

GRANT IN AID AGREEMENT

DRAFT

Between

The Council of the Isles of Scilly

-and-

XXXXXXXXXX

DATED THIS XXXXX DAY OF XXXXXX 2014

Grant in Aid Agreement

THIS AGREEMENT is made on the _____ day of _____ 2014.

BETWEEN

- (1) The Council of the Isles of Scilly, Town Hall, St Marys, Isles of Scilly, TR21 0LW (the "Council"); and
- (2) _____ whose registered office is at _____ (the "Applicant")

RECITALS

- (A) The Council intends to transfer AONB grant funding received from Department for Environment Food and Rural Affairs (DEFRA), and funds from other AONB funding partners, to the Applicant.
- (B) The Applicant and the Council have agreed that the Applicant will use grant funding received pursuant to this agreement to deliver agreed aspects of the Isles of Scilly AONB Management Plan.

The conditions of this agreement are set below:

1. Definitions

- 1.1 In this Grant in Aid Agreement unless the context otherwise requires the following terms shall have the meanings given to them below:

"Agreed Programme of Activities" means a programme of activities agreed between the Council and the Applicant in order to facilitate the eligible activities.

"Agreement" means this agreement between the Council and the Applicant.

"Initial Funding Period" means the period _____ to 31st March 2015.

"Funding Period" means the financial year 1st April 2015 to 31st March 2016.

"Force Majeure" means any event or occurrence which is outside the reasonable control of the Party concerned, and which is not attributable to any act or failure to take preventative action by the Party concerned, including (but not limited to) governmental regulations, fire, flood, or any disaster.

"Grant in Aid" means for the Initial Funding Period the sum of £62,000 and for the Funding Period the sum of £100,000, subject to the final grant award made by DEFRA.

"Nominated Bank Account" means the bank account nominated by the Applicant to the Council upon commencement of this Agreement as the relevant account for the purpose of receiving the Grant in Aid.

“Eligible Activities” means the delivery of activities that have been presented in the Applicants delivery plan and which has been agreed by the Council and the Applicant as found in schedule 1 of this Agreement, and as amended from time to time by agreement of the Council and the Applicant.

- 1.2 Words importing the singular meaning include where the context so admits the plural meaning and vice versa.
- 1.3 Words importing the masculine include the feminine and the neuter.
- 1.4 References to any statute or sub-ordinate legislation in this Agreement includes references to any amendments or replacements to the statute or subordinate legislation that may be enacted from time to time.
- 1.5 Headings are included in the Agreement for ease of reference only and shall not affect the interpretation or construction of the Agreement.

2. Payment

- 2.1 Subject to the Applicant complying with the terms and conditions set out in this Agreement the Council agrees to pay the Grant in Aid to the Applicant as a contribution towards the Eligible Activity.

3. Timing of the Grant in Aid

- 3.1 Payment of the Grant in Aid for the Initial Funding Period will be made by the Council to the Applicant from the start of the Agreement.
- 3.2 Payment of the Grant in Aid for the Funding Period will be made by the Council to the applicant by no later than the 1st April 2015.
- 3.3 Grant in Aid payments will be provided in advance by the Council to the Applicant for both the Initial Funding Period and the Funding Period, subject to funding agreements from DEFRA. In the event that funds for the initial funding period or the funding period should not be available, or stopped, the Council will work with the Applicant to ensure an agreed appropriate wind-up of activities.
- 3.4 Payment will be made via BACS, through the Council’s finance system, into the Nominated Bank Account of the Applicant
- 3.5 In order for any payment to be released in accordance with clause 3.4, the Council will require the Applicant to:
 - 3.5.1 have signed and returned a copy of this Agreement to the Council;
 - 3.5.2 have provided details of the Nominated Bank Account;
 - 3.5.3 be in compliance with the terms and conditions of this Agreement.
 - 3.5.4 submit a delivery plan with costs associated

3.6 The Council reserves the right to withhold all or any payments of the Grant in Aid if the Council has reasonably requested information/documentation from the Applicant and this has not been received by the Council in the timescales reasonably required.

4. Procurement

4.1 The Applicant is to include a copy of their organisations own procurement. The grant reconciliation process will spot check random purchases against those rules.

4.2 The Applicant will retain all original quotations documents and document the procurement procedures followed.

4.3 The Applicant will make available to the Council all documentation in relation to procurement undertaken upon request.

5. Financial Record Keeping

5.1 The Applicant must:

- a) Maintain and operate effective monitoring and financial management systems;
- b) Keep a record of expenditure funded partly or wholly by the Grant in Aid;
- c) Maintain all accounting records for a period of ten years after the end of the Funding Period; and
- d) Prepare all financial reports and statements in accordance with generally accepted cash accounting principles.
- e) Be able to trace defrayal of all eligible expenditure through the organisations finance systems

5.2 True certified copies of paid bills and financial records substantiating grant expenditures must be submitted with a financial report at the end of each quarter. The Council will retain copies of all receipts for their records.

5.3 For the purpose of clause 5.1 (c) accounting records includes original invoices, receipts, minutes from meetings, accounts, deeds and other relevant documentation, whether in writing or electronic form.

5.4 Where Grant in Aid provided under this Agreement is spent on capital items the Applicant must;

- a) Maintain an asset register of capital assets valued over £1,000;
- b) This register, referred to at paragraph (a) above, shall record as a minimum;
 - (i) The date the item was purchased;
 - (ii) The price paid; and
 - (iii) The date of disposal.

- c) Provide proof of insurance coverage for the useful life of the relevant capital asset;
 - d) Make the capital assets available for inspection
- 5.5 For the purpose of clause 5.4 capital equipment will include, but is not limited to, cameras, mobile phones, laptops and tablets regardless of value.

6. Financial Reporting Requirements

- 6.1 The Applicant will submit a financial report to the Council by end of March and the end of October for the period of the Agreement.
- 6.2 Financial reports will include reporting of expenditure against budget items.

7. Programme Reporting Requirements

- 7.1 The Applicant will submit programme Reports to the Council which will be due at the end of March and the end of October for the period of the Agreement.
- 7.2 The Applicant programme reports will include work and projects delivered against the eligible activities.

8. Auditing

- 8.1 Subject to accounting requirements, the Applicant will retain all documentation relevant to an audit for seven years after March 2016. These may include (but are not limited to):
- a) expense ledgers related to the project;
 - b) all invoices and receipts for expenses;
 - c) all bank statements, showing receipt of funds from the Applicant and disbursement on project activities;
 - d) all original staff contracts, monthly payroll and timesheets;
 - e) all original hire contracts;
 - f) all original documents pertaining to tendering and awards for supply contracts; and
 - g) all original inventory lists and final stock counts for stored items.
- 8.2 The Applicant will, without charge, permit any officer or officers of the Council, external auditing bodies or their nominees, to visit its premises and/or inspect any of its activities and/or examine and take copies of the Applicant's books of accounts and such other documentation as set out above as in such officers view may relate to the use of the Grant of Aid.
- 8.3 Examinations may be carried out into the economy, efficiency and effectiveness with which the Grant in Aid has been used.
- 8.4 The Council shall endeavour, but is not obliged, to provide due notice of its intent to conduct an audit.

8.5 The Applicant will send the Council a copy of its audited accounts by March 2016.

9. Obligations and Modification

9.1 The Applicant agrees to expend the funds granted by the Council, in accordance with the agreed budget and Agreed Programme of Activities.

9.2 Any modifications to the agreed budget or to the Agreed Programme of Activities must have the written authorisation of the Council, such authorisation to be provided in accordance with clause 17 of the Agreement.

9.3 Funds not expended will revert back to the Council upon completion of the grant period or earlier termination of this Agreement pursuant to clause 10.

10. Termination

10.1 If the Applicant fails to comply with any of the conditions set out in this Agreement, or any of the events mentioned in clause 10.2, then the Council may reduce, suspend, withhold Grant in Aid payments or terminate this Agreement by giving the Applicant a month's notice in writing of its intention to terminate.

10.2 The events referred to in clause 10.1 are as follows:

- a) The Applicant purports to transfer or assign any rights, interests or obligations arising under this Agreement without the prior agreement of the Council;
- b) The Applicant takes inadequate measure to investigate and resolve any reported irregularity;
- c) The Applicant changes the nature of its operations to the extent which the Council considers to significant and prejudicial.

10.3 The Applicant may terminate this agreement by giving the Council a month's notice in writing at any time.

10.4 In the event of reduction, suspension or termination of this Agreement the Council reserves the right to recover from the Applicant any amount, calculated on a pro-rata basis required to be repaid under these conditions within 30 days of receiving the demand for repayment.

10.5 On termination of this Agreement for any reason the Applicant will as soon as reasonably practicable return to the Council and assets or property or any unused funds (unless the Council gives its written consent to their retention) then in its possession in connection with the Agreement.

11. Future Funding

11.1 The Council does not commit to renew or continue financial support to the Applicant after the Funding Period. The Expressions of Interest process will be re-opened at the Council's discretion.

12. Force Majeure

12.1 If the performance by a Party of any of its obligations under this Agreement is delayed or prevented by a Force Majeure event, then that Party will not be in breach of this agreement because of delay in performance.

12.2 The Party affected by such circumstances shall promptly (within 10 working days) notify the other Party and explain what action they are doing to overcome the event and keep the other Party informed of developments. However, if after two months from the date of such notification, the other Party reasonably concludes that the delay in performance is likely to exceed six months, any such Party may terminate this Agreement immediately by written notice to the other Party.

13. Liability

13.1 The Council accepts no liability to the Applicant or to any third party for any costs, claims, damages, or losses, however they are incurred except to the extent that they arise from personal injury or death which is caused by the Council's negligence.

13.2 The Applicant agrees to indemnify the Council for any costs, claims, damages or losses which arise as a result of negligence by the Applicant or out of any breach by the Applicant of any terms of this Agreement.

14. Intellectual Property Rights

14.1 The Applicant shall grant to the Council at no cost an irrevocable, royalty-free perpetual licence to use and to sub-licence the use of any material created by the Applicant under the terms of this Agreement for such purposes as the Council shall deem appropriate.

14.2 Publicity and written material relating to the Purpose funded by this Agreement shall acknowledge this either in the body of the text or with 'funded by' written alongside the AONB partnership logo.

15. Entire Agreement

15.1 This Agreement sets out the entire agreement between the parties. It replaces all previous negotiations, agreements, understandings and representations between the parties, whether oral or in writing.

15.2 Any amendments to this Agreement shall only be valid if they are in writing and signed by an authorised representative of both parties.

16. Freedom of Information

- 16.1 The Council is required to comply with the requirements of the Freedom of Information Act 2000 (the "FOIA"), any subordinate legislation made under the FOIA and any guidance issued by the Information Commissioner.
- 16.2 The Applicant agrees to assist and cooperate with the Council to enable the Council to comply with its obligations under the FOIA whenever a request is made for information which relates to or arises out of this Agreement.
- 16.3 Where the Applicant feels that information has been provided in confidence or is commercially sensitive it must inform the Council of this fact and explain the reasons for being confidential/commercially sensitive.
- 16.4 The Council will determine whether the release of the information is genuinely exempt from the FOIA and whether it is in the public interest to release the information. The Council will notify the Applicant accordingly of its decision, and where it is decided to release the information, as soon as is reasonably practicable.

17. Notices

- 17.1 All notices, invoices and other communications relating to this Agreement shall be in writing and shall be served by a party on the other party at its address shown at the head of this Agreement.
- 17.2 Notices delivered under this clause shall be deemed delivered:
- 17.2.1 if delivered by hand, upon receipt;
 - 17.2.2 if sent by pre-paid registered first class post, two working days after posting;
 - 17.2.3 if sent by electronic mail, on the date of delivery subject to the following conditions:
 - a) When an electronic mail is sent on a day which is not a working day or after 3.00pm on a working day, the electronic mail is deemed to have been received on the next working day, and
 - b) Each electronic mail containing a formal notice under this Agreement shall be sent with a delivery receipt requested and shall not be deemed to have been received until the sender receives a confirmatory delivery receipt.

18. Contract (Rights of Third Parties) Act 1999

- 18.1 No person who is not a Party to the Agreement (including without limitation any employee, officer, agent, representative, or sub-contractor of either the Council or the Applicant) shall have any right to enforce any term of the Agreement.

19. Jurisdiction

19.1 The Agreement shall be governed by and interpreted in accordance with English law and the Parties submit to the exclusive jurisdiction of the courts of England.

20 Attachments

20.1 All attachments to the Grant agreement are hereby incorporated as part of the Agreement.

Attachment A – Applicant Budget for AONB Delivery 14/15 and 15/16

Attachment B- Applicant Work Programme for AONB Delivery 14/15 and 15/16

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Schedule 1
Agreed Action Plan for Delivery

To be completed on successful application.

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Acceptance of Grant in Aid

To accept this offer, two copies of this agreement must be signed by the nominated person authorised on behalf of the Applicant to sign off financial matters. All copies must be returned to the Council of Isles of Scilly Physical Assets and Natural Resources Officer. These will be countersigned by the Council of the Isles of Scilly (the Accountable body for the DEFRA grant) and one will be returned to the organisation in receipt of grant aid.

The signatory on behalf of the Applicant hereby states as follows:

"I can confirm that I have read and understood the grant-in aid agreement and the organisation agrees to abide by them, and that I have the authority of the organisation to sign on its behalf and bind by the terms of this agreement".

Person authorised to sign financial matters on behalf of the organisation	
Signature:	Date:
Name:	
Position:	Organisation:
Accountable body of the DEFRA grant	
Signature:	Date:
Name:	
Position:	Organisation: Council of the Isles of Scilly