- 4.1. The Parties confirm that it is their intention to be contractually bound by this Grant Funding Agreement. The Parties further acknowledge and agree that the Funding is not being allocated by the Department as consideration for provision of services to the Department.
- 4.2. You must use the Funding only for the delivery of the Funded Activities set out in Annex F of this Agreement and must not make any material changes to the Funded Activities, Outcomes or Milestones without the prior written consent of the Department.

- 4.3. We make no commitment to renewing or continuing funding after the term of this Agreement and will not be liable for any additional cost incurred by You either during or after the Funding Period.
- 4.4. Where You intend to apply to a third party for other funding for the Funded Activities, You will notify Us in advance of Your intention to do so and, where such co-funding is permitted and obtained, You will provide Us with details of the amount and purpose of that funding.
- 4.5. You agree and accept that You will not apply for duplicate funding in respect of any part of the Funded Activities or any related administration costs that We are funding in full under this Agreement.
- 4.6. You agree that You will not delegate to any other organisation the delivery of any material part of the Funded Activities unless We have agreed to their involvement in the Grant Offer Letter or otherwise and always subject to Your obligations set out in clauses 18-22 inclusive. For the avoidance of doubt, this does not apply to Funded Activities consisting of managing grants to other organisations or purchases of standard office and other supplies while delivering the Funded Activities.

5 Funding Offer

- 5.1. Payment of the Funding is subject to You complying with this Agreement and to such further conditions that We may from time to time specify.
- 5.2. The Funding will be paid only in respect of Eligible Expenditure incurred by You to deliver the Funded Activities. The Funding must in particular not be used to fund activities that are or may be party-political in intention, use or presentation.

6 Amount of Funding

- 6.1. The maximum gross value amount of Funding (in GBP) which may be paid to You under the Grant Funding Agreement is specified in the Grant Offer Letter and must not be exceeded during the Funding Period regardless of whether Your Eligible Expenditure exceeds it; if further Funding is agreed for subsequent years, We will send You a formal statement of the additional amount of Funding approved for the Funding Period as extended. The amount of Funding to be paid in any Financial Year will be decided by Us after considering Your estimates of income and expenditure in respect of the Funded Activities as set out in Annex F. The Funding is intended to reimburse 100% of the eligible costs relating to the agreed actions and activities. Relevant detailed information about the aims and objectives of the Funding for the Funding Period is set out in Annex F.
- 6.2. All costs and payments claimed as Eligible Expenditure must be declared under the table in Annex E (Resource Budget).

7 Variation of the Grant Funding Agreement

- 7.1. We will notify You of any changes to Our needs and requirements in relation to activities which are supported by the Funding.

- 7.2. No changes to these Grant Terms and Conditions or to any other part of the Grant Funding Agreement (including Specific Conditions in the Grant Offer Letter and any Annexes and any corresponding Schedules) will be effective unless made in accordance with the provisions below or otherwise with Our prior written consent or as required by Law. No variation will be binding unless and until it is recorded in writing and duly signed by both Parties. This provision is without prejudice to Our right to vary KPIs or Milestones in accordance with clauses 14.4 or 34.2.
- 7.3. Any decision by the Department to accept or reject any proposal from the Grant Recipient for a change to be made is at the Department's absolute discretion and will be final.
- 7.4. If at any time You wish to make any changes to Annex F, including changes to the nature, scope or extent of the Funded Activities, in particular changes to any Outcomes or Performance Indicators or postponement of any Milestones, You must submit a written request to the Department (a "Variation Request") setting out:
- i. details of the proposed variation to the Funded Activities or relevant Milestone or change in an intended Outcome and reasons for the request;
 - ii. in relation to requests to postpone a Milestone, reasons why the Funded Activities cannot be achieved by the given date; and
 - iii. the impact the proposed variations will have on:
 - a) effective delivery of the Funded Activities;
 - b) the Budget; and
 - c) the Milestones.
- 7.5. We will give You a written notice accepting or rejecting Your request and may, if We deem it appropriate, include additional conditions. For the avoidance of doubt, Our decision to accept or reject the proposal is at Our absolute discretion and final.

8 Match Funding Arrangements

- 8.1. The payment of Funding is conditional upon the receipt by You of the Match Funding or the Match Funding being Committed.
- 8.2. The Match Funding must be compliant with the provisions of clause 11 (Eligible Expenditure).
- 8.3. You must notify Us in writing immediately of any failure by You or a third party to contribute any payments due under the Match Funding, or any circumstance that affects or might affect the payment or availability of Match Funding.
- 8.4. The first payment of Funding and/or any subsequent payment of Funding is conditional on You satisfying Us that You have sufficient Match Funding Committed at an agreed start date to achieve completion of any relevant Funded Activities or Outcomes by the relevant completion date or dates that have been agreed for their completion.

9 Payment arrangements

- 9.1. Funding will, in the absence of any prior agreement to the contrary, be paid in instalments in arrears on receipt of a Grant Claim accompanied by evidence, satisfactory to the Department, that the relevant Outcomes have been achieved, unless the Department has expressly agreed to payment in advance of expenditure.
- 9.2. Grant Claims must be made on the standard form specified in Annex C (Grant Claim Form (Arrears)) or (where the Department has agreed) Annex D (Grant Claim Form (Advance)) and must be certified by Your Chief Financial Officer (or equivalent) or by such other person appointed for this purpose with Our prior approval; Grant Claims must be sent to the DfE Grant Manager.
- 9.3. Incomplete, false, misleading or incorrect claims (including claims without full supporting evidence) will be returned unpaid; late claims may not be paid.
- 9.4. Payment will normally be made by Us within 30 days of the receipt of a satisfactory Grant Claim (containing full and accurate details of all Eligible Expenditure, accompanied by appropriate supporting evidence), in accordance with the agreed payment schedule at Annex H (Planned Payments).
- 9.5. If You are assisted in carrying out the Funded Activities by a third party (as approved in the Grant Offer Letter or otherwise approved by Us), You must enter into a binding contractual obligation with the third party requiring that all valid invoices issued by the third party to You will be paid by You within 30 days of receipt and on request provide Us with sufficient evidence that such obligations are being met. We will not pay invoices received from any third party.
- 9.6. You must take all reasonable steps to satisfy Yourself that any third party which You engage to assist You in carrying out Funded Activities is suitable in all respects to perform the services required to enable You to carry out the Funding Activities in accordance with the Grant Funding Agreement.
- 9.7. Without limiting any other right or remedy which We may have whether under this Agreement or otherwise, We may without notice reduce the amount of any instalment of Funding which would otherwise be due in accordance with this Agreement:
 - a) if by the date for payment of the instalment You have not spent Funding in accordance with any agreed payment criteria, by the amount that is Unspent;
or
 - b) if Funding has been spent other than in accordance with this Agreement, by the amount that was spent other than in accordance with this Agreement.

10 When can the Department withhold payment?

- 10.1. We may at any time give You notice that We will withhold payment or payments of any Funding due under this Agreement in whole or in part as specified in the notice if We consider that either You:
 - a) have not carried out Funded Activities in accordance with this Agreement;
 - b) have not spent the Funding in accordance with this Agreement;

- c) have committed a Breach of any other term of this Agreement;
- d) have breached any other agreement and in the Department's reasonable opinion the breach affects Your ability or suitability to perform this Agreement;
- e) have caused a Performance Issue; or
- f) have provided false, misleading or incorrect statements or information in Your bid or request for Funding; or that any Personnel of or connected to the Grant Recipient has:
 - i. acted dishonestly or negligently at any time in relation to this Agreement; or
 - ii. taken any actions which unfairly bring or are likely to unfairly bring the Department's name or reputation and/or the Department into disrepute. Actions include omissions in this context.

10.2. The Department will pay the withheld Funding payment under clause 10.1(a) when You have carried out the Funded Activities to which the payment relates, according to the requirements of the Agreement.

10.3. For the purposes of 10.1(d), being in breach of any other agreement means being in serious breach of any other agreement (being a breach which would entitle a Party to terminate the other agreement).

11 Eligible Expenditure

11.1. We will only pay the Funding in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient will use the Funding solely for delivery of the Funded Activities. All Eligible Expenditure must be claimed net of any VAT that is recoverable from HM Revenue and Customs.

11.2. A payment is defined as being incurred at such time as money passes out of Your control. This may take place when:

- legal tender is passed to a supplier (or, for wages, to an employee);
- a letter is posted to a supplier or employee containing a cheque; or
- an electronic instruction is sent to a bank to make a payment to a supplier or employee by direct credit or bank transfer.

11.3. Eligible Expenditure includes:

- fees charged or to be charged to You by the external auditors/accountants for reporting/certifying that the Funding paid was applied for its intended purposes (in accordance with the provisions of Annex G, part 1);
- retentions for building work where these are held by You until the work has been completed satisfactorily;
- giving evidence to Parliamentary Select Committees;
- attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
- 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);
- providing independent, evidence-based policy recommendations to local government, government departments or ministers, where that is the

objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and

- 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.

11.4. You must not deliberately incur liabilities for Eligible Expenditure in advance of need; nor pay for Eligible Expenditure in advance of receiving the goods or services – liabilities should be paid in line with the invoice terms. Costs payable or incurred in respect of any of the following listed items are expressly excluded from Eligible Expenditure and may not be claimed:

- 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;
- using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the Grant;
- using the Grant to petition for additional funding;
- expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy; as well as broader entertaining (entertaining for this purpose meaning anything that would be a taxable benefit to the person being entertained, in accordance with the applicable UK tax regulations from time to time);
- input VAT reclaimable by the Grant Recipient from HMRC;
- payments for activities of a political or exclusively religious nature;
- contributions in kind (i.e. a contribution in goods or services, as opposed to money);
- interest payments or service charge payments for finance leases;
- gifts;
- statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- payments for works or activities that are fully funded by other sources e.g. payments reimbursed or to be reimbursed by other public or private sector grants;
- bad debts to related parties;
- payments for unfair dismissal or other compensation;
- depreciation, amortisation or impairment of assets owned by the Grant Recipient;
- 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 Funding Letter); and
- liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by Us or before satisfaction of any applicable conditions relating to payment specified by the Grant Offer Letter unless agreed in writing by Us.

11.5. You must seek prior written permission from Us before purchasing any items not for the sole purpose of delivering the Funded Activities as included in this Agreement.

12 VAT

- 12.1. The Grant Recipient acknowledges that the Funding is not consideration for any taxable supply for VAT purposes. You understand and acknowledge that the Department's obligation does not extend to paying any amounts in respect of VAT in addition to the Funding.
- 12.2. The Funding has been made on the basis that the costs presented to the Department take account of all VAT liabilities. If it is later found that the costs increase because an error was made regarding VAT recovery, the Department will be under no obligation to increase the Funding to pay any VAT liability of the Grant Recipient.
- 12.3. You agree immediately to repay any VAT that is recovered whether by off-set, credit or repayment to the extent that any such VAT cost was included in the Funding.
- 12.4. The Grant Recipient may not charge VAT on expenses which are not chargeable to VAT.

13 Monitoring progress

Progress meetings

- 13.1. The Parties, at the Department's discretion, will meet at the times and in the manner required by Us to discuss any issues that may arise under or in relation to this Grant Funding Agreement or in relation to the carrying out of the Funded Activities. You must ensure that the Grant Recipient's Grant Manager, and the Department must ensure that the DfE Grant Manager, are each available to attend such meetings and answer any queries relating to the Funded Activities raised by either Party.

Reporting

- 13.2. You must provide Us with Reports in accordance with the Grant Offer Letter. When You provide Us with a Report, We will notify You in writing within 30 days after receiving the Report that We have either:
 - i. accepted the Report; or
 - ii. rejected the Report, providing reasons for its rejection.
- 13.3. Acceptance of a Report by Us does not constitute a release of You in respect of any matter, an admission or acceptance that Your performance complies with this Agreement, or acceptance of the accuracy of the Report.

14 Progress reporting

- 14.1. The Department may at any time require the Grant Recipient to produce Reports as specified below, in the formats and for the periods specified, or in any other formats or for any other periods that the Department may request or prescribe from time to time.

14.2. You must provide:

- a Report on progress in accordance with the provisions of Annex J (Reporting) against agreed objectives as set out in Annex F. This Report must also include details of any Assets You have either acquired or improved using Funding and details of any Asset disposal.
- a full final activity Report form on Your evaluation of Your completion of the Funded Activities and achievement of the agreed objectives within at least three months of completing the Funded Activities, using a report form prescribed by Us.

14.3. If the Department is not satisfied with Your delivery of the Funded Activities and achievement of the agreed Outcomes, We reserve the right to withhold, suspend or cancel payment of the Funding that would fall or would have fallen due in accordance with Annex H (Planned Payments).

14.4. You must inform Us immediately if You are experiencing any difficulties that may hinder or prevent You from fulfilling Your obligations under this Agreement. We may at our absolute discretion set new, or vary existing, Key Performance Indicators (KPIs) and Annex F will be deemed to be amended accordingly as if the variation had been signed and agreed by You. If such KPIs are not agreed, We reserve the right to terminate this Agreement by notice with immediate effect. For the avoidance of doubt, KPIs may be subject to change during the Funding Period, with agreement by both Parties, in accordance with clause 7.

14.5. You must also submit a final yearly Report to Us within 60 days of completion of the Funding Period or termination of the Funding, whichever is earlier to the satisfaction of the Department. This Report must summarise the work carried out under the Funding during the Funding Period, quantifying what has been achieved by reference to the Funded Activities' targets and, where appropriate, showing the progress made to date in the Exit Plan.

Performance Improvement Plan

14.6. If You reasonably consider or suspect that there is or may be a failure or failure to meet a Milestone, perform the Funded Activities or achieve the Outcomes in accordance with this Agreement a Performance Issue will be deemed to arise, and You must immediately notify Us of this Performance Issue.

14.7. If You notify Us of a Performance Issue in accordance with clause 14.6 or if We notify You of a Performance Issue, then without limitation to any of Our rights or Your obligations under this Agreement, You must, if requested by Us, within seven (7) days (or such longer period as determined by Us) prepare and submit to Us a Report (Performance Improvement Plan) identifying:

- i. the nature and extent of the Performance Issue;
- ii. the consequences of the Performance Issue and in particular the Milestones and Outcomes that are likely to be affected; and
- iii. steps You will take to rectify the Performance Issue.

14.8. After receiving Your Performance Improvement Plan in accordance with clause 14.7, We will within 30 days review the Performance Improvement Plan and give You

notice that We (a) approve the Performance Improvement Plan; or (b) We do not approve the Performance Improvement Plan.

- 14.9. If We do not accept the Performance Improvement Plan, You must amend and resubmit Your proposed Performance Improvement Plan (again within the timeframe determined in accordance with clause 14.7), to take account of any concerns that We may have with it, including in relation to matters such as the steps proposed to be taken by You, and the timeframe in which any steps are proposed to occur.

15 Evaluation

- 15.1. The Department may at any time undertake or engage an expert to undertake a review or evaluation of the Funded Activities or Department's grant programmes.
- 15.2. In relation to any review or evaluation of the Funded Activities or the Department's grant programmes, You must within 14 days, or such time as the parties may agree, after a request by the Department (or any expert):
- i. provide all reasonable assistance to the Department (and any expert);
 - ii. respond to all reasonable requests from the Department (and any expert);
and
 - iii. provide any information required by the Department (and any expert).

16 Income, fees, and charges

- 16.1. You must consult with Us if You wish to charge a fee to a third party for any Funded Activities.
- 16.2. You must notify Us of any income or contributions generated by the Funded Activities, so that We can decide whether any or all the Funding, or income generated, should be retained by You, or refunded to Us.

17 Records to be kept and retention period

- 17.1. You must keep details of Funding received and disbursed and any income generated from the Funded Activities, as well as financial accounts and other accounting records, including original invoices, receipts, VAT records and any similar records which we may from time to time specifically require You to keep in relation to the Funded Activities or as otherwise relevant to this Agreement.
- 17.2. You must make these available at any reasonable time for inspection by officials from the Department or their representatives or by the Comptroller and Auditor General (Head of the National Audit Office), or his representatives.
- 17.3. You must retain all the records relating to the Funded Activities referred to in clause 17.1 for at least seven years from the expiry or termination date of the Agreement.

18 General compliance with Law

- 18.1. You must, and must ensure that Your Contractors and Your and their Personnel, at all times have regard to and comply with, all applicable Laws, guidelines and policies insofar as relevant to this Grant Funding Agreement. Without prejudice to this general obligation, You must comply with the specific Law, guidelines and policies specified in clauses 18-22 and in clauses 51, 52 and 53. The provisions of this clause apply subject to any amendments required by virtue of Annex L.

19 Information Legislation and Confidentiality

- 19.1. You must observe Your obligations under the Information Legislation and HRA, and under the common law duty of confidentiality, but subject to Your obligation to comply immediately with any lawful request by the Department to share data for the purpose of preventing or detecting crime.
- 19.2. You hereby acknowledge that We are subject to requirements under the Information Legislation. Where requested by Us, You will provide reasonable assistance and cooperation to Us to assist Our compliance with Our information disclosure obligations.
- 19.3. On request from Us, You will provide Us with all such relevant documents and information relating to Your data protection policies and procedures as We may require.
- 19.4. You acknowledge that We may, acting in accordance with the codes of practice issued and revised from time to time under FOIA and/or EIR, disclose information concerning You and this Agreement without consulting with You.
- 19.5. We will take reasonable steps to notify You of a request for information to the extent that it is permissible and practical for Us to do so but (notwithstanding any other provision in this Agreement) We will be responsible for determining in Our absolute discretion whether any information is exempt from disclosure in accordance with the Information Legislation.

20 Use of Third Parties and Value for Money

- 20.1. If at any time for the purposes of carrying out Funded Activities You procure the supply of any goods, works or services from a third party (including any Contractor in accordance with clause 21.1 below) or otherwise use all or part of the Funding to enable a third party to assist You in connection with the performance of Your obligations under this Grant Funding Agreement, You must ensure that Your arrangements with such third Parties comply with all applicable Law in force from time to time, including (without limitation) the Procurement Regulations and the Applicable Subsidy Control Legislation and at all times take reasonable efforts to secure best value for money
- 20.2. You are (and will always remain) fully responsible for completing the Funded Activities even if You enter into any contract or arrangement of any sort with a third party to deliver any aspect of the Funded Activities and for the performance of all Your obligations under this Agreement.

- 20.3. If you engage Contractors to perform work in relation to the Funded Activities, You agree that the Contractors, if any, specified in Annex H will perform work in relation to the Funded Activities in accordance with this Agreement. You agree to make available to Us, promptly on request, the details of any of Your Contractors engaged to perform work in relation to this Agreement. You will promptly supply a copy of the relevant Contract to Us as evidence that this obligation has been complied with.

21 Subcontracts

- 21.1. You must ensure that any such third party is prohibited from further subcontracting or delegation of the Funded Activities without the Department's prior written approval (which as a minimum must require the Contractor to impose obligations on the subcontractor to ensure compliance by the subcontractor with the terms and conditions of this Agreement similar to those which You are required to impose on the third party and any other specific terms and conditions that We may specify); and if requested, You will promptly supply a copy of the relevant subcontract to Us as evidence that this obligation has been complied with. If We terminate or reduce the scope of this Agreement, You must exercise any right of termination or reduction You have against any of Your subcontractors.
- 21.2. Without prejudice to Your general obligations under this clause, where You are a Contracting Authority, You warrant that You will comply, as necessary, with any applicable Procurement Regulations in force from time to time when procuring goods and services.
- 21.3. If you use a single tender procedure, You must include sufficient evidence as to Your reasons so that the Department can be satisfied that You are justified in doing so. In all other cases, You must use a competitive tendering procedure to the extent that You are required to do so by any applicable Procurement Regulations in force from time to time.

22 Subsidy Control

- 22.1. You must ensure that in carrying out the Funded Activities You comply with Applicable Subsidy Control Legislation and do not put Us in breach of Applicable Subsidy Control Legislation.
- 22.2. You must at Your cost (save as otherwise agreed):
- (i) co-operate with the Department and provide it with any assistance reasonably required
 - a) in relation to any measures which the Department may consider necessary in order to comply with Applicable Subsidy Control Legislation (including regulatory requirements or requests) (including, for the avoidance of doubt, the relevant provisions of Annex L insofar as applicable) or, as the case may be,
 - b) in the event of any legal challenge brought or threatened in relation to Applicable Subsidy Control Legislation in order to enable the Department to defend itself or take any other action that it may consider necessary in the public interest.

- (ii) respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- (iii) maintain appropriate records of compliance with Applicable Subsidy Control Legislation (including, for the avoidance of doubt, the provisions of Annex L insofar as applicable) and take all reasonable steps to assist the Department to comply with the same.

- 22.3. In response to any reasonable request from You, the Department will provide You with specific advice or guidance on matters relating to regulatory compliance, including subsidy control.
- 22.4. You acknowledge and represent that the Funding is being awarded on the basis that the Funded Activities being undertaken using the Funding do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and will ensure that no portion of the Funding is used in a way that affects any such trade.
- 22.5. You will ensure that all Funding paid to You is used for the purposes, and only for the purposes, of the Funded Activities.
- 22.6. You accept and acknowledge whichever of the following optional provisions is specified by Annex L to apply for the purposes of this Grant Funding Agreement and, if none is specified, this sub-clause is deemed to be blank:

[OPTION A: The amount of Funding and the terms on which it is being provided are not more favourable to You than the amount of funding and terms that might reasonably have been expected at the date of the Grant Offer Letter to have been available to You on the market from a willing funder, investor, buyer or similar commercial counterparty having regard to the nature and cost of carrying out activities of a similar scope and nature to the Funded Activities]

[OPTION B: None of the Funded Activities, and none of the purposes of the Funded Activities, being carried out using the Funding is, or at any time will be, economic within the meaning of section 7 of the Subsidy Control Act 2022 and You agree to ensure that measures are taken (where necessary), and maintained, to ensure that this will remain so on a continuing basis throughout the Funding Period, including measures designed to ensure that the Funding is not used to cross-subsidise any activity that is economic or has an economic purpose.]

[OPTION C: The obligations imposed on the Parties by the Subsidy Control Act 2022 apply only to the extent required by virtue of the application of Section 36 (minimal financial assistance) or (as the case may be) Section 38 of that Act (SPEI assistance), in which case the relevant provisions of Annex L additionally apply.]

23 Access to opportunities for small to medium size (SME) and Voluntary and Charitable Sector Enterprise (VCSE) organisations

- 23.1. You must have regard to the need to ensure that SME and VCSE organisations (when compared with other potential contractors) are given fair, equal and proportionate access to any contracting opportunity.

- 23.2. In addition to any other reporting requirements, You must, on request, provide information to the Department of spend with SMEs and VCSEs in respect of the Funded Activities

24 Forecast of expenditure in the forthcoming Financial Year

- 24.1. If the Funding Period extends to one or more subsequent Financial Years, You must provide the following details, before the end of each Financial Year:
- a schedule of the programme of Funded Activities and estimates of income and expenditure for the next Financial Year, together with forecast outturn for the current Financial Year;
 - a statement setting out the total Funding agreed for the next Financial Year;
 - details of forecast income other than the Funding and how it is to be spent in the next Financial Year;
 - the level of balances held at the end of the current Financial Year; and
 - revised forecasts of income and expenditure when required.
- 24.2. You must provide revised forecasts of income and expenditure whenever these change significantly or whenever requested to do so by Us.

25 Financial Management

- 25.1. You must have a system of internal financial controls to safeguard against Fraud and theft (which must be developed and maintained in accordance with generally accepted accounting practices having regard to the amount of Funding and size of Your organisation) and must require that the internal/external auditor's report provides an opinion on the adequacy or otherwise of that system. All cases of Fraud or theft (whether proven or suspected) relating to the Funded Activities must be referred to Us.
- 25.2. You must have systems in place to enable You to demonstrate that the systems of financial and workforce control, management and organisation will enable You to meet the Funded Activities and objectives of this Agreement.
- 25.3. You must inform Us immediately if You are experiencing any financial difficulties or any delays, which could have an impact on Your ability to deliver the Funded Activities in accordance with this Agreement.

26 Internal Audit

- 26.1. Your Chief Executive (or equivalent) should ensure that the systems governing the Funding are subject to independent review.
- 26.2. The systems in place should be appropriate to the size of Your organisation, the level of Funding, risk to the public funds provided and cost of the review.

26.3. These arrangements may be reviewed by Us in line with HM Treasury's Public Sector Internal Audit Standards (see footnote¹).

27 Borrowing

- 27.1. You must obtain prior written consent from Us before:
- borrowing or lending money from any source;
 - charging any Asset; or
 - giving any guarantees, indemnities or letters of comfort

that relate to any of the conditions of this Agreement or have any impact on Your ability to deliver the Funded Activities in accordance with this Agreement.

28 Losses, Gifts and Special payments

- 28.1. In connection with this Agreement, You must obtain prior written consent from Us before:
- writing off any debts or liabilities;
 - offering to make any special payments; and/or
 - making any gifts.

28.2. You will keep a record of all gifts, both given and received, in connection with the Funding or any Funded Activities.

29 Spending Controls – Marketing, advertising, and communications

- 29.1. As part of the Government's Efficiency and Reform programme, public funding for advertising, marketing, and communications is controlled. You must seek permission from Us prior to any proposed expenditure in these areas either in connection with or using Funding provided under this Agreement. For a complete list of exactly what is caught by the Controls You should read the advertising, marketing and communications sections of the Cabinet Office controls guidance. (See footnote²).
- 29.2. You should provide evidence that any advertising, marketing and communications, expenditure incurred in connection with, or using Funding provided under, this Agreement shall deliver measurable Outcomes that meet the Department's aims and objectives and can secure value for money.
- 29.3. Publicity material for Your Funded Activities must refer to the project/scheme/programme under which the Funding was awarded and must feature Our logo.

¹ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

² <https://www.gov.uk/government/publications/advertising-marketing-and-communications-spend-controls>

- 29.4. We will only endorse the funded programme/project of work and not the organisation. If a third party wishes to use Our logo, You must first seek permission from the DfE Grant Manager who will consult with Our internal Corporate Communications Team.

30 Acknowledgement and Public Statements

- 30.1. You will acknowledge the Funding in Your annual financial statements, including an acknowledgement of the Department as the source of the Funding and will show the related expenditure as a restricted fund under the Funded Activities in Your annual accounts.
- 30.2. You will not publish any material referring to the Funded Activities or the Department without the prior written agreement of the Department. You will acknowledge the support of the Department 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 Department) will include the Department's name and logo, using the templates provided by the Department from time to time.
- 30.3. Any publicity material for the Funded Activities must refer to the programme under which the Funding was awarded and must feature the Department's logo. If a third party wishes to use the Department's logo, the Grant Recipient must first seek permission from the Department.
- 30.4. In using the Department's name and logo, the Grant Recipient will comply with the UK Government Branding Policy Guidance (See footnote³) and all reasonable branding guidelines issued by the Department from time to time.
- 30.5. The Grant Recipient will comply with all reasonable requests from the Department to facilitate visits, provide reports, statistics, photographs, and case studies that will assist the Department in its promotional and fundraising activities relating to the Funded Activities.
- 30.6. The Department consents to the Grant Recipient carrying out any reasonable publicity about the Funding and the Funded Activities as required, from time to time.
- 30.7. In this clause references to the name or logo of the Department include any future name or logo adopted by the Department from time to time.

31 Copyright, Intellectual Property Rights and sharing good practice

- 31.1. You and/or Your Contractors will retain all Intellectual Property Rights (IPR) that are either:
- a) vested in, used, or controlled by You or Your Contractors prior to this Agreement; or

³ <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>

- b) developed during the Funding Period but unconnected to the Funded Activities.

You must secure or provide such licences as are required to enable the Department to carry out its activities related to the Funded Activities

31.2. The Crown or, as the case may be, the Department will retain:

- a) any IPR vested in used or controlled by Us prior to this Agreement; and
- b) any copyright and database rights in all reports, materials and other documents produced in whole or in part by You or Contractor or third party associated with You using Funding provided under this Agreement, which will automatically be deemed to be assigned to the Crown on delivery to Us.

31.3. Any materials produced using Funding provided under this Agreement will be made available to You for use in accordance with the Open Government Licence (see footnote⁴). The Open Government Licence (OGL) is a simple set of terms and conditions under which information providers in the public sector can license the use and re-use of their information. Provided that You comply with the terms, You have permission to use information anywhere in the world. The licence is also non-exclusive which means that You will not be the only person able to make use of it. The Open Government Licence enables You to use information for both commercial and non-commercial purposes.

31.4. We may freely share any information, knowledge, system or process developed as part of the Funded Activities to support similar projects.

32 Third party software & other Intellectual Property Rights

32.1. Ownership of third-party software or other IPR to deliver services remains with the relevant third party. You must ensure You do not breach any Crown or third party IPR.

32.2. You must ensure that You have obtained the relevant consent from Us before any additions or variations are made to the standard 'off-the-shelf' versions of any third-party software and other IPR. You will in any event and regardless of any consent We may have given:

- a) obtain and maintain all appropriate licences and consents to use and permit Us to use the third party software.
- b) indemnify Us and hold Us harmless in respect of any liability We may incur resulting from any infringement of any third party IPR in software or materials provided by You under this Agreement.

⁴ <https://www.nationalarchives.gov.uk/information-management/re-using-public-sector-information/uk-government-licensing-framework/open-government-licence/>

33 Insurance

- 33.1. Unless otherwise mutually agreed by the Parties at any time, the Grant Recipient must throughout the Funding Period ensure that it has, and maintains, at all times adequate insurance, either with an insurer of good repute or, if eligible, by virtue of participating in the Risk Protection Arrangement or similar scheme from time to time approved by the Department, to cover claims under this Agreement or, any other claims or demands which may be brought or made against it by any person suffering any injury, damage or loss under or in connection with this Agreement.
- 33.2. The Grant Recipient will upon request produce to the Department 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.

34 Annual Funding Review

- 34.1. In addition to any evaluation under clause 15 (Evaluation), where the Funding Period includes more than one Financial Year, the amount of Funding to be made available in each Financial Year will be reviewed annually in advance and will take into account the Grant Recipient's delivery (during the Funding Period) of the Funded Activities against the KPIs and/or related Outcomes set out in Annex F. As part of each annual review the Department will have regard to the Reports produced by the Grant Recipient in accordance with clause 24 (Forecast of expenditure).
- 34.2. Each annual review may result in the Department recommending that:
- (i) the Funded Activities and Agreement continue in line with existing plans;
 - (ii) there should be an increase or decrease in Funding for the subsequent Financial Year;
 - (iii) varying or supplementing the KPIs and relevant Milestones and Outcomes in Annex F;
 - (iv) the Department should recover surplus Funding;
 - (v) this Agreement should be terminated.
- 34.3. The Grant Recipient may make representations to the Department regarding any recommendations made in accordance with clause 34.2. The Department is not, however, obliged to take such representations into account when making its recommendation and any recommendation will be final and at the Department's absolute discretion. Where the recommendation requires changes to Annex F these will be deemed to be signed and agreed by the Grant Recipient and take immediate effect.

35 Accounts

- 35.1. If indicated in the Grant Offer Letter, each year, on the date agreed with the DfE Grant Manager, You must supply Us with a full set of financial accounts/income and expenditure statement (as appropriate depending on the requirements for Your organisation), which must be audited in a manner appropriate to the size and nature

of Your organisation) and must as a minimum include details of any income and expenditure not covered by Funding provided by the Secretary of State.

- 35.2. Where applicable, the Funding will be shown separately in the Grant Recipient's accounts as restricted funds and will not be included or mixed with the Grant Recipient's general funds or other monies.
- 35.3. You must additionally submit a yearly Report to Us summarising the activities carried out under the Funding during the Funding Period, quantifying what has been achieved and when by reference to the Funded Activities' objectives and, where appropriate, showing the progress made to date in the Exit Plan.

36 Annual Certification of Expenditure Arrangements

- 36.1. You must submit to Your external independent accountants or auditors for certification, each of the following items:
 - a) an annual Certification of Expenditure form in accordance with the provisions of Annex G, part 1;
 - b) the payment schedule in accordance with the provisions of Annex H; and
 - c) a statement confirming compliance with the Eligible Expenditure conditions in clause 11 above.
- 36.2. The DfE Grant Manager will determine and inform You if the pro forma Statement of Grant Usage contained in Annex G, part 2 is a suitable document for You to use to satisfy the obligations in clause 36.1 above. The DfE Grant Manager shall determine and inform You which official(s) from Your organisation must sign the Statement of Grant Usage (Annex G, part 2).
- 36.3. You must return the certified form to the DfE Grant Manager within three months of the end of each and all Financial Years of Funding. Where the certified form is expected to be received later than two months following the end of the Financial Year then there is an additional mandatory requirement for regularity assurance sample testing to be completed as determined by the DfE Grant Manager. The external auditors/accountants' report provided for by Annex G, part 1 should certify that all of the Funding paid was properly applied in accordance with this Agreement and that none of it was applied (directly or indirectly) to any Ineligible Expenditure except with Our express consent.
- 36.4. Where You have obtained funding from a third party for delivery of part of the Funded Activities, You will include the amount of such funding in Your financial reports together with details of what that funding has been used for. Such third-party funding shall be included on Annex H and shall be subject to and included on the Certificate of Expenditure form (Annex G, parts 1 and 2).
- 36.5. Officials of the Department and of the National Audit Office or their nominees, will be permitted, on reasonable notice, to visit Your premises to inspect Your books of account and other financial documents relevant to this Agreement.
- 36.6. The Comptroller and Auditor General (Head of the National Audit Office) may also investigate how efficiently You have used Your resources in discharging Your Funded Activities.

- 36.7. The Grant Recipient will within 5 Working Days of a request by the Department, or such time as the parties may agree, provide the Department with such further information, explanations and documents as the Department may reasonably require, in order for the Department to establish that the Funding has been used properly in accordance with this Agreement.

37 Exit Plan

- 37.1. You must prepare and provide Us with a copy of an Exit Plan within the first three months of this Agreement to allow the smooth closure or transfer of the Funded Activities. A sample Exit Plan is provided at Annex I.
- 37.2. As part of the Exit Plan, the Parties will endeavour jointly to agree a plan for communicating with all Personnel and relevant third parties during the exit period, in a way that avoids any detrimental impact on either Party's interests resulting from the closure or transfer, and shares responsibilities between the Parties.

38 Termination of the Funding Agreement

- 38.1. This Agreement may be terminated by the Department by giving at least three (3) months' notice in writing. 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 Department as being required to finalise the Funded Activities) must be returned to Us within 30 days of the date of receipt of a written notice of termination from Us.
- 38.2. If We terminate this Grant Funding Agreement, We 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 You and will be subject to You demonstrating that You have taken adequate steps to mitigate Your costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by Us.
- 38.3. In the event of any Material Breach of this Agreement, We may serve a notice on You requiring remedial action to be taken within a specified period, to allow a remedial plan to be agreed in writing by both Parties. If the Material Breach has not been remedied in accordance with the remedial plan, this Agreement will be terminated with immediate effect on receipt of notice in writing.
- 38.4. In the event of a change of Government or in policy direction, this Agreement may be terminated by Us, or We may reduce the scope of the Funded Activities, by notice in writing with immediate effect (or with effect from the date of expiry of any notice period which we may specify in the notice as may be reasonable in all the circumstances).

Termination for default

- 38.5. We may by notice in writing to You terminate this Agreement, or reduce the scope of the Funded Activities, with immediate effect if any of the following events occur:

- a) The Grant Recipient intends to use, has used in the past, or uses the Funding for purposes other than those for which it has been awarded;
- b) The Grant Recipient fails to comply with any one or more of the KPIs set out in Annex F for more than three (3) consecutive months; and
 - i. following the implementation of a Performance Improvement Plan, the Department considers that the KPI failure persists;
 - ii. the KPI failure has not been remedied to the satisfaction of the Department; or
 - iii. the KPI failure reoccurs within a subsequent six (6) month period from the date of approval of the Performance Improvement Plan;
- c) the Grant Recipient is, in the reasonable opinion of the Department, delivering the Funded Activities in a negligent manner; in this context negligence includes but is not limited to failing to prevent or report Fraud, corruption or theft;
- d) the Grant Recipient obtains duplicate funding from a third party for the Funded Activities;
- e) the Grant Recipient obtains funding from a third party which, in Our reasonable opinion, undertakes activities that are likely to bring the reputation of the Funded Activities or the Department into disrepute;
- f) the Grant Recipient provides Us with any materially misleading or inaccurate information;
- g) the Grant Recipient commits or has committed a Prohibited Act or fails or has failed to report a Prohibited Act to the Department, whether committed by the Recipient or a third party, as soon as they become aware of it;
- h) We determine (acting reasonably) that any Personnel of the Grant Recipient has:
 - i. acted dishonestly or negligently at any time during the term of this Agreement and to the detriment of the Department; or
 - ii. taken any actions which unfairly bring or are likely to unfairly bring the Department's name or reputation and/or the Department into disrepute. Actions include omissions in this context;
- i) the Grant Recipient transfers, assigns, or novates to any third party, or encumbers in any way, the Funding without Our consent;
- j) the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent authority makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- k) the Grant Recipient becomes insolvent, 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;
- l) the Grant Recipient commits a Material Breach of this Agreement;
- m) 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 47.2;
- n) the Grant Recipient commits a Breach of any of the Grant Terms and Conditions set out in this Agreement and fails to rectify such Breach within such period set out in a notice under clause 38.3 or, if no period is specified, within 14 days of receiving written notice from Us detailing the Breach;

- o) the Grant Recipient is a partnership, company or other body corporate and there is a Change of Control. "Change of Control" means that the person(s) (including corporate bodies) directly or indirectly in Control of the Recipient at the time this Agreement is entered into cease to be in Control. "Control" means the power of a person to secure that the affairs of the Grant Recipient are conducted in accordance with the wishes of that person;
- p) if any of the circumstances listed in clause 10 (Withholding of Funding) occurs.

39 Transfer of Responsibility on Expiry or Termination of the Funding

- 39.1. You must provide the Department with whatever support it needs (e.g. delivery of relevant documents and data) to ensure a smooth transfer of responsibility prior to early termination or transfer of the Funded Activities.
- 39.2. A plan detailing arrangements for the transfer of any work in progress must be delivered six months prior to expiry, or within one month following the service of notice of termination.

40 Consequences of termination and support for transfer of responsibility

- 40.1. Nothing in this Agreement affects any provision of this Funding, which is expressly or by implication intended to apply or continue to apply upon termination of this Agreement, for any reason.
- 40.2. If We terminate this Agreement in accordance with clause 38, We will (at Our discretion having regard to the circumstances leading to Termination) pay reasonable costs incurred in respect of the delivery of Funded Activities performed prior to the date of termination.
- 40.3. Reasonable costs will be identified and agreed by the two parties as soon as possible. You should efficiently assess and seek to mitigate these costs.
- 40.4. We will not be liable to pay any of Your costs or those of any Contractor related to any transfer or termination of the employment of any employees engaged in the provision of the Funded Activities prior to the date of termination.
- 40.5. Upon receiving notice of termination, You will immediately review the Exit Plan with Us.

41 Your Project Personnel

- 41.1. Where We have agreed in the Grant Offer Letter that the funding will be used to fund specific posts to deliver the grant scheme outcomes, You must seek Our prior written approval before changing these posts, or replacing Personnel in posts where they are responsible for delivery of the Funded Activities relating to this Agreement. You will appoint replacement Personnel with appropriate qualifications and experience.

- 41.2. You may use Funding to employ Personnel other than any specified Personnel only if provision for such was included in Your proposal submitted as part of Your application for Funding covered by this Grant Funding Agreement. They may be employed by You full-time or part-time, as required, for the Funding Period. Personnel costs will be accepted as Eligible Expenditure, if they are related to Personnel working for You under an employment contract (or equivalent appointing act such as a service contract) and assigned to the performance of the Funded Activities.
- 41.3. All posts funded by this Agreement must be filled by persons that have appropriate knowledge, skills, behaviours, qualifications, or experience for such posts.
- 41.4. You acknowledge that all Personnel employed or otherwise engaged by You in the conduct of the Funded Activities are Your sole responsibility.
- 41.5. You must always have appropriate policies in place to help You comply with the Law and good practice including, but not limited to Data Protection, Equal opportunities as set out in the Equality Act 2010, and any other law relating to employment or employees other than the Employment Regulations as defined.

42 Liability

- 42.1. We make no commitment to renewing or continuing Funding after the end of the Funding Period.
- 42.2. You must not assume that Funding will continue beyond the Funding Period or that We will be liable for any additional costs, such as to cover the costs of redundancies, pension etc. at the conclusion of this Agreement.

43 Conflicts of Interest

- 43.1. You warrant, as at the date of this Agreement and as a continuing warranty throughout the Funding Period, that to the best of Your knowledge after making reasonable inquiries, no Conflicts of Interest exist or are likely to arise in performing this Agreement.
- 43.2. You must set up formal procedures that require Your Personnel and, if applicable, Your members, and anyone with access to confidential information about the Funded Activities to declare any personal or financial interest in any matter concerning the Funded Activities and to be excluded from any discussion or decision-making relating to the matter concerned.
- 43.3. You must take all necessary measures to prevent any Conflicts of Interest.
- 43.4. Where Conflicts of Interest are identified, You must immediately take all the necessary steps to rectify this situation.
- 43.5. Where You are unable to satisfy Us, that you have taken all necessary measures in respect of Conflicts of Interest, We may terminate this Grant Funding Agreement immediately.

44 Financial or other irregularities

- 44.1. You must inform Us immediately if there are any grounds for suspecting financial irregularity in the use of the Funding, explain what steps are being taken to investigate the irregularity and keep Us informed about the progress of the investigation. For these purposes, “financial irregularity” includes Fraud or other impropriety, mismanagement, and the use of Funding for any purpose other than those stipulated in this Agreement.

45 Prevention of Fraud

- 45.1. The Department places the utmost importance on the need to prevent Fraud and irregularity in the delivery of this Agreement. You, Your partners, and Contractors are required to:
- a) have an established system that enables You, and Personnel of Your partners and Contractors to report inappropriate behaviour by colleagues in respect of performance of Funded activities;
 - b) ensure that their performance management systems do not encourage individual Personnel to make false claims regarding achievement of this Agreement’s key performance indicators and aims and objectives;
 - c) ensure a segregation of duties within Your, Your partner’s and Contractor’s operations between those individual Personnel directly involved in delivering the agreed activity performance and those reporting achievement of activities under this Agreement to the Department;
 - d) ensure that a system is implemented to provide periodic checks to ensure effective and accurate recording and reporting of performance under this Agreement.
- 45.2. You must use Your best endeavours to safeguard the Department Funding of this Agreement against Fraud generally and Fraud on the part of Your Personnel or partners. You must pay the utmost regard to safeguarding public Funding against misleading claims for payment and must notify the Department immediately if You have reason to suspect that any serious irregularity or Fraud has occurred or is occurring.

46 Information and Management Surveys

- 46.1. If requested by Us You will promptly provide any information required about the organisation, operation and financial control of Your affairs including any correspondence with Your auditors.
- 46.2. You will permit and comply with any surveys of management controls and systems, including internal audit reviews, as may be required by Us.

47 Code of Conduct for Grant Recipients

- 47.1. You acknowledge that as a condition of entering into the Grant Funding Agreement You agree to take account of the Grant Recipient Code of Conduct (see footnote⁵) and to ensure that Your Personnel and any other persons acting for You or on Your behalf in any capacity undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 47.2. You must immediately notify Us if You become aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 47.3. You acknowledge that a failure to notify Us of an actual or suspected breach of the Code of Conduct may result in Us immediately suspending the Funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to You as a civil debt in accordance with clause 48.

48 Recovery of Funding and set-off

- 48.1. If You do not comply with any of the conditions and requirements of the Agreement, We may require all or part of the Funding to be repaid.
- 48.2. You may not retain any portion of the Funding that is Unspent at the end of any Financial Year in the Funding Period without Our written permission or unless this is set out in any specific conditions in the Grant Offer letter and any Annexes or corresponding schedules. Any Funding which remains Unspent at the end of any Financial Year or because of termination or Breach of this Agreement must be returned to Us and not carried forward for use in the following Financial Year.
- 48.3. Any monies which We do not agree to be retained must be repaid to Us within 30 days of a request by Us to do so. If any amount repayable in accordance with this clause is not repaid within 30 days of a request for repayment, We reserve the right unilaterally to deduct that amount from any other sum which is due or which may later become due to You under this Agreement or any other agreement or contract You may have with Us.
- 48.4. If You are wound up or go into liquidation, administration, receivership, or bankruptcy, or enter any compromise or other arrangement of Your debts with Your creditors, then We will be entitled to recover any Funding that is Unspent and withhold any further payments. If any of the money is held by Your Contractors, You must use best efforts to recover it.

49 Research Surveys, Questionnaires [Optional where applicable]

- 49.1. At the option of the Department, We may occasionally conduct research exercises, including by way of surveys, or questionnaires, or requests for feedback, into Your experience of receiving the Funding, and the impact on Your needs as an organisation and other related matters. Participation in any such exercise would be confidential and voluntary, and the results will be managed in such a way that they

⁵ <https://www.gov.uk/government/publications/supplier-code-of-conduct>

do not identify individual respondents, unless consent is obtained or, for instance, You agree to be contacted as a case study.

- 49.2. For the purposes of analysing the outcome of any research, Your input may be combined with other information which We have, but We will do so in a way that does not affect the anonymity of the individual participants. The Department will share any reports and findings of any such exercise on an anonymised basis from time to time.
- 49.3. Any information about You and/or Your organisation which is disclosed to the Department during any such exercise shall be added to, and become part of, the grant scheme data, and the terms and conditions of this Agreement shall apply to it.

50 Interpretation and Resolution of Disputes

- 50.1. Questions arising on the interpretation of the arrangements in this Agreement shall be resolved by both Parties.
- 50.2. Both Parties shall use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises under or in connection with this Agreement.
- 50.3. If a dispute arises in relation to this Funding, the dispute shall be referred in the first instance to the Grant Recipient's and the DfE's Grant Managers.
- 50.4. If the dispute cannot be resolved by these representatives within a maximum of 30 days, then the matter must be escalated and put to a formal meeting at official level between both Parties; to the Accounting Officer of the Department and Your Chief Executive; and shall ultimately be resolved by the Secretary of State at their absolute discretion.

51 Data Protection and Freedom of Information

- 51.1. The provisions of this clause and clause 52 apply subject to any insertions, deletions or other amendments required by virtue of Annex K.
- 51.2. In this clause and clause 52 the following terms will have the following meanings:

Controller, Processor, Data Subject, Personal Data, Personal Data Breach, Data Protection Officer: have the meaning given in the Data Protection Legislation.

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

DPA 2018: Data Protection Act 2018.

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

Data Subject Access 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.

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 testing the effectiveness of the such measures adopted by it including those outlined in Schedule 1.

Sub-processor: any third party appointed to process Personal Data on behalf of the Grant Recipient related to the Grant Funding Agreement.

Processor Personnel: all Personnel of the Processor and/or of any sub-processor engaged in the performance of its obligations under these Conditions.

- 51.3. The Grant Recipient and the Department will comply at all times with their respective obligations under Data Protection Legislation.
- 51.4. The Parties acknowledge that for the purposes of the Data Protection Legislation, the Department is the Controller, and the Grant Recipient is the Processor, except as otherwise specified in Annex K or relevant schedules or as amended by means of any Specific Conditions in the Grant Offer Letter. The only processing that the Grant Recipient is authorised to do is listed in Schedule 1 to Annex K by the Department and may not be determined by the Grant Recipient.
- 51.5. The Grant Recipient must notify the Department immediately if it considers that any of the Department's instructions infringe the Data Protection Legislation.
- 51.6. The Grant Recipient must provide all reasonable assistance to the Department in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Department, include:
- a) a systematic description of the envisaged processing operations and the purpose of the processing.
 - b) an assessment of the necessity and proportionality of the processing operations in relation to the Services.
 - c) an assessment of the risks to the rights and freedoms of Data Subjects; and
 - d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 51.7. The Grant Recipient must, in relation to any Personal Data processed in connection with its obligations under the Grant Funding Agreement:
- a) process those Personal Data only in accordance with Schedule 1 to Annex K, unless the Grant Recipient is required to do otherwise by Law. If it is so required, the Grant Recipient shall promptly notify the Department before processing the Personal Data unless prohibited by Law;
 - b) ensure that it has in place Protective Measures, which are appropriate to protect against a Data Loss Event, which the Department may reasonably

- reject (but failure to reject shall not amount to approval by the Department of the adequacy of the Protective Measures), having taken account of the:
- i. nature of the data to be protected;
 - ii. harm that might result from a Data Loss Event;
 - iii. state of technological development; and
 - iv. cost of implementing any measure;
- c) ensure that:
- i. the Grant Recipient Personnel do not process Personal Data except in accordance with the GFA (and the Grant Offer Letter Schedule 1);
 - ii. it takes all reasonable steps to ensure the reliability and integrity of any Grant Recipient Personnel who have access to the Personal Data and ensure that they:
 - a. are aware of and comply with the Grant Recipient's duties under this clause;
 - b. are subject to appropriate confidentiality undertakings with the Grant Recipient or any Sub-processor;
 - c. are informed of the confidential nature of the Personal Data and do not publish, disclose, or divulge any of the Personal Data to any third party unless directed in writing to do so by the Department or as otherwise permitted by the GFA; and
 - d. have undergone adequate training in the use, care, protection, and handling of Personal Data;
- d) not transfer Personal Data outside the EU unless the prior written consent of the Department has been obtained and the following conditions are fulfilled:
- i. the Department or the Grant Recipient has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Department;
 - ii. the Data Subject has enforceable rights and effective legal remedies;
 - iii. the Grant Recipient 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 Department in meeting its obligations); and
 - iv. the Grant Recipient complies with any reasonable instructions notified to it in advance by the Department with respect to the processing of the Personal Data;
- e) at the written direction of the Department, delete or return Personal Data (and any copies of it) to the Department on termination of the grant arrangement unless Law requires the Grant Recipient to retain the Personal Data.

51.8. Subject to clause 51.6, the Grant Recipient shall notify the Department immediately if it:

- a) receives a Data Subject Access Request (or Data Subject Access Request);
- b) receives a request to rectify, block or erase any Personal Data;
- c) receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
- d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under the GFA;
- e) receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or

f) become aware of Data Loss Event.

51.9. The Grant Recipient's obligation to notify under clause 51.5 shall include the provision of further information to the Department in phases, as details become available.

52 Data Protection and Freedom of Information Part 2

52.1. Considering the nature of the processing, the Grant Recipient shall provide the Department with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under clause 51.5 (and insofar as possible within the timescales reasonably required by the Department) including by promptly providing:

- a) the Department with full details and copies of the complaint, communication, or request;
- b) such assistance as is requested by the Department to enable the Department to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;
- c) the Department, at its request, with any Personal Data it holds in relation to a Data Subject.;
- d) assistance as requested by Department following any Data Loss Event;
- e) assistance as requested by the Department with respect to any request from the Information Commissioner's Office, or any consultation by the Department with the Information Commissioner's Office.

52.2. The Grant Recipient must maintain complete and accurate records and information to demonstrate its compliance with this clause. This requirement does not apply where the Recipient employs fewer than 250 staff, unless:

- a) the Department determines that the processing is not occasional;
- b) the Department determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; and
- c) the Department determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.

52.3. The Grant Recipient shall allow for audits of its Data Processing activity by the Department or the Department's designated auditor. The Grant Recipient shall designate a data protection officer if required by the Data Protection Legislation.

52.4. Before allowing any Sub-processor to process any Personal Data related to the Grant Funding Agreement, the Grant Recipient must:

- a) notify the Department in writing of the intended Sub-processor and processing;
- b) obtain the written consent of the Department;
- c) enter into a written agreement with the Sub-processor which give effect to the terms set out in clauses 51 and 52 such that they apply to the Sub-processor; and
- d) provide the Department with such information regarding the Sub-processor as the Department may require.

- 52.5. The Grant Recipient shall remain fully liable for all acts or omissions of any Sub-processor.
- 52.6. The Grant Recipient may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated into the Grant Funding Agreement by means of amendments to Annex K).
- 52.7. The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Department may, on not less than 30 Working Days' notice to the Grant Recipient, amend the Grant Funding Agreement to ensure that it complies with any guidance issued by the Information Commissioner's Office.
- 52.8. Where the Parties include two or more persons that are identified as being Joint Controllers within the meaning of article 26 of the UK GDPR in respect of some or all Personal Data, those persons shall enter into a Joint Controller Agreement based on the terms outlined in Schedule 2 to Annex K [and sub-clauses 51.4-52.7 shall not apply and schedule 2 in Annex K shall apply for the case of any data processed under joint controllership] for the Personal Data under Joint Control. Any redundant sub-clauses are deemed to be blank for the purposes of this Grant Funding Agreement.
- 52.9. Where the Parties are identified as being Independent Controllers within the meaning of Data Protection Legislation or under any guidance issued by the Information Commissioner's Office, the provisions of Schedule 3 to Annex K shall apply in place of sub-clauses 51.4-52.7 which are deemed blank for the purposes of this Grant Funding Agreement.

53 Employment Regulations (these conditions apply only to the extent required by law and subject to Specific Conditions – please refer to Annex M)

- 53.1. [This sub-clause is deliberately blank].
- 53.2. The Grant Recipient agrees that no later than 12 months (or such other period as may be specified in the specific conditions in the Grant Offer Letter) prior to the expiry or termination of this Grant Funding Agreement and thereafter at intervals stimulated by the Department (not to be more frequent than every 30 days), the Grant Recipient must fully and accurately disclose to the Department all Personnel information reasonably required by the Department including, but not limited to, the total number of staff assigned for the purposes of the Employment Regulations to the Funded Activities. This must include, where relevant, the staff of any 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 must provide, in a suitably anonymised format so as to comply with the Data Protection Legislation, details of:
- a) the activities they perform;
 - b) amount of working time assigned to the Funded Activities;
 - c) date of birth;
 - d) start date;

- e) length of continuous service;
- f) place of work;
- g) notice period;
- h) employment status;
- i) identity of employer;
- j) redundancy pay entitlement;
- k) salary, benefits and pension entitlements;
- l) any applicable collective agreement;
- m) copies of all relevant employment contracts and related documents; and
- n) all information required under regulation 11 of the Employment Regulations or as reasonably requested by the Department.

- 53.3. The Grant Recipient warrants the accuracy of the information provided under this clause and will notify the Department of any changes to the information as soon as reasonably possible. The Grant Recipient consents to the Department sharing the information provided under this clause to any prospective Replacement Grant Recipient.
- 53.4. In the twelve months (or such other period as may be specified in the specific conditions in the Grant Offer Letter) before the expiry of this Grant Funding Agreement, the Grant Recipient shall not without the prior consent of the Department (such consent not to be unreasonably withheld or delayed):
- a) change the identity and number of Personnel assigned to the Funded Activities other than in the ordinary course of business;
 - b) amend or vary the terms and conditions of employment or engagement of any Personnel assigned to the Funded Activities other than in the ordinary course of business; and/or
 - c) terminate or give notice to terminate the employment or engagement of any Personnel assigned to the Funded Activities (other than in circumstances in which the termination is for reasons of misconduct or lack of capability).
- 53.5. [This sub-clause is deliberately left blank].
- 53.6. The Grant Recipient must 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.
- 53.7. The Grant Recipient must co-operate with the Department in respect of any exit transition arrangements by allowing any Replacement Grant Recipient to communicate with and meet the affected employees or their representatives.
- 53.8. The provisions of this clause apply during the term of this Grant Funding Agreement and indefinitely after it terminates or expires.
- 53.9. 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 Department and the Grant Recipient may agree. The provisions of this clause apply

subject to any insertions, deletions or other amendments required by virtue of Annex M.

TEMPLATE VERSION CONTROL	DATE	COMMENT
1.0	30 August 2017	Release of DfE Model Grant Funding Agreement
1.1	31 July 2019	<p>Updated of Interpretations, purpose and scope, and Data Protection guidance. Amended Records to be kept to clarify definition of assets and associated costs (paragraph 18), Legislation to clarify compliance with law and legislation (paragraph 20), Termination provisions to clarify the events of default (paragraph 40), processing of personal data (paragraph 20 and 50)</p> <p>New provision paragraph 8 (Variation to the funding activities), paragraph 11 (Withholding of payment), paragraph 15 (performance improvement plan), paragraph 16 (evaluation), paragraph 20 (Subcontracting), paragraph 25 SME, paragraph 36(annual Funding review), paragraph 49 (Code of Conduct).</p>
1.2	19 March 2021	Updated draft to address matters related to the end of the transition period, including in relation to state aid/subsidy.
1.3	March 2024	<p>Changes made throughout for: Grammar and spelling errors Alignment and capitalisation of terms to match those in definitions table. Significant volume of changes to incorporate more appropriate terminology in clauses following legal review. Re-numbering of clauses and associated cross referencing.</p>
		Contents: updated to reflect new and amended clauses
		Introduction and clause 1: Applicable date of these Grant Terms and Conditions to apply to all new grants issued after this date. Previous Terms and Conditions will apply to grants issued before this date unless a Grant Variation is issued or unless automatic substitution noted in Grant Offer Letter.
		Clause 2: Definitions updated, expanded, and applied consistently throughout document.
		Clause 3: Interpretations clarified and aligned to the Grant Offer Letter.
		Clause 4: Purpose and scope of funding now has a specific reference to material changes and obligations under clauses 18-22. Reference to funding not being used to influence government removed as this is now covered by the updated ineligible and eligible spend listed in clause 11.
		Former clause on Changes to the Department's requirements has been deleted and requirements included in clause 7.

		Clause 5 – propagate a religion or belief removed. Separately covered by clause 11 under reference to funding of an exclusively religious nature.
		Clause 6: Amount and period of funding more clearly defined as limits not to be exceeded unless in writing from Us.
		Clause 7: Expressing clearly that all variations must be via Our prior written consent and duly signed by both parties.
		Clause 9: Payment arrangements clarified around payment in arrears being the default position and that Grant Claims must be in line with all Grant Terms and Conditions and accompanied by evidence. Grant payment terms updated from 10 to 30 days reflecting DfE Grants payment process.
		Clause 11: Eligible Expenditure specifically listed as Funding solely required to deliver the Funded Activities. Eligible Expenditure must have been incurred by money passing out of the Grant Recipient’s control before it can be claimed. Lists of Eligible and Ineligible expenditure brought in line with Cabinet Office Model Grant Funding Agreement apart from funding for works and activities that the Grant Recipient has a statutory duty to undertake (given the nature of some of the recipients that we fund).
		Clause 14: Updated to reflect requirement to report general difficulties that may hinder or prevent Grant Recipient from fulfilling obligations under this agreement rather than restricting to specific named difficulties.
		Clause 16: Removed reference to following HM Treasury guidelines on charging fees as Department would lead on this process so does not need to be specifically referenced here.
		Clause 17: Clarification of record retention (7 years).
		Sub-clauses in former clause 18 relating to Asset register requirements, and former clause 19 relating to ‘Sale or disposal of Assets and change of use’: Sub-clauses and clause content removed from T&Cs and included in Grant Offer Letter instead as only relevant for those grants where funding for Assets has been approved.
		Clauses 18 to 22: Compliance with the Law clause has been split into multiple clauses and significantly amended to reflect the current requirements for Recipients and their Contractors. This particularly covers how the obligations under these Grant Terms must flow to the Contractors used by the Recipients.
		Clause 22: The Subsidy Control Act 2022 has resulted in significant revision to the former sub-clause, now reflected in a new clause.
		Clause 25: Change of the requirement relating to financial controls and system from “should” to “must” be in place. Sub-clause on public accounts committee removed.

		Clause 29: Updated to reflect that consultancy has been removed from Spending Controls.
		Clause 30: Embodiment of the UK Government Branding Policy Guidance.
		Clause 31: Copyright and database rights will be automatically deemed to be assigned to the Department as well as the Crown on delivery to Us.
		Clause 32: Revised indemnity and consents around third party software and intellectual property rights.
		Clause 33: Redrafted insurance clause to add in Risk Protection Arrangement where Grant Recipient is eligible, and removed requirement to retain insurance for 6 years after termination or expiry of Grant Funding Agreement.
		Clause 34: The Department may undertake an annual funding review of any Agreements spanning more than one Financial Year and vary the amount of Funding, Funded Activities or Outcomes in Annex F of the Grant Offer Letter. An amendment to Annex F will be deemed to be signed and agreed with immediate effect.
		Clause 35: Recipients are now only required to submit a copy of their annual accounts if specifically requested by the Department to do so.
		Clause 36: Changes to Annex Gi requirements specifically in relation to timeframe for receipt and criteria for mandatory sample testing.
		Clause 37: Exit plans must be defined and shared with the Department within 3 months of the start of the Agreement.
		Clause 38: Following termination of the Agreement this clause now clarifies the Department may choose to meet the Recipient's reasonable costs.
		Clause 41: Clarification that Funding may only be used for project Personnel specified in the Agreement or as part of the plan submitted and approved when applying for that Agreement. Funding may only be used to employ other project Personnel where provision was made for that in the Agreement. Equality Act 2010 characteristics updated.
		Clause 42: Clarified funding dependence wording given nature of some of the Grant Recipients that the Department funds.
		Clause 43: Clarification that expectation is that the Grant Recipient has processes in place to manage Conflicts of Interest rather than requirement to report to the Department.
		Former clause relating to revision – clause removed.
		Former clause relating to transparency – clause removed.
		Clause 45: Updated wording covering system for periodic checking for fraud

		Clause 48: Updated wording related to written approval of recovery and underspend requirements.
		Clause 51 and 52: Significant revision to reflect current legislation in the Data Protection and Freedom of Information clause and alignment with revised requirements under the Grant Offer Letter.
		Clause 53: Employment Regulation requirements embodied into the Grant Terms and Conditions.

Document last reviewed by DfE March 2024



Department
for Education

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