



Department for
Business, Energy
& Industrial Strategy

Whole House Retrofit Innovation Competition

Competition Guidance Notes

Deadline for Expressions of Interest: 17:00, 1st August 2019

Deadline for Applications: 17:00, 15th August 2019

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1. Overview

This guidance sets out the context, application process, and assessment criteria for the **Whole House Retrofit Innovation Competition (WHR)**. This document should be read in advance of submitting any application and should be referred to throughout the WHR competition process.

The **aim of this competition** is to demonstrate cost reduction in the deep retrofitting of buildings through economies of scale and scope.

Successful projects will be expected to achieve the following **objectives**:

1. Achieve significant energy demand reduction in dwellings by applying a whole house retrofit approach;
2. Implement the whole house retrofit approach to a large number of dwellings;
3. Achieve a significant cost reduction for the approach selected;
4. Deliver a demonstrable cost reduction trajectory for whole house retrofit;
5. Provide evidence on the sources of cost reduction from scaling whole house retrofit;
6. Provide evidence on replicability of approach and deliver a road map to mass deployment;
7. Ensure the improvement of health, comfort and well-being of occupants and mitigate any unintended consequences;
8. Provide evidence of performance evaluation post retrofit.

The competition is open to applications between **21st June 2019** and **15th August 2019**. The application form and other required documentation is available to download from the competition webpage <https://www.gov.uk/guidance/whole-house-retrofit-whr-competition>.

The competition will make available £9.4m of funding for projects to demonstrate cost reduction in the deep retrofitting of dwellings. A maximum of £4.7m will be available for each project, subject to State Aid restrictions. The number of projects funded will depend on the range of solutions proposed and the quality of the proposals.

If you are interested in the WHR competition you should register your interest by emailing WholeHouseRetrofit@ricardo.com to ensure you are kept up to date as the scheme progresses. Ricardo Energy & Environment (in partnership with Carbon Trust and Mott Macdonald) have been contracted as the delivery partner to manage the WHR Competition on behalf of BEIS.

The following table outlines the steps within the WHR competition, from initial applications to final projects.

Table 1: WHR competition timetable

Milestone	Planned completion date
Competition launch	21st June 2019
Deadline for questions from applicants.	12 th July 2019

Deadline by which BEIS will respond to all applicants' questions	26 th July 2019
Deadline for expressions of interest	1 st August 2019
Deadline for submission of proposals	15 th August 2019
Project selection and grant contracts awarded	September 2019
Final installation report from participants	31 st March 2021
Final monitoring report from participants	30 th September 2021

2. Competition Background

Buildings play a crucial role in our lives. On average people spend 85% of their lives indoors, meaning the quality of construction and design plays a central role in our health, comfort, wellbeing and productivity. In the UK, heating and powering buildings accounts for 40% of the energy demand, and 30% of the carbon emissions. As laid out in the government's Clean Growth Strategy, improving the energy performance of buildings is one of the most important and difficult components of our decarbonisation agenda but there is a big industrial opportunity for the whole of the UK to benefit from the transition.

In Autumn 2017, the Government published a call for evidence on building a market for energy which laid out the barriers to energy efficiency uptake in the UK and sought views as to how these might be addressed. Important amongst these is the deterrent posed by the high upfront cost of significant improvements in energy efficiency.

In May 2018 government laid out the Buildings Mission, the first mission of the Clean Growth Grand Challenge, to at least halve energy use in new buildings by 2030 and drive down the cost of retrofitting an existing building to modern energy standards. This project forms a key early step in delivering this aim.

Given the poor energy performance of the UK's existing buildings, achieving the target standard of energy performance will largely require multiple energy efficiency measures to be installed contemporaneously in a property, a "whole house" approach to retrofit.

It is expected that in order to reduce costs significantly, a mass production approach will need to be taken for relatively similar buildings, followed by a mass customisation approach for more heterogenous stock.

In focusing on optimising the retrofit process, this project sits alongside the Demonstrating Energy Efficiency Potential project being led by the Science and Innovation for Climate and Energy Directorate (SICE) which will identify optimal approaches to maximising energy efficiency in the housing stock. Furthermore, the Local Supply Chain Pilots will trial alternative supply chain models that may drive efficiencies, particularly in the use of data in targeting and linking across the supply chain¹.

¹ <https://www.gov.uk/government/publications/energy-efficiency-improvement-rates-local-supply-chain-demonstration-projects>

3. Aims & Objectives

The **aim of this competition** is to demonstrate cost reduction in the deep retrofitting of buildings through economies of scale and scope.

Successful projects will be expected to achieve the following **objectives**:

1. Achieve significant energy demand reduction in dwellings by applying a whole house retrofit approach;
2. Implement the whole house retrofit approach to a large number of dwellings;
3. Achieve a significant cost reduction for the approach selected;
4. Deliver a demonstrable cost reduction trajectory for whole house retrofit;
5. Provide evidence on the sources of cost reduction from scaling whole house retrofit;
6. Provide evidence on replicability of approach and deliver a road map to mass deployment;
7. Ensure the improvement of health, comfort and well-being of occupants and mitigate any unintended consequences;
8. Provide evidence of performance evaluation post retrofit.

The competition will make available £9.4m of funding for projects to demonstrate cost reduction in the deep retrofitting of dwellings.

a. Eligibility Criteria

In order to be eligible to apply to the WHR competition, projects must comply with the following minimum requirements:

- The project must be within the competition scope (as set out in the next section);
- The project activities must be conducted in the UK;
- The project must include at least 75 dwellings that are domestic properties;
- The project must be led by a single organisation (although bids from consortia² with a single lead partner are acceptable);
- The requested funding must be below the maximum limit of £4.7m.

² Only one submission should be submitted for each separate project bid but all consortium partners are required to sign the completed application form for their project(s) (see Annex 1, Declaration 2 of the application form).

If a consortium is not proposing to form a separate corporate entity, the project partners will need to complete a Consortium Agreement and funding will not be provided by BEIS until a signed consortium agreement has been finalised between all the members of the project consortium. Please note that BEIS reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 28 of the Public Contracts Regulations 2006.

4. The Competition Scope

The WHR competition is designed to provide support in achieving the Buildings Mission main objective, to halve the cost of retrofitting existing buildings to use half the energy of current new builds by 2030. The two main pillars of the project are

1. The reduction of the associated cost in bringing a dwelling to a much higher standard in terms of its thermal efficiency and;
2. The reduction of the end use energy demand in a dwelling.

Consequently, the main outputs of the project are associated with these two pillars, however, it is anticipated that outputs relating to innovation (processes), health (occupants) and skills (labour, management) will also be of significant value after the end of the project.

The WHR competition scope is summarised in the table below. The following section provides further detail and also outlines the proposed methods that can be applied to carry out the whole house retrofit to produce the required outcomes. The following suggestions are not exhaustive, and proposals should consider the best possible approaches that will guarantee the best possible outcomes.

Scope item	Summary	Assumptions
Cost reduction	<p>The project must provide evidence of cost reduction between 5-20% within the delivery of this project.</p> <p>The project must provide evidence of a cost reduction trajectory of 50% by 2030 for the approach taken.</p>	<p>Bidders are to provide robust and credible evidence of current costs to demonstrate the baseline for measuring the cost reduction</p> <p>Projects must provide evidence in their reporting as to the sources of cost reduction.</p>
Energy demand reduction	<p>Bidders must demonstrate how they will achieve at least a 30 kWh/m² performance figure³, which MUST be part of an appropriate 'fabric first' approach for the building type.</p>	<p>Bidders should also provide evidence as to the rationale for the performance that is being proposed using robust evidence to support their argument.</p> <p>Bidders should specify their sampling and performance testing approach to demonstrate the reduction is being achieved post-installation.</p>
Scale	<p>Projects must include a minimum of 75 dwellings</p>	<p>A mixed-tenure, area-based approach is welcomed by BEIS.</p> <p>Buildings over 3 stories <u>OR</u> 18 meters</p>

³ Where 30 kWh/m² is not technically and functionally practicable, evidence to this effect must be demonstrated and an overall performance of no worse than 50 kWh/m² is to be achieved

		are excluded Dwellings with an Energy Performance Certificate rating of C and above (i.e. A-C) are ineligible
Process Innovation	Projects are expected to demonstrate how process innovation can lead to cost reductions	Individual property assessments to determine appropriate measures must be undertaken on <u>all properties</u> Occupant engagement and advice will be expected in all projects
Health, Comfort, Well-being and Unintended Consequences	The project should seek to measure the impact of the retrofit on the occupants and show consideration to managing the risk of unintended consequences	

a. Cost reduction

The Buildings Mission has set a target of reducing the cost of retrofits by 50% by 2030. This project will function as the first step on the trajectory to achieving the cost reduction targeted in the Buildings Mission, therefore it requires successful project(s) to demonstrate a cost trajectory that is aligned with this target by **reducing retrofit costs between 5-20%**. The key aim of the project is to demonstrate cost reduction, as opposed to deepening understanding of retrofit measures, which is covered by other on-going work.

A recent report by BEIS⁴ that captured qualitative data from installers and contractors working on retrofits provided some evidence on the possible reduction in costs from economies of scale for individual retrofit measures. On the basis of that evidence, it is reasonable to suggest that a large reduction in costs is possible purely by scaling up to a significant number of dwellings undergoing retrofit works. Further reductions should be enabled by process innovation and co-benefits of the “*learning by doing*” approach. Please note that bid scoring will be used to incentivise more ambitious proposals.

Cost reduction Methodology

The reduction of cost is the most significant part of this project, therefore concrete evidence of achieving the required outputs must be brought forward in a clear and concise manner. Evidence of cost reduction should be based on records of individual energy efficiency measures as well as previously completed whole house retrofit projects that are of similar

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/656866/BEIS_Update_of_Domestic_Cost_Assumptions_031017.pdf

characteristics to the proposed dwellings. Bidders should either present evidence of costs from existing projects or recent quotes from suppliers with clearly marked dates. Proposals will be rewarded for achieving the trajectory that reflects the Buildings Mission targets, in the most detailed and robust manner.

b. Energy Demand

An end use **energy demand target of 30 kWh/m²** is to be achieved for each retrofitted dwelling by taking an appropriate fabric first approach for the building type, which is technically and functionally practicable and incorporates necessary ventilation upgrades. Where 30 kWh/m² is not technically and functionally practicable, evidence to this effect must be demonstrated and an overall performance of no worse than 50 kWh/m² is to be achieved. Bidders will be required to evidence this and justify why they have chosen to neglect certain fabric elements for specific dwelling types. Retrofit of dwellings with an Energy Performance Certificate rating of C and above (i.e. A-C) shall not be considered eligible toward meeting the energy demand target.

To provide a level of guarantee in the thermal performance of the retrofitted dwellings and to ensure the energy reductions are materialised, the projects will be required to propose an appropriate sampling-based approach for in-situ performance measurement to understand the actual thermal performance of the dwelling pre and post retrofit works, that is achievable within the project timescales. If, based on this sampling, performance is significantly below that specified in the design, the project will be required to provide a breakdown of the sources of variance and a plan for these to be remedied.

Proposals should also conduct a risk assessment to ensure the thermal performance of the dwellings that have been delivered under the whole house retrofit works, remains at the levels that was originally designed, immediately post occupancy and in the long term. Proposals should put in place handover procedures that allow a “soft landing” after the retrofit works, providing advice and training on the new envelope and systems with regards to efficient interaction and operation.

Energy Demand Methodology

Bidders should propose an appropriate and accurate method of measuring energy demand reduction. It is suggested that all dwellings selected within the performance measurement sample are assessed by the same team of experts so that any discrepancies due to inconsistent data input and assumptions are eliminated.

The approach is designed to promote creative approaches from participants by avoiding specifying measures to be installed. The project will be open to inclusion of smart technologies that may be particularly relevant in minimising any potential performance gap or generating alternate revenue streams. The project will also be required to provide a robust approach to demonstrate actual performance, through measurements using established techniques such as pre-retrofit and post-retrofit thermographic surveys, airtightness tests, logging environmental conditions, occupant surveys, logging actual energy consumption and co-heating tests. The exact approach will be left to bidders to propose based on the nature of the project to be delivered.

In line with the recent suggestions published by the Committee for Climate Change it is required that as part of any system upgrades there should be a prohibition of first-time gas or oil central heating systems.

To protect building occupants and owners, and to assure performance, retrofits will be carried out in compliance with the expected standards in the forthcoming PAS 2035 and PAS 2030 documents where applicable. Bidders should be familiar with these documents in great depth and should refer to these in their proposals where relevant.

Cost reduction will be assessed against energy performance by providing energy use in a £/kWh/m² heat reduction statistic.

Performance Gap Methodology

Studies addressing the post occupancy evaluation (POE) of retrofits have often found significant performance gaps between the designed and the measured energy demand in dwellings, before and after the retrofit works. This project requires bids to propose a robust methodology in ensuring the designed energy demand reductions have been achieved in practice. This should include (but not be limited to) pre and post retrofit measurements of parameters such as heat loss coefficient, u-values and surface temperatures of thermal elements, gas and electricity demand. The sampling of the dwellings from which the in-situ measurements will be taken should be random to the extent that the project duration allows. Evaluation criteria will reward proposals with the highest percentage of dwellings undergoing POE and a good understanding of which dwellings would be at higher risk of presenting a performance gap so that these can be prioritised.

A methodology must be proposed to provide the evidence needed to verify the actual thermal performance before and after the works. It is recognised that for most of the dwellings it will not be possible to have measurements from two winter periods (pre and post retrofit), but the schedule of the works should allow for a representative number of dwellings to be assessed, particularly where initial installations are complete by October 2020. In some cases, it should be possible to acquire information based on historical data (e.g. from utility bills) and compare these to the same sources post retrofit works. Please note, any data using this approach will need to be normalised to account for seasonal variations.

If performance is found to be significantly below that specified in the design, the project will be required to provide a breakdown of the sources of variance and a plan for these to be remedied, including how this will be funded.

c. Scale

This project aims to build the evidence and advance the knowledge of retrofitting a whole house to substantially reduce its energy demand at a fraction of today's cost by 2030. As outlined above, during the duration of this project a cost reduction trajectory is required that can provide confidence that a 50% reduction by 2030 is viable. To be able to provide the evidence for the trajectory the size of the project needs to be large enough to allow for the costs of the individual components to be brought down. Following discussions with stakeholders we have set a minimum size for each project is to ensure the retrofitting of a

minimum 75 dwellings per project higher numbers would, of course, be welcome. That should permit an evidence base to be formed that provides robust accounting of cost savings, provide replicability in the approach and grow the market substantially so that the supply chains formed can deliver the desirable cost reductions.

Scale Methodology

It is likely that the organisation delivering the retrofit will need to partner with a social housing provider for access to a large enough pool of suitable, similar properties. However, the scope will not eliminate privately owned properties, which will ensure that any Right-to-Buy properties can be addressed. It is likely that private landlords will inevitably be part of the housing stock to undergo the retrofit works, so BEIS welcomes proposals that take an area-based, mixed tenure approach.

The retrofit competition allows for multiple property types to be used to undertake a project, this also includes the use of different tenure types within properties. To keep the competition within its scope, buildings over 3 stories OR 18 meters are to be excluded, this is to rule out high rise flats for the competition and ensure a degree of replicability across the UK housing stock.

d. Process Innovation

The proposals should be formed around maximising the number of outputs and the added value these bring to the process of whole house retrofit. Therefore, a number of process-related innovations are expected in the following areas:

1. Identifying suitable properties and locations / communities to deliver area-based housing retrofit projects using a desk-based approach;
2. Property assessment and system design to ensure that the resulting retrofit is effective and efficiently delivered;
3. Post-installation monitoring to provide assurance around performance and mitigation of unintended consequences;
4. Off-site manufacture of retrofit components to drive efficiencies from logistics and reduce the amount of time spent on site;
5. System integration (e.g. heating and energy generation components);
6. Improvement in skills and number of certified personnel able to undertake whole house retrofits;
7. Assessment of health, comfort and well-being, pre and post retrofit works;
8. Reduction of the 'hassle factor' that deters occupants from agreeing to the works;
9. Occupant engagement and advice (e.g. workshops, online portals/platforms, surveys) ongoing support for residents after works are completed (particularly outside of warranties / guarantees)

Achieving process innovation should reduce the cost (financial and non-financial) of whole house retrofit and crystallise optimal delivery models. At the same time adopting a "learning by doing" approach should also produce additional outputs such as:

1. Coherent delivery models
2. Use of multiskilled individuals or teams
3. Optimising use of shareable resources

Addressing the scale of the required retrofits in this project as well as the variety of the housing stock in the UK, will inevitably lead to materialising economies of scope and scale. This method should allow for optimising processes and having maximum reductions in costs from improved supply chains. Proposals should exhibit innovative developments that will enhance the learning outputs of this project and these should be recorded throughout the duration of the retrofit works.

Individual property assessments must be undertaken on all properties to:

- (b) Identify 'appropriate' measures for the property type to minimise unintended consequences;
- (c) Inform the design of retrofit measures;
- (d) Inform the process that will need to be implemented to deliver the measures, e.g. access, health & safety, special needs of residents, etc;
- (e) Determine the actual performance that is achievable for the property type.

Occupant engagement and advice must include:

- (i) Detailed information of proposed retrofit before any works are undertaken – and where this a private property, to allow the occupant to make informed decisions about the works to be undertaken, i.e. they must be shown what any physical changes will look like, e.g. changes to window sills;
- (ii) Details of warranties / guarantees and the implications of these, i.e. the maintenance that is required to maintain their validity;
- (iii) Details of the monitoring that will be undertaken and what input will be required and disruption that may occur.

It is expected that this information will be given to residents beforehand.

e. Health, Comfort, Well-being and Unintended Consequences

The proposals should see to deliver improvements in the health and well-being of the occupants. Comfort temperatures should be achieved in all internal spaces at a fraction of the pre-retrofit energy costs. Indoor air quality should be maintained in acceptable levels for the relevant activities taking place in all internal rooms. Increased levels of air-tightness in the building envelope can result in unintended consequences. The risk of summertime overheating should be considered in early-stage design and appropriate mitigation strategies should be implemented. The risk of condensation, mould growth and damp due to thermal bridges and inadequate ventilation should be given increased consideration and the design and quality of the works should ensure the elimination of this health hazard. Finally, proposals should identify and reduce to a minimum the disruption to the occupants caused by the proposed works. All schedules and targets should be clearly communicated to those affected by the works to minimise any impacts on their physical and mental health.

Health, Comfort, Well-being and Unintended Consequences Methodology

It is recognised that assessing the improvements in health, comfort and well-being of the occupants presents a number of difficulties. However, proposals should design a methodology that can evaluate the impact of the retrofit on the occupants. This should

include (but not be limited to) pre and post retrofit measurements of parameters such as internal air temperatures and humidity as well as indoor air quality metrics (VOCs, CO₂, Particulates). Together with this quantitative performance data, proposals should also communicate important aspects of the retrofit works and collect qualitative data on the health, comfort and well-being of occupants before and after the completion of the project, using established techniques such as:

1. Focus groups with representatives from the dwellings to assess impact and disruption and design and suggest mitigation strategies;
2. Online platforms to communicate key milestones and important information with regards to the proposed works;
3. In depth interviews with household members to establish improvements in health, comfort and well-being;
4. Open days in some of the retrofitted homes to educate and train occupants on the new indoor environment (i.e. heating, cooling and ventilation);
5. Surveys (not only online, anonymised) to evaluate the effectiveness of the above practices.

Proposals should also demonstrate an approach to quality assurance of *all* installations (both now and in the future) to ensure that the risk of unintended consequences from whole house retrofit (including overheating and damp/mould) *on a dwelling by dwelling basis* can be identified and mitigated on every step of the retrofit process, from early stage design to after the completion of the works, through the use of technology as well as training and education (e.g. thermography, moisture sensors, air tightness measurements, personnel training, CPD, etc.).

5. Funding Levels and State Aid requirements

The competition will make available £9.4m of funding for projects to demonstrate cost reduction in the deep retrofitting of dwellings. A maximum of £4.7m will be available for each project, subject to State Aid restrictions.

The European Commission's regulation of State Aid is designed to prevent Government funding from causing unfair competitive advantages within a given market. The General Block Exemption Regulation (GBER)⁵ provides a list of specific conditions under which Member States may inject government funds into a market without falling within the full set out State Aid controls. GBER sets out conditions around maximum grant awards, eligible costs and eligible activities/technologies in particular areas, as well as general conditions which must be complied with.

The WHR competition has been designed to comply with the GBER block exemption for research and development projects set out in Article 25. In particular, WHR is considered to be 'experimental development', which means the acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services.

a. Eligible Costs

- The Eligible Costs are those costs relating to a project that, subject to the permitted aid intensity (see 5.2 below), can be funded under Article 25. These are:
 - Personnel costs: researchers, technicians and other supporting staff to the extent employed on the project;
 - Costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.
 - Costs for of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.
 - Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;
 - Additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project.

⁵ Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.14, p.1)

b. Aid Intensity

The GBER specifies an "aid intensity" for each block exemption. The aid intensity is expressed as percentage and represents the maximum proportion of the potential Eligible Costs that may be covered by grant funding. For projects which are experimental development, Article 25 2(c) states that the normal maximum aid intensity is **25%** of Eligible Costs.

The maximum aid intensity can be uplifted to a maximum of 60% as follows:

1. By **20%** if the applicant is a Small Enterprise⁶
2. By **10%** if the applicant is a Medium-sized Enterprise
3. By **15%** if one of the following conditions is fulfilled:
 - a. The project involves effective collaboration:
 - (a) Between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or
 - (b) Between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;
 - b. The results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software.

The maximum aid permitted under an Article is equal to the aid intensity multiplied by the Eligible Costs. Please note these are maximum spending levels and BEIS may decide to provide less than the maximum in order to strengthen leverage and value for money, depending on the specific project requirements.

State Aid compliance is a legal requirement and the risk of non-compliance rests with the grant recipient. It is therefore crucial that you address State Aid fully within the application, as any errors at this stage may result in BEIS being able only to offer a reduced level of funding or require the repayment of grant by applicants.

c. Public funding

When considering levels of aid intensity (described above in section 5b), public funding includes the grant and all other funding from, or which is attributable to, other Government departments, UK public bodies⁷ or other Member States. Such funding includes grants or other subsidies made available by those bodies or their agents or intermediaries (such as grant funded bodies).

⁶ As defined by GBER Annex 1 Article 2 – Small Enterprise: fewer than 50 employees and turnover or balance sheet total does not exceed EUR 10M; Medium Enterprise: fewer than 250 employees and an annual turnover not exceeding EUR 50M and/or balance sheet total not exceeding EUR 43M.

⁷ <https://publicappointments.cabinetoffice.gov.uk/faq/>

In applying to this Competition, you must state if you are applying for, or expect to receive, any funding for your project from public authorities (in the UK or in other Member States) or the EU or its agencies. Any other public funding will be cumulated with BEIS funding to ensure that the public funding limit and the aid intensity levels are not exceeded for the project.

Whilst BEIS will check the information provided to try and ensure that applicants meet the requirements of State Aid, applicants should establish that they fall within the state aid rules before submitting applications. BEIS requires applicants to notify them of any change to their situations or circumstances during the project.

If there is a breach of State Aid regulations, for whatever reason, the European Commission requires repayment of any grant received, including interest, above that which was due. In this situation applicants will be required to repay any funding received. It is also important to ensure that the total grant funding for the project from public sources (including from the European Commission) does not exceed the relevant permitted GBER aid intensity levels.

Please note: ECO funding is not classed as public funding and does not therefore come under the cumulation requirements.

As part of the assessment process, the added value and additionality of public funding will be tested. Applicants will need to demonstrate why public funding is required to deliver this project.

6. Deliverables

a. Report

The successful bid(s) will be expected to deliver periodic update reports and a final report, to be published, describing all outputs and outlining the lessons that should be taken forward.

More specifically the final document should set out detailed information on:

- 1 Energy demand reduction and the reasons for any deviations from the targets set. This should include the list of all the measures installed and the expected performance of the dwellings. Any significant variance from the initial energy demand goals (performance gap) after retrofit should be clearly identified and a plan for rectifying this in affordable manner should be provided.
- 2 Cost reductions and the trajectories for achieving a 50% reduction in costs of retrofitting a whole house by 2030. This should provide evidence on the drivers and sources of cost reduction from scaling whole house retrofit (processes, design, methods, materials, technologies, supply chain, working practises, labour, etc.)
- 3 A road map for delivering whole house retrofit to mass deployment. This should provide evidence on the replicability and scalability of the approach based on the economic, technical, political and social barriers identified during the project.
- 4 Lessons learned during the retrofit works. This project aims to demonstrate a cost reduction trajectory for whole house retrofit by adopting a “learning by doing” approach. Therefore, it is expected that a number of challenges will arise during the planning, design and execution of the works as well as several barriers that will need careful consideration. These need to be documented and made available to enhance the understanding of the whole house retrofit process in large scale. Especially those reoccurring with regards to the diversity of the housing stock, so that appropriate actions can be included in the future policy and innovation work.
- 5 Minimising the likelihood of a performance gap. Proposals should have a clear record on the steps taken to mitigate potential risks in sustaining the energy performance of the retrofitted stock. This should include any material used for providing handover advice and training on the upgraded fabric envelope and systems with regards to efficient interaction and operation. The results of the post retrofit in-situ measurements should also be published.

7. Application Process and Assessment Criteria

a. Application process

Applications must be completed using the application form at <https://www.gov.uk/guidance/whole-house-retrofit-whr-competition>. BEIS will not consider applications submitted in any other format.

Please ensure that you follow the guidance within the application form regarding formatting and number of words per section. When doing so, please refer back to this guidance document where necessary, and ensure that you have complied with all the competition requirements.

Please submit an expression of interest to WholeHouseRetrofit@ricardo.com by 17.00 on 1st August 2019, stating the lead organisation name, your proposed project title, and your intention to submit a proposal.

All completed application forms and required attachments (such as the costing/project plan/risk assessment excel template) must be submitted electronically to WholeHouseRetrofit@ricardo.com by 17.00 on 15th August 2019.

As part of the assessment process BEIS may request applicants to further clarify elements of their application during September 2019. Applicants will be informed of the outcome of the assessment by late September 2019.

Feedback to applicants, including unsuccessful applicants will be provided at the same time as contracts are awarded. BEIS's decision on project funding is final.

Further information: Completed application forms should be submitted electronically in pdf format and emailed. The maximum size email you can send is 10MB. If your application is larger than 10MB please break the submission down into smaller sizes and ensure the subject line of each additional email takes the following format '**WHR** (name of lead applicant) – email x of y'.

You should endeavour to answer all of the questions on the application in full. Incomplete applications and any containing incorrect or false information will very likely be rejected although BEIS may, at its discretion, request clarification or additional data before making a final decision.

All answers should be contained within the application form. Any appendices that support the answers in the application form must be appended to the end of the form. Supporting information can also be submitted where it adds substantive information to the proposal; however, you should not assume that any additional information will be cross-referenced or reviewed as part of the selection process – for example, it may only be used to help finalise the assessment of projects which receive very similar assessment scores. The application form must list all appendices and supporting documents.

Any applications or supporting documentation received after the application deadline will not be considered.

Note: Nothing in this funding call requires BEIS to award any applicant a contract of any

particular amount or on any particular terms. BEIS reserves the right not to award any contracts, in particular if BEIS is not satisfied by the proposals received or if the funding assigned to the scheme is required for other, unforeseen, purposes. BEIS will not, under any circumstances, make any contribution to the costs of preparing proposals and applicants accept the risk that they may not be awarded a contract.

BEIS also reserves the right to offer a larger or smaller sum of money to applicants depending on the range and quality of bids received.

b. Timescales

The following table outlines the steps within the WHR competition, from initial applications to final projects.

Milestone	Planned completion date
Competition launch	21st June 2019
Deadline for questions from applicants.	12 th July 2019
Deadline by which BEIS will respond to all applicants' questions	26 th July 2019
Deadline for expressions of interest	1 st August 2019
Deadline for submission of proposals	15 th August 2019
Project selection and grant contracts awarded	September 2019
Final installation report from participants	31 st March 2021
Final monitoring report from participants	30 th September 2021

c. Assessment Criteria and Scoring Methodology

Applications will be logged, and an acknowledgement email will be issued providing a unique reference number for your application within two days of the closing date. This reference number should be used in all communications with BEIS about your application. All applications will be checked for eligibility. Only those that are considered to be eligible will be fully assessed.

All eligible proposals will be assessed in relation to the following criteria.

Criteria	Weighting	Sub-criteria
Addressing the competition objectives (45%)	15%	Credibility of the chosen approach, and ability to achieve the competition objectives
	15%	Appropriateness of the selected scale of dwellings to provide robust evidence of cost reduction, and credibility of the cost-reduction baseline

	10%	Appropriateness and credibility of the proposed pre- and post-installation thermal performance measurement and post-occupancy evaluation
	5%	Replicability of the proposed whole house retrofit across the wider UK housing stock
Deliverability (25%)	15%	Appropriateness and credibility of the project work plan, milestones and deliverables.
	5%	Appropriateness of project management structure and partners roles.
	5%	Detailed understanding of the project risks and their management
Dissemination (5%)	5%	Detailed plans to disseminate the learnings from the project
Skills and expertise (10%)	5%	Evidence of track record of project delivery
	5%	Capacity, experience and capability of the proposed project team members
Costs (15%)	15%	Credibility, appropriateness and robustness of detailed project costing, including justification of the costs and leverage of other funding sources.

Scoring Methodology

Applications will be scored against each of the criteria above, according to the extent to which they meet the requirements of the competition. The meaning of each score is outlined in the table below.

The total score will be calculated by applying the weighting set against each criterion, outlined above; the maximum number of marks possible will be 100. In order to be eligible for funding, projects must score a minimum total weighted score of 60%. Should any bidder score 1 in any of the criteria, they will be excluded from the competition.

The sub-criteria in the table above notes that proposals will be assessed for appropriateness and credibility. While BEIS does not intend to provide a precise definition of these terms in relation to each individual criteria, an appropriate, credible proposal would include one where:

- the individual steps and elements are shown to have been worked through with comfortable timelines and contingencies, with all foreseeable risks clearly identified and managed, and all contributions from consortia members already secured, or with a clear, step by step plan presented for how they will be secured.

A less credible proposal would include one where:

- specific steps are proposed to be delivered at an accelerated pace with no clear plan for how that acceleration will be managed without compromising the project, or where the support of a contributor/consortia member has not yet been secured, with no clear plan for how their participation will be secured and no contingency set out.

Applications will be assessed by at least three assessors (these will include BEIS assessors and independent assessors). A moderation meeting will be held at the end of the assessment

process to agree the overall combined scores for each of the projects and to determine an overall ranking list which will be used by BEIS to allocate the funding for the Competition.

Funding will be awarded to the highest-ranking proposals; however, where several applications suggest the same or a similar approach, BEIS may choose instead to allocate the budget to lower scoring projects proposing different approaches to develop and test a wider range of potential solutions.

Score	Description
1	Not Satisfactory: Proposal contains significant shortcomings and does not meet the required standard
2	Partially Satisfactory: Proposal partially meets the required standard, with one or more moderate weaknesses or gaps
3	Satisfactory: Proposal mostly meets the required standard, with one or more minor weaknesses or gaps.
4	Good: Proposal meets the required standard, with moderate levels of assurance
5	Excellent: Proposal fully meets the required standard with high levels of assurance

The assessment of proposals will be based only on the information which is explicitly contained within your application. You must not assume that the assessment team has any prior knowledge of your organisation or its work.

Bid Clarification

After reviewing and evaluating the written proposals, BEIS may decide to hold clarification meetings with suppliers during September 2019.

8. Project Plans, Skills Required, Finances and Financial Viability

a. Project Plans

Bidders should provide a detailed project plan that demonstrates to BEIS their ability to deliver the project in line with the competition timescales. Plans should include:

- Occupant engagement/recruitment (where necessary);
- Pre-installation monitoring (or suggested alternative);
- Order and purchase of equipment;
- Installation schedule;
- Post-installation monitoring;
- Post occupancy evaluation;
- Reporting as outlined in section 6.

b. Skills Required

Due to the nature of the project, we expect bidders to have some or all of the following skills or experience within their teams:

- (a) In-depth knowledge about home construction and energy technology (e.g. insulation, air sealing, HVAC, air quality, etc.)
- (b) Understanding of planning process and building regulations
- (c) Consumer and wider stakeholder engagement
- (d) Experience at coordinating largescale projects, in particular in the energy retrofit sector
- (e) Experience building partnerships between different organisations
- (f) Access to and experience with using building assessment and technical monitoring tools
- (g) Experience of working in the chosen local area they are bidding for, or demonstratable knowledge of the challenges and circumstances of that area
- (h) Understanding of the barriers to retrofit and the impact on the mental and physical health of the occupants.
- (i) Sales and marketing skills
- (j) Basic financing knowledge
- (k) Training and education skills (to support building skills for local supply chain)

c. Delivering Value for Money

Ensuring Value for Money (VfM) is a critical objective of this project reflecting the obligation on BEIS to ensure it is spending taxpayer's money as effectively and efficiently as possible. We have therefore designed the assessment criteria and process for the competition to assess the VfM of each project and ensure overall VfM for the programme can be assured as far as possible.

VfM means two things to BEIS: firstly, whether an individual project delivers value for money (interpreted as delivering net economic benefits to the UK); and secondly, in determining the combination of 'winning' projects to maximise the returns on the £9.4 million budget.

BEIS will evaluate the VfM of each application through the combined assessment of the expected project benefits and the justification for the money the application bids for.

d. Financial information

Applicants are requested to provide a fixed price budget for the work. A detailed cost breakdown is required to enable assessment of the robustness of the proposed budget. A template is provided in the application form.

Financial information should include costs for both phases of the project, detailing labour (including manpower rates), material and capital equipment costs, and any travel and subsistence requirements.

Please note:

- The total value of the competition is £9.4m, although BEIS may allocate less than the total budget depending on the quality of the applications.
- A maximum of £4.7m will be available for each project. The number of projects funded will depend on the range of solutions proposed and the quality of the proposals.
- Grant funding under this Competition is only available until 31 March 2021. All major project activities, including installation, dissemination, reporting and payments need to be completed by this date. Match funding can be retained to deliver the post-installation monitoring (and related dissemination and reporting and payments) if these activities occur post March 2021; these activities must be complete by 30 September 2021.
- All costs should be provided excluding VAT, though where VAT applies, bidders should specify the amount.
- All budgets should be in British pounds sterling.
- Applicants should include all match-funding arrangements with other donors so that BEIS' contribution can be seen as part of any wider project financing.

Applicants should outline and disaggregate any intermediary transaction costs where your organisation is sub-contracting to partners.

Note: Nothing in this funding call requires BEIS to award any applicant a grant agreement of any particular amount or on any particular terms. BEIS reserves the right not to award any grant agreements, in particular if BEIS is not satisfied by the proposals received or if the funding assigned to the scheme is required for other, unforeseen, purposes. BEIS will not, under any circumstances, make any contribution to the costs of preparing proposals and applicants accept the risk that they may not be awarded a grant agreement.

e. Financial viability

The Delivery Contractor appointed by BEIS will undertake financial viability checks on all successful applicants. These will include looking at the latest independently audited accounts filed on the Companies House database.

Where a business is not required to file accounts with Companies House, other financial information may be requested to enable an appropriate financial viability review to be undertaken. We will be looking for evidence of your ability to resource the cashflow for the project appropriately, so the information we request will be focused on understanding how your business operates in this respect.

Before your project starts, BEIS will ask for evidence that you have the funding mechanisms in place to manage your cash flow across the life of your project. This could include letters of credit or other such mechanisms.

BEIS will not make payments in advance of need and typically makes contract payments in arrears on satisfactory completion of agreed milestones and deliverables. BEIS understands, however, the difficulties which small businesses may face when financing this type of project. BEIS will explore cash flow issues with the applicant as part of developing the financial and milestone profile during the Grant Award process. BEIS will offer flexibility in terms of profiles and payments, within the confines of the requirements for use of public money within which it operates.

9. Notification and Publication of Results

a. Notification

Applicants will be informed by email whether their application has been successful, subject to compliance with the terms and conditions of the Conditional Grant Contract Offer (see Annex 3). Details of all contracts will be published on Contracts Finder in line with Public Contract Regulations (PCR). Unsuccessful applicants will be provided feedback at the same time.

BEIS may wish to publicise the results of the scheme which may involve engagement with the media. At the end of the application and assessment process, BEIS may issue a press release or publish a notice on its website. These public documents may, for example, outline the overall results of competitions and describe some of the projects to be funded.

Some organisations may want their activities to remain confidential and you will be given a chance to opt out of any involvement in media relations activity and further case study coverage of projects, should you see this as being absolutely necessary. However, as noted above, the public description of the project you provide in your application will be made available in the public domain if your application is successful, and you are not able to opt out of the project description being published. In addition, all funded projects must include reporting and dissemination milestones – agreed with BEIS - as part of their project deliverables.

Any organisation that wishes to publicise its project, at any stage, must contact the Competition Project Manager or their Project Monitoring Officer before doing so.

b. Publication of results

BEIS also wishes to publicise details of the award recipients. Therefore, on or after issuing a grant contract, BEIS will publish the following information:

- Identity of the participant and its partners;
- Project summary information including aims and expected outcomes of the project and technology area;
- Total award value.

Following completion of the funded projects, BEIS will publish on its website a summary of the funded activities and the outcomes achieved. This will include a final summary report from each project detailing technical approach, key achievements and recommendations. BEIS may also revisit projects at a later date and publish an evaluation report for the scheme as a whole.

BEIS however recognise the need to maintain confidentiality of commercially sensitive information. BEIS will consult applicants regarding the nature of information to be published, in order to protect commercially sensitive information.

c. Feedback, re-application and right of appeal

A short summary of key feedback regarding the applications will be provided to all applicants,

this feedback will be based on the comments of technical assessors and the Competition Board. No additional feedback will be provided and there will be no further discussion on the application. BEIS's decision on project funding is final.

White Paper

10. Monitoring, Reporting, Evaluation, Key Performance Indicators and Intellectual Property Requirements

a. Monitoring

Each project will be allocated a Monitoring Officer at the point of notification.

Applicants will undertake their own project monitoring with the support of their Monitoring Officer. Applicants are expected to provide reports on their project's progress. The narrative reporting will be as follows:

A monthly narrative of progress, including an update on any identified issues or risks to delivery (due by the 15th of the following month)

A quarterly formal progress report, financial forecast, and update of the project plan and risk register (due by the 15th of the following month at the end of each quarter), for projects that proceed to Phases 2,

A final financial and narrative report within 30 days of the end of the project and by end of March 2021.

The Monitoring Officer will review all reports and will address any issues in these and contact projects accordingly. They will be the first point of contact for projects for any project reporting, milestone claims and issue escalation. Any changes to schedules or project plans will need to be discussed with BEIS and applicants should expect significant interaction with the team during the project.

b. Milestone payments

Payments will be only made by BEIS after an agreement has been signed between the applicant and BEIS. Further details on payments and financial requirements will be provided by BEIS as part of any funding agreement. These will include the requirement for detailed statements of expenditure and requests for funds in a specified format.

Payments will be made on a milestone basis upon receipt of a detailed statement of expenditure. They will be subject to satisfactory progress against the project's work plan.

Applicants must satisfy the due diligence, financial and organisational checks required prior to receiving public funds.

BEIS recognises the importance of remaining flexible and pragmatic throughout project implementation and will consider changes to ensure the most effective use of funds. Approval from BEIS should be sought for changes to the overall impact and outcome of projects and any significant changes in outputs. Requesting a significant change may necessitate a re-examination of project purpose or implementation. BEIS must approve any changes that require the movement of more than 10% of the total budget between budget lines. An updated work plan and budget may also be needed when requesting changes.

Milestone claims must be invoiced in time to be processed and paid by 31st March 2021. If circumstances outside the control of the project occur which impact on delivering the expected outputs, the project must inform their Monitoring Officer as soon as possible. The Monitoring

Officer will consult with BEIS to determine the best course of action.

Funds should be claimed against evidence of expenditure usually in the form of a receipted invoice accompanied by evidence or copies of work undertaken. A claim form will be issued with your letter of offer. After each stage of work is completed you will be expected to complete and submit a claim form. Claims should be submitted to the Monitoring Officer for processing and will be paid within 30 working days of a complete and satisfactory claim being received. Finance is released against work carried out rather than a lump sum on approval.

c. Knowledge Sharing & Evaluation Requirements

There will be a number of requirements on successful applicants during the course of the project, including after the final payment milestone:

Knowledge sharing: effective dissemination and knowledge sharing are key requirements of this Competition. We will expect Applicants to share useful data, lessons learned and experience through relevant industry forums and with relevant BEIS policy teams.

Evaluation of the scheme: Successful applicants will be expected to participate in an evaluation of the scheme during and after final grant payments, to assess the impact of the competition including value for money. Monitoring will require a mixture of quantitative information (measured through KPIs) and qualitative data (e.g. participant interviews). Importantly, rather than only measuring the impact of the competition, we want to understand how the projects are being delivered in practice, what was successful and not successful, and how can performance be improved in any future rollout, and any future role for government support. BEIS will appoint an evaluation partner later in 2019.

d. Key Performance Indicators

The Grant Recipient will be required to build in project data collection and reporting requirements for all relevant BEIS Energy Innovation Portfolio KPI Performance Metrics – using the Project Data Collection and Reporting Template and the Standard Methodology Guidance. Project teams will be required to complete the Template at the start and finalise it at the end of the project (reviewing periodically), for all relevant KPIs. Upon completion, project teams will return the Template to the BEIS Project Officer who will review and quality assure the contents.

KPIs for each project will be selected from, but may not be limited to, the BEIS Energy Innovation Portfolio KPI Performance Metrics detailed below.

KPI 3	Number (and size) of Organisations supported to deliver project (Lead Partner and Other Organisations as named on grant offer/ contract)
KPI 4	Number of active Business Relationships and Collaborations supported (Formal and Informal, Overall and New)
KPI 5	Advancement of Low Carbon Solutions- Technology Readiness Levels
KPI 6i	Initial Financial Leverage from private sector to deliver project
KPI 6ii	Follow-on Funding to take project further forward
KPI 7i	A. Reduced Unit Cost of energy- LCOE
	B. Potential Reduced Unit Cost up to 2032

KPI 7ii	A. Increased Energy Efficiency/ Reduced Energy Demand
	B. Potential Increased Energy Efficiency up to 2032
KPI 7iii	A. Increased energy system flexibility
	B. Potential Increased Energy System Flexibility up to 2032
KPI 8	Number of products (and services) sold in UK and Internationally
KPI 9	Potential reduction in CO2 emissions savings of project up to 2032

e. Intellectual Property

Organisations interested in taking part in the WHR Competition should note that BEIS does not reserve the R&D results exclusively for its own use and suppliers will retain the intellectual property generated from the project and will be expected to identify and protect patentable knowledge within five years of its creation. Costs associated with securing intellectual property arising from or associated with this project are not eligible for reimbursement and cannot be included within the contract price.

BEIS requires a UK wide, irrevocable, royalty-free, non-exclusive licence, together with the right to grant sub-licences, to use or publish information, data, results, outcomes or conclusions which are created in performing the project, for its internal non-commercial purposes.

The proposed arrangements for intellectual property rights and exploitation of IPR are set out in the Model Grant Agreement for this Competition in Annex 2 of these Guidance Notes.

f. Ownership of Equipment

Chosen suppliers will retain responsibility and ownership for the technologies and related equipment developed and used during the delivery of the projects.

11. Confidentiality and Freedom of Information

If any request is made to BEIS under the Freedom of Information Act 2000 (“FOIA”) for the release of information relating to any project or applicant, which would otherwise be reasonably regarded as confidential information, BEIS will notify you of the request as soon as we become aware of it. An applicant must acknowledge that any lists or schedules provided by it outlining information it deems confidential or commercially sensitive are of indicative value only and that BEIS may nevertheless be obliged to disclose information which the applicant considers confidential.

As part of the application process all applicants are asked to submit a public description of the project. This should be a public facing form of words that adequately describes the project but that does not disclose any information that may impact on Intellectual Property (IP), is confidential or commercially sensitive. The titles of successful projects, names of organisations, amounts awarded and the description of the project may be published once the award is confirmed as final.

All assessors used during the assessment of applications will be subject to a confidentiality agreement.

12. Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation (GDPR).

YOUR DATA

We will process the following personal data:

Names and contact details of employees involved in preparing and submitting the bid; Names and contact details of employees proposed to be involved in delivery of the contract;

Names, contact details, age, qualifications and experience of employees whose CVs are submitted as part of the bid.

Purpose

We are processing your personal data for the purposes of the tender exercise described within the remainder of this Invitation to Tender, or in the event of legal challenge to such tender exercise.

Legal basis of processing

The legal basis for processing your personal data is processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the data controller, such as the exercise of a function of the Crown, a Minister of the Crown, or a government department; the exercise of a function conferred on a person by an enactment; the exercise of a function of either House of Parliament; or the administration of justice.

Recipients

Your personal data will be shared by us with other Government Departments or public authorities where necessary as part of the tender exercise. We may share your data if we are required to do so by law, for example by court order or to prevent fraud or other crime.

Retention

All tenders will be retained for a period of 6 years from the date of contract expiry, unless the contract is entered into as a deed in which case it will be kept for a period of 12 years from the date of contract expiry.

YOUR RIGHTS

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a

justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

You have the right to object to the processing of your personal data.

INTERNATIONAL TRANSFERS

Your personal data will not be processed outside the European Union.

COMPLAINTS

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

0303 123 1113

casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

CONTACT DETAILS

The data controller for your personal data is the Department for Business, Energy & Industrial Strategy (BEIS).

You can contact the BEIS Data Protection Officer at: BEIS Data Protection Officer, Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET. Email: dataprotection@beis.gov.uk.

Annex 1 – Eligible Expenditure

A.1.1 Eligible expenditure

Directly incurred costs:

These are costs that are specific to the project that will be charged to the project as the amount actually spent, fully supported by an audit record justification of a claim. They comprise:

- Labour costs for all those contributing to the project broken down by individual;
- Material costs (including consumables specific to the project);
- Capital equipment costs;
- Sub-contract costs;
- Travel and subsistence.

Indirect costs:

Indirect costs should be charged in proportion to the amount of effort deployed on the project. Applicants should calculate them, using their own cost rates. They may include:

- General office and basic laboratory consumables;
- Library services / learning resources;
- Typing / secretarial;
- Finance, personnel, public relations and departmental services;
- Central and distributed computing;
- Overheads.

A.1.2 Ineligible expenditure

Under no circumstances can costs for the following items be claimed:

- Commercialisation activities
- Profit (i.e. applicants should not include profit for themselves or the other project team members within indirect costs or include it as a separate project cost)
- Protection of IPR
- For activities of a political or exclusively religious nature;
- In respect of costs reimbursed or to be reimbursed by funding from other public authorities or from the private sector;
- In connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
- To cover interest payments (including service charge payments for finance leases);
- For the giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual;

- For entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- To pay statutory fines, criminal fines or penalties; or
- In respect of VAT that you are able to claim from HM Revenue and Customs.
- In connection with the development of elements of a business model or solution that are outside the scope of this Competition.
- The development of new technologies in a research or piloting manner.

Annex 2 – Mandatory Exclusion Grounds

Mandatory Exclusion Grounds

Public Contract Regulations 2015 R57(1), (2) and (3)

Public Contract Directives 2014/24/EU Article 57(1)

Participation in a criminal organisation

Participation offence as defined by section 45 of the Serious Crime Act 2015

Conspiracy within the meaning of

- section 1 or 1A of the Criminal Law Act 1977 or
- article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983

where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime;

Corruption

Corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906;

The common law offence of bribery;

Bribery within the meaning of sections 1, 2 or 6 of the Bribery Act 2010, or section 113 of the Representation of the People Act 1983;

Fraud

Any of the following offences, where the offence relates to fraud affecting the European Communities' financial interests as defined by Article 1 of the convention on the protection of the financial interests of the European Communities:

- the common law offence of cheating the Revenue;
- the common law offence of conspiracy to defraud;
- fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;
- fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;
- fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;
- an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;
- destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;
- fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006;

- the possession of articles for use in frauds within the meaning of section 6 of the Fraud Act 2006, or the making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of that Act;

Terrorist offences or offences linked to terrorist activities

Any offence:

- listed in section 41 of the Counter Terrorism Act 2008;
- listed in schedule 2 to that Act where the court has determined that there is a terrorist connection;
- under sections 44 to 46 of the Serious Crime Act 2007 which relates to an offence covered by the previous two points;

Money laundering or terrorist financing

Money laundering within the meaning of sections 340(11) and 415 of the Proceeds of Crime Act 2002

An offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996

Child labour and other forms of trafficking human beings

An offence under section 4 of the Asylum and Immigration (Treatment of Claimants etc.) Act 2004;

An offence under section 59A of the Sexual Offences Act 2003

An offence under section 71 of the Coroners and Justice Act 2009;

An offence in connection with the proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994

An offence under section 2 or section 4 of the Modern Slavery Act 2015

Non-payment of tax and social security contributions

Breach of obligations relating to the payment of taxes or social security contributions that has been established by a judicial or administrative decision.

Where any tax returns submitted on or after 1 October 2012 have been found to be incorrect as a result of:

- HMRC successfully challenging the potential supplier under the General Anti – Abuse Rule (GAAR) or the “Halifax” abuse principle; or
- a tax authority in a jurisdiction in which the potential supplier is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or “Halifax” abuse principle;
- a failure to notify, or failure of an avoidance scheme which the supplier is or was involved in, under the Disclosure of Tax Avoidance Scheme rules (DOTAS) or any equivalent or similar regime in a jurisdiction in which the supplier is established

Other offences

Any other offence within the meaning of Article 57(1) of the Directive as defined by the law of any jurisdiction outside England, Wales and Northern Ireland

Any other offence within the meaning of Article 57(1) of the Directive created after 26th February 2015 in England, Wales or Northern Ireland

Discretionary exclusion grounds

Obligations in the field of environment, social and labour law.

Where an organisation has violated applicable obligations in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Directive (see copy below) as amended from time to time; including the following:-

- Where the organisation or any of its Directors or Executive Officers has been in receipt of enforcement/remedial orders in relation to the Health and Safety Executive (or equivalent body) in the last 3 years.
- In the last three years, where the organisation has had a complaint upheld following an investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in any jurisdiction other than the UK), on grounds of alleged unlawful discrimination.
- In the last three years, where any finding of unlawful discrimination has been made against the organisation by an Employment Tribunal, an Employment Appeal Tribunal or any other court (or incomparable proceedings in any jurisdiction other than the UK).
- Where the organisation has been in breach of section 15 of the Immigration, Asylum, and Nationality Act 2006;
- Where the organisation has a conviction under section 21 of the Immigration, Asylum, and Nationality Act 2006;
- Where the organisation has been in breach of the National Minimum Wage Act 1998.

Bankruptcy, insolvency

Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State;

Grave professional misconduct

Guilty of grave professional misconduct

Distortion of competition

Entered into agreements with other economic operators aimed at distorting competition

Conflict of interest

Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the bidding procedure

Been involved in the preparation of the bidding procedure.

Prior performance issues

Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions.

Misrepresentation and undue influence

The organisation has influenced the decision-making process of the grant funding authority to obtain confidential information that may confer upon the organisation undue advantages in the bidding procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.

Additional exclusion grounds

Breach of obligations relating to the payment of taxes or social security contributions.

ANNEX X Extract from Public Procurement Directive 2014/24/EU

LIST OF INTERNATIONAL SOCIAL AND ENVIRONMENTAL CONVENTIONS REFERRED TO IN ARTICLE 18(2) —

- ILO Convention 87 on Freedom of Association and the Protection of the Right to Organise;
- ILO Convention 98 on the Right to Organise and Collective Bargaining;
- ILO Convention 29 on Forced Labour;
- ILO Convention 105 on the Abolition of Forced Labour;
- ILO Convention 138 on Minimum Age;
- ILO Convention 111 on Discrimination (Employment and Occupation);
- ILO Convention 100 on Equal Remuneration;
- ILO Convention 182 on Worst Forms of Child Labour;
- Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);
- Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention)
- Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.

Consequences of misrepresentation

A serious misrepresentation which induces a grant funding authority to enter into an agreement may have the following consequences for the signatory that made the misrepresentation:-

- The potential supplier may be excluded from bidding for grants for three years, under regulation 57(8)(h)(i) of the PCR 2015;
- The grant funding authority may sue the supplier for damages and may rescind the contract under the Misrepresentation Act 1967.
- If fraud, or fraudulent intent, can be proved, the potential supplier or the responsible officers of the potential supplier may be prosecuted and convicted of the offence of

fraud by false representation under s.2 of the Fraud Act 2006, which can carry a sentence of up to 10 years or a fine (or both).

- If there is a conviction, then the company must be excluded from bidding for five years under reg. 57(1) of the PCR (subject to self-cleaning).

Whiteboard

Annex 3 – Undertaking in Difficulty Definition

The definition of an 'undertaking in difficulty' set out below is taken from the General Block Exemption Regulation 2014⁸:

(18) 'undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU (1) and 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a company where at least some members have unlimited liability for the debt of the company' refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

(1) the undertaking's book debt to equity ratio has been greater than 7,5 and

(2) the undertaking's EBITDA interest coverage ratio has been below 1,0.

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20170710&from=EN>

Annex 4 – Example Grant Agreement terms and Conditions

BEIS proposes to use its Model Grant Agreement as the basis of the terms and conditions for the Whole House Retrofit Innovation Competition. The current Model Grant Agreement terms and conditions are attached below for information.

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

Between:

- (1) SECRETARY OF STATE FOR Department for Business, Energy and Industrial Strategy, whose principal address is at 1 Victoria Street, London, SW1H0ET, United Kingdom, (the “**Authority**”)
- (2) [INSERT THE FULL NAME OF THE GRANT RECIPIENT], whose principal address is at [ADDRESS] (the “**Grant Recipient**”).

In relation to:

Project Name: [insert project name]

Project Number: [insert project number]

BACKGROUND

- (A) The Grant is made pursuant to section 5 of the Science and Technology Act 1965. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Funding Letter.
- (B) The Authority ran a competition for grant applications in respect of Whole House Retrofit Innovation Competition.
- (C) The Grant Recipient was successful under that competition and the Authority awarded it a grant to deliver [].
- (D) The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement.
- (E) The Grant Recipient will use the Grant solely for the Funded Activities.

The conditions collectively (the **Conditions**) are as follows:

1. INTRODUCTION

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority up to the Maximum Sum.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in accordance with this Grant Funding Agreement.
- 1.3. The Authority makes the Grant to the Grant Recipient on the basis of the Grant Recipient’s grant application a copy of which is attached at Annex 1 Part B for the provision of [the purpose of the grant].

- 1.4. The Parties confirm that it is their intention to be legally contractually 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 or Major Asset as appropriate in the relevant context, and **Assets** will be construed accordingly;

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

Authority Personal Data means any Personal Data supplied for the purposes of, or in connection with, the Grant 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;

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

Commencement Date means the date on which the Grant Funding Agreement comes into effect, being the **[Insert commencement date]**;

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 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 2 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the GDPR;

Change of Control means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transaction;

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

Data Protection Legislation means (i) the GDPR, and any applicable 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; and (iii) all applicable Law relating to the processing of Personal Data and privacy;

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

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, as the context requires, either:

- (a) a body that takes over the functions of the European Commission in the United Kingdom on the date it withdraws from the European Union; or

(b) the relevant court in England which takes over the functions of the Court of Justice of the European Union in England on the date the United Kingdom withdraws from the European Union;

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

Eligibility Criteria mean the Authority's selection criteria used to determine who should be grant recipients including the Grant Recipient;

Eligible Expenditure means the expenditure incurred 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 set out in paragraph 25.1;

Financial Year means from 1 April to 31 March;

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

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

Funded Activities means the activities set out in Annex 2;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on 31 March 2021;

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

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with paragraph 4 and subject to the provisions set out at paragraph 25.

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

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

Grant Funding Letter means the letter the Authority issued to the Grant Recipient dated [], 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;

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 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 in relation to the Funded Activities 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;

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

Law mean any applicable law, statute, byelaw, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation;

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

Major Asset means an Asset being used for the Funded Activities which is not a Fixed Asset but has a value as at the date of this funding Agreement of at least £10,000;

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

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to paragraph 25;

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

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

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

Prohibited Act means:

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

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

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 25.4;

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

Special Payments means ex gratia expenditure **by the Grant Recipient to a third party** where no legal obligations 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 Articles 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;

Unspent Monies means any monies paid to the Grant Recipient in advance of its Eligible

Expenditure, which remains unspent and uncommitted at the end of the Financial Year, the Funding Period or because of termination or breach of these Conditions;

VAT means value added tax chargeable in the UK;

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

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

- (i) the singular includes the plural and vice versa;
- (ii) reference to a gender includes the other gender and the neuter;
- (iii) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- (iv) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (v) 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";
- (vi) 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;
- (vii) 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;
- (viii) 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
- (ix) 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. Schedule 1 – The Authority's Grant Funding Letter;

CONDITIONS

3. DURATION AND PURPOSE OF THE GRANT

- 3.1. The Funding Period starts on [] (the **Commencement Date**) and ends on 30 September 2021 unless terminated earlier in accordance with this Grant Funding Agreement.
- 3.2. The Grant Recipient will ensure that the Funded Activities start on [xx Month 20xx] but where this has not been possible, that they start no later than 3 months after the Commencement Date.
- 3.3. The Grant Recipient shall use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities.

If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on one calendar month written notice to the Grant Recipient.

4. PAYMENT OF GRANT

- 4.1. Subject to the remainder of this paragraph 4 the Authority shall pay the Grant Recipient an amount not exceeding **[insert the total Grant amount in words and pound sterling]**. The Authority shall pay the Grant in pound sterling (GBP) and into a bank located in the UK.
- 4.2. The Grant Recipient must complete and sign the Confirmation of Bank Details and Signatories (Annex 4) as part of their acceptance of the Grant. No payment can be made in advance of receipt of a correctly completed and signed form.
- 4.3. The signatory must be the chief finance officer or someone with proper delegated authority. Any change of bank details must be notified immediately on the same form and signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.
- 4.4. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities.
- 4.5. The Authority will only pay the Grant to the Grant Recipient in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities. The Authority will not pay the Grant until it is satisfied that the Grant Recipient has paid for the Funded Activities in full and the Funded Activities have been delivered during the Funding Period.
- 4.6. The Grant Recipient will provide the Authority with evidence of the costs/payments, which are classified as Eligible Expenditure in paragraph 5.2, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority.
- 4.7. The Grant Recipient shall declare to the Authority any Match Funding which been approved or received, before the Commencement Date. If the Grant Recipient intends to apply for, is

offered or receives any further Match Funding during the Funding Period, the Grant Recipient shall notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient shall confirm the amount, purpose and source of the Match Funding and the Authority shall confirm whether it is agreeable to the Grant Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority shall be entitled to terminate the Grant Funding Agreement in accordance with paragraph 25.1.8 and where applicable, require all or part of the Grant to be repaid.

- 4.8. Where the use of Match Funding is permitted the Grant Recipient shall set out any Match Funding it receives in the format required by Annex 3 and send that to the Authority. This is so the Authority knows the total funding the Grant Recipient has received for the Funded Activities.
- 4.9. The Grant Recipient agrees that:
- 4.9.1. it 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;
- 4.9.2. the Authority may refer the Grant Recipient to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;
- 4.9.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
- (i) the Grant will be used for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.
- 4.10. The Grant Recipient shall submit by the **the tenth** Working Day of the month following the end of the relevant Instalment Period the Grant Claim together with a copy of Annex 5 of these Conditions (Eligible Expenditure) and any other documentation as prescribed by the Authority, from time to time.
- 4.11. Unless otherwise stated in these Conditions, payment of the Grant will be made within 30 days of the Authority approving the Grant Recipient's Grant Claim.
- 4.12. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- 4.13. The Authority reserves the right not to pay any Grant Claims, which are not submitted within the period set out in paragraph 4.10 or Grant Claims, which are incomplete, incorrect or

submitted without the full supporting documentation.

- 4.14. The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this paragraph 4.14, shall fall due immediately. If the Grant Recipient fails to repay the due sum within 30 working days the sum will be recoverable summarily as a civil debt.
- 4.15. The Grant will be paid into a separate bank account in the name of the Grant Recipient which must be an ordinary business bank account. All cheques from the bank account must be signed by at least two individual Representatives of the Grant Recipient.
- 4.16. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that Third Party. The Authority has no responsibility for paying Third Party invoices.
- 4.17. Onward payment of the Grant and the use of sub-contractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.18. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.19. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Authority no later than 30 days of the Authority's request for repayment.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1. The Authority will only pay to 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 Activities:
 - 5.2.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
 - 5.2.2. giving evidence to Parliamentary Select Committees;

- 5.2.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
 - 5.2.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);
 - 5.2.5. providing independent, evidence based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
 - 5.2.6. providing independent evidence based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.
- 5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:
- 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
 - 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
 - 5.3.3. using the Grant to petition for additional funding;
 - 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
 - 5.3.5. input VAT reclaimable by the grant recipient from HMRC;;
 - 5.3.6. payments for activities of a political or exclusively religious nature;
- 5.4. Other examples of expenditure, which are prohibited, include the following:
- 5.4.1. contributions in kind;
 - 5.4.2. interest payments or service charge payments for finance leases;
 - 5.4.3. gifts;

- 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- 5.4.5. payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
- 5.4.6. bad debts to related parties;
- 5.4.7. payments for unfair dismissal or other compensation;
- 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient ;
- 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Funding Letter); and
- 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority.

6. ANNUAL GRANT REVIEW

- 6.1. The Authority will review the Grant annually. The Authority will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs set out in Annex 6 of these Conditions by the Grant Recipient in accordance with paragraph 7.2 of these Conditions.
- 6.2. Each annual review may result in the Authority deciding that (for example a non-exclusive list includes):
 - 6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;
 - 6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;
 - 6.2.3. the outputs should be re-defined and agreed;
 - 6.2.4. the Grant Recipient should provide the Authority with a draft Remedial Action Plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;
 - 6.2.5. the Authority should recover any Unspent Monies;
 - 6.2.6. the Grant be terminated in accordance with paragraph 25.11 of these Conditions.
- 6.3. If the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with paragraph 6.2.4 the Remedial Action Plan process set out in paragraph 25.4 to 25.10 shall apply.

- 6.4. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with paragraph 6.2. The Authority is not however obliged to take such representations into account when making its decision as any such decision will be final and at the Authority's absolute discretion.

7. MONITORING AND REPORTING

- 7.1. The Grant Recipient shall closely monitor the delivery and success of the Funded Activities throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are achieved.
- 7.2. The Grant Recipient shall provide the Authority with all reasonable assistance and co-operation in relation to any ad-hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement.
- 7.3. The Grant Recipient shall also provide the Authority with annual and quarterly reports on:
- 7.3.1. the progress made towards achieving the agreed outputs and the defined longer term outcomes set out in Annex 6 of these Conditions. Where possible, the report will quantify what has been achieved by reference to the Funded Activities' targets; and
 - 7.3.2. if relevant, provide details of any Assets either acquired or improved using the Grant.
- 7.4. The Grant Recipient will permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and will, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.
- 7.5. The Grant Recipient will record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.
- 7.6. The Grant Recipient will notify the Authority as soon as reasonably practicable of:
- 7.6.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and
 - 7.6.2. actual or potential variations to the Eligible Expenditure set out in Annex 5 of these Conditions and/or any event which materially affects the continued accuracy of such information.
- 7.7. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of its annual and quarterly reports:

- 7.7.1. that the reports and information it gives pursuant to this paragraph 7 are accurate;
- 7.7.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
- 7.7.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. AUDITING AND ASSURANCE

- 8.1. Within six 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 a statement showing that the Grant has been certified by an independent and appropriately qualified auditor. Accompanied by the Grant Recipient's 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 Activities sites and relevant records. The Grant Recipient will ensure that necessary information and access rights are explicitly included within all arrangements with sub-contractors.
- 8.3. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient will, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.4. The Grant Recipient shall:
 - 8.4.1. nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.4.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.
- 8.5. The Grant Recipient shall retain all invoices, receipts, accounting records and any other documentation (including but not limited to, correspondence) relating to the Eligible Expenditure; income generated by the Funded Activities during the Funding Period for a period of ten years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activities for a period of ten years from the date on which the Funding Period ends.

- 8.7. The Grant Recipient will promptly provide revised forecasts of income and expenditure:
- 8.7.1. when these forecasts increase or decrease by more than 15% of the original expenditure forecasts; and/or
 - 8.7.2. at the request of the Authority.
- 8.8. Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file their annual return and accounts by the dates specified by Companies House.
- 8.9. Where the Grant Recipient is a registered charity, the Grant Recipient must file their charity annual return by the date specified by the Charity Commissioner.
- 8.10. The Grant Recipient shall provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner. If a Grant Recipient fails to comply with paragraphs [8.8] or [8.9] of these Conditions the Authority may suspend funding or terminate the Grant Funding Agreement in accordance with paragraph 25.1.1 of these Conditions.

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

- 9.1. The Grant Recipient will at all times comply with all applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified. The Grant Recipient shall explain to the Authority what steps are being taken to investigate the irregularity and shall keep the Authority informed about the progress of any such investigation. The Authority may however request that the matter referred (which the Grant Recipient is obliged to carry out) to external auditors or other Third Party as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that the Grant Recipient address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for Grant support and may be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax

avoidance in the opinion of Her Majesty's Revenue and Customs.

- 9.6. For the purposes of paragraph 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. CONFLICTS OF INTEREST

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

11. CONFIDENTIALITY

- 11.1. Except to the extent set out in this paragraph 11 or where disclosure is expressly permitted, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.
- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this paragraph 11 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:
- 11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or
 - 11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information under 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 including but not limited to the Information Acts and the HRA.
- 13.2. Where requested by the Authority, the Grant Recipient will provide reasonable assistance and cooperation to enable the comply with its information disclosure obligations under the Information Acts.
- 13.3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
- 13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. DATA PROTECTION, PUBLIC PROCUREMENT AND STATE AID

Data Protection

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

Public Procurement

- 14.2. The Grant Recipient will ensure that any of its Representatives involved in the Funded Activities will, adopt such policies and procedures that are required in order to ensure that

value for money has been obtained in the procurement of goods or services funded by the Grant.

- 14.3. 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

- 14.4. The Grant Recipient will ensure the Funded Activities are compatible with State Aid Law.
- 14.5. 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.
- 14.6. The Grant is awarded under the EU State Aid General Block Exemption Regulation ("GBER")⁹ and is subject to the conditions in Annex 10 Part 2 of these Conditions.

15. INTELLECTUAL PROPERTY RIGHTS

- 15.1. 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.
- 15.2. The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use the public project report for the purpose of supporting other projects.
- 15.3. Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 15.4. 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.

⁹ Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.14, p.1).

16. ENVIRONMENTAL REQUIREMENTS

- 16.1. 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.
- 16.2. 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.
- 16.3. 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, in which case the Authority shall be notified in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

17. ASSETS

Inventory of the Assets

- 17.1. The Grant Recipient must keep a register of all Fixed Assets or Major Assets acquired or improved at a cost exceeding £10,000, wholly or partly using the Grant provided under the Grant Funding Agreement. Where the cost of purchasing or improving the Fixed Assets or Major Assets is less than £100,000 authorisation is not required, but the Asset should be recorded on the fixed asset register.
- 17.2. Assets purchased with Grant funding must only be used for delivery of the Funded Activities.
- 17.3. For each entry in the register the following particulars must be shown where appropriate:
 - 17.3.1. date of acquisition or improvement;
 - 17.3.2. description of the Asset;
 - 17.3.3. cost, net of recoverable VAT;
 - 17.3.4. location of the Asset;
 - 17.3.5. serial or identification numbers;

17.3.6. location of the title deeds;

17.3.7. date of any Disposal;

17.3.8. depreciation/amortisation policy applied;

17.3.9. proceeds of any Disposal net of VAT; and

17.3.10. the identity of any person to whom the Asset has been transferred or sold.

17.4. The Authority reserves the right to require the Grant Recipient to maintain the above particulars as set out in 17.3.1-17.3.10 for any additional items which the Authority considers material to the overall Grant.

Disposal of Asset

17.5. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.

17.6. Assets purchased or improved using the Grant shall be owned by the Authority until ownership is transferred disposed or is otherwise agreed in writing by the Authority. The Authority reserves the right to determine the outcome of any Asset created as a result of the Funded Activities or purchased with the Grant.

17.7. The Grant Recipient must not dispose of any Assets that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with the Grant without the prior written consent of the Authority. If the Authority grants consent to the Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Authority.

17.8. If the Grant Recipient disposes of any Asset without the prior written consent of the Authority, the Grant Recipient must use all reasonable endeavours to achieve the market price for the Assets and must pay to the Authority a proportion of the proceeds of such sale, equivalent to the proportion of the purchase or development costs of the Assets that was funded by the Grant, provided that the Authority may at its discretion allow the Grant Recipient to keep all or a part of the relevant proceeds where:

17.8.1. the sale of the Assets takes place after the end of the Asset Owning Period;

17.8.2. the proceeds of sale are to be applied directly to the purchase by the Grant Recipient of assets that are equivalent to or replacements for the Assets; or

17.8.3. the Authority is otherwise satisfied that the Recipient will apply those proceeds for

purposes related to the Funded Activities.

- 17.9. The Grant Recipient shall hold the proceeds from the Disposal of any Asset on trust for the Authority.

Charging of any Asset

- 17.10. The Grant Recipient shall not create any charge, legal mortgage, debenture or lien over any Asset without the prior written consent of the Authority.

18. INSURANCE

- 18.1. The Grant Recipient will during the term of the Funding Period and for 6 years after termination or expiry of these Conditions, ensure that it has and maintains, at all times adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement.
- 18.2. 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.
- 18.3. Where the Grant Recipient receives more than 10 per cent of the Grant Recipient's total income from public funds, the Grant Recipient will notify the Authority. The Authority will review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement.

19. ASSIGNMENT

- 19.1. 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.
- 19.2. 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.

20. SPENDING CONTROLS – MARKETING, ADVERTISING, COMMUNICATIONS AND CONSULTANCY

- 20.1. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure on advertising, communications, consultancy or marketing either in connection with, or using the Grant.
- 20.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant will deliver measurable outcomes that meet government objective to secure value for money.

21. LOSSES, GIFTS AND SPECIAL PAYMENTS

- 21.1. The Grant Recipient must obtain prior written consent from the Authority before:

- 21.1.1. writing off any debts or liabilities;
- 21.1.2. offering to make any Special Payments; and
- 21.1.3. giving any gifts.

in connection with this Grant Funding Agreement.

- 21.2. The Grant Recipient will keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activities.

22. BORROWING

- 22.1. In accordance with paragraph 17.10 and this 22, the Grant Recipient must obtain prior written consent from the Authority before:

- 22.1.1. borrowing or lending money from any source in connection with the Grant Funding Agreement; and
- 22.1.2. giving any guarantee, indemnities or letters of comfort that relate to the Grant Funding Agreement, or have any impact on the Grant Recipient's ability to deliver the Funded Activities set out in the Grant Funding Agreement.

23. PUBLICITY

- 23.1. The Grant Recipient gives consents to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application or any monitoring reports submitted to the Authority in accordance with paragraph 7.2 of these Conditions.
- 23.2. 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.

- 23.3. The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.
- 23.4. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.
- 23.5. The Grant Recipient will acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) will include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.
- 23.6. In using the Authority's name and logo, the Grant Recipient will comply with all reasonable branding guidelines issued by the Authority from time to time.

24. CHANGES TO THE AUTHORITY'S REQUIREMENTS

- 24.1. The Authority will notify the Grant Recipient of any changes to their activities, which are supported by the Grant.
- 24.2. The Grant Recipient will accommodate any changes to the Authority's needs and requirements under these Conditions.

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

Events of Default

- 25.1. The Authority may exercise its rights set out in paragraph 25.2 if any of the following events occur:
- 25.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities;
- 25.1.2. the Grant Recipient fails to comply with its obligations under the Grant Funding Agreement, which is material in the opinion of the Authority;
- 25.1.3. where delivery of the Funded Activities do not start within three (3) months of the

Commencement Date and the Grant Recipient fails to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new date on which the Funded Activities shall start with the Authority;

25.1.4. the Grant Recipient uses the Grant for Ineligible Expenditure;

25.1.5. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activities and in particular, with meeting the Agreed Outputs set out in Annex 6 of these Conditions;

25.1.6. the Grant Recipient fails to:

- (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to paragraph 25.3.4 or paragraph 6.2.4; or
- (ii) improve delivery of the Funded Activities in accordance with the Remedial Action Plan approved by the Authority;

25.1.7. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);

25.1.8. the Grant Recipient fails to declare Duplicate Funding;

25.1.9. the Grant Recipient fails to declare any Match Funding in accordance with paragraph 4.7;

25.1.10. the Grant Recipient receives funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;

25.1.11. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;

25.1.12. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient, its Representatives or a Third Party, as soon as they become aware of it;

25.1.13. the Authority determines (acting reasonably) that the Grant Recipient or any of its Representatives has:

- (i) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or

- (ii) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
- (iii) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
- (iv) failed to act in accordance with the Law, howsoever arising, including incurring expenditure on unlawful activities;

25.1.14. the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);

25.1.15. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;

25.1.16. 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, as set out in paragraph 14;

25.1.17. 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 30.2;

25.1.18. The Grant Recipient undergoes a Change of Control which the Authority, acting reasonably, considers:

25.1.19. will be materially detrimental to the Funded Activities and/or;

25.1.20. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;

25.1.21. the Authority believes that the Change of Control would raise national security concerns and/or;

25.1.22. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given.

25.2. Where, the Authority determines that an Event of Default has or may have occurred, the Authority shall notify the Grant Recipient to that effect in writing, setting out any relevant details, of the failure to comply with these Conditions or pertaining the Event of Default, and details of any action that the Authority intends to take or has taken.

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

25.3. Where, the Authority determines that an Event of Default has or may have occurred, the

Authority shall take any one or more of the following actions:

- 25.3.1. suspend or terminate the payment of Grant for such period as the Authority shall determine; and/or
- 25.3.2. reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
- 25.3.3. require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums shall be recovered as a civil debt; and/or
- 25.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) in accordance with the procedure set out in paragraph 25.3;
- 25.3.5. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

- 25.4. Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan in accordance with paragraph 25.3.4, the draft Remedial Action Plan shall be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.
- 25.5. The draft Remedial Action Plan shall set out:
 - 25.5.1. full details of the Event of Default; and
 - 25.5.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales.
- 25.6. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority will submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 25.7. The Authority shall have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority shall confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 25.8. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 25.9. If the Authority does not approve the draft Remedial Action Plan the Authority may, at its absolute discretion, terminate the Grant Funding Agreement.

25.10. The Authority shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either paragraph 25.3.3 or 25.3.4 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Authority.

General Termination rights – Termination for Convenience

25.11. Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to paragraph 225.3.5 above, either Party may terminate the Grant Funding Agreement at any time by giving at least 3 months written notice to the other Party.

25.12. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) shall be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.

25.13. If the Authority terminates the Grant Funding Agreement in accordance with paragraph 25.11 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs will be identified by the Grant Recipient and will be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by the Authority.

25.14. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

Change of Control

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

25.16. The Grant Recipient shall ensure that any notification made pursuant to paragraph 25.15 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

25.17. Where the Grant Recipient has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under paragraph 25.15 shall include any changes to the consortium members as well as the lead Grant Recipient.

25.18. Following notification of a Change of Control the Authority shall be entitled to exercise its rights under paragraph 25.1.18.1 of these Conditions providing the Grant Recipient with notification

of its proposed action in writing within three (3) months of:

- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
- (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

25.19. The Authority shall not be entitled to terminate where an approval was granted prior to the Change of Control.

26. EXIT PLAN

26.1. Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient shall prepare the Exit Plan within three (3) months of the signing of the Grant Funding Agreement and shall comply with the exit provisions set out in Annex 9 of these Conditions.

27. DISPUTE RESOLUTION

27.1. 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.

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

27.3. If the dispute cannot be resolved between the Parties Representatives within a maximum of 3 months, then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

28. LIMITATION OF LIABILITY

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

28.2. Subject to this paragraph 28, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

29. VAT

29.1. 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.

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

30. CODE OF CONDUCT FOR GRANT RECIPIENTS

30.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct, which includes ensuring that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.

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

30.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 25.1.17.

31. NOTICES

31.1. All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in Annex 7 or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in Annex 7 (Contact Details). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

32. GOVERNING LAW

32.1. These Conditions will be governed by and construed in accordance with the law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.

SIGNED by:

.....

Signature

**for and on behalf of the
Department for Business,
Energy and Industrial
Strategy**

.....

Title

.....

Date

SIGNED by

.....

Signature

for and on behalf of []

.....

Title

.....

Date

ANNEX 1 – GRANT Funding LETTER and grant application
PART A - GRANT FUNDING LETTER

[Include a copy of your Grant Funding Letter]

UNIVERSITY OF
WITwatersrand

ANNEX 1

PART B – GRANT RECIPIENT'S [GRANT APPLICATION]

[Include the Grant Recipient's application here]

UNREVIEWED DRAFT

ANNEX 2 –THE FUNDED ACTIVITIES

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

We expect this to be populated with our requirements from the Competition proposal and the Project Proposal.

1.1. **Aims and objectives of the Funded Activities**

We expect this to be populated with our requirements from the Competition proposal and the Project Proposal.

2. **Funded Activities**

The table below outlines the work packages to be completed during the project.

Work package number	Work package name	Project partner lead for work package	Brief description of work package including key tasks
WP1			
WP2			
WP3			
WP4			

ANNEX 3 – PAYMENT SCHEDULE

INSTALMENT/ INSTALMENT PERIOD	GRANT SUM PAYABLE	PAYMENT MILESTONE (month and year)	DATE/
Year 1			
1 st			
2 nd			
3 rd			
4 th			
Total for Year 1			
Year 2			
1 st			
2 nd			
3 rd			
4 th			
Total for Year 2			
Funding retained from previous year(s)			
Total for Grant			

Approved Match Funding

GRANT FUNDING PERIOD	TOTAL MATCH FUNDING RECEIVED	MATCH FUNDING PAYMENT DATE
Year 1		
Year 2		
Year 3		

ANNEX 4 – GRANT RECIPIENT'S 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"/>

Part 2: Bank details

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

Part 3: Address for remittance advice

Choose one method only

Send our remittance advice by post

Postal address (if different from Part 1)

Postcode

Send our remittance advice via email

Part 4: Authorised signatories

Name

Position in the organisation

Signature

Date

Name

Position in the organisation

Signature

Date

Part 5: Grant recipient declaration

To be completed by the person who signed the Grant Letter/ Grant Funding Agreement

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

Name

Signature *(the person who signed the agreement)*

Date

Return this form to the address indicated in the Grant Letter, alongside a signed Grant Funding Agreement.

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

ANNEX 6 – AGREED OUTPUTS AND LONG TERM OUTCOMES

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

Agreed Outputs

- 1.
- 2.
- 3.
- 4.

Outputs measured Year 1	Measure	Frequency (annually/quarterly/monthly/other)
Year 2		

ANNEX 7 – CONTACT DETAILS

The main departmental contact in connection with the Grant is:

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

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

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

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

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

ANNEX 8 – DATA PROTECTION PROVISIONS

DATA PROTECTION LEGISLATION PARAGRAPH DEFINITIONS:

Breach, Data Protection Officer and Data Subject, take the meaning given in the GDPR.

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

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

Data Subject Request: a request made by, or on behalf of, a data subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

GDPR: the General Data Protection Regulation (*Regulation (EU) 2016/679*).

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Processor Personnel: means all directors, officers, employees, agents, consultants and Recipients of the Processor and/or of any sub-Processor engaged in the performance of its obligations under these Conditions.

Protective Measures: appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it.

Sub-processor: any Third Party appointed to process Personal Data on behalf of that Processor related to these Conditions.

DATA PROTECTION

1. DATA PROTECTION

- 1.1 The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Grant Recipient is the Processor unless otherwise specified in this Annex 8. The only processing that the Processor is authorised to do is listed in Part 1 of Annex 8 by the Controller and may not be determined by the Processor.
- 1.2 The Processor shall notify the Controller immediately if it considers that any of the Controller's instructions infringe the Data Protection Legislation.
- 1.3 The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:

- (a) a systematic description of the envisaged processing operations and the purpose of the processing;
- (b) an assessment of the necessity and proportionality of the processing operations in relation to the Services;
- (c) an assessment of the risks to the rights and freedoms of data subjects; and
- (d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.

1.4 The Processor shall, in relation to any Personal Data processed in connection with its obligations under these Conditions:

- (a) process that Personal Data only in accordance with this Annex 8, unless the Processor is required to do otherwise by Law. If it is so required the Processor shall promptly notify the Controller before processing the Personal Data unless prohibited by Law;
- (b) ensure that it has in place Protective Measures, which are appropriate to protect against a Data Loss Event, which the Controller may reasonably reject (but failure to reject shall not amount to approval by the Controller of the adequacy of the Protective Measures), having taken account of the:
 - (i) nature of the data to be protected;
 - (ii) harm that might result from a Data Loss Event;
 - (iii) state of technological development; and
 - (iv) cost of implementing any measures;
- (c) ensure that :
 - (i) the Processor Personnel do not process Personal Data except in accordance with these Conditions (and in particular Part 1 of Annex 8);
 - (ii) it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
 - (A) are aware of and comply with the Processor's duties under this paragraph;
 - (B) are subject to appropriate confidentiality undertakings with the Processor or any sub-processor;
 - (C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any Third Party unless directed in writing to do so by the Controller or as otherwise permitted by these Conditions; and
 - (D) have undergone adequate training in the use, care, protection and handling of Personal Data; and
- (d) not transfer Personal Data outside of the EU unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
 - (i) the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Controller;
 - (ii) the Data Subject has enforceable rights and effective legal remedies;
 - (iii) the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
 - (iv) the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data;
- (e) at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Agreement unless the Processor is required by Law to retain the Personal Data.

1.5 Subject to paragraph 1.6, the Processor shall notify the Controller immediately if it:

- (a) receives a Data Subject Request (or purported Data Subject Request);
- (b) receives a request to rectify, block or erase any Personal Data;

- (c) receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - (d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under these Conditions;
 - (e) receives a request from any Third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - (f) becomes aware of a Data Loss Event.
- 1.6 The Processor's obligation to notify under paragraph 1.5 shall include the provision of further information to the Controller in phases, as details become available.
- 1.7 Taking into account the nature of the processing, the Processor shall provide the Controller with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under paragraph 1.5 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
- (a) the Controller with full details and copies of the complaint, communication or request;
 - (b) such assistance as is reasonably requested by the Controller to enable the Controller to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
 - (c) the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
 - (d) assistance as requested by the Controller following any Data Loss Event;
 - (e) assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- 1.8 The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this paragraph. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
- (a) the Controller determines that the processing is not occasional;
 - (b) the Controller determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; or
 - (c) the Controller determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 1.9 The Processor shall allow for audits of its Data Processing activity by the Controller or the Controller's designated auditor.
- 1.10 Each Party shall designate its own data protection officer if required by the Data Protection Legislation.
- 1.11 Before allowing any Sub-processor to process any Personal Data related to these Conditions, the Processor must:
- (a) notify the Controller in writing of the intended Sub-processor and processing;
 - (b) obtain the written consent of the Controller;
 - (c) enter into a written agreement with the Sub-processor which give effect to the terms set out in this paragraph 1.11 such that they apply to the Sub-processor; and
 - (d) provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.
- 1.12 The Processor shall remain fully liable for all acts or omissions of any of its Sub-processors.
- 1.13 The Controller may, at any time on not less than 30 Working Days' notice, revise this paragraph by replacing it with any applicable controller to processor standard paragraphs or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to these Conditions).
- 1.14 The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Controller may on not less than 30 Working Days' notice to the Processor amend these Conditions to ensure that it complies with any guidance issued by the Information Commissioner's Office.

- 1.15 Where the Parties include two or more Joint Controllers as identified in Part 1 of Annex 8 in accordance with GDPR Article 26, those Parties shall enter into a Joint Controller Agreement based on the terms outlined in Part 2 of Annex 8 in replacement of paragraphs 1.1-1.14 for the Personal Data under Joint Control.

UNREVIEWED DRAFT

ANNEX 8 PART 1: SCHEDULE OF PROCESSING, PERSONAL DATA AND DATA SUBJECTS

This Annex shall be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Annex shall be with the Controller at its absolute discretion.

1. The contact details of the Controller's Data Protection Officer are: [Insert Contact details]
2. The contact details of the Processor's Data Protection Officer are: [Insert Contact details]
3. The Processor shall comply with any further written instructions with respect to processing by the Controller.
4. Any such further instructions shall be incorporated into this Annex.

Description	Details
Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Grant Recipient is the Processor in accordance with paragraph 1.1.
Subject matter of the processing	
Duration of the processing	
Nature and purposes of the processing	
Type of Personal Data being Processed	
Categories of Data Subject	
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to	

ANNEX 8 Part 2: Annex for Joint Controller Agreements

In this Annex the Parties must outline each Party's responsibilities for:

- providing information to data subjects under [Article 13 and 14](#) of the GDPR.
- responding to data subject requests under [Articles 15-22](#) of the GDPR
- notifying the Information Commissioner (and data subjects) where necessary about data breaches
- maintaining records of processing under [Article 30](#) of the GDPR
- carrying out any required Data Protection Impact Assessment
- The agreement must include a statement as to who is the point of contact for data subjects.

The essence of this relationship shall be published.

ANNEX 8 Annex for Independent Controller

1. The Parties acknowledge that for the purpose of Data Protection Legislation the Grant Recipient is the Controller of any Personal Data processed by it pursuant to the Funded Activities. To the extent that the Grant Recipient and the Authority share any Personal Data for the purposes specified in paragraph 4, the Parties acknowledge that they are each separate independent Controllers in respect of such data.
2. The Grant Recipient shall (and shall procure that any of its Representatives shall) adhere to all applicable provisions of the Data Protection Legislation and not put the Authority in breach of the Data Protection Legislation.
3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
4. Subject to clause 6(b), the Grant Recipient agrees that the Authority and its Representatives may use Personal Data which the Grant Recipient provides about its staff and partners involved in the Funded Activities to exercise the Authority's rights under this Agreement and or to administer the Grant or associated activities. Furthermore, the Authority agrees that the Grant Recipient and its Representatives may use Personal Data which the Authority provides about its staff involved in the Funded Activities to manage its relationship with the Authority.
5. The Grant Recipient agrees that the Authority may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government [and that these details may appear on the Government Grants Information System database which is available for search by other funders.
6. The Authority and the Grant Recipient shall:
 - (a) ensure that the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
 - (b) ensure that it only shares Personal Data with the other Party to the extent required in connection with Funded Activities.
7. Where a Party (the "**Data Receiving Party**") receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Agreement:
 - 7.1. the other Party shall provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or

- 7.2. where the request or correspondence is directed to the other party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party will:
 - 32.2. promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and shall forward such request or correspondence to the other Party; and
 - 32.3. provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
8. Each Party shall promptly notify the other Party upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Agreement and shall:
 - 8.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;
 - 8.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 8.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 8.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
9. Without limiting any other provision of this Annex 8, Part 2, each of the Parties shall, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data.
10. The Authority and the Grant Recipient shall not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Agreement.
11. The Grant Recipient will notify the Authority of any change to its constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers.

ANNEX 9 - EXIT

1. The following definitions shall apply in addition to the definitions contained in paragraph 2.1 of these Conditions (Definitions):

“Exit Plan” means the plan prepared and submitted by the Grant Recipient to the Authority to enable the smooth closure of transfer of the Funded Activities to the Authority or successor of the Grant Recipient.

General

2. The Grant Recipient will prepare an Exit Plan within the first three months of this Grant Funding Agreement to allow the smooth closure of the Funded Activities.
3. Where the Authority intends to continue the operation of the Funded Activities in broadly the same way after expiry or termination of the Grant Funding Agreement, either by performing them itself or by means of a successor, The Grant Recipient shall endeavour to ensure the smooth and orderly transition of the Funded Activities and shall co-operate with the Authority or the successor, as the case may be, in order to achieve such transition.
4. When such endeavours and co-operation are outside the scope of the Grant, the Grant Recipient shall provide quotations for reasonable charges associated with providing such assistance and the Authority shall pay such reasonable charges.
5. The Grant Recipient will comply with any reasonable request of the Authority for information relating to the performance of the Funded Activities.

Exit Planning

6. The Grant Recipient will, in conjunction with the Authority, maintain, and as necessary update, the Exit Plan throughout the Funding Period so that it can be implemented immediately, if required. From time-to-time either the Authority or the Grant Recipient may instigate a review of the Exit Plan.
7. The Grant Recipient will co-operate with all reasonable requests made by either the Authority or a successor body relating to exit transition arrangements for the Funded Activities.

Assistance

8. The Grant Recipient will use all reasonable endeavours to ensure that a transition of responsibility for the delivery of the Funded Activities to the successor body or the Authority, as the case may be, minimises any detrimental effect on the delivery of the Funded Activities and the Authority will use all reasonable endeavours to co-operate in such transfer.

Assets Register

9. The Grant Recipient shall maintain throughout the exit period of this Grant an asset register in accordance with the Terms and Conditions of the Grant Funding Agreement.

10. The Grant Recipient shall not change the status of any asset without the prior written consent of the Department where such a change would either be viewed as a major change or would require repayment in accordance with the Terms and Conditions of the Grant Funding Agreement.

Documentation and Access

11. The Grant Recipient shall provide the Authority on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to the Authority or to a successor body, including any documentation required to support any bidding process for the provision of the Funded Activities. This includes full details of:
 - a) the work programme, objectives/targets, and other services delivered by the Grant Recipient under this Grant Funding Agreement;
 - b) any software, including Third Party software and any hardware used in connection with the delivery of the Funded Activities;
 - c) software and supply agreements used to deliver any services associated with delivery of the Funded Activities, including the agreements relating to any Third Party software identified by name of supplier, term of Grant, and charges payable under the Grant; and
 - d) any employees used by the Grant Recipient to help deliver the Funded Activities who are essential to this delivery; this information shall be provided under conditions of confidentiality reasonably acceptable to the Grant Recipient.
12. The Authority may make the documentation available to suppliers who wish to bid for the provision of the activities. The Grant Recipient shall respond expediently and in full to any reasonable questions by the Authority or the suppliers and shall co-operate with any reasonable due diligence activities carried out by suppliers.

Transfer Support Activities

13. The Grant Recipient shall co-operate with all reasonable requests made by either the Authority or a successor relating to the Funded Activities transition arrangements. The Authority and the Grant Recipient shall discuss the implementation plan for the transition of the activities to either the Authority or a Successor body.

ANNEX 10: STATE AID

ANNEX 10

PART 2: General Block Exemptions (GBER)

Annex 10 Part 2 Section 1

Award of aid

1. The Grant is awarded as aid for [experimental development in accordance with [Article 25 (aid for research and development projects)] of the EU State Aid General Block Exemption Regulation (“**GBER**)”].
2. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by the Grant Recipient in respect of eligible costs permitted under [Article 25(3) of GBER], where these are incurred in a part of the Funded Activities constituting [experimental development as defined in Article 2(86) of GBER]. The amount of public funding (including the Grant) that the Grant Recipient may receive for the Funded Activities must not exceed:
 - a. in accordance with [Article 4(1)(i)(iii)] of GBER, [€15m (fifteen million Euros)] in total; and
 - b. in accordance with [Article 25(5) (c)] and [Article 25(6) ([insert sub-paragraph]), an aid intensity being [insert percentage] of the Grant Recipient’s total Eligible Expenditure incurred on the Funded Activities.]
3. For the purpose of paragraph 2, public funding includes any funding from, or attributable to, any public authority or EU institution. [Please note that the maximum aid intensity permitted under [paragraph 2 b)] has been increased from [25% of the Grant Recipient’s Eligible Expenditure] to [the percentage set out in that paragraph] on the basis that [insert justification for increase under the relevant paragraph of Article 25(6)]. Please inform the Authority in writing, and as soon as possible, if these circumstances cease to apply or the Grant Recipient has grounds to consider that they are likely to do so. The Grant Recipient must also provide the Authority with any evidence requested to satisfy it that the Grant Recipient has complied with the aid intensity requirements and that it has sufficient Match Funding in place.



Department for Business, Energy & Industrial Strategy

Annex 10 Part 2 Section 2 General conditions

1. The Grant is awarded subject to the following understandings and conditions:
 - a. The Grant Recipient must comply with all applicable European Union rules on state aid and ensure that all requirements for the application of GBER are met;
 - b. The Grant Recipient is not entitled to the Grant or any payment of it if the Grant Recipient is, or becomes, subject to a recovery order following a previous EU Commission decision declaring any aid illegal and incompatible with the internal market;
 - c. The Grant Recipient confirms that it is not a company in difficulty as defined in Article 2.18 of GBER and the Grant Recipient commits to informing the Authority as soon as reasonably practicable of any change in this status; the Authority reserves the right to terminate the Grant Funding Agreement if the Grant Recipient's status changes;
 - d. The Grant Recipient confirms that, prior to the commencement of the Project, the Grant Recipient submitted an application which confirmed the undertaking's name and size, description of the Funded Activities (including its start and end dates), location of the Funded Activities, list of costs and type of aid and amount of public funding required;
 - e. The Grant Recipient informed the Authority of any other public funding applied for or awarded against the Eligible Expenditure; it is on this basis that the Authority has ensured that the total public funding for the Funded Activities is within the amounts permitted by GBER;
 - f. The Authority is responsible for informing EU Commission of aid awards, including summary notification of the aid to the Commission via the electronic notification system and publication of details of the aid as required from 1 July 2016;
 - g. In the case of an award of aid in excess of €500,000, the Grant Recipient consents to the publication of the following information: name of the beneficiary, beneficiary's identifier, type of enterprise (SME/large) at the time of granting, region in which the beneficiary is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency, aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure; for schemes under Articles 16 and 21 of GBER, name of the entrusted entity, and the names of the selected financial intermediaries;
 - h. The Grant Recipient is responsible individually, and jointly with the Authority, for maintaining detailed records with the information and supporting

documentation necessary to establish that all the conditions set out in the Grant Funding Agreement and the GBER are fulfilled;

- i. Such records must be maintained by the Grant Recipient and the Authority for 10 years following the granting of the aid and shall be made available to the EU Commission within a period of 20 working days if requested;

The Authority may (without qualifying the generality of the Authority's monitoring rights under this Grant Funding Agreement) monitor the Grant Recipient's compliance with the requirements of paragraphs h) and i) and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.