

Committee: FINANCE AND RESOURCES

Date: 10 September 2019

Report: GRANT FUNDING AGREEMENT, DEFRA

Purpose of report

1. To seek Members' approval for the new Grant Funding Agreement between Defra and the ten English NPAs.

RECOMMENDATION

2. That Members authorise the Chief Executive to sign the Grant Finding Agreement presented here and delegate the authorisation of subsequent years' Agreements to the CEO. This would be on the basis that any significant proposed changes would come back to Members for consideration.

Strategic Planning Framework

3. The information and recommendation contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework, and Corporate Action Plan Objective 34, to 'Plan and manage all aspects of the Authority's business so as to make the most effective use of our resources'.

Background

4. The financial relationship between Defra and the English National Park Authorities has been defined up until now by the Financial Grant Memorandum. This document was last revised in 2008, and sets out the governance and management of delivery required of NPAs, as well as the monitoring responsibilities of Defra. Over the years, and particularly since the series of cuts to Government grant announced in 2009, Defra's engagement with NPAs through the Memorandum, particularly in terms of financial and performance management, has been minimal.
5. This situation has now changed, and Defra are seeking a much closer relationship with NPAs. Partly, this is a response to the discussions around the implementation of the Government's 25 Year Environment Plan and partly a reaction to a National Audit Office review which identified that Defra should have better mechanisms in place for monitoring the organisations it was sponsoring.
6. As a consequence of this new approach there is a need to refine and replace the existing Financial Grant Memorandum with a Grant Funding Agreement (GFA); this is attached as an **Appendix**.

7. It's worth noting that this agreement has largely been developed by officers of this Authority working directly with Defra officers. This arrangement came about because our CEO is the current lead officer for performance management within the National Park Officer group. This has given us the opportunity to help shape an early model of this agreement to something which would be workable and acceptable to all NPAs. This process had the added advantage of creating helpful relationships with new Defra staff, something which was lost many years ago.

What has changed?

8. The GFA has much in common with the earlier Memorandum, including requirements on reporting and standards of governance. These have been rewritten for clarity and currency, but their import is substantially the same; the only slightly confusing point is that Defra is referred to throughout the document as 'the Authority'. However, there are a number of more substantial changes, and these are worth highlighting:
 - The Funded Activities, i.e. on which the grant can be spent, are defined explicitly as national park purposes augmented by specific planning legislation (Annex 2; clauses 3.1 and 5.2). The clarity is likely to prove helpful in avoiding loss of focus and drift into activities which are the legal responsibility of other bodies. This is a theme which has emerged as part of the Glover Review. The agreement also distinguishes eligible (4.4, 5.1-5.2)) and ineligible (5.3) classes of expenditure.
 - Clauses permitting access for Defra to financial records and other information are a feature of many sections (including 4.3, 4.7.1, 7.3, 7.6-7.8, 8.2 and 13.3). These are reasonable, and are designed to enable Defra to discharge its responsibilities for oversight.
 - There are a number of points in the document which describe obligations to keep Defra informed of potentially controversial issues. This includes information on Special Payments (see 2.1, 'Definitions' section), on financial irregularities (9.3-9.6), liabilities written off (21.1), as well as reporting on failures to meet grant obligations (7.2). Such items are to be reported on a quarterly basis (4.7.1. and Annex 4).
 - Further to the above point, clauses 14.3-14.4 identify that particular attention needs to be paid to instances involving senior managers or Members in either dishonest or negligent acts, or in acts which could bring the NPA (and, by association, Defra) into disrepute.
 - There is a requirement to provide an annual report on the adequacy and appropriateness of Reserves (4.1.5). This has been developed from a similar (though shorter) but inoperative clause in the Financial Grant Memorandum.
 - There is a requirement for an Annual Performance Review meeting with Defra (7.5). Again, this was the practice prior to 2008, but operated on a rather casual basis.
 - Clause 14.1 is new, requiring the Authority to consider central government current policy on public sector pay when setting inflationary pay wards.

- There is a new clause (17.1-17.3) covering environmental requirements; these are rather general, and it would be a sad day if they presented us with any particular difficulties.
- Clause 18.4 states that land can be disposed of at less than market value, subject to certain conditions; other property (e.g. buildings) falls outside this permission.
- Clause 23 creates a mechanism whereby Defra can require NPAs to meet new requirements during the life of the GFA. This is accompanied by 'reasonableness' caveats, and is intended to create the opportunity for Defra to ask NPAs for help during in 'crisis'-type events (e.g. the Foot and Mouth Diseases outbreak of 2001, where this NPA co-operated with Defra in managing that crisis) and to permit Defra some active influence over NPA plans during the (up to) 4 year period covered by the GFA, in instances where government priorities evolve.
- Clause 24 covers instances where NPA activities have breached the requirements of the GFA, and sets out clawback and remedial action processes for managing out of such a situation.
- The GFA introduces a requirement for the Authority to apply the (central government) Code of Conduct during its work (24.3.10, 28.1). This is unproblematic, as that Code is based on the same Nolan principles of governance as are applied through our Member and officer Codes of Conduct.
- The Grant Funding Letter (Annex 1; alternatively referred to as the Grant Settlement Letter) now forms an integral part of the Agreement.

Conclusion

9. The GFA is considered to be both reasonable and workable, and meets Defra's objectives for oversight and engagement, whilst being clear about what is required of both parties. This version will replace the current Memorandum for the remainder of the 2019/20 financial year, and it is intended that, in future, a fresh GFA will be issued to accompany every grant settlement letter, whether that settlement period is for one year or for a longer period. That reissuing process gives both parties the opportunity to propose amendments to the GFA, for example where a particular clause is found to be unfit for purpose.
10. The recommendation is that Members agree to authorise the CEO to sign the GFA for 2019/20 and for future years, subject to whether those Agreements contain any significant changes about which it would be appropriate to seek Members views before signing.

Richard Burnett
Director of Corporate Services

20 August 2019

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

and

YORKSHIRE DALES NATIONAL PARK AUTHORITY

**GRANT FUNDING AGREEMENT
TO CARRY OUT STATUTORY OBLIGATIONS RELATING TO
NATIONAL PARKS**

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

Between:

- (1) **THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS** of 17 Smith Square, Nobel House, Defra, SW1P 3JR (the “**Authority**”)
- (2) **YORKSHIRE DALES NATIONAL PARK AUTHORITY**, established under the Environment Act 1995 whose principal address is at Yoredale, Bainbridge, Leyburn, North Yorkshire (the “**Grant Recipient**”).

BACKGROUND

- (A) The Grant is made pursuant to section 72 of the Environment Act 1995, as amended.
- (B) By operation of a Financial Grant Memorandum dated 1 April 2008 and a Grant Funding Letter dated 21 January 2016 (together the “Existing Grant Agreement”) the Authority provided a grant to the Grant Recipient for the period 01 April 2015 to 31 March 2020. The Authority and the Grant Recipient agree to terminate the Existing Grant Agreement as at [the date of this Grant Funding Agreement] and enter into a new grant agreement on the terms set out herein.
- (C) The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement.
- (D) The Grant Recipient will use the Grant for the Funded Activities.

1. INTRODUCTION

- 1.1. The Authority and the Grant Recipient agreed that the Existing Grant Agreement and any previous grant agreement which operates / operated during the Funding Period will cease to have effect and shall be replaced by this Grant Funding Agreement.
- 1.2. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority.
- 1.3. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant as long as the Grant Recipient uses the Grant in accordance with this Grant Funding Agreement.
- 1.4. The Parties confirm that it is their intention to be legally bound by this Grant Funding Agreement.

2. DEFINITIONS AND INTERPRETATION

- 2.1. Where they appear in these Conditions:

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

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

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

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

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

Commencement Date means the date on which the Grant Funding Agreement comes into effect, being **DATE AGREEMENT IS SIGNED**

Condition means any condition that applies to the Grant Recipient receiving the Grant from the Authority pursuant to this Grant Funding Agreement;

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 Funding Agreement, including but not limited to:

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

Confidential Information shall not include information which:

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

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

Controller and Processor take the meaning given in the GDPR;

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

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

Data Protection Legislation means (i) the GDPR, and any applicable national implementing Law as amended from time to time (ii) the Data Protection Act 2018 to the extent that it relates

to the processing of Personal Data and privacy (iii) all applicable Law about the processing of Personal Data and privacy;

DPA 2018 means the Data Protection Act 2018;

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

Domestic Successor means:

- (a) a body that takes over the functions of the EU Commission in the UK on the date the UK withdraws from the European Union; or
- (b) the relevant courts in England and Wales which take over the functions of the Court of Justice of the European Union in England and Wales on the date the UK withdraws from the European Union

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

EIR means the Environmental Information Regulations 2004;

Event of Default means an event or circumstance as defined by paragraph 24.3;

Financial Year means from 1 April to 31 March;

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

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

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

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on 31 March 2020;

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

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with paragraph 4 of these Conditions and subject to the provisions set out at paragraph 24.

Grant Claim means the payment request submitted by the Grant Recipient to the Authority for payment of the Grant. The Grant Claim shall be submitted by the Grant Recipient in the form set out in **Annex 4** of these Conditions;

Grant Funding Agreement means these Conditions together with its annexes including but not limited to the Annex 1 Grant Funding Letter;

Grant Funding Letter means the letter the Authority issued to the Grant Recipient dated 21 January 2016, a copy of which is set out in Annex 1;

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

Grant Sum Payable, for a given Instalment Period means the percentage of the Grant as set out in Annex 3 against that Instalment Period;

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

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

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

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

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);

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

Law means any 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;

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

Management Plan means the management plan the Grant Recipient is required to maintain pursuant to Section 66 of the 1995 Environment Act;

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to paragraph 24;

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

Payment Schedule means the payment schedule set out in Annex 3;

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

Procurement Regulations means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the

Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time;

Prohibited Act means:

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

Quarterly Report means the report submitted by the Grant Recipient to the Authority in accordance with the provisions of paragraph 4.7.1 of these Conditions;

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default pursuant to the Rectification Plan process set out in paragraphs 24.5-12;

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

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

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

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

VAT means Value Added Tax chargeable in the UK;

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

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

- (1) the singular includes the plural and vice versa;
- (2) reference to a gender includes the other gender and the neuter;
- (3) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;

- (4) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (5) 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";
- (6) 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;
- (7) references to "representations" will be construed as references to present facts, to "warranties" as references to present and future facts and to "undertakings" as references to obligations under the Grant Funding Agreement;
- (8) references to "paragraphs" and "Annexes" are, unless otherwise provided, references to the paragraphs and annexes of these Conditions and references in any Annex to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the Annex in which these references appear; and
- (9) the headings in these Conditions are for ease of reference only and will not affect the interpretation or construction of these Conditions.

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

- 2.3.1. the Conditions set out within this Grant Funding Agreement;
- 2.3.2. Annex 1 – The Grant Funding Letter.

CONDITIONS

3. DURATION AND PURPOSE OF THE GRANT

- 3.1. The Funding Period starts on the Commencement Date and ends on 31 March 2020 unless terminated earlier in accordance with this Grant Funding Agreement.
- 3.2. 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, except those made in line with s66 of the Environment Act.

4. PAYMENT OF GRANT

- 4.1. Subject to the remainder of this paragraph 4 the Authority shall pay the Grant Recipient an amount not exceeding the amount for 2019-2020 as set out in the Grant Funding Letter. The Authority shall pay the Grant in pound sterling (GBP) and into a bank located in the UK.
- 4.2. Subject to the remainder of this paragraph 4 and to the other provisions of these Conditions, the Authority shall pay the Grant to the Grant Recipient in accordance with the Payment Schedule and the Claims Procedures and Conditions of Payment.
- 4.3. The Grant Recipient shall make available to the Authority, on request, evidence of the costs/payments, which are classified as Eligible Expenditure in paragraph 5.22, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority.

- 4.4. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
- (i) The Grant Recipient will use the Grant payment for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities.
- 4.5. By a date set by the Authority, the Grant Recipient shall produce an estimate of its annual income and expenditure under each functional head for the financial year using the template in Annex 6. The estimate shall include details of the source and amount of all income expected and expenditure, setting out its anticipated draw down of the Grant in 4 instalments, made quarterly.
- 4.6. The Grant Recipient shall promptly provide a revised estimate of income and expenditure:
- 4.6.1. when the Grant Recipient anticipates that the amount claimed in a Grant Claim will differ from the Grant Sum Payable for the relevant Instalment Period by 5% (five per cent) or more; and/or
 - 4.6.2. at the request of the Authority.
- 4.7. Each quarter, the Grant Recipient shall submit a Grant Claim to the Authority in the format and at the times prescribed by Annex 4. The Grant Recipient shall submit together with the Grant Claim:
- 4.7.1. a Quarterly Report, which shall include the information prescribed elsewhere in these Conditions and listed in Annex 4 under the heading 'ADDITIONAL QUARTERLY REPORTING'; and
 - 4.7.2. any other documentation that the Authority may reasonably prescribe from time to time.
- 4.8. On receipt of a Grant Claim for an amount which differs from that set out in the information provided by the Grant Recipient in paragraph 4.5-6 for the relevant Instalment Period, or otherwise at its absolute discretion (subject to, where possible, giving advance notice to the Grant Recipient), the Authority may deviate from the Payment Schedule.
- 4.9. In preparing and submitting Grant Claims and estimates of income and expenditure, the Grant Recipient shall seek to ensure that an accumulation of grant in excess of immediate requirements is avoided.
- 4.10. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- 4.11. The Authority reserves the right not to pay any Grant in respect of Grant Claims not submitted within the period set out in paragraph 4.7 or Grant Claims which are incomplete, incorrect or submitted without the full supporting documentation, but will in such event give the Grant Recipient the opportunity within a reasonable period of time to submit a grant Claim, or as the case may be, to make corrections or provide additional information to enable Grant to be paid.
- 4.12. The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum which falls due under paragraph 4.9 shall fall due immediately and shall be payable within 30 days. If the Grant Recipient fails to repay the due sum within 30 days, the sum will be recoverable summarily as a civil debt.

- 4.13. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that Third Party. The Authority has no responsibility for paying Third Party invoices.
- 4.14. Onward payment of the Grant and the use of sub-contractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.15. Except without the prior consent of the Authority, no later than 30 days after the end of each Financial Year, the Grant Recipient shall submit to the Authority the Grant Recipient's analysis of projected year-end balances, and its opinion as to the adequacy of those balances. If its analysis projects that any funds will remain unspent and uncommitted at the end of the Financial Year, the Grant Recipient shall submit to the Authority a report at the same time as its analysis. For the funds which the Grant Recipient projects to remain unspent and uncommitted, the report must state whether they are necessary to maintain an adequate year-end balance, whether the Grant Recipient has a clear intention to use the funds for a specific purpose falling within the Funded Activities, or whether the intention is to retain the funds as part of the Grant Recipient's general reserves.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1. The Authority will only pay the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient will use the Grant solely for delivery of the Funded Activities (as set out in Annex 2 of these Conditions).
- 5.2. The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activity:
 - 5.2.1. Fees charged or to be charged to the Grant Recipient by the external auditors for auditing the financial accounts of the Grant Recipient.
 - 5.2.2. giving evidence to Parliamentary Select Committees;
 - 5.2.3. attending meetings with government ministers or civil servants to discuss the progress of work being undertaken by the Grant Recipient.
 - 5.2.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);
 - 5.2.5. providing independent, evidence based policy recommendations to local government, departments or government ministers; and
 - 5.2.6. providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.
- 5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure:
 - 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;

- 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- 5.3.3. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- 5.3.4. input VAT reclaimable by the grant recipient from HMRC;
- 5.3.5. payments for activities of a political or exclusively religious nature.

6. REVIEWS

- 6.1. The Authority will review the Grant Recipient's delivery of the Funded Activities during and at the end of the Funding Period. It will take into account the Grant Recipient's delivery of the Funded Activities set out in Annex 2 of this Grant Funding Agreement. As part of the review the Authority will review any reports produced by the Grant Recipient in accordance with paragraph 7 of these Conditions.

7. MONITORING AND REPORTING

- 7.1. The Grant Recipient shall closely monitor the delivery and success of the Funded Activities throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are being met and that the Agreement is being adhered to.
- 7.2. The Grant Recipient will notify the Authority as soon as reasonably practicable of any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties.
- 7.3. At the Authority's written request, the Grant Recipient shall provide the Authority with financial reports and operational reports on its use of the Grant and delivery of the Funded Activities, containing such information, and in such formats as the Authority may reasonably require. The Grant Recipient shall provide the Authority with each report on a date to be determined by the Authority. The Authority may at its discretion provide the Grant Recipient with feedback on the adequacy of a report and may also require the Grant Recipient to re-submit a report, having taken into account any issues raised in the Authority's feedback.
- 7.4. Where the Grant Recipient has obtained funding from a third party for its delivery of part of the Funded Activities, the Grant Recipient shall include the amount of such funding in its financial reports together with details of the purpose for which that funding has been used.
- 7.5. The Parties, if requested by the Authority, shall meet annually to carry out a review of the performance of the Grant Recipient in respect of the Funded Activities, and to consider key issues and risks relating to the Funded Activities. These meetings shall take place at the Authority's premises, unless otherwise agreed or, where suitable, conducted by phone or video-conference.
- 7.6. The Grant Recipient shall on request provide the Authority with such further information, explanations and documents as the Authority may require in order for it to establish that the Grant Funding has been used properly in accordance with this Agreement.
- 7.7. The Grant Recipient shall permit any person authorised by the Authority access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of the conditions of this Agreement and shall, if

so required, provide appropriate oral or written explanations as required during the Funding Period and for so long as any Grant remains unspent.

- 7.8. The Grant Recipient shall permit and facilitate any person authorised by the Authority for that purpose to visit the Grant Recipient to monitor the delivery of the Funded Activities.
- 7.9. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of the relevant report):
 - 7.9.1. that the reports and information it gives pursuant to this paragraph 7 are accurate; and
 - 7.9.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given.

8. AUDITING AND ASSURANCE

- 8.1. Within six months of the end of each Financial Year the Grant Recipient will provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds.
- 8.2. The Authority may, at any time during and up to six years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activity sites and relevant records. The Grant Recipient will ensure that necessary information and access rights are explicitly included within all arrangements with any sub-contractors.
- 8.3. The Grant Recipient shall:
 - 8.3.1. ensure that an independent external auditor is nominated to verify the final statement of expenditure and income submitted to the Authority;
 - 8.3.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.3.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.

Retention of documents

- 8.4. The Grant Recipient shall retain all invoices, receipts, accounting records and any other documentation (including but not limited to correspondence) relating to the Eligible Expenditure and all income generated by Funded Activities during the Funding Period, and retain all accounting records relating to that expenditure and income for a period of six years from the date on which the Funding Period ends.
 - 8.5. The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to Funded Activities for a period of six years from the date on which the Funding Period ends.
- ## **9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY**
- 9.1. The Grant Recipient will at all times comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.

- 9.2. The Grant Recipient must have a sound administration and audit process, including appropriate internal financial controls to safeguard against fraud, theft, money laundering, terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. For any case of actual or suspected theft or financial irregularity, the Grant Recipient shall give careful consideration as to whether the case is one that the Authority might reasonably consider significant. For the avoidance of doubt, this includes (but is not limited to) any case such that, were it to become known to a Third Party, it would be capable of bringing the reputation of the Grant Recipient, the Funded Activities or the Authority into disrepute.
- 9.4. Where the Grant Recipient, acting reasonably, considers that the condition at paragraph 9.3 is met, it shall include full information on the suspected theft or financial irregularity in the next Quarterly Report.
- 9.5. The Grant Recipient shall also give careful consideration as to whether the case is such that the Authority might reasonably wish to be informed of it sooner than the date of the next Quarterly Report. Where the Grant Recipient, acting reasonably, considers that this condition is met, it shall notify the Authority of the suspected theft or financial irregularity without delay.
- 9.6. For any case of actual or suspected theft or financial irregularity, the Grant recipient shall, at the request of the Authority, explain to the Authority what steps are being taken to investigate the case and keep the Authority informed about the progress of such investigation. If so requested by the Authority, the Grant Recipient shall refer the case to external auditors or other third parties as required. The Grant Recipient may be required to provide statements and evidence to the Authority or appropriate investigating organisation as part of pursuing sanctions, criminal or civil proceedings.
- 9.7. The Authority will have the right, at its absolute discretion, to insist that Grant Recipient take additional steps to address any actual or suspected theft or financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient.
- 9.8. Suspected theft or financial irregularity includes any matter which the Grant Recipient, acting with due care, ought reasonably to have suspected.
- 9.9. The Grant Recipient agrees and accepts that it may become ineligible for grant support and be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of HMRC.
- 9.10. For the purposes of this paragraph 9.7 “financial irregularity” includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement.

10. CONFLICTS OF INTEREST

- 10.1. Neither the Grant Recipient nor its Representatives shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.
- 10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. CONFIDENTIALITY

- 11.1. Except to the extent set out in this paragraph 11 or where disclosure is expressly permitted, each Party shall treat all Confidential Information belonging to the other Party as confidential and shall not disclose any Confidential Information belonging to the other Party to any other person without the prior written consent of the other Party, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.
- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this paragraph 11 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:
 - 11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or
 - 11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;
 - 11.3.3. where disclosure is required by Law, including under the Information Acts.
- 11.4. Nothing in this paragraph 11 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. TRANSPARENCY

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

13. STATUTORY DUTIES

- 13.1. The Grant Recipient agrees to adhere to its obligations under the Law not limited to the Information Acts and the HRA.
- 13.2. The Grant Recipient hereby acknowledges that the Authority is subject to requirements under the Information Acts. Where requested by the Authority, the Grant Recipient will provide reasonable assistance and cooperation to the Authority to assist the Authority's compliance with its information disclosure obligations.
- 13.3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.

- 13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. STAFFING AND MEMBERSHIP

- 14.1. The Grant Recipient shall determine staff terms and conditions with due regard for economy, efficiency and value for money in the delivery of the Funded Activities. In determining staff terms and conditions, the Grant Recipient shall give consideration to any general policy on public sector pay which may be in effect or announced by the government from time to time.
- 14.2. Under this paragraph 14 staff means any employees, officers, agents, professional advisors and consultants employed by the Grant Recipient for the purposes of the Funded Activities.
- 14.3. The Grant Recipient shall immediately notify the Authority if the Grant Recipient becomes aware, or suspects, or, acting with due care, ought reasonably to suspect that any of its members or senior executive officers or post holders:
 - 14.3.1. has acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
 - 14.3.2. has taken any actions which unfairly bring or are likely to unfairly bring the Authority, the Grant Recipient or the Funded Activities into disrepute. Actions include omissions in this context.
- 14.4. Under this section 14.3 members or senior executive officers or post holders means any duly authorised directors or senior executive responsible managers or members of the Grant Recipient's board.

15. DATA PROTECTION, PUBLIC PROCUREMENT AND STATE AID

Data Protection

- 15.1. The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.
- 15.2. The Grant Recipient agrees that it is the Controller of any Personal Data processed by it pursuant to the Funded Activities and shall comply with the provisions set out in this paragraph 15.

Public Procurement

- 15.3. The Grant Recipient will ensure that any of its Representatives involved in the Funded Activities will adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.
- 15.4. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Grant Recipient will comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the

Authority shall not be liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

State aid

15.5. Where state aid may apply to the Funded Activities:

15.5.1. The Grant Recipient will make sure the Funded Activities are structured so they are compatible with State Aid Law; and

15.5.2. The Grant Recipient will maintain appropriate records of compliance with the State Aid Law and will take all reasonable steps to assist the Authority to comply with State Aid Law requirements and respond to any investigation(s) instigated by the European Commission (or its Domestic Successor) into the Funded Activities or any equivalent regulatory body as the case may be.

16. INTELLECTUAL PROPERTY RIGHTS

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

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

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

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

17. ENVIRONMENTAL REQUIREMENTS

17.1. The Grant Recipient shall perform the Funded Activities in accordance with the Authority's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

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

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

18. ASSETS

Inventory of the Assets

- 18.1. The Grant Recipient shall keep and maintain an accurate and up-to-date register of all its Fixed Assets with a value exceeding the minimum set by the Grant Recipient's accounting policy.
- 18.2. Assets purchased with Grant funding must only be used for delivery of the Funded Activities.

Disposal of Assets

- 18.3. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.
- 18.4. Any disposal by the Grant Recipient of Assets other than land shall be at market value.
- 18.5. Land may be disposed of for less than the best consideration that can reasonably be obtained, but only subject to the conditions set out in the Local Government Act 1972: General Disposal Consent (England) 2003 and the associated Office of the Deputy Prime Minister Circular 06 of 2003 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7690/462483.pdf). In all cases, this includes the condition that the undervalue does not exceed £2,000,000 (two million pounds sterling). Where such disposal at undervalue occurs, the Grant Recipient shall include the details of the disposal in the next Quarterly Report.
- 18.6. If the Grant Recipient makes any disposal of Assets, or any series of related disposals, the proceeds of which exceed £2,000,000 (two million pounds sterling), the Grant Recipient shall include in the next Quarterly Report details of how it has made use of the proceeds from that disposal or those disposals.

19. INSURANCE

- 19.1. The Grant Recipient will, with effect from the Commencement Date, during the term of the Funding Period and for six years after termination or expiry of the Grant Funding Agreement, ensure that it holds all appropriate forms of insurance necessary for the normal execution of its activities and any such extension of cover as may be necessary for the activities or risks associated with the Funded Activities.
- 19.2. The Grant Recipient will upon request produce to the Authority its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.

20. ASSIGNMENT

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

21. LOSSES AND SPECIAL PAYMENTS

- 21.1. The Grant Recipient must include any debts or liabilities written off and any Special Payments or series of connected debts or liabilities written off and any Special Payments made in connection to this Grant Funding Agreement above £2000 in the Quarterly Report.

22. PUBLICITY

- 22.1. 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 any reports submitted to the Authority, including but not limited to the reports submitted under paragraph 7.
- 22.2. The Grant Recipient will comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.
- 22.3. If the Grant Recipient wishes to use the Authority's name and logo it must first seek the Authority's written permission. If the Grant Recipient is given permission to use the Authority's name and logo, it will comply with all reasonable branding guidelines issued by the Authority from time to time.

23. CHANGES TO THE AUTHORITY'S REQUIREMENTS

- 23.1. The Authority will notify the Grant Recipient, where reasonably possible of such changes to the activities, which are supported by the Grant, in advance of coming into effect. The Authority will have regard to any legally binding agreements the Grant Recipient has already entered into, which might be affected by such changes.
- 23.2. The Grant Recipient will accommodate any reasonable changes to the Authority's needs and requirements under these Conditions.

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

- 24.1. Without prejudice to the Authority's other rights and remedies, if the Grant Recipient fails to comply with any of its obligations in the Grant Funding Agreement the Authority may at its discretion, reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid.
- 24.2. Where the Authority requires any part or all of the Grant to be repaid in accordance with paragraph 24.1 above, the Grant Recipient shall repay this amount no later than 30 days of the date it received the demand for repayment. If the Grant Recipient fails to repay the Grant within 30 days of a demand from the Authority for payment, the sum will be recoverable summarily as a civil debt.
- 24.3. The Authority may exercise its rights set out in paragraph 24.1 if, in particular, any of the following events occurs:
- 24.3.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities or fails to comply with any of the other obligations of the Grant Funding Agreement;
 - 24.3.2. the Grant Recipient uses the Grant for Ineligible Expenditure;
 - 24.3.3. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activities and, in particular, fails to meet to a material extent the agreed outcomes set out in the Management Plan;

- 24.3.4. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);
- 24.3.5. the Grant Recipient obtains 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;
- 24.3.6. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;
- 24.3.7. 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, as soon as they become aware of it;
- 24.3.8. the Authority determines (acting reasonably) that the Grant Recipient has:
 - (i) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
 - (ii) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (iii) transferred, assigned or novated the Grant to any Third Party without the Authority's consent;
 - (iv) ceased to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - (v) become Insolvent as defined by section 123 of the Insolvency Act 1986, 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;
 - (vi) incurred expenditure on activities that breach the Law;
- 24.3.9. the European Commission (or a Domestic Successor) or the Court of Justice of the European Union (or Domestic Successor) requires any Grant paid to be recovered by reason of a breach of State Aid Law or the Grant Recipient fails to comply with the provisions of the exemption or scheme under State Aid Law that applies to the Funded Activities and the Grant;
- 24.3.10. The Grant Recipient breaches the Code of Conduct for Grant Recipients (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 28.

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

- 24.4. 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:
 - 24.4.1. suspend the payment of Grant for such period as the Authority shall determine; and/or
 - 24.4.2. reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
 - 24.4.3. cease to make payments of Grant to the Grant Recipient under the Grant Funding 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. Such sums shall be recovered as a civil debt; and/or
 - 24.4.4. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

- 24.5. If the Authority gives written notice to the Grant Recipient pursuant to paragraph 24.4 to suspend payment of Grant, such notice shall specify the relevant Event of Default and give the Grant Recipient an opportunity to rectify the relevant Event of Default by submitting a draft Remedial Action Plan for approval by the Authority.
- 24.6. Where the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with paragraph 24.5, the draft Remedial Action Plan shall be submitted to the Authority for approval, by such date as the Authority, acting reasonably, shall specify.
- 24.7. The draft Remedial Action Plan shall set out:
 - 24.7.1. full details of the Event of Default; and
 - 24.7.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales for such steps.
- 24.8. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority will submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 24.9. The Authority shall have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority shall confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 24.10. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 24.11. If the Authority does not approve the draft Remedial Action Plan the Authority may at its absolute discretion terminate the Grant Funding Agreement.
- 24.12. The Authority shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either paragraph 24.4.3 or 24.4.4 unless the Grant Recipient has failed to rectify the default pursuant to paragraph 24.5 to the satisfaction of the Authority.

25. DISPUTE RESOLUTION

- 25.1. The Parties will use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the continuance of the Grant Funding Agreement.
- 25.2. All disputes and complaints shall be referred in the first instance to the Parties' Representatives.
- 25.3. If the dispute cannot be resolved between the Parties' Representatives within a maximum of three months, then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

26. LIMITATION OF LIABILITY

- 26.1. The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient running the Funded Activities, the use of the Grant or from withdrawal, withholding or suspension of the Grant. The Recipient shall indemnify and

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

- 26.2. Subject to this paragraph 26, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

27. VAT

- 27.1. For the avoidance of doubt, the Authority and the Grant Recipient consider that the Funded Activities are outside the scope of VAT. It is therefore not envisaged that there will be a service on which VAT will be properly charged.
- 27.2. Notwithstanding paragraph 27.1, if VAT is held to be chargeable in respect of the Grant Funding Agreement, all payments shall be deemed to be inclusive of all VAT and the Authority shall not be obliged to pay any additional amount by way of VAT.
- 27.3. 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 Authority in addition to such sums or other consideration pay to the Authority all the VAT so payable upon the receipt of a valid VAT invoice.

28. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 28.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the [Code of Conduct](#) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 28.2. If the Grant Recipient becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct, it shall notify the Authority of these by including them in the next Quarterly Report
- 28.3. If, having given the matter due consideration, the Grant Recipient considers that the Authority might reasonably wish to be informed of an actual or suspected breach of the Code of Conduct sooner than the date of the next Quarterly Report (for example because the matter is such that, were it to become known to a Third Party, it would be capable of bringing the Funded Activities, the Grant recipient or the Authority into disrepute), the Grant Recipient shall notify the Authority immediately.
- 28.4. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 24.3.10

29. NOTICES

- 29.1. All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in Annex 5 or otherwise notified in writing. All notices and other communications must be marked for the

attention of the contact specified in Annex 5 (Contact Details). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

30. GOVERNING LAW

30.1. These Conditions 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.

SIGNED by:
Signature

[insert authorised signatory's name]
Title
for and on behalf of the [insert name of Department]
Date

SIGNED by
Signature

[insert authorised signatory's name]
Title
for and on behalf of [insert name of Recipient]
Date

ANNEX 1 – GRANT FUNDING LETTER



Department
for Environment
Food & Rural Affairs

Nobel House
17 Smith Square
London SW1P 3JR

T 03459 335577
helpline@defra.gsi.gov.uk
www.gov.uk/defra

All National Park Authority Chairs

21 January 2016

From Rory Stewart OBE MP

Parliamentary Under Secretary of State for Environment and Rural Affairs

Thank you for your letter of the 29 November about the outcome of the Spending Review. You are clearly aware of the Chancellor of the Exchequer's announcement that the funding for National Parks and Areas of Outstanding Natural Beauty would be protected. I am happy to be able to confirm that the protection will be in real terms and that there will be additional funding for the recently announced extensions of the Yorkshire Dales and Lake District National Parks. I have set out in the table below the National Park Authorities grant for the financial years 2016/2017 to 2019/20.

	2015-2016	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
Broads Authority	3,188,952	3,243,802	3,299,595	3,356,348	3,414,078
Dartmoor	3,573,586	3,635,052	3,697,575	3,761,173	3,825,865
Exmoor	2,999,762	3,051,358	3,103,841	3,157,227	3,211,532
Lake District	5,218,491	5,284,481	5,402,483	5,495,406	5,589,927
New Forest	3,037,096	3,089,334	3,142,471	3,196,521	3,251,501
North York Moors	4,092,793	4,163,189	4,234,796	4,307,634	4,381,726
Northumberland	2,496,673	2,539,616	2,583,297	2,627,730	2,672,927
Peak District	6,257,122	6,364,744	6,474,218	6,585,575	6,698,847
South Downs	9,794,737	9,963,206	10,134,574	10,308,888	10,486,201
Yorkshire Dales	4,070,398	4,540,613	5,054,433	5,141,369	5,229,801

This settlement reflects the huge value the Secretary of State and I attach to the National Parks and how impressed we have been by the impact that the Authorities are having across a whole range of important issues, including: natural capital, ecosystems services, water catchment, rural business and food production and community engagement, as exemplified in your November letter. We very much look forward to working with you and your Chief Executives in the delivery of Defra's priorities and in particular the 25 Environment Plan and a new Plan for the National Parks.

I am copying this letter to Andrew Sells at Natural England, and Paul Hamblin at National Parks England.



INVESTORS
IN PEOPLE

ANNEX 2 –THE FUNDED ACTIVITIES

Background/purpose of the Grant

- 1.1. The Environment Act 1995 sets out the purposes and functions of National Parks
- 1.2. The Accounts and Audit Regulations 2015 set out the accounting framework for the Grant Recipient.

Funded Activities

- 1.3. The Funded Activities are activities which enable the Grant Recipient to comply with its obligations in accordance with the Law and in particular to deliver the purposes and functions of National Parks as set out in the Environment Act 1995 and its own activities set out in the National Park Management Plan (as defined in section 66 of the Environment Act 1995) and its responsibilities as a statutory planning authority as defined in sections 67 and 68 of the Environment Act 1995 from time to time.

ANNEX 3 – PAYMENT SCHEDULE

INSTALMENT/ INSTALMENT PERIOD	CLAIM DATE	EXPECTED PAYMENT DATE
April - 1st instalment	22 March 2019	4 April 2019
July - 2nd instalment	19 June 2019	4 July 2019
October - 3rd instalment	13 September 2019	3 October 2019
January - 4th instalment	6 December 2019	7 January 2020

ANNEX 4 - GRANT CLAIM

Note: all supporting information referred to in the Grant Funding Letter or this payment schedule must be submitted in accordance with the claims procedures and conditions of payment at the foot of this payment schedule.

This document is an invoice for the Protected Landscapes Team in Defra's Land Use Directorate.

1. Applicant's Name and Address	2. Grant Recipient Name
3. Amount of Grant Offer:	5. Amount of Grant Claim
4. Period of Grant Offer	6. Period covered by Grant claim
7. Claim type Q1 Q2 Q3 Q4* (* Delete as applicable)	8. PO number 9. Grant Claim unique identification number (e.g. the Grant Recipient's invoice no.)
10. Breakdown of expenditure claimed Note: Note: Please use key headings as contained in your annual forecast provided under Annex 6 or Management Plan, continuing on a separate sheet if necessary	
(a) Functional Head	(b) Eligible Expenditure for following quarter (to be invoiced)
Total to be claimed	
I certify that:	
<ul style="list-style-type: none"> i. The Funded Activities to which the claim relates are planned as set out in the grant recipient's management plan and/or have been completed as planned; ii. The items of Expenditure incurred/anticipated comprise only Eligible Expenditure which does not fall within any of the categories of Ineligible Expenditure in the Grant Funding Agreement. iii. I have to the best of my knowledge and belief complied with all the Conditions subject to which I have agreed to receive the Grant have been met. iv. In completing this Claim Form I have been truthful, accurate and complete and have in good faith given honest estimates of any anticipated Eligible Expenditure. 	
I therefore invoice payment of £	
Signed	Name (CAPS)
Date	Position

Claims procedures and conditions of payment

- I. All payments made in respect of any Claim form are made subject to the payment terms below and to the Authority’s right to demand repayment in accordance with the Conditions in paragraph 24 of your Grant funding Agreement.
- II. The Grant Recipient must submit four separate claims for payment of each instalment of the Grant on dates set out in Annex 3 in respect of actual and forecast Eligible Expenditure as explained in the form above. All sections of the claim form must be fully and accurately completed and submitted to: NationalParks.AONBS@defra.gov.uk
- III. The Authority may request the Grant Recipient to provide additional evidence of how the Grant is used at any time.
- IV. The Grant Recipient must only include the relevant allocations of Eligible Expenditure to the relevant activity and the basis of any apportionment/allocation must be clearly set out in the breakdown.
- V. If the Grant Recipient is unsure whether Expenditure is Eligible Expenditure or Ineligible Expenditure, the Authority’s written consent should be obtained before incurring that Expenditure.

ADDITIONAL QUARTERLY REPORTING	
AREA OF REPORTING – please cross reference to the section of the Grant Funding Agreement	DETAILS

ANNEX 5 – CONTACT DETAILS

The main departmental contact in connection with the Grant is:

Name of contact	Daniel Jones, Meghna Patel
Position in organisation	Protected Landscape Team
Email address	NationalParks.AONBS@defra.gov.uk
Telephone number	020 8026 3689
Postal address	Protected Landscapes Defra Seacole Building, 2 Marsham Street London

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

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

Reference	Contact 1	Contact 2
Organisation	[]	
Name of contact	[]	
Position in organisation	[]	
Email address	[]	
Telephone number	[]	
Fax number	[]	
Postal address	[]	

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

ANNEX 6: ESTIMATE OF ANNUAL INCOME AND EXPENDITURE

NATIONAL PARKS GRANT – PROFILE OF EXPENDITURE FOR 20____/____

To be submitted to Defra by _____

_____ National Park Authority

Forecast Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Gross Expenditure – by functional headings				

Conservation of the Natural Environment

Conservation of Cultural Heritage

Recreation Management and Transport

Promoting Understanding

Rangers, Estates and Volunteers

Development Control

Forward Planning and Communities

Specialist Ringfenced Accounts

Service Management and Support Services

Corporate and Democratic Core

Non Distributed Costs

Income (**excluding** NPG) – by functional headings

Conservation of the Natural Environment

Conservation of Cultural Heritage

Recreation Management and Transport

Promoting Understanding

Rangers, Estates and Volunteers

Development Control

Forward Planning and Communities

Specialist Ringfenced Accounts

Service Management and Support Services

Corporate and Democratic Core

Non Distributed Costs

Total (approved net expenditure)

Below the line items/accounting adjustments

Total Estimated NPG Claim

Total Estimated NPG Claim
(as a % of total NPG)

External funding providers e.g. grants, project funding	£Amount

Signed (National Park Officer or Nominated Officer)
 On behalf of the National Park Authority
 Date