

DATED

GRANT AGREEMENT

between

PRESTON CITY COUNCIL

and

[REDACTED]

CONTENTS

CLAUSE

1.	Definitions	1
2.	Purpose of Grant.....	3
3.	Payment of Grant.....	4
4.	Use of Grant	4
5.	Accounts and records	5
6.	Monitoring and reporting	5
7.	Acknowledgment and publicity	6
8.	Intellectual Property Rights	7
9.	Confidentiality	7
10.	Freedom of information.....	8
11.	Data protection	9
12.	Withholding, suspending, repayment and termination of Grant	9
13.	Anti-discrimination	11
14.	Human rights	11
15.	Limitation of liability	11
16.	Warranties and undertakings	12
17.	Insurance	13
18.	Duration.....	13
19.	Provisions relating to Subsidy Control	13
20.	Assignment.....	15
21.	Waiver	15
22.	Notices.....	15
23.	Dispute resolution.....	16
24.	No partnership or agency.....	16
25.	Joint and several liability.....	16
26.	Contracts (Rights of Third Parties) Act 1999	17
27.	Further assurance.....	17
28.	Managers	17
29.	VAT.....	17
30.	Governing law	17

SCHEDULE

SCHEDULE 1	THE PROJECT	19
SCHEDULE 2	PAYMENT SCHEDULE	20
SCHEDULE 3	MONITORING AND REPORTING.....	21

THIS DEED is dated [DATE]

PARTIES

- (1) **PRESTON CITY COUNCIL, The Town Hall Lancaster Road Preston PR1 2RL ("Authority").**
- (2) [] ("Recipient").

BACKGROUND

- (A) the Authority has agreed to pay the Grant to the Recipient to assist it in carrying out the Project.
- (B) This Agreement sets out the terms and conditions on which the Grant is made by the Authority to the Recipient.
- (C) These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

AGREED TERMS

1. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

Authorised Representative: means any person or company contracted by the Authority to monitor the use of the grant and outcomes on behalf of the Authority under any services contract or otherwise.

Bribery Act: 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 the legislation.

Commencement Date:[].

Data Protection Legislation: the Data Protection Act 2018 ("DPA") and the General Data Protection Regulation (Regulation (EU) 2016/679) as amended from time to time.

FOI Legislation: means the Freedom of Information Act 2000 ("FOIA") and subordinate legislation made under this and the Environmental Information Regulations 2004 (each as amended or replaced from time to time), or any other information access information regimes as may be applicable to the parties from time to time;

Grant: the aggregate sum of £[] to be paid to the Recipient in accordance with this Agreement, allocated to each element of the Project as set out in Schedule 1,.

Grant Period: the period for which the Grant is awarded starting on the Commencement Date and ending on [].

Information Request: a request for information or an apparent request under FOI Legislation.

Intellectual Property Rights: all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

Know-How: information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

Prohibited Act: means:

- (a) offering, giving or agreeing to give to any officer of the Authority any gift or consideration of any kind as an inducement or reward for:
 - (a) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Authority; or
 - (b) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Authority;
- (b) entering into this Agreement or any other contract with the Authority where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Authority;
- (c) committing any offence:
 - (a) under the Bribery Act;
 - (b) under legislation creating offences in respect of fraudulent acts; or
 - (c) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Authority; or
- (d) defrauding or attempting to defraud or conspiring to defraud the Authority.

Project: the project described in Schedule 1.

Project Manager: the individual who has been nominated to represent the Authority for the purposes of this Agreement.

Project Outputs: means those project outputs specified in Schedule 1

Project Outcomes: means those project outcomes specified in Schedule 1

Recipient Manager: the individual who has been nominated to represent the Recipient for the purposes of this Agreement

Significant Change: a change which:

- (a) changes the overall cost of the Project from that detailed in the Business Case; or

(b) results in a change of more than 10% from time to time in any periodic scheduled profile spend as set out in the Business Case (notwithstanding that the overall cost of the Project may not change); or

(c) results in an overall change of more than 10% of the aggregate profile spend relating to any head of expenditure as set out in the Business Case (notwithstanding that the overall cost of the Project may not change); or

(d) results in any change to the Project Outputs or Project Outcomes detailed in Schedule 1.

Subsidy Control: means all subsidy control rules applying from time to time in the UK which shall particularly include (but without limit) the subsidy control rules as applies in the United Kingdom from the 1st January 2021 pursuant to, derived from , the UK-EU Withdrawal Agreement, the UK-EU Trade and Co-operation Agreement, the WTO Rules, UK FTA's and the Northern Ireland Protocol

Subsidy Control Legal Advice: means the legal advice provided to the Applicant by a lawyer or lawyers experienced and expert in the field of Subsidy Control law, a copy of which is attached

Trade and Co-operation Agreement: means the Trade and Co-operation Agreement concluded by the UK and EU 2020

Unit: means the unit to be purchased by the Recipient using the Grant shown marked [red] in the Plan and being one of the Properties.

UK-FTA's: means any and all free trade agreements entered into, or to be entered into in the future, by the United Kingdom with sovereign nations, trading blocs, or other international entities

Withdrawal Agreement: means the withdrawal agreement entered into by the United Kingdom and the European Union 2019

WTO Rules: means the World Trade Organisation rules including but not limited to the Agreement on Subsidies and Countermeasures, the Agreement on Trade Related Investment Measures, the General Agreement on Trade in Services and the Agreement on Agriculture

2. PURPOSE OF GRANT

2.1 The Recipient shall use the Grant only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Authority.

2.2 The Recipient shall not make any Significant Change to the Project without the Authority's prior written agreement.

- 2.3 Where the Recipient intends to apply to a third party for other funding for the Project, it will notify the Authority in advance of its intention to do so and, where such funding is obtained, it will provide the Authority with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the Authority is funding under this Agreement.

3. PAYMENT OF GRANT

- 3.1 Subject to clause 12, the Authority shall pay the Grant to the Recipient in accordance with Schedule 2.
- 3.2 No Grant shall be paid unless and until the Authority is satisfied that such payment will be used for proper expenditure in the delivery of the relevant element of the Project.
- 3.3 The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the relevant element of Project.
- 3.4 The Recipient shall promptly repay 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 either an incorrect sum of money has been paid or where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient.

4. USE OF GRANT

- 4.1 It will use the Grant as expenditure only on general public infrastructure that will be open and freely accessible to the public in a non-discriminatory way to the general public and not capable of commercial exploitation.
- 4.2 Subject to Clause 4.1, each element of the Grant shall be used by the Recipient for the delivery of the Project in accordance with Schedule 1.
- 4.3 Where the Recipient has obtained funding from a third party in relation to its delivery of the Project (including without limitation funding for associated administration and staffing costs), the amount of such funding shall be included in the budget in Schedule 2 together with a clear description of what that funding shall be used for.
- 4.4 The Recipient shall not use the Grant to pay for any expenditure commitments of the Recipient entered into before the Commencement Date unless this has been approved in writing by the Authority.

- 4.5 The Recipient shall not spend any part of the Grant on the delivery of the Project after the Grant Period.
- 4.6 Unless otherwise agreed in writing by the Authority should any part of the Grant remain unspent at the end of the Grant Period, the Recipient shall ensure that any unspent monies are returned to the Authority.
- 4.7 Any liabilities arising at the end of the Project must be managed and paid for by the Recipient from other resources of the Recipient. There will be no additional funding available from the Authority for this purpose.
- 4.8 The Recipient agrees to cooperate and act in good faith in the receipt and use of this Grant.

5. ACCOUNTS AND RECORDS

- 5.1 The Grant shall be shown in the Recipient's accounts as a restricted fund and shall not be included under general funds.
- 5.2 The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.
- 5.3 The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the Project and the expenditure of the Grant for a period of at least six years following receipt of any Grant monies to which they relate. The Authority shall have the right to review the Recipient's accounts and records and shall have the right to take copies of such accounts and records.
- 5.4 If requested by the Authority the Recipient shall provide the Authority with a copy of its annual accounts within six months (or such lesser period as the Authority may reasonably require) of the end of the relevant financial year in respect of each year in which the Grant is paid.
- 5.5 The Recipient shall comply and facilitate the Authority's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the Authority.

6. MONITORING AND REPORTING

- 6.1 The Recipient shall closely monitor the delivery and success of the Project (including the progress towards and the achievement of the Project Outputs and Project Outcomes) throughout the Grant Period to ensure that the aims and

objectives of the Project are being met and that this Agreement is being adhered to.

- 6.2 The Recipient shall meet with the Authority as requested by the Authority (but not less than quarterly) to review the Project and in addition shall provide the Authority or its Authorised Representative with such reports and in such form as the Authority shall reasonably require in the manner and covering the issues or principles identified in Schedule 3 (as revised from time to time by the Authority) on a quarterly basis (or such other frequency as is requested by the Authority) and always to ensure the timely reporting of information as may be required by any Governmental agency.
- 6.3 Where the Recipient has obtained funding from a third party for its delivery of part of the Project, the Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for.
- 6.4 The Recipient shall on request provide the Authority or its Authorised Representative with such further information, explanations and documents as the Authority or its Authorised Representative may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.
- 6.5 The Recipient shall permit any person authorised by the Authority or its Authorised Representative such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them.
- 6.6 The Recipient shall provide the Authority or its Authorised Representative with a final report on completion of the Grant Period which shall confirm whether the Project has been successfully and properly completed.

7. ACKNOWLEDGMENT AND PUBLICITY

- 7.1 The Recipient shall acknowledge the Grant in its annual report and accounts, including an acknowledgement of the Authority as the source of the Grant.
- 7.2 The Recipient shall not publish any material referring to the Project or the Authority without the prior written agreement of the Authority. The Recipient shall acknowledge the support of the Authority in any materials that refer to the Project and in any written or spoken public presentations about the Project. Such acknowledgements (where appropriate or as requested by the Authority) shall 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.

- 7.3 In using the Authority's name and logo, the Recipient shall comply with all reasonable branding guidelines issued by the Authority from time to time.
- 7.4 The Recipient agrees to participate in and co-operate with promotional activities relating to the Project that may be instigated and/or organised by the Authority.
- 7.5 The Authority may acknowledge the Recipient's involvement in the Project as appropriate without prior notice.
- 7.6 The Recipient shall comply with all reasonable requests from the Authority or its Representatives to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Project.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 The Authority and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Authority or the Recipient before the Commencement Date or developed by either party during the Grant Period, shall remain the property of that party.
- 8.2 Where the Authority has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by the Authority.

9. CONFIDENTIALITY

- 9.1 Subject to clause 10 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.
- 9.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
- (b) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
- (c) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

10. FREEDOM OF INFORMATION

- 10.1 The parties acknowledge that each party is a public authority as defined by FOI Legislation and that information relating to this Agreement may be the subject of an Information Request which shall be considered in accordance with this Clause 10.
- 10.2 The parties shall assist each other in complying with their obligations under FOI Legislation, as they relate to Information Requests made in relation to this Agreement, including but not limited to assistance, without charge, in gathering information to respond to an Information Request relating to this Agreement. For the avoidance of doubt, nothing in this Clause 10, shall require a party to provide information, if the relevant information has not been held on behalf of the party that received the Information Request.
- 10.3 Where a party receives an Information Request in relation to this Agreement ("**Receiving Party**") and the other party holds information or records on behalf of the Receiving Party, upon request, such other party agrees to provide the Receiving Party with a copy of all such information related to the Information Request, in the form that the Receiving Party reasonably requires within five working days (or such other period as the Receiving Party may reasonably specify) of the Receiving Party's request.
- 10.4 Each party, as a separate public authority shall, in its absolute and sole discretion, decide:
- (a) whether the Information Request is valid under the FOI Legislation, as well as all other considerations relevant in the assessment of an Information Request under the FOI Legislation, such as any considerations (as may be applicable) regarding the cost of complying with a request or any charges for responding to a request, whether the request is repeated, vexatious or manifestly unreasonable and any other relevant considerations;
 - (b) whether the information requested is relevant to the Agreement;

- (c) whether the information is exempt information;
- (d) where appropriate, whether or not in all circumstances of the case the public interest in maintaining any exemption outweighs the public interest in disclosing the requested information; and
- (e) whether the information requested in the Information Request is to be disclosed or not.

10.5 The parties acknowledge that the Receiving Party may, acting in accordance with the Cabinet Office Freedom of Information Code of Practice (issued under section 45 of the FOIA, July 2018), be obliged under the FOI Legislation to disclose information:

- (a) without consulting with the other party; or
- (b) following consultation with the other party and having taken its views into account,

provided always that where clause 10.5(b) applies the Receiving Party shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the other party advanced notice, or failing that, to draw the disclosure to the other party's attention after any such disclosure.

10.6 The Receiving Party shall ensure that all information produced in the course of the Agreement or relating to the Agreement is retained for disclosure and shall permit the other party to inspect such records as requested from time to time.

11. DATA PROTECTION

The Recipient shall, and shall procure that any of its staff involved in connection with the activities under this Agreement shall, comply with the provisions and obligations imposed by the Data Protection Legislation in relation to the storing and processing of Personal Data and all Personal Data acquired by either party to the other shall be returned to the disclosing party on request. Both parties agree to indemnify each other in respect of any unauthorised disclosure or processing of Personal Data or breach of Data Protection Legislation which arise in connection with the Agreement.

12. WITHHOLDING, SUSPENDING, REPAYMENT AND TERMINATION OF GRANT

12.1 The Authority's intention is that the Grant will be paid to the Recipient in full. However, without prejudice to the Authority's other rights and remedies, the Authority may at its discretion by notice to the Recipient withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant and/or terminate this Grant Agreement with immediate effect if:

- (a) the Recipient uses the Grant for purposes other than those for which they have been awarded;

- (b) the delivery of the Project does not start within 6 months of the Commencement Date and the Recipient has failed to provide the Authority with a reasonable explanation for the delay;
- (c) the Authority considers that the Recipient has not made satisfactory progress with the delivery of the Project or does not achieve the Project Outputs when they fall due;
- (d) the Recipient is, in the reasonable opinion of the Authority, delivering the Project in a negligent manner;
- (e) the Recipient obtains duplicate funding from a third party for the Project;
- (f) the Recipient obtains funding from a third party which, in the reasonable opinion of the Authority, undertakes activities that are likely to bring the reputation of the Project or the Authority into disrepute;
- (g) the Recipient provides the Authority or its Authorised Representative with any materially misleading or inaccurate information;
- (h) the Recipient commits or committed a Prohibited Act;
- (i) the Recipient or any person associated with it has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Authority, bring or are likely to bring the Authority's name or reputation into disrepute;
- (j) the 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);
- (k) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or
- (l) there is a breach at any time of any of the Warranties and Undertakings set out in Clause 16; or
- (m) the Recipient otherwise fails to comply with any of the terms and conditions set out in this Agreement and (where in the opinion of the Authority the breach is capable of being rectified) fails to rectify any such failure within 30 days of receiving written notice detailing the failure.

12.2 Wherever under the Agreement any sum of money is recoverable from or payable by the Recipient (including any sum that the Recipient is liable to pay to the Authority in respect of any breach of the Agreement), the Authority may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Recipient under the Agreement.

- 12.3 The Recipient shall make any payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.
- 12.4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the Authority as soon as possible so that, if possible, and without creating any legal obligation, the Authority will have an opportunity to provide assistance in resolving the problem or to take action to protect the Authority and the Grant monies.

13. ANTI-DISCRIMINATION

- 13.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.
- 13.2 The Recipient shall take all reasonable steps to secure the observance of clause 13.1 by all officers, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

14. HUMAN RIGHTS

- 14.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Agreement as if the Recipient were a public body (as defined in the Human Rights Act 1998).
- 14.2 The Recipient shall undertake, or refrain from undertaking, such acts as the Authority requests so as to enable the Authority to comply with its obligations under the Human Rights Act 1998.

15. LIMITATION OF LIABILITY

- 15.1 The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless the Authority, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.

- 15.2 Subject to clause 15.1, the Authority's liability under this Agreement is limited to the payment of the Grant.

16. WARRANTIES AND UNDERTAKINGS

16.1 The Recipient warrants, undertakes and agrees as a continuing obligation during the course of this Agreement that:

- (a) it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Grant);
- (b) it has not committed, nor shall it commit, any Prohibited Act;
- (c) it shall at all times comply with all relevant legislation (including laws relating to Subsidy Control and public procurement) and all applicable codes of practice and other similar codes or recommendations, and shall notify the Authority immediately of any significant departure from such legislation, codes or recommendations;
- (d) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
- (e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- (f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- (g) all financial and other information concerning the Recipient which has been disclosed to the Authority or its Authorised Representative is to the best of its knowledge and belief, true and accurate;
- (h) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
- (i) it is not aware of anything in its own affairs, which it has not disclosed to the Authority or any of the Authority's advisers, which might reasonably have influenced the decision of the Authority to make the Grant on the terms contained in this Agreement; and
- (j) since the date of its last accounts there has been no material change in its financial position or prospects.
- (k) It will use the Grant as expenditure only on general public infrastructure that will be open and freely accessible to the public in a non-discriminatory way to the general public and not capable of commercial exploitation.

17. INSURANCE

17.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of this Agreement, including death or personal injury, loss of or damage to property or any other loss (the **Required Insurances**).

17.2 The Required Insurances referred to above include (but are not limited to):

- (a) public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Project; and
- (b) employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project.

17.3 The Recipient shall (on request) supply to the Authority or its Authorised Representative a copy of such insurance policies and evidence that the relevant premiums have been paid.

18. DURATION

18.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the anniversary of expiry of the Grant Period or for so long as any Grant monies remain unspent by the Recipient, whichever is longer.

18.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

19. PROVISIONS RELATING TO SUBSIDY CONTROL

19.1 The Recipient hereby confirms that the Grant is compliant with all Subsidy Control and otherwise as set out within this clause 25. The Recipient shall comply with all applicable Subsidy Control law, regulation and guidance and shall ensure that all such Subsidy Control requirements are met and shall further ensure that the Project does not constitute an illegal subsidy.

19.2 Furthermore and to the extent that the Grant constitutes a subsidy (and not a permitted de minimis subsidy) within the Subsidy Control regulations, the Recipient confirms that the six Subsidy Control Principles set out in the UK-EU Trade and Co-operation Agreement listed below are fully satisfied:

- (a) The Grant pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”).
- (b) The Grant is proportionate and limited to what is necessary to achieve the objective.
- (c) The Grant is designed to bring about a change of economic behaviour of the Recipient that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.
- (d) The Grant does not compensate for the costs the Recipient would have funded in the absence of any subsidy.
- (e) The Grant is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.
- (f) The Grant’s positive contributions to achieving the Project outweighs any negative effects, in particular any material effect on trade or investment between the UK and the EU.

19.3 The Grant does not and will not in any event rank as an award which is a prohibited subsidy or a subsidy which is subject to conditions under the Subsidy Control requirements.

19.4 The Recipient shall co-operate with and report to the operationally independent authority or body with an appropriate role in the Subsidy Control requirements to be established, whether upon a temporary or permanent basis, and shall abide by and comply with its requests and directions.

19.5 The Recipient consents to the publication of the following information upon the Transparency Database to be maintained by the UK Government: (1) legal basis, policy objective and purpose of the Grant, (2) name of the Recipient, (3) amount of Grant expressed in full in national currency, (4) date of making the Grant, its duration and any other time limits and in addition (5) other information of the nature mentioned in any sub-clause of this clause 25.

19.6 The Recipient shall maintain detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Agreement are fulfilled and so as to show a clear audit trail. Such records shall be maintained for 12 (twelve) years from the date of either this Agreement or payment of Grant (whichever shall be the later) and shall be made available to the authority or body referred to sub-clause 19.4.

19.7 The Authority may monitor the Applicant’s compliance with the requirements of this clause 19 and for the avoidance of doubt any failure to comply with such

requirements (where applicable) shall be deemed a breach of this Agreement entitling the Authority to exercise its rights under Clause 12 of this Agreement. In addition the Authority may vary or withhold any or all of the funding and/or require repayment of the Grant already paid, together with Interest from the date of payment of the Grant, if there is a breach or default of Subsidy Control. The Recipient hereby acknowledges that any such breach or default of will compel repayment of the Grant.

- 19.8 The Subsidy Control Legal Advice confirms that the Grant may be properly and validly delivered in compliance with Subsidy Control and which may legitimately be relied upon as regards the receipt by the Recipient of the grant funding being lawful.
- 19.9 In order to secure transparency that the funding for the purpose of Subsidy Control the Grant funding shall be ring fenced within the Recipient's accounts and shall be used only for the purpose set out in this Agreement.
- 19.10 The Recipient agrees to fully comply with the advice and recommendations set out in the Subsidy Control Legal Advice to ensure that the Project continues to comply with Subsidy Control.
- 19.11 In addition to Clause 19.10 above, it will be a Condition Precedent on the Recipient that prior to the first drawdown request and any subsequent drawdown requests, the legal advice provided by the Applicant's legal advisors at Schedule 2 (the Project) to this Agreement on state aid is to the satisfactory of the Authority in compliance with Subsidy Control rules and receipt of the grant funding remains lawful.

20. ASSIGNMENT

- 20.1 The Recipient may not, without the prior written consent of the Authority, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Grant.

21. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

22. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered or mailed (second

class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered 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 third working day following such mailing.

23. DISPUTE RESOLUTION

- 23.1 In the event of any complaint or dispute (which does not relate to the Authority's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Project Manager and the Recipient Manager from time to time.
- 23.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred as in Clause 23.1 either party may refer the matter to the respective Chief Executives of the parties with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Authority and the Recipient.
- 23.3 In the absence of agreement under clause 23.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

24. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Authority or its Authorised Representative and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

25. JOINT AND SEVERAL LIABILITY

Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

27. FURTHER ASSURANCE

At any time upon the written request of the Authority it shall promptly execute and deliver or procure the execution and delivery of any and all such further instruments and documents as may be necessary for the purpose of obtaining for the Authority the full benefit of this Agreement and of the rights and powers herein granted and hereby irrevocably appoints the Authority its attorney for that purpose. Such instruments and documents may include security documents to secure any repayment obligation of the Recipient relating to the Grant funding under this Agreement.

28. MANAGERS

The parties will ensure that the Project Manager and the Recipient Manager have decision-making authority to act, or make decisions, on their respective behalfs and shall be the primary contact points between the respective organisations for the purposes of this Agreement.

29. VAT

The payment of the Grant by the Authority under this Agreement is believed to be outside the scope of Value Added Tax but if any Value Added Tax shall become chargeable all payments comprising the Grant shall be deemed to be inclusive of all Value Added Tax and the Council shall not be obliged to pay any Value Added Tax over and above the Grant.

30. GOVERNING LAW

This Agreement shall 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.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED as a DEED)
for and on behalf of)
PRESTON CITY COUNCIL)
)

Authorised Signatory-----

EXECUTED as a DEED)
By affixing the COMMON SEAL of [])
)
)

Authorised Signatory-----

Schedule 1 The Project

Project Description

Project Outputs

Project Outcomes

Schedule 2 Payment Schedule

Subject to the continued compliance by the Recipient with the terms of this Agreement, the Grant will be payable at the following times and in the following manner:

- Contribution rate – as per attached Funding Schedule, to be completed
- Form of Claim – Quarterly in arrears based upon defrayed expenditure
- Min frequency and level of claim – Quarterly/£10,000
- A list of agreed categories of expenditure for this project – as per attached Funding Schedule, to be completed
- Agreed profile of spend - as per attached Funding Schedule, to be completed