



Department for  
Science, Innovation  
& Technology

The Department for Science, Innovation and Technology  
100 Parliament Street  
London

[Authority's contact name and details]

[Grant Recipient's name] (Grant Recipient)

[Grant Recipient's address]

[Date]

Attention: [Insert name of contact]

Dear [Grant recipient],

### **Flexible AI Upskilling Fund pilot competition – Grant Funding Letter**

Any reference in this letter to "you" or "your" means the Grant Recipient and any capitalised terms have the meanings given in ANNEX 1 (Terms and Conditions).

You submitted the application in ANNEX 2 (Grant Application) to this letter in response to the Flexible AI Upskilling Fund pilot. After consideration of your application, the Department for Science, Innovation and Technology (DSIT) (the **Authority**) is pleased to offer you a Grant for the performance of the

Funded Activities up to the Maximum Sum, subject to your agreement to, and compliance with, the terms and conditions set out in this Grant Funding Letter and its Annexes.

## 1. Overview of the Grant

The key elements of the Grant are described in the table below:

<b>Funded Activities</b>	[Insert name of project]. A more detailed description of the Funded Activities is set out in ANNEX 3 (Funded Activities).	
<b>Maximum amount of Grant</b>	£[Insert total amount of Grant]	
<b>Funding Period</b>	The period from [Insert start date] to [Insert end date]	
<b>Grant Review</b>	The Authority will review the Grant at the end of the grant period as it is a one off payment.	
<b>Monitoring and Reporting</b>	The performance reports referred to in paragraph 7 of ANNEX 1 shall be provided by You at intervals to be determined by the Authority.	
<b>Project Representative</b>	[Insert name, title and contact details (phone and email) of Grant Recipient's Project Representative]	
<b>Grant Manager</b>	[Insert name, title and contact details (phone and email) of the Authority's Grant Manager]	
<b>Escalation Contacts</b>	<b>Authority</b>	<b>Grant Recipient</b>
	[Insert name, title and contact details (phone and email) of Authority's Escalation Contact]	[Insert name, title and contact details (phone and email) of Grant Recipient's Escalation Contact]

## 2. Payment of the Grant

This Grant is a contribution only. You are responsible for sourcing or providing any Match Funding and other resources required for the Funded Activities. The Grant is offered to you to contribute towards Eligible Expenditure only.

Subject to your compliance with the terms of this Grant Agreement, the Authority will make Grant payments in accordance with the following payment schedule:

You will be eligible to claim one payment for the grant funding amount relative to your business size or 50% of the total cost of training, whichever is lower. Payment claim forms and supporting evidence are to be submitted to the [ggms\\_aiupskilling@cabinetoffice.gov.uk](mailto:ggms_aiupskilling@cabinetoffice.gov.uk) no later than 5pm on the deadline dates below, for payment in the following month.

SUBMISSION OF PAYMENT CLAIM	PAYMENT EXPECTED
31 Aug 24	Late September
31 Oct 24	Late November
31 Dec 24	Late January
28 Feb 24	Late March

**3. Grant Claims**

Before paying any Grant Claim, the Authority must be satisfied that You have paid for the Funded Activities in full and the Funded Activities have been delivered during the Funding Period.

Grant Claims must be submitted to the Authority by the [insert] Working Day of the month following the end of the relevant Instalment Period.

Payment of the Grant will be made within [30] days of the Authority approving Your Grant Claim.

Eligible Expenditure

You must provide details of Eligible Expenditure in respect all Funded Activities and must record this expenditure in ANNEX 7 of this Grant Agreement.

**4. Confirmation of Bank Details**

You must complete and sign the Confirmation of Bank Details form in ANNEX 6 as part of Your acceptance of the Grant. Grant payments will be made into the bank account listed in the form. No payment will be made in advance of receipt of a correctly completed and signed form.

The signatory to Your Confirmation of Bank Details form must be Your chief finance officer or other person with proper delegated authority. Any change of bank details must be notified immediately on the same form and signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.

**5. Responsibility for the Funded Activities**

You will be the sole recipient of the Grant and, as such, you will be responsible for managing the Grant as between you and any other Third Parties involved in performing the Funded Activities. This includes securing the re-payment of the Grant if requested by the Authority in

accordance with ANNEX 1 (Terms and Conditions) including where the Grant has already been distributed to Third Parties.

## 6. The Grant Agreement

Once you sign this Grant Funding Letter as designated below, it will comprise a binding "**Grant Agreement**" between you and the Authority that includes and incorporates the following documents:

- 6.1.1 the **Terms and Conditions** in ANNEX 1;
- 6.1.2 the **Grant Application** in ANNEX 2;
- 6.1.3 the description of the **Funded Activities** in ANNEX 3;
- 6.1.4 the **Agreed Performance Measures and Long-Term Outcomes** in ANNEX 4;
- 6.1.5 the terms relating to **Subsidy Control** in ANNEX 5;
- 6.1.6 the **Confirmation of Bank Details** in ANNEX 6;
- 6.1.7 the description of **Eligible Expenditure** in ANNEX 7; and
- 6.1.8 **[the terms relating to Data Protection in ANNEX .]**

The Parties confirm that it is their intention to be legally bound by this Grant Agreement.

## 7. Warranties

By signing this Grant Funding Letter, you warrant and represent that:

- 7.1.1 your obligations under this Grant Agreement are legal, valid, binding and enforceable;
- 7.1.2 all authorisations and consents necessary to enable you to enter into and perform the obligations in this Grant Agreement have been obtained;
- 7.1.3 the person signing this Grant Agreement is duly authorised to sign on your behalf; and
- 7.1.4 your Project Representative referenced in the table above is authorised to make decisions and provide information on your behalf.

## 8. Subsidy Control

It is important to ensure that the Grant is not, and does not become, an unlawful subsidy for the purposes of the Subsidy Control Act 2022, or unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union (for the purposes of the application of Article 10 of the Northern Ireland Protocol). Subsidy and state aid frameworks ensure that States do not unfairly subsidise their own industry or particular parts of it.

You acknowledge and represent that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and shall ensure that the Grant is not used in a way that affects any such trade.

References in this Grant Funding Letter to the Trade and Cooperation Agreement shall have the same meaning as in ANNEX 1.

The Grant is awarded to You as Minimal Financial Assistance in accordance with Section 36 of Subsidy Control Act 2022 which enables You to receive up to a maximum level of subsidy within the elapsed part of the current financial year and the two preceding financial years. The amount of the Grant is £**insert amount** and is subject to the conditions in Part 1 of Annex 5 and conditional on receipt by Us of the Grant Application.

## 9. Amendments to the Terms and Conditions

### Auditing and Assurance

Paragraph 8.1 of ANNEX 1 shall be deleted in its entirety and replaced with the words "At such intervals as may reasonably be required by the Authority the Grant Recipient will provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities by providing the Authority with access to its records of accounts and activities and evidence of expenditure."

### Publicity

The following Paragraphs shall be added after Paragraph 22.5 of ANNEX 1:

- 22.6 Subject to paragraphs 22.7 and 22.8 below, the Grant Recipient will not make, or permit any person to make, a Publication without the prior written agreement of the Authority.
- 22.7 If the Grant Recipient wishes to seek the Authority's permission to make a Publication, it shall send a written request for approval of the Publication and a copy of the material(s) or exact wording that it proposes to publish (the "**Request**") to the Authority no later than 10 Working Days before the intended Publication date.
- 22.8 No later than five (5) Working Days after receiving the Grant Recipient's Request the Authority will confirm to the Grant Recipient in writing whether:
- 22.8.1 the Request has been granted;
- 22.8.2 the Request is granted subject to the Grant Recipient accepting the Authority's reasonable required edits to the Publication; or
- 22.8.3 the Request has not been granted.
- 22.9 In the event of paragraph 22.8.1 occurring, or if the Grant Recipient includes all of the Authority's required edits to the Publication pursuant to paragraph 22.8.2 above, the Authority approves the Grant Recipient's Request.
- 22.10 In the event of paragraph 22.8.3 occurring the Authority does not approve the Grant Recipient's Request.
- 22.11 Where the Authority does not approve the Grant Recipient's Request the Authority will provide the Grant Recipient with written reasons for its decision.
- 22.12 If the Grant Recipient does not agree with the Authority's reasons for rejecting its Request, it may invoke the dispute resolution provisions set out in paragraph 24 of the Grant Agreement.
- 22.13 The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.

### Termination for Convenience

In paragraph 23.6 of ANNEX 1, the words "3 months" shall be deleted and replaced with the words "20 working days".

10. **Acceptance**

To accept this Grant Funding Letter, please arrange for an authorised signatory to sign and date the duplicate copy of this Grant Funding Letter as indicated below, and return to the Authority as a complete signed original of the Grant Agreement including Annexes, accompanied by evidence of the authorised signatory's authority to enter into the Grant Agreement and to bind the Grant Recipient.

Yours sincerely

\_\_\_\_\_ for and on behalf of the Authority

Name of Authority signatory: [REDACTED]

I confirm the agreement of [Grant Recipient name] to the terms and conditions in this Grant Funding Letter and its Annexes.

Signature:

Name:

Position:

Date:

**ANNEX 1**  
**TERMS AND CONDITIONS**

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## 1. DEFINITIONS AND INTERPRETATION

Where they appear in this Grant Agreement:

**Agreed Performance Measures** means the agreed measures and long-term outcomes of the Funded Activities described in ANNEX 4 (Agreed Performance Measures and Outcomes);

**Annex** means the annexes attached to the Grant Funding Letter which form part of the Grant Agreement;

**Asset** means any asset that is purchased or developed using the Grant including equipment and fixed assets;

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

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

**Background IPRs** means any and all IPRs that subsist in IPR Materials and other items which are:

- (a) owned by or licensed to a Party prior to the Commencement Date; or
- (b) developed by or on behalf of a Party during the Funding Period but not in connection with the Funded Activities;

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

**Change of Control** means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a party with, by or into another corporation, entity or person, or

any change in the ownership of more than fifty percent (50%) of the voting capital stock of a party in one or more related transaction;

**Code of Conduct** means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available (at the Commencement Date) [here](#), including any subsequent updates from time to time;

**Commencement Date** means the date on which the Grant Agreement comes into effect, which shall be the start date of the Grant Funding Period;

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

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

but not including:

- (e) information which:
  - (i) was public knowledge at the time of disclosure (otherwise than by breach of paragraph 12 of this Grant Agreement);
  - (ii) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
  - (iii) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
  - (iv) is independently developed without access to the Confidential Information; and
- (f) the content of the Grant Agreement, save in respect of any information which is exempt from disclosure under the Information Acts;

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

**Crown Body** means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and

particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

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

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

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

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

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

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

**Eligible Expenditure** means the payments made by the Grant Recipient during the Funding Period for the purposes of delivering the Funded Activities which comply in all respects with the eligibility rules set out in paragraph 5 of this ANNEX 1;

**Escalation Contact** means the escalation contact appointed by the Authority or the Grant Recipient (as the case may be), which at the Commencement Date shall be the individuals listed as such in the Grant Funding Letter;

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

**Event of Default** means any of the events or circumstances set out in paragraph 23.1;

**Financial Year** means from 1 April to 31 March;

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

**Funded Activities** means the activities described in the Grant Funding Letter and in ANNEX 3 (Funded Activities);

**Funding Period** means the period for which the Grant is awarded as set out in the Grant Funding Letter;

**Minimum Requirement 6** means the Minimum Requirement 6 (Grant Agreements) for General Grants under the Government Functional Standard for Grants, first published by the

Cabinet Office in December 2016 which is available (at the Commencement Date) [here](#), including any subsequent updates from time to time;

**Grant** means the sum or sums the Authority will pay to the Grant Recipient up to the amount set out in the Grant Funding Letter, in accordance with paragraph 3 of this ANNEX 1 and subject to the provisions set out at paragraph 23.

**Grant Agreement** has the meaning given in the Grant Funding Letter;

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

**Grant Funding Letter** means the letter from the Authority to the Grant Recipient to which this document is annexed;

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

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

**Ineligible Expenditure** means expenditure incurred by the Grant Recipient which is not Eligible Expenditure as set out in paragraph 5 of this ANNEX 1;

**IP Completion Day** has the meaning given to it in the European Union (Withdrawal Agreement) Act 2020;

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

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

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

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

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

**Losses** means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties

whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise;

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

**Maximum Sum** means the maximum amount of the Grant stated in the Grant Funding Letter;

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

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

**Payment Schedule** means the schedule for payment of the Grant to the Grant Recipient as set out in the Grant Funding Letter;

**Personal Data** has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;

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

**Prohibited Act** means:

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

**Project Representative** means the representative appointed by the Grant Recipient, which at the Commencement Date shall be the individual listed as such in the Grant Funding Letter;

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

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

**Special Payments** means ex gratia expenditure by the Grant Recipient to a third party where no legal obligation exists for the payment and/or other extra-contractual expenditure, including

out-of-court settlements, compensation or additional severance payments to the Grant Recipient's employees;

**State Aid Law** means the law embodied in Articles 107- 109 of the Treaty on the Functioning of the European Union and any related legislation adopted by the Council, European Parliament and/or the Commission (including implementing legislation) decisions and communications to the extent it applied or continues to apply at any time in the United Kingdom;

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

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

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

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

**Unspent Monies** means any monies paid to the Grant Recipient in advance of its Eligible Expenditure, which remains unspent and uncommitted at the end of the Financial Year or the Funding Period (as the case may be), or because of termination or breach of this Grant Agreement;

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

**Working Day** means any day other than a Saturday, Sunday or public holiday in England and Wales.

In this Grant Agreement, unless the context otherwise requires:

- 1.0.1 the singular includes the plural and vice versa;
- 1.0.2 reference to a gender includes the other gender and the neuter;
- 1.0.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- 1.0.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- 1.0.5 Any reference in this Grant Agreement which immediately before IP Completion Day (or such later date when relevant EU law ceases to have effect pursuant to Section 1A of the European Union (Withdrawal) Act 2018) is a reference to (as it has effect from time to time):
  - (a) any EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement ("**EU References**") which is to form part of domestic law by application of Section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after IP Completion Day as a reference to the EU References as they form part of domestic law by virtue of Section 3 of the

European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and

- (b) any EU institution or EU authority or other such EU body shall be read on and after IP Completion Day as a reference to the UK institution, authority or body to which its functions were transferred.

1.0.6 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"; and

1.0.7 the headings in this Grant Agreement are for ease of reference only and will not affect the interpretation or construction of this Grant Agreement.

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

1.0.8 the Grant Funding Letter;

1.0.9 this ANNEX 1 (Terms and Conditions);

1.0.10 the remaining Annexes to this Grant Agreement with the exception of ANNEX 2 (the Grant Application);

1.0.11 ANNEX 2 (the Grant Application); and

1.0.12 any other documents incorporated by reference in, or developed in accordance with, this Grant Agreement.

## 2. **DURATION AND PURPOSE OF THE GRANT**

This Grant Agreement will subsist for the duration of the Funding Period unless terminated earlier in accordance with its terms.

The Grant Recipient shall use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities.

The Authority may make changes to the Funded Activities (including changing the amount of the Grant and/or the scope of the Funded Activities) by providing reasonable written notice to the Grant Recipient.

## 3. **PAYMENT OF GRANT**

Subject to the remainder of this paragraph 3 the Authority shall pay the Grant to the Grant Recipient:

3.1.1 up to the maximum amount stated in the Grant Funding Letter;

3.1.2 in pound sterling (GBP) and into a bank located in the UK, save that where it is more efficient to pay the Grant in a foreign currency, the Authority may choose to do so

at its sole discretion (in which case the Grant amount will be for the sum agreed in GBP as at the Commencement Date); and

3.1.3 in respect of Eligible Expenditure only.

The Grant Recipient will provide the Authority with such evidence as it may reasonably require (including receipts, invoices and other documentary evidence) that Grant Claims relate to costs which constitute Eligible Expenditure.

The Grant Recipient shall notify the Authority of any Match Funding which is or has been applied for (or which the Grant Recipient intends to apply for), approved or offered, before the Commencement Date and during the Funding Period. Such notification shall be made before receiving or using such Match Funding and shall include the amount, purpose and source of the proposed Match Funding.

Upon receipt of the Grant Recipient's notice under paragraph 3.3, the Authority shall notify the Grant Recipient that (at its sole discretion) it either agrees to or refuses the Grant Recipient's acceptance of the Match Funding.

If the Authority agrees to the Grant Recipient's acceptance of Match Funding under paragraph 3.4, the Grant Recipient may take receipt of the relevant Match Funding. In such circumstances, the Grant Recipient shall provide the Authority with a detailed summary of the Match Funding received, including the amount of Match Funding, the use of such Match Funding and such other information as the Authority may reasonably require.

If the Authority refuses the Grant Recipient's acceptance of the Match Funding under paragraph 3.4, the Grant Recipient shall not accept or use the Match Funding.

The Grant Recipient agrees that it will not apply for or obtain Duplicate Funding in respect of any part of the Funded Activities which have been paid for in full using the Grant. The Authority may refer the Grant Recipient to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;

The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless and until the Authority is satisfied that:

3.1.4 the Grant Recipient will use the Grant payment for Eligible Expenditure only; and

3.1.5 if applicable, any grant payments provided by the Authority to the Grant Recipient prior to the first payment of the Grant to fund activities broadly equivalent to the Funded Activities (including under a previous grant agreement) have been used for their intended purpose or repaid to the Authority.

The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. Any sum which falls due under this paragraph 3.9 shall fall due immediately. If the Grant Recipient fails to repay the due sum immediately (or within any other timeframe specified by the Authority) the sum will be recoverable summarily as a civil debt.

#### 4. **GRANT CLAIM PROCEDURE**

The Authority reserves the right not to pay any Grant Claims not submitted within the period set out in the Grant Funding Letter and/or which are incomplete, incorrect or submitted without



the full supporting documentation (including such documentation as may be reasonably requested by the Authority).

The Authority shall bear no responsibility for paying any Third Parties with whom the Grant Recipient enters into contracts in connection with the Funded Activities.

The Grant Recipient shall not retain any Unspent Monies without the Authority's prior written consent. If at the end of any Financial Year there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Authority no later than 30 days following the Authority's request for repayment.

## 5. ELIGIBLE AND INELIGIBLE EXPENDITURE

The Authority will only pay the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient will use the Grant solely for delivery of the Funded Activities.

The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activities:

- 5.1.1 fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes;
- 5.1.2 giving evidence to Parliamentary Select Committees;
- 5.1.3 attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
- 5.1.4 responding to public consultations, where the topic is relevant to the objectives of the Funded Activities (but 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 this Grant Agreement);
- 5.1.5 providing independent, evidence-based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
- 5.1.6 providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.

For the purposes of any Grant which, in the opinion of the Grant Manager, constitutes a government research grant (including, for example, those awarded to the National Academies), the following shall be deemed to be Eligible Expenditure:

- 5.1.7 publishing and publicising the results of research paid for using taxpayer funded grants;
- 5.1.8 hosting science and research communication events, for example, science festivals, Royal Society's Summer Science Exhibition, visits, breakfasts, dinners or receptions, seminars, the use of newsletters and campaigns, and sharing

information with Parliament to expound greater understanding of research outcomes or launch a research project or equipment;

- 5.1.9 working with or through a Third-Party organisation or commercial partners, which are not professional lobbying organisations, to conduct, communicate or publish research findings and inform policy;
- 5.1.10 contributing expert scientific and academic advice to inform government policy and funding or make the case for science; and
- 5.1.11 developing proposals for future research grants.

The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure (the list below does not override activities which are deemed eligible in this Grant Agreement):

- 5.1.12 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

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influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;

- 5.1.13 using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- 5.1.14 using the Grant to petition for additional funding;
- 5.1.15 expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- 5.1.16 input VAT reclaimable by the grant recipient from HMRC; and
- 5.1.17 payments for activities of a political or exclusively religious nature.

Other examples of expenditure which are prohibited include the following:

- 5.1.18 contributions in kind;
- 5.1.19 interest payments or service charge payments for finance leases;
- 5.1.20 gifts;
- 5.1.21 statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- 5.1.22 payments for works or activities which the grant recipient, or any member of their partnership, has a statutory duty to undertake, or that are fully funded by other sources;
- 5.1.23 bad debts to related parties;
- 5.1.24 payments for unfair dismissal or other compensation;
- 5.1.25 depreciation, amortisation or impairment of assets owned by the Grant Recipient;
- 5.1.26 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
- 5.1.27 liabilities incurred before the commencement of the Grant Agreement unless agreed in writing by the Authority.

## 6. **GRANT REVIEW**

The Authority will review the Grant at the intervals specified in the Grant Funding Letter. The review will take into account the Grant Recipient's delivery of the Funded Activities against

the Agreed Performance Measures. As part of the annual review the Authority will review the reports produced by the Grant Recipient in accordance with paragraph 7.2.

Following the review carried out under paragraph 6.1, the Authority may, taking into account any representations made by the Grant Representative in the course of the review, choose to do any of the following:

- 6.1.1 consent to the Funded Activities and the Grant Agreement continuing in line with existing plans;
- 6.1.2 increase or decrease the Grant for the subsequent Financial Year or the remainder of the Funding Period, as applicable;
- 6.1.3 redefine the Agreed Performance Measures;
- 6.1.4 require the Grant Recipient to carry out remedial activity with the aim of improving delivery of the Funded Activities;
- 6.1.5 recover any Unspent Monies; or
- 6.1.6 terminate the Grant Agreement in accordance with paragraph 23.6.

If required pursuant to paragraph 6.2.4, the Grant Recipient will submit a remedial action plan to the Authority setting out:

- 6.1.7 the areas identified by the Authority in which improvements to the Funded Activities are required; and
- 6.1.8 the steps which the Grant Recipient proposes to take to rectify the areas identified by the Authority and the timetable for taking such steps.

## **7. MONITORING AND REPORTING**

The Grant Recipient shall closely monitor the delivery and success of the Funded Activity throughout the Funding Period and shall notify the Authority as soon as reasonably practicable of any actual or potential failure to comply with any of its obligations under this Grant Agreement.

The Grant Recipient shall provide the Authority with:

- 7.1.1 a report on its performance against the Agreed Performance Measures and this Grant Agreement at the intervals specified in the Grant Funding Letter; and
- 7.1.2 any assistance and information reasonably requested by the Authority to establish whether the Grant Recipient has used the Grant in accordance with the Grant Agreement.

## **8. AUDITING AND ASSURANCE**

Within six months of the end of each Financial Year the Grant Recipient will provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide, at the Authority's discretion:

annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds; or  
a statement showing that the Grant has been certified by an independent and appropriately qualified auditor, accompanied by the Grant Recipient's annual audited accounts.

The Authority, National Audit Office and/or their authorised representatives may, at any time during and up to 7 years after the end of the Grant Agreement, conduct audits in relation to the Grant Recipient's use of the Grant and/or compliance with this Grant Agreement. The Grant Recipient agrees to act reasonably in cooperating with such audits, including by granting access to relevant documentation, premises and personnel.

The Grant Recipient shall:

- 8.1.1 maintain to the Authority's satisfaction an appropriate system of financial management and controls, maintain detailed records in relation to such controls, and provide copies of such records to the Authority on request; and
- 8.1.2 retain, and procure that its sub-contractors retain, all relevant documentation relating to the Eligible Expenditure and any income generated by the Funded Activity (including invoices, receipts and accounting records) during the Funding Period and for a period of 7 years.

Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file its annual return and accounts by the dates specified by Companies House.

Where the Grant Recipient is a registered charity, the Grant Recipient must file its charity annual return by the date specified by the Charity Commissioner.

If requested by the Authority, the Grant Recipient shall provide the Authority with copies of its annual return, accounts and/or charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner (as applicable).

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

The Grant Recipient will:

- 9.1.1 at all times comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act;
- 9.1.2 maintain a sound administration and audit process, including internal financial controls to safeguard against fraud and theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant; and
- 9.1.3 notify the Authority of all actual or suspected cases of fraud, theft or financial irregularity relating to the Funded Activities as soon as they are identified and keep the Authority informed in relation to its remedial actions thereafter.

In the event of any actual or suspected fraud, theft or other financial irregularity (which shall include use of the Grant for any purpose other than that envisaged by this Grant Agreement), the Authority may, at its absolute discretion:

- 9.1.4 require the Grant Recipient to take such remedial steps as the Authority shall reasonably specify; and/or
- 9.1.5 suspend future payment of the Grant to the Grant Recipient,

and in all cases the Grant Recipient shall explain to the Authority what steps are being taken to investigate the irregularity and shall keep the Authority informed about the progress of any

such investigation. The Grant Recipient will, if required by the Authority, refer the matter to an external auditor or any other Third Party.

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

#### 10. **CONFLICTS OF INTEREST**

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

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

#### 11. **CHANGE OF CONTROL**

The Grant Recipient shall notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.

#### 12. **CONFIDENTIALITY**

Except to the extent set out in this paragraph 12 or where disclosure is expressly permitted, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.

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

Nothing in this paragraph 12 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:

12.1.1 for the purpose of the examination and certification of the Authority's accounts and/or pursuant to section 6(1) of the National Audit Act 1983;

12.1.2 to any government department, consultant, contractor or other person engaged by the Authority, provided that the Authority only discloses information which is necessary for the purpose concerned and obtains appropriate confidentiality undertakings in relation to such information; and/or

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

Nothing in this paragraph 12 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other

Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

### 13. **STATUTORY DUTIES**

The Grant Recipient agrees to adhere to its obligations under the Law, including the Information Acts and the HRA.

The Grant Recipient hereby acknowledges that the Authority is subject to requirements under the Information Acts. Where requested by the Authority, the Grant Recipient will provide reasonable assistance and cooperation to the Authority to assist the Authority's compliance with its information disclosure obligations.

On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.

The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Agreement without consulting the Grant Recipient.

The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

### 14. **DATA PROTECTION**

The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.

Given the nature of this Grant Agreement and the Funded Activities, the Parties do not envisage that either Party will process any Personal Data for or on behalf of the other Party, under or in connection with this Grant Agreement or the Funded Activities. Where and to the extent that in undertaking the obligations set out in this Grant Agreement or performing the Funded Activities, either Party anticipates that the other will process any Personal Data for and on behalf of the other Party it shall notify the other Party and the Parties shall agree a variation to this Grant Agreement to incorporate appropriate provisions in accordance with Article 28 of the UK GDPR, or as otherwise required by the Data Protection Legislation.

### 15. **PUBLIC PROCUREMENT**

The Grant Recipient will ensure that value for money is obtained in the procurement of goods or services funded by the Grant. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations, the Grant Recipient will comply with the Procurement Regulations when procuring goods and services in connection with the Grant Agreement.

### 16. **SUBSIDY CONTROL**

The Grant Recipient will ensure that delivery of the Funded Activities does not put the Authority in breach of the UK's domestic obligations under the Subsidy Control Act or its international obligations in respect of subsidies.

The Grant Recipient will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Authority to comply with the

same and respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.

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

The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis that the Funded Activities being undertaken using the Grant are, and will remain, non-economic activities. The Grant Recipient shall ensure that measures are taken (where necessary), and maintained, to ensure that the Grant is not used to cross-subsidise any economic activity.

The Grant is awarded on the basis that the subsidy control requirements do not apply by virtue of Section 36 of Subsidy Control Act and is subject to the conditions set out in Annex 5 of these Conditions and will be conditional upon the receipt by the Authority of the declaration form in Annex 5.

## 17. **INTELLECTUAL PROPERTY RIGHTS**

All rights (including Intellectual Property Rights) and title in and to any Background IPRs will remain the property of the relevant Party (or its licensors).

All rights (including Intellectual Property Rights) and title in and to any IPR Material will vest in the Grant Recipient (or its licensors).

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

Other than as expressly set out in this Grant Agreement, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

## 18. **ASSETS**

The Grant Recipient must keep a register of all Assets acquired or improved wholly or partly using the Grant provided under the Grant Agreement. The register must include a description of the Asset, full details of any acquisition or improvement of the Asset, and full details of the ownership and any disposal of the Asset.

The Authority reserves the right to determine the outcome of any Assets acquired or improved as a result of the Funded Activities or purchased with Grant monies.

The Grant Recipient must obtain the Authority's prior written consent before selling, otherwise disposing of, transferring or changing the use of any Asset that was acquired or improved with Grant monies. Such consent may be subject to the satisfaction of certain conditions to be determined by the Authority, including with regard to the application of the proceeds of sale.

## 19. **INSURANCE**

The Grant Recipient must put in place and maintain adequate insurance coverage (including public liability insurance) either as a self-insurance arrangement or with an insurer of good repute to cover all insurable claims and liabilities under or in connection with this Grant



Agreement. The Grant Recipient will provide evidence of such insurance to the Authority on request.

20. **ASSIGNMENT**

The Grant Recipient will not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Agreement or any rights under it, to another organisation or individual, without the Authority's prior approval.

21. **BORROWING, LOSSES, GIFTS, SPECIAL PAYMENTS**

The Grant Recipient shall obtain the Authority's prior written consent before:

- 21.1.1 borrowing or lending money from any source in connection with the Grant Agreement;
- 21.1.2 giving any guarantee, indemnity, security over any Asset or letter of comfort in relation to the Grant Agreement;
- 21.1.3 giving any gift, making any Special Payment and/or writing off any debt or liability in connection with the Grant, and shall keep a record of all gifts given and received in connection with the Grant.

22. **PUBLICITY**

The Grant Recipient gives consent to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application or any monitoring reports submitted to the Authority in accordance with paragraph 7.2 of this ANNEX 1.

The Grant Recipient will comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.

Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.

The Grant Recipient will acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) will

include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.

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

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

**Events of Default**

The Authority may exercise its rights set out in paragraph 23.2 if any of the following events occur:

- 23.1.1 the Grant Recipient fails to comply with any of its obligations under paragraphs 2.2, 3.7, 5.4, 8.1, 8.4, 8.5, 9.1, 13.1, 20 and/or 27, or commits a breach of any other term of this Grant Agreement which is material in the opinion of the Authority;
- 23.1.2 the delivery of the Funded Activity does not start within three months of the Commencement Date;
- 23.1.3 the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activity and, in particular, towards meeting the Agreed Performance Measures;
- 23.1.4 the Grant Recipient fails to improve delivery of the Funded Activity, having undertaken the remedial activity agreed with the Authority under paragraph 6.2.4;
- 23.1.5 the Grant Recipient obtains any funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;
- 23.1.6 the Grant Recipient provides the Authority with any materially misleading or inaccurate information in its grant application or in subsequent related correspondence;
- 23.1.7 the Grant Recipient commits or committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient or a Third Party, immediately upon becoming aware of it;
- 23.1.8 during the Funding Period, any director or employee of the Grant Recipient commits any dishonest negligent act or omission, or otherwise brings the Authority into disrepute;
- 23.1.9 the Grant Recipient:
  - (a) ceases to operate for any reason, or passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
  - (b) becomes Insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it

enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;

- 23.1.10 the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol;
- 23.1.11 a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's domestic obligations under the Subsidy Control Act or its international obligations (including under the Trade and Cooperation Agreement);
- 23.1.12 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 27;
- 23.1.13 the Grant Recipient undergoes a Change of Control which will, in the reasonable opinion of the Authority:
  - (a) be materially detrimental to, or result in fundamental changes to, the Funded Activities;
  - (b) result in the new body corporate being unable to receive the Grant; and/or
  - (c) raise national security concerns;

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

Where, the Authority determines that an Event of Default has or may have occurred, the Authority may by written notice to the Grant Recipient take any one or more of the following actions:

- 23.1.14 suspend the payment of Grant for such period as the Authority shall determine; and/or
- 23.1.15 reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
- 23.1.16 cease to make payments of Grant to the Grant Recipient under the Grant Agreement and (in addition) require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient; and/or
- 23.1.17 terminate the Grant Agreement.

Where the Authority requires any or all of the Grant to be repaid in accordance with paragraph 23.2.3, the Grant Recipient shall repay this amount no later than 30 days following the date

of the demand for repayment. If the Grant Recipient fails to repay the Grant within such period, the sum will be recoverable summarily as a civil debt.

### **Opportunity for the Grant Recipient to remedy an Event of Default**

If the Authority wishes to exercise any right under paragraph 23.2 in connection with an Event of Default which the Authority considers remediable:

23.1.18 the Authority will provide reasonable notice to the Grant Recipient specifying particulars of the Event of Default, how it must be resolved and the timescales for its resolutions; and

23.1.19 following receipt of a notification under paragraph 23.4.1, the Grant Recipient will be given reasonable opportunity to resolve the Event of Default before the Authority exercises the relevant right under paragraph 23.2.

If the Authority wishes to exercise any right under paragraph 23.2 in connection with an Event of Default that it considers to be irremediable, or if a remediable Event of Default has not been resolved after the Grant Recipient has been given reasonable opportunity under paragraph 23.4.2, the Authority may immediately exercise the relevant right under paragraph 23.2.

### **General Termination Rights – Termination for Convenience**

Notwithstanding the Authority's right to terminate the Grant Agreement pursuant to paragraph 23.2.4 above, either Party may terminate the Grant Agreement at any time by giving at least 3 months written notice to the other Party.

### **Consequences of Termination**

If the Authority terminates the Grant Agreement in accordance with paragraph 23.2.4 or 23.6 the Grant Recipient shall return any Unspent Monies to the Authority within 30 days of the date of the Authority's termination notice, save where the Authority gives written consent to their retention.

In the event of termination or expiry of this Grant Agreement, the Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

The Grant Recipient shall, on the Authority's request, promptly prepare a written exit plan to provide for the cessation or seamless transfer of the Funded Activities following expiry or termination of this Grant Agreement.

## **24. DISPUTE RESOLUTION**

The Parties will use all reasonable endeavours to resolve in good faith any dispute that arises during the term of the Grant Agreement.

All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminate the Grant Agreement) shall be referred in the first instance to the Grant Manager and the Project Representative.

If the dispute cannot be resolved between the Grant Manager and the Project Representative within a maximum of 15 Working Days, then the matter will be escalated to a formal meeting between the Parties' Escalation Contacts.

## 25. **LIMITATION OF LIABILITY**

The Authority accepts no liability for any consequences or Losses, whether arising directly or indirectly, that may arise in connection with:

- 25.1.1 the Grant Recipient running the Funded Activities;
- 25.1.2 the use of the Grant by any person;
- 25.1.3 any reduction, suspension, withdrawal or request for repayment of the Grant; and/or
- 25.1.4 termination of this Grant Agreement for any reason.

The Grant Recipient shall indemnify and hold harmless the Authority and its Representatives with respect to all actions, claims, charges, demands, Losses and/or proceedings arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Funded Activities, the non-fulfilment of obligations of the Grant Recipient under this Grant Agreement and/or its obligations to Third Parties.

Save in respect of any liabilities that cannot be lawfully limited, the Authority's liability to the Grant Recipient under this Grant Agreement is limited to the obligation to make payment of the Grant Funding when due and payable in accordance with this Grant Agreement.

## 26. **VAT**

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

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

## 27. **CODE OF CONDUCT FOR GRANT RECIPIENTS AND BRANDING MANUAL**

The Grant Recipient agrees to comply with the Code of Conduct and ensure that its Representatives undertake their duties in a manner consistent with the principles set out in

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

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

- comply with requirements of the Branding Manual in relation to the Funded Activities; and
- cease use of the Funded by UK Government logo on demand if directed to do so by the Authority.

**28. VARIATIONS**

Save in respect of changes made under paragraph 2.3 or 6.2, any variation to this Grant Agreement will only be valid if it is in writing and signed by authorised representatives of both Parties. The Authority reserves the right to require the Recipient to comply with such additional conditions as the Authority may require in its sole discretion before agreeing to a variation.

**29. NOTICES**

All notices and other communications in relation to this Grant Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party as stated in the Grant Funding Letter. All notices and other communications must be marked for the attention of the Grant Manager (for the Authority) and the Project Representative (for the Recipient).

If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

**30. GOVERNING LAW**

This Grant Agreement will be governed by and construed in accordance with the law of England and Wales and the Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

**ANNEX 2**  
**GRANT APPLICATION**

[Include a copy of the Grant Recipient's application]

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## ANNEX 3

### FUNDED ACTIVITIES

#### 1. Background/purpose of the Grant

The Department for Science, Innovation and Technology (DSIT) is delivering a £7.4 million pilot scheme to subsidise the cost of AI skills training for small and medium-sized enterprises (SMEs) in the Professional Business Services sector. £6.4 million of grant funding is available.

Through this pilot programme, eligible businesses can apply for funding for up to 50% of the cost of AI skills training and other AI upskilling activities. This refers to training which supports employees to develop their technical skills and/or understanding of AI to be able to develop, deploy, or use AI in their role.

Evidence shows that a lack of AI skills in businesses is hindering AI adoption, in part due to low investment in AI upskilling by UK businesses. This is particularly true in smaller companies. The Flexible AI Upskilling Fund pilot scheme aims to increase AI adoption and productivity by incentivising greater employer-led investment in skills and training.

Specifically, the pilot has the following objectives:

1. To stimulate employer investment in AI training
2. To address AI skills gaps in the UK workforce limiting AI adoption
3. To measure the impact of AI upskilling on business productivity and outcomes

#### 2. Aims and objectives of the Funded Activities

Through this pilot programme, eligible businesses can apply for funding for up to 50% of the cost of AI skills training and other AI upskilling activities. This refers to training which supports employees to develop their technical skills and/or understanding of AI to be able to develop, deploy, or use AI in their role.

#### 3. Funded Activities



## ANNEX 4

### AGREED PERFORMANCE MEASURES AND OUTCOMES

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

2. Indicative Performance Measures

- Completion of training
- Compliance with evaluation activities

Short and Long term outcomes

- Compliance with long-term evaluation activities

3. The above will be measured in accordance with the means and frequency set out in the table below:

<b>KPIs/ Milestones Year 1</b>	<b>Measure</b>	<b>Frequency (annually/quarterly/monthly/other)</b>
Completion of training	Paid invoice Declaration signed	By 31 March 2025
Compliance with evaluation activities	Participation in evaluation activities	By 31 March 2027

**ANNEX 5****SUBSIDY CONTROL****Part 1: SMALL MINIMAL FINANCIAL ASSISTANCE**

1. The Grant is awarded as in accordance with Section 36 of the Subsidy Control Act which enables the Grant Recipient to receive up to a maximum level of subsidy without engaging the subsidy control requirements (with the exception of the transparency requirements for subsidies over £100,000) under the Act (“Minimal Financial Assistance”). The current threshold is £315,000 to a single enterprise over the elapsed part of the current financial year and the two preceding financial years (“the Applicable Period”).
2. The Grant Recipient acknowledges and accepts that the relevant limit for Minimal Financial Assistance comprises other Minimal Financial Assistance, SPEI Assistance, Small Amounts of Financial Assistance given under Articles 364(4) or 365(3) of the UK-EU Trade and Cooperation Agreement, and De Minimis State Aid (“Exempt Subsidy/Subsidies”), irrespective of whether such subsidy or aid was provided by other public authorities and their agents, related to other projects or was made by means other than grants (for instance, foregone interest on loans) awarded to the Grant Recipient over the Applicable Period.
3. The Authority has provided the Grant Recipient with a Minimal Financial Assistance notification in the Grant Application form. The award of this Grant will be conditional upon the Grant Recipient providing the Authority with confirmation on the Grant Application form that they have not exceeded the Minimal Financial Assistance threshold, fulfilling the notification process.
4. The Authority may not pay the Grant Recipient the Grant if, added to any previous Exempt Subsidy the Grant Recipient has received during the Applicable Period, the Grant causes the Grant Recipient to exceed the relevant limit for Minimal Financial Assistance.
5. For the purposes of the Minimal Financial Assistance declaration:
  - a. the financial year means a period of 12 months ending 31<sup>st</sup> March;
  - b. an enterprise means the enterprise that receives, or would receive, minimal financial assistance; and
  - c. subsidy is subsidy granted to a single enterprise, which may include legal entities separate to Grant Recipient (such as current or former subsidiaries).
6. The Grant Recipient must retain the Grant Funding Agreement and the completed Grant Application form and produce it on request by the Authority.
7. The Grant Recipient acknowledges that it is Grant Recipient’s responsibility to read the Subsidy Control Act in its entirety, and seek advice (including legal advice) on its application to Grant Recipient’s business if appropriate.
8. The Grant Recipient acknowledges that the Authority and Grant Recipient are jointly and severally responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Grant Funding Agreement are fulfilled.

9. The Grant Recipient agrees to keep a written record detailing that it has received a subsidy by way of Minimal Financial, the date on which it was given and the gross value amount of the assistance and must keep the record for at least three years from the given date.

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ANNEX 6

CONFIRMATION OF BANK DETAILS

**Part 1: Grant Recipient details**

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

<b>Part 2: Bank details</b>	Account name
Bank / Building Society name	<input type="text"/>
<input type="text"/>	Account number
Branch name	<input type="text"/>
<input type="text"/>	Account type
Bank sort code	<input type="text"/>
<input type="text"/> - <input type="text"/> - <input type="text"/>	Branch address
Building Society roll number	<input type="text"/>
<input type="text"/>	Postcode:
<input type="text"/>	<input type="text"/>

**Part 3: Address for remittance advice**

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

**Part 4: Authorised signatories**

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

Name

Position in the organisation

Signature

Date

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Name

Position in the organisation

Signature

Date

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**Part 5: Grant recipient declaration**

**[Guidance: to be completed by the person who signed the Grant Funding Letter]**

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

Name

Signature *(the person who signed the agreement)*

Date

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**[Guidance: return this form to the address indicated in the Grant Funding Letter, alongside a signed Grant Funding Letter.]**

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

