



HM Government



European Union

European Regional
Development Fund

FUNDING AGREEMENT

BETWEEN

**THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND
LOCAL GOVERNMENT**

AND

THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

PROJECT NAME: REOPENING HIGH STREETS SAFELY FUND

PROJECT NUMBER: WM07

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SCHEDULE 4 UNDERPERFORMANCE METHODOLOGY

DRAFT

PARTIES

1. **THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT** acting through the Cities and Local Growth Unit whose principal address is 2 Marsham Street, London SW1P 4DF (**the Secretary of State**); and
2. **The County of Herefordshire District Council** of Plough Lane, Hereford, HR4 0LE (**Grant Recipient**).

BACKGROUND

- A. The Commission of the European Union ('European Commission') has adopted the Operational Programme for England, setting out its contribution to the Union strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion;
- B. The Secretary of State acting through the Cities and Local Growth Unit wishes to offer the Grant and the Grant Recipient agrees to accept the Grant on the terms and conditions of this Funding Agreement for the purposes set out herein and which are to contribute to the plan to Reopen the High Street Safely
- C. As the Grant Recipient will be a beneficiary of European Regional Development Fund funding this Funding Agreement serves as the document described in Article 125(3)(c) of Regulation 1303, setting out the conditions for support for the operation concerned and the specific requirements concerning the products or services to be delivered under the operation, the financing plan and the time-limit for execution.

IT IS AGREED THAT:

1. DEFINITIONS

In this Funding Agreement the following words and phrases shall have the following meanings:

"Agreed Activity End Date" means the date specified as such in the Project Specific Conditions and being the date that all of the Project Activities shall be finished and complete including the Works.

"Agreed Financial Completion Date" means the date specified as such in the Project Specific Conditions and being the date that all of the expenditure will have been defrayed.

"Agreed Project Practical Completion Date" means the date specified as such in the Project Specific Conditions and being the date by which the Targets shall be achieved.

"Application" means the information contained within the Grant Action Plan Form (and any annexures thereto) which is contained in Schedule 3

"Approved Use" means use of an Asset as set out in the Project Specific Conditions.

"Asset" means an asset which may be either a Fixed Asset or a Major Asset as appropriate in the relevant context and "Assets" shall be construed accordingly.

"Asset Register Template" means the asset register template notified to the Grant Recipient.

"Audit" means an audit/monitoring verification carried out pursuant to Articles 125 and 127 of Regulation 1303 by the Secretary of State in its role as 'managing authority' or the Government Internal Audit Agency in its role as 'audit authority', or any audit by the European Commission, European Court of Auditors or, where relevant, the National Audit Office.

"Capital Contribution Rate" means the percentage rate in respect of Eligible Capital Expenditure and is specified in the Project Specific Conditions.

"Capital Maximum Sum" means the maximum amount of Grant payable in respect of Eligible Capital Expenditure and is specified in the Project Specific Conditions.

"Change" means in relation to the Project as defined in the Application any of the following changes (in accordance with clause 9):-

- (a) a change in the Ownership, Control and Nature of Business of the Grant Recipient;
- (b) a change in the nature or purpose of the Project or in the delivery of the Project, as set out in the Application;
- (c) any change to the Eligible Expenditure;
- (d) any change to the Expenditure Profile;
- (e) any change to any of the Key Milestone Dates;
- (f) any change to any of the Targets;
- (g) any material change to the Project Specifications (that is, more than merely trivial and inconsequential in its consequences).

"Completion" means completion of the Project Activities to the satisfaction of the Secretary of State.

"Completed Project" means a Project that has been physically completed or fully implemented and in respect of which all related payments have been made by the Grant Recipient and the corresponding public contribution has been paid to the Grant Recipient.

"Conditions" means the terms and conditions upon which the Grant is payable as contained in clauses 1 to 27 of the main body of this Funding Agreement and the Project Specific Conditions at Schedule 1.

"Confidential Information" means all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, and suppliers of the owner of the Confidential Information, including all intellectual property rights, together with all information derived from any of the above, and any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential.

"Contracting Authority" means any contracting authority as defined in Regulation 3 of the Public Contracts Regulations 2006 or Regulation 2 of the Public Contracts Regulations 2015 (as amended) other than the Secretary of State.

"Contribution Rate" means the percentage rate of Eligible Expenditure at which Grant is paid as contained in the Project Specific Conditions and may be the Capital Contribution Rate and/or the Revenue Contribution Rate.

"Correction" means an amount to be repaid or withheld from the Grant payable as determined following the finding of an Irregularity and calculated, where relevant, by reference to the published guidelines on flat-rate corrections, for example as set out in the National European Structural and Investment Fund Procurement Requirements and the Guidelines for Determining Financial Corrections.

"Crown Body" means any Secretary of State, office or agency of the Crown.

"Data" means

- (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:
 - (i) supplied to the Grant Recipient by or on behalf of the Secretary of State; or
 - (ii) which the Grant Recipient is required to generate, process, store or transmit pursuant to this Funding Agreement; or
- (b) any Personal Data for which the Secretary of State or the Grant Recipient is the Data Controller.

"Data Controller" shall have the same meaning as set out in the Data Protection Legislation

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

"Data Protection Legislation" means:

- (a) the General Data Protection Regulation (Regulation (EU) 2016/679), the Law Enforcement Directive (Directive (EU) 2016/680) and any applicable national implementing Laws as amended from time to time
- (b) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy;
- (c) all applicable Law about the processing of personal data and privacy including where applicable the guidance and codes of practice issued by the Information Commissioner as may be in force from time to time.

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

"Data Subject" shall have the same meaning as set out in the Data Protection Legislation

"Data Subject Request" means 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.

"Delivery Partner" means a third party that (in collaboration with the Grant Recipient) shall deliver the Project, itself defray expenditure to be claimed and carry out the Project Activities in accordance with clause 4 and which third party is not intended by either party to be providing services or works under a contract for services or works.

“Disposal” means the disposal, sale, transfer or the grant of any estate or interest in any Asset and includes any contract for a disposal and **“Dispose”** shall be construed accordingly.

"Eligibility Rules" means the rules governing eligibility of expenditure for payment of European Regional Development Fund contained in:

- (a) Regulation 1301;
- (b) Regulation 1303; and
- (c) The National European Regional Development Fund Eligibility Rules.

"Eligible Expenditure" means expenditure in relation to this Project that complies in all respects with the Eligibility Rules.

"Eligible Revenue Expenditure" means the expenditure set out in the profile at Schedule 3.

"Environmental Information Regulations" means the Environmental Information Regulations 2004 (SI No 2004/3391) together with any guidance and/or codes of practice issued by the 'Information Commissioner' (as referred to therein) or relevant Government Department in relation to these regulations.

"Event of Default" means an event or circumstance as defined by clause 12.1.

"Expenditure" means either capital expenditure or revenue expenditure (as appropriate in the context).

"Expenditure Profile" means the information provided by the Grant Recipient detailing the spend forecast for the carrying out of the Project Activities and defrayal of expenditure including the Start Date and the Agreed Financial Completion Date and which is contained in Schedule 3.

"Final Payment Date" means the date of the final payment of Grant to the Grant Recipient.

"Financial Year" means the calendar year.

“Fixed Asset” means any Asset which consists of land and/or buildings, plant, machinery or other thing that is, or is to be, fixed to any land and which is to be acquired, developed, enhanced, constructed and/or installed as part of the Project.

"Funding Agreement" means this agreement including the Schedules.

"Grant" means the grant of European Regional Development Fund payable pursuant to this Funding Agreement up to the Maximum Sum as set out in the Project Specific Conditions.

"Grant Claim" means a claim for Grant using the Secretary of State System on line facility.

"Grant Recipient Equipment" means the hardware, computer and telecoms devices and equipment made available by the Grant Recipient or its sub-contractors (but not hired, leased or loaned from the Secretary of State) for the provision of the Project Activities.

"Grant Recipient Personnel" means all employees, agents, consultants and contractors of the Grant Recipient and/or of any sub-contractor.

"Grant Recipient Software" means software which is owned by or licensed to the Grant Recipient, including software which is or will be used by the Grant Recipient for the purposes of complying with its obligations pursuant to this Funding Agreement.

"Grant Recipient System" means the information and communications technology system used by the Grant Recipient in performing its obligations under this Funding Agreement

including the Grant Recipient Software, Grant Recipient Equipment and related cabling (but excluding the Secretary of State System).

"Guidelines for Determining Financial Corrections" means the Guidelines for determining financial corrections to be made to expenditure co financed by the Structural and Investment Funds from time to time in force and notified to the Grant Recipient by the Secretary of State and which (those subsisting on the date of this Funding Agreement) is Commission Decision C(2019) 3452 of 14.05.2019 laying down the guidelines for financial corrections to be made to expenditure financed by the Union for non-compliance with the rules on public procurement.

"Information Communications and Technology Environment" means the Secretary of State System and the Grant Recipient System.

"Information" has the meaning given in the Freedom of Information Act 2000.

"Information Commissioner" has the meaning given in the Freedom of Information Act 2000.

"Instalment Period" means the period referred to in the Project Specific Conditions.

"Intellectual Property Right" means all patents, know-how, registered trademarks, registered designs, utility models, applications and rights to apply for any of the foregoing unregistered design rights, unregistered trademarks, rights to prevent passing off for unfair competition and copyright, database rights, topography rights and any other rights in any invention discovery or process in each case in the United Kingdom and all other countries in the world and together with all renewals and extensions.

"Interpretative Communication" means the Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives (2006/C 179/02)

"Irregularity" means any breach of European Union law, or of national law relating to its application resulting from an act or omission by a Grant Recipient or a Delivery Partner (and/or its agents and subcontractors), which has, or would have, the effect of prejudicing the budget of the European Union by charging an unjustified item of expenditure to the budget of the European Union.

"Key Milestone Dates" means those milestones to achieve the Project which are contained in the Project Specific Conditions.

"Law" means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate legislation or notice of any Regulatory Body.

"Losses" means all costs, charges, fees, expenses, fines and losses (including, loss of profit, loss of reputation) and all interest penalties and legal and other professional costs and expenses.

"Major Asset" means an Asset which is not a Fixed Asset but has a value as at the date of this Funding Agreement (or date of acquisition if the acquisition is funded (in whole or in part) by this Grant) of at least £5,000.00 (five thousand pounds).

"Malicious Software" means any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence.

"Material Breach" means a breach of this Funding Agreement (including an anticipatory breach) which is not minimal or trivial in its consequences as further set out in clause 12.

"Maximum Sum" means the maximum amount of Grant to be provided by the Secretary of State for the support of the Project and includes the Capital Maximum Sum and the Revenue Maximum Sum.

"More Developed Region" means the geographical areas as defined under Regulation (EU) No 1303/2013 Article 90 and comprising of the areas identified in the Glossary published by the Secretary of State and contained on the Website being the Glossary for 2014-2020 European Structural and Investment Funds. The areas within the More Developed Region covered by this specific Grant Funding Agreement are set out in Schedule 3.

"National European Regional Development Fund Document Retention Guidance" means the guidance published from time to time by the Secretary of State and contained on the Website, the version subsisting at the date of this Funding Agreement being ESIF-GN-1-008 ERDF Document Retention Guidance v1 (published February 2016).

"National European Regional Development Fund Eligibility Rules" means the National Eligibility Rules published from time to time by the Secretary of State and contained on the Website, the version subsisting at the date of this Funding Agreement being ESIF-GN-1-012 National ERDF Eligibility Rules v1 (published 20 March 2015).

"National European Regional Development Fund Publicity Guidance" means the guidance on publicity and the branding guidelines for European Regional Development Fund published from time to time by the Secretary of State on the Website, the version subsisting at the date of this Funding Agreement being ESIF-GN-1-005 ESIF Branding and Publicity Requirements v8 (published 1 August 2019).

"National European Regional Development Fund State Aid Law Guidance" means the guidance published from time to time by the Secretary of State and contained on the Website, the version subsisting at the date of this Funding Agreement being ESIF-GN-1-006 ERDF State Aid Law Guidance v2 (published 7 January 2016).

"National European Structural and Investment Funds Procurement Requirements" means the requirements published from time to time by the Secretary of State and contained on the Website, the version subsisting at the date of this Funding Agreement being ESIF-GN-1-001 ESIF national Procurement Requirements v6 (published 16 August 2019)

"National Rules" means the national rules set out in chapter 6 of the National European Structural and Investment Funds Procurement Requirements as published from time to time.

"Not Eligible" means expenditure that is not Eligible Expenditure.

"Ownership, Control and Nature of Business" shall be construed in accordance with section 840 of the Income and Corporation Taxes Act 1988 and section 1162 of the Companies Act 2006 and for the avoidance of doubt shall include an evaluation of dominant influence and shadow directorships in the Grant Recipient from time to time.

"Parties" means the Secretary of State and the Grant Recipient.

"Personal Data" shall have the same meaning as set out in the Data Protection Legislation

"Process" has the meaning given to it under the Data Protection Legislation

"Procurement Law" includes, but is not restricted to EC Directives 2004/18/EC, 2004/17/EC and 2007/66/EC, the Public Contracts Regulations 2006 (SI No 5/2006), as amended, Directive 2014/24/EU the Public Contracts Regulations 2015 and the Utilities Contracts Regulations 2006 (SI No 6/2006), as amended, and includes the Interpretative

Communication , the Consolidated Versions of the Treaty on European Union and the Treaty on the Functioning of the European Union'.

"Project" means the project fully described in the Application.

"Project Activities" means all activities to be carried out in implementing the Project and includes any Works to be carried out in relation to any Fixed Assets.

"Project Specifications" means the drawings and specifications describing the Works which are contained in Schedule 7 and which have been approved by the Secretary of State in writing, or such revised drawings and specifications as the Secretary of State may from time to time approve in accordance with the provisions of this Funding Agreement.

"Project Specific Conditions" means those conditions which are specific to the Project and are contained in Schedule 1.

"Project Specific Eligible Expenditure" means Eligible Expenditure which is specific to this Project and is contained in Schedule 2.

"Project Change Request Form" means the prescribed form for the purpose of requesting consent to a Change determined from time to time by the Secretary of State.

"Public Sector Financial Assistance" includes all funding received or receivable by the Grant Recipient from public sector bodies including for this purpose funding from the European Commission, government bodies (whether national or local) or bodies in receipt of lottery funds from the National Lottery Distribution Fund pursuant to the National Lotteries Acts 1993 and 1998.

"Regulation 480" means Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation 1303.

"Regulation 821" means Commission Implementing Regulation (EU) No 821/2014 of 28 July 2014 supplementing Regulation 1303.

"Regulation 1301" means Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013, on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal, as amended.

"Regulation 1303" means Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 which sets out common provisions on the Structural and Investment Funds, as amended.

"Regulatory Bodies" means those government departments and regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Funding Agreement or any other affairs of the Secretary of State and "Regulatory Body" shall be construed accordingly.

"Revenue Contribution Rate" means the percentage rate in respect of Eligible Revenue Expenditure as is specified the Project Specific Conditions at Schedule 1.

"Revenue Maximum Sum" means the maximum amount of Grant payable in respect of Eligible Revenue Expenditure as is specified in the Project Specific Conditions.

"Revenue Maximum Sum for the More Developed Region" means the maximum amount of Grant payable in respect of Eligible Revenue Expenditure for the More Developed Category of Region and is specified in the Project Specific Conditions.

"Secretary of State System" means the Secretary of State's computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by

the Secretary of State or the Grant Recipient in connection with this Funding Agreement which is owned by or licensed to the Secretary of State by a third party and which interfaces with the Grant Recipient System or which is necessary for the Secretary of State to comply with the terms of this Funding Agreement.

"Small to Medium Sized Enterprise" or "SME" means a small to medium sized enterprise as set out in the 'General Block Exemption Regulation' (Commission Regulation (EU) No 651/2014).

"Start Date" means the date specified as such in the Project Specific Conditions being the earliest date that expenditure incurred by the Grant Recipient in relation to the Project that can be Eligible Expenditure.

"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 on the Functioning of the European Union'.

"Structural and Investment Funds" means together the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

"Structural and Investment Funds Regulations" means Regulation 1301, Regulation 1303 and any delegated acts or implementing acts adopted under those Regulations.

"Sub-processor" means any third Party appointed to process Personal Data related to this Agreement on behalf of the Grant Recipient

"Targets" means the outputs and results identified and detailed in the milestone table contained in the Project Specific Conditions and those specified in Schedule 3 as defined in the Reopening High Streets Safely Fund Guidance.

"Third Party Software" means software which is owned or licensed by any third party which is or will be used by the Grant Recipient for the purposes of this Funding Agreement.

"Transaction List" means the transaction checklist relevant to a particular Grant Claim as determined by the Secretary of State.

"Useful Economic Life" means the period of years following the Agreed Financial Completion Date that any Asset shall be used for the Approved Use as set out in Schedule 1.

"Website" means the national website for the European Regional Development Fund Programme in England: <https://www.gov.uk/european-growth-funding>.

"Working Day" means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday in England.

2. INTERPRETATION

In this Funding Agreement:

- 2.1.** reference to any statute or legislation shall include any statutory extension or modification, amendment or re-enactment of such statutes and include all instruments, orders, bye-laws and regulations for the time being made, issued or given thereunder or deriving validity therefrom, and all other legislation of the European Union that is directly applicable to the United Kingdom;
- 2.2.** reference to any clause, sub-clause, paragraph, sub-paragraph or schedule without further designation shall be construed as a reference to the clause, sub-clause, paragraph, sub-paragraph or schedule to this Funding Agreement so numbered;

- 2.3. reference to 'this Funding Agreement' includes any variations made from time to time pursuant to these terms;
- 2.4. reference to "Published" by the Secretary of State shall include an electronic version contained on the Website;
- 2.5. reference to "including" shall be construed so as not to limit the generality of any words or expressions in connection with which it is used;
- 2.6. reference to "determined" or "determine" means, unless the contrary is indicated a determination made at the discretion of the person making it;
- 2.7. where the consent approval or agreement of the Secretary of State required pursuant to the terms of this Funding Agreement, it shall not be construed as having been given unless provided in writing;
- 2.8. words importing one gender shall include both genders and the singular shall include the plural and vice versa;
- 2.9. the Guidelines for Determining Financial Corrections and the National European Regional Development Fund Eligibility Rules shall have the same force and effect as if expressly set out in the body of this Funding Agreement;
- 2.10. the headings in this Funding Agreement shall not affect its interpretation;
- 2.11. In the event of a conflict between the following elements comprising this Funding Agreement the priority shall prevail in the following descending order:
 - (a) The conditions set out at Schedule 1 ("Project Specific Conditions")
 - (b) The conditions set out in the main body of this Funding Agreement
 - (c) The Reopening High Streets Safely Fund Guidance (Schedule 2)
 - (d) The Grant Action Plan Form (Schedule 3)

3. GRANT

- 3.1. In consideration of the Parties' respective obligations contained in this Funding Agreement the Secretary of State offers the Grant and the Grant Recipient accepts the Grant up to the Maximum Sum on the terms and conditions of this Funding Agreement.
- 3.2. Grant will only be paid in respect of Eligible Expenditure.
- 3.3. Eligible Expenditure excludes:-
 - (a) payments made by the Grant Recipient (or Delivery Partners) that are Not Eligible;
 - (b) payments that are the subject of an Irregularity or a suspected Irregularity.
- 3.4. Subject to entering into this Funding Agreement Eligible Expenditure that has been defrayed on or after the Start Date may be claimed pursuant to this Funding Agreement. For the avoidance of doubt the reference to Grant and the provisions of this Funding Agreement shall apply to all claims and Expenditure beginning on the

Start Date. If the Funding Agreement is not entered into for any reason there shall be no expectation of Grant and any expenditure incurred in that case shall be entirely for the account and at the risk of the applicant.

4. THE APPLICATION AND ACCEPTANCE OF GRANT TERMS

- 4.1.** The Grant Recipient warrants to the Secretary of State that the Application is accurate in all respects having made proper and full enquiry in relation to the same. The Secretary of State has based its decision to offer and pay the Grant (and has relied) upon the representations made by the Grant Recipient in the Application and in all documents and information provided as part of the Grant Action Plan review process. No disclaimer or other statement that precludes the right of any person to rely upon the Application or any other document that forms part of the Application, or has a similar effect, shall apply with respect to the Secretary of State or affect the Secretary of State's right to enforce any provision of the Funding Agreement.
- 4.2.** For the avoidance of doubt, clause 4.1 is intended to ensure that:-
- (a) no disclaimer of liability for the contents of the Application affects the Secretary of State's right to recover any sum under this Funding Agreement; and
 - (b) there is reserved to the Secretary of State (notwithstanding clause 27.12) any rights of action or remedies for any mistake, negligent misstatement, misrepresentation or error of judgment made in the Application upon which the Secretary of State has relied in agreeing to provide Grant to the Grant Recipient.
- 4.3.** The Grant Recipient accepts and agrees to all of the terms having made full and proper enquiry before giving the warranties contained in this Funding Agreement.
- 4.4.** The Grant Recipient acknowledges that the Grant has been offered to it to carry out the Project Activities specified within the Application and achieve the Targets within the time limits set out in this Funding Agreement and the Key Milestone Dates set out in the table contained in the Project Specific Conditions.
- 4.5.** The Grant Recipient may with the consent of the Secretary of State task a Delivery Partner to carry out certain of the Project Activities provided that such shall not in any way reduce any of the obligations or liability of the Grant Recipient under this Funding Agreement. If Consent is given the Delivery Partner shall be named in the Project Specific Conditions.
- 4.6.** For the avoidance of doubt the Grant Recipient shall be liable for the acts of its Delivery Partner including any Corrections resulting therefrom.

5. GRANT CLAIMS

- 5.1.** Amount of Grant payable
- (a) The total amount of Grant payable in respect of Eligible Revenue Expenditure will be either the Revenue Maximum Sum, or an amount calculated by applying the Revenue Contribution Rate to the actual Eligible Revenue Expenditure, whichever is the lower.

- (b) The total amount of Grant paid to the Grant Recipient shall not exceed the Maximum Sum.
- (c) The total amount of Grant payable in respect of Eligible Revenue Expenditure of the More Developed Region shall not exceed the Revenue Maximum Sum for the More Developed Region.

5.2. Conditions Precedent to the payment of Grant

The Secretary of State will not make the first payment of Grant and/or any subsequent payment of Grant unless all of the following preconditions have been complied with:-

- (a) the relevant Grant Claim is made on the Secretary of State System on line facility;
- (b) the expenditure is Eligible Expenditure;
- (c) that Eligible Expenditure has been defrayed (that is that Eligible Expenditure has been incurred and that payment has been made by the Grant Recipient or a Delivery Partner) in respect of any Eligible Expenditure to which a Grant Claim relates;
- (d) any Security required as set out in the project Specific Conditions is in place to the extent stated; and
- (e) the Conditions have been fully complied with provided that the Secretary of State may waive in whole or in part any Condition/s without prejudicing the Secretary of State's right to require subsequent fulfilment of such Condition/s

provided always that the payment of a Grant Claim shall not operate as a waiver of any of the obligations in this clause 5.2 or exclude the right for the Secretary of State to exercise any of its rights under this Funding Agreement.

5.3. Grant Claims Procedure

- (a) the Grant Recipient shall make all Grant Claims in arrears, for each Instalment Period.
- (b) The Grant Recipient shall provide a forecast of the amount of Grant to be claimed for an Instalment Period in accordance with paragraph (c) by the 7th Working Day of the month following the end of the Instalment Period for which the Grant Claim will be made.
- (c) Except for the final Grant Claim, each Grant Claim is to be submitted by the 20th Working Day of the month following the end of the Instalment Period for which the Grant Claim is made.
- (d) The first Grant Claim made at the end of the first Instalment Period shall relate to all Eligible Expenditure incurred and paid by the Grant Recipient from the Start Date. Subsequent Grant Claims shall relate to all Eligible Expenditure incurred and paid by the Grant Recipient in an Instalment Period.
- (e) Each Grant Claim is to be submitted using the Secretary of State System on line facility. Each Grant Claim shall include accounting documents of verifiable value (which shall include the Transaction List) in such format and detail as may be acceptable to the Secretary of State relating to the amount claimed in such Grant Claim.

- (f) The Secretary of State will normally pay a Grant Claim within 40 Working Days of receipt, but this is subject to:
 - (i) The Grant Recipient submitting a forecast in accordance with paragraph (b) above;
 - (ii) The Grant Claim being submitted by the deadline referred to in paragraph (c) above; and
 - (iii) the Grant Recipient satisfactorily meeting any request for further particulars about the Eligible Expenditure specified in the Grant Claim or any other details provided for in the Grant Claim.
- (g) the time for payment of the Grant Claim shall not be of the essence. The Secretary of State shall have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- (h) The Grant Recipient must notify the Secretary of State promptly if at any time it becomes aware that it is unable to make a Grant Claim in accordance with the Expenditure Profile.
- (i) A progress report in respect of the Project must be submitted with each Grant Claim, and at such other times as the Secretary of State may notify to the Grant Recipient.
- (j) By submitting a Grant Claim the Grant Recipient warrants to the Secretary of State that there is no Event of Default or Material Breach subsisting by reference to the facts and circumstances existing on each such date.

6. THE EXPENDITURE PROFILE

- 6.1.** If in any Financial Year ("the relevant year") there is a shortfall in the amount of Eligible Expenditure by reference to the amount planned in the Expenditure Profile, the Secretary of State will be under no obligation to pay Grant for any additional Eligible Expenditure in the following year or any later Financial Year.
- 6.2.** If in any Financial Year (the "relevant year") there is an overspend in the amount of Eligible Expenditure by reference to the amount planned in the Expenditure Profile, the Secretary of State will be under no obligation to pay Grant in the following year or any later Financial Year which was overspent in any relevant year.

7. DECOMMITMENT OF EUROPEAN REGIONAL DEVELOPMENT FUND RESOURCES

- 7.1.** The Grant Recipient acknowledges that the financial consequences that flow from a departure from the Expenditure Profile in any financial year could include the loss of European Regional Development Fund resources allocated for the Operational Programme (if in that year there is under-spending for the Operational Programme as a whole).
- 7.2.** If during any Financial Year of the Operational Programme the Secretary of State is reasonably satisfied that there will be a shortfall in Eligible Expenditure and that the Grant Recipient will be unable to make up that shortfall then, the Secretary of State may reduce the Grant allocated for the Project and use the amount of the reduction for any other purpose of the Operational Programme. The amount to be re-allocated

under these circumstances is determinable by the Secretary of State, but may not exceed the amount of the anticipated shortfall in Eligible Expenditure.

- 7.3.** Where the right reserved in clause 7.2 arises under circumstances that also entitle the Secretary of State to exercise the rights reserved in clause 12, the right reserved to the Secretary of State in clause 7.2 is exercisable in addition and without prejudice to the exercise of the rights reserved to the Secretary of State in clause 12.

8. PROVISIONS RELATING TO ANY ASSETS

8.1. Inventory of the Assets

Using the Asset Register Template the Grant Recipient must establish and maintain an inventory of all of the Assets. The provisions of clause 14.5 shall apply to all Assets.

8.2. Change of use of any Asset

- (a) The Grant Recipient covenants with the Secretary of State that it will not use any Asset for any purpose other than the Approved Use throughout the Useful Economic Life of the Asset.
- (b) During the Useful Economic Life of each Asset, the Grant Recipient shall not cease to use the Fixed Asset or the Major Asset, or any part of the Asset for the Approved Use without the prior written consent of the Secretary of State. If consent is given, it may be subject to any conditions which the Secretary of State may wish to impose. Such conditions may include repayment by the Grant Recipient to the Secretary of State of all or part of the Grant paid to the Grant Recipient under this Funding Agreement.

8.3. Disposal of any Asset

- (a) During the Useful Economic Life of an Asset the Grant Recipient must not dispose of any interest in such Asset without the prior written consent of the Secretary of State. If the Secretary of State grants consent to a Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Secretary of State.
- (b) Where the Grant Recipient disposes of any interest in any Asset without the prior written consent of the Secretary of State, then the proceeds of the Disposal (limited to the total amount paid by the Secretary of State to the Grant Recipient under this Funding Agreement) shall be held on trust by the Grant Recipient for the benefit of the Secretary of State.
- (c) The liability under clause 8.3(b) is separate from the liability to comply with any decision of the Secretary of State under clause 12 to require repayment of the whole or any part of the amount paid of the Grant, to the Grant Recipient (but subject to clause 27.12 below).
- (d) The Grant Recipient shall provide to the Secretary of State as part of the progress report referred to in clause 5.4(i) information in relation to any Disposals which it either intends to make or has made with the prior written consent of the Secretary of State at the date of such progress report.

8.4. Charging of any Asset

During the Useful Economic Life of each Asset the Grant Recipient shall not create any charge, legal mortgage, debenture, or lien over any Asset without the prior written

consent of the Secretary of State (except for Security contemplated by the Project Specific Conditions).

9. CHANGES TO THE PROJECT

- 9.1.** All Changes must be approved by the Secretary of State prior to the relevant Change being deemed to be effective. The Grant Recipient shall request the Change on a RHSS Project Change Request Form. The Secretary of State shall either agree to the change request or reject the change request within 60 days of the date of the Project Change Request Form.
- 9.2.** Until such time as a Change is made in accordance with this clause, the parties shall, unless otherwise agreed in writing, continue to perform this Funding Agreement in compliance with its terms before such Change.

10. LEGISLATION, ESIF PROCUREMENT REQUIREMENTS, AND STATE AID LAW

10.1. General

- (a) The Grant Recipient must comply and secure compliance with the Structural and Investment Funds Regulations and the Grant Recipient hereby warrants that it shall not act or omit to act in any way that may cause the Grant Recipient, a Delivery Partner or the Secretary of State to breach the Structural and Investment Funds Regulations.
- (b) Further to clause 10.1(a) the Grant Recipient shall ensure that in accordance with Article 6 of Regulation 1303, the Project complies with applicable European Union law and the national law relating to its application.

10.2. State Aid Law

- (a) The Grant Recipient has undertaken its own independent assessment of the compatibility of the Project with State Aid Law and confirms to the Secretary of State that the Project is structured so it is compliant with State Aid Law. Where the Secretary of State has provided its views on any aspect of State Aid Law, the Grant Recipient confirms that it has considered this information alongside all other sources of State Aid Law available at the time of entering into this Funding Agreement (including regulations and decisions published on the European Commission website) in undertaking its own assessment of the Project's compliance. The Secretary of State has taken into account the Grant Recipient's representations on State Aid Law compliance in deciding to offer the Grant.
- (b) The Grant Recipient shall procure and maintain the necessary expertise and resources to deliver the Project in accordance with the State Aid Law for the full term of the Project. The Grant Recipient agrees to maintain appropriate records of compliance with the State Aid Law and agrees to take all reasonable steps to assist the Secretary of State to comply with State Aid Law requirements and respond to any investigation(s) instigated by the European Commission into the Project or by the European Court of Auditors.

- (c) A finding of State Aid non-compliance in respect of the Project by the European Commission or a Court of competent jurisdiction may lead to Grant Recipient being ordered to repay the Grant with interest in accordance with the European Commission's reference rates.

10.3. ESIF Procurement Requirements

- (a) The Grant Recipient warrants that it has provided full details of all contracts for goods, works or services which will form part of the Project and for which it will claim reimbursement.
- (b) Where the Grant Recipient is a 'contracting authority' within the meaning of Procurement Law the Grant Recipient warrants that:
 - (i) In relation to any contracts listed in section 7 of the Grant Action Plan form, it has complied with, and where relevant, has secured that its Delivery Partners have complied with all applicable Procurement Law in force at the date the procurement was commenced in relation to the Project; and
 - (ii) In relation to any contracts listed in section 7 of the Grant Action Plan form, it shall comply with, and where relevant, shall secure that its Delivery Partners shall comply with, all applicable Procurement Law in force at the date of commencement of the procurement process in relation to the Project.

Provided that where, having regard to the Interpretative Communication, the contract awards do not have a sufficient connection with the functioning of the Internal Market, the Grant Recipient warrants that it has complied with or shall comply with clause 10.4 below.

10.4. National Rules

Where:

- (a) the Grant Recipient is not a 'contracting authority' subject to Procurement Law in relation to the Project; or
- (b) it is a contracting authority and the contract award does not have a sufficient connection to the 'Internal Market'

the Grant Recipient warrants that:

- (i) In relation to any contracts listed in section 7 of the Grant Action Plan form, it has ensured that its processes met, and where relevant, has secured that its Delivery Partners have ensured that their processes met, with the National Rules published at the date of the Application; and
- (ii) In relation to any contracts listed in section 7 of the Grant Action Plan form, it shall comply with, and where relevant, shall secure that its Delivery Partners shall comply with the relevant version of the National Rules published at the date of commencement of the procurement process.

It is the Grant Recipient's sole responsibility to ensure compliance with the Regulations.

11. PUBLICITY

- 11.1.** The Grant Recipient shall, and shall procure that its Delivery Partners and sub-contractors at all times comply with:-
- (a) Articles 115 and Annex XII of Regulation 1303; and
 - (b) Chapter II and Annex II of Regulation 821.
- 11.2.** The Grant Recipient shall and shall ensure that its Delivery Partners and sub-contractors at all times also apply the HM Government brand, in all circumstances where ERDF publicity is required under the Regulations and as set out in the National European Regional Development Fund Publicity Guidance. The Grant Recipient shall also adhere the Branding and Publicity requirements as set out in the RHSS Fund Guidance and associated FAQs.
- 11.3.** It is the Grant Recipient's sole responsibility to ensure compliance with the Regulations and domestic branding requirements.
- 11.4.** The obligations in this clause shall continue after this Funding Agreement is terminated.
- 11.5.** The Grant Recipient hereby gives consent to the Secretary of State to publicise in the press or any other medium the Grant and the details of the project using any information gathered from the Application or the monitoring of the Project Activities.

12. EVENTS OF DEFAULT, MATERIAL BREACH AND RIGHTS RESERVED FOR BREACH OF THE FUNDING AGREEMENT

12.1. Events of Default

An Event of Default is the occurrence of any of the following:-

- (a) the Grant Recipient fails to comply with the Conditions;
- (b) the Project Activities are not commenced by the date which is 3 months after the Start Date;
- (c) the expenditure is not claimed in line with the Expenditure Profile.
- (d) Completion of the Project Activities has not been achieved by the Agreed Activity End Date;
- (e) a Change is made to the Project without the prior written approval of the Secretary of State, as required by clause 9;
- (f) the Approved Use of any Asset has ceased without the prior written consent of the Secretary of State;
- (g) the European Commission or a European Court requires any Grant paid to be recovered by reason of a breach of State Aid Law;
- (h) the Grant Recipient fails to comply with the provisions of the exemption or scheme (referred to in the Project Specific Conditions) under State Aid Law that applies to the Project and the Grant;

- (i) any report or certificate made by the Grant Recipient's auditor or reporting accountant is unsatisfactory (where, for example, the report or certificate refers to a fundamental uncertainty or disagreement, or contains a material qualification, or states that the auditor or accountant is unable to form an opinion about any item, or reports that any amount is not correctly stated in the accounts or records examined);
- (j) the Grant Recipient owes any sum to the Secretary of State under an agreement for the financial support of any other project or activities;
- (k) if the ultimate Grant Recipient is a Small to Medium-sized Enterprise, but it ceases to be a Small to Medium-sized Enterprise, and it is a requirement arising out of State Aid Law that the grant recipient remains as a Small to Medium-sized Enterprise;
- (l) an encumbrancer takes possession or a receiver or administrative receiver or manager or sequestrator is appointed of the whole or any part of the undertaking assets rights or revenues of the Grant Recipient or a distress or other process is levied or enforced upon any of the assets rights or revenues of the Grant Recipient and any such action is not lifted or discharged within 10 Working Days;
- (m) a petition is presented (other than a petition which, in the opinion of the Secretary of State, is frivolous or vexatious and which is withdrawn or stayed within 10 Working Days) to, or any order is made by, any competent court for the appointment of an administrator in relation to the Grant Recipient;
- (n) the Grant Recipient is, or is adjudicated or found to be, insolvent or stops or suspends payment of its debts or is (or is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to the Grant Recipient under any law regulation or procedure relating to reconstruction or adjustment of debts;
- (o) any petition is presented by any person (other than a petition which, in the opinion of the Secretary of State, is frivolous or vexatious and which is withdrawn or stayed within 10 Working Days) or any order is made by any competent court or any resolution is passed by the Grant Recipient for its winding-up or dissolution or for the appointment of a liquidator of the Grant Recipient.
- (p) any Irregularity on the part of the Grant Recipient has been identified in connection with the Project, or the European Commission or any other Regulatory Body otherwise requires the Secretary of State to recover any amount paid under this Funding Agreement."

12.2. Material Breach

A Material Breach is a breach of this Funding Agreement as defined in clause 1 above including but not limited to the occurrence of any of the following:-

- (a) any information given or representation made in the Application or in any correspondence, report or other document submitted to the Secretary of State relating to this Project or under this Funding Agreement is found to be incorrect or incomplete to an extent which the Secretary of State considers to be material;

- (b) any fraud has been committed by the Grant Recipient and/or its employees in connection with the Project;
- (c) a breach of the warranties by the Grant Recipient contained in and given pursuant to this Funding Agreement.
- (d) the Grant Recipient in breach of clause 8.3 makes a Disposal of any Asset without the prior written consent of the Secretary of State;
- (e) the Grant Recipient fails to materially comply with the Conditions;
- (f) the activities carried out by the Grant Recipient are distinct or different from the description set out in the Application having regard also to the intended function of the Project Activities and the end beneficiaries of the Project.

12.3. Rights reserved for the Secretary of State in relation to an Event of Default

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

- (a) suspend the payment of Grant for such period as the Secretary of State shall determine; and/or
- (b) 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
- (c) cease to make payments of Grant to the Grant Recipient under this Funding Agreement and (in addition) require the Grant Recipient to repay to the Secretary of State the whole or any part of the amount of Grant previously paid to the Grant Recipient; and/or
- (d) terminate this Funding Agreement.

12.4. Opportunity for the Grant Recipient to remedy an Event of Default

- (a) If the Secretary of State gives written notice to the Grant Recipient pursuant to clause 12.3(a) to suspend payment of Grant, such notice shall specify the relevant Event of Default and give the Grant Recipient an opportunity to rectify the relevant Event of Default within such period as the Secretary of State shall determine to be reasonable and as shall be set out in such written notice (or such extended period as the Secretary of State shall thereafter determine).
- (b) The written notice referred to in clause 12.4(a) above may include a requirement for the Grant Recipient to provide specified information to the Secretary of State to assist him to determine whether the default has been rectified to his satisfaction.
- (c) Where the rectification of the default requires a Change the procedure under clause 9 shall be followed.
- (d) The Secretary of State shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Secretary of State, capable of remedy, exercise its rights under either clause 12.3(c) or clause 12.3(d) unless the Grant Recipient has failed to rectify the default pursuant to clause 12.4(a) within such period referred to in clause 12.4(a) to the satisfaction of the Secretary of State.

12.5. Continued rights of actions or remedies of the Secretary of State

The exercise by the Secretary of State of its rights under clause 12.3 shall be without prejudice to any other right of action or remedy of the Secretary of State in respect of any breach by the Grant Recipient of the provisions of this Funding Agreement.

12.6. Cessation of entitlement to Grant

If the Secretary of State exercises its right under clause 12.3(c) the Secretary of State shall give written notice to the Grant Recipient that the Secretary of State is ceasing to make payment of Grant and from the date of such notice the Secretary of State shall cease to be under any obligation to pay any amount of Grant to the Grant Recipient under the Funding Agreement.

12.7. Liability to meet demand for repayment of Grant and Covenant to Pay

- (a) Where the Secretary of State requires the Grant Recipient to repay any amount of Grant, the Grant Recipient shall repay the amount concerned within 20 Working Days of receiving the demand for repayment. The liability to meet such a demand shall be enforceable as a contractual debt.
- (b) Where the Secretary of State makes a determination to recover any amount of Grant, it may recover the amount concerned by withholding or deducting the amount from any sum due from the Secretary of State to the Grant Recipient under this Funding Agreement or under any funding agreement for the support of any other project or activities by the European Regional Development Fund, or under any other agreement with the Secretary of State.
- (c) The Secretary of State may require interest to be paid on any amount repayable by the Grant Recipient in accordance with the rates published in the Official Journal of the European Union from time to time.

12.8. Reduction in grant for underperformance

- (a) This clause applies where the Secretary of State determines that the Grant Recipient has underperformed against the Targets specified in Schedule 3 to such degree that in a reduction in Grant may be made in accordance with the underperformance weightings and methodology set out in Schedule 4.
- (b) Where this clause applies, the Secretary of State shall give written notice to the Grant Recipient specifying the Targets it has underperformed against and giving the Grant Recipient an opportunity to rectify that underperformance within such period as the Secretary of State shall determine to be reasonable and as shall be set out in such written notice (or such extended period as the Secretary of State shall thereafter determine).
- (c) The written notice referred to in the paragraph above may include a requirement for the Grant Recipient to provide specified information to the Secretary of State to assist him to determine whether that underperformance has been rectified to his satisfaction.
- (d) Where the rectification of the underperformance requires a Change the procedure under clause 9 shall be followed.

- (e) Where the Grant Recipient fails to rectify the underperformance to the Secretary of State's satisfaction within the specified time period, the Secretary State may by written notice to the Grant Recipient, reduce the amount of Grant allocated to the Project by an amount calculated in accordance with the underperformance weightings and methodology set out in Schedule 4.
- (f) Where the amount of Grant is reduced under this clause, the Secretary of State shall either require the Grant Recipient to repay to the Secretary of State the whole or any part of the amount of Grant previously paid to the Grant Recipient and/or shall offset it from a future Grant Claim, as appropriate.

12.9. Corrections

- (a) Notwithstanding any other provision in this Funding Agreement the Secretary of State may impose a Correction. If a Correction is imposed a notice will be sent to the Grant Recipient setting out the Irregularity that the Secretary of State considers has occurred together with the level of Correction imposed having regard to any applicable guidelines and/or the value of the Grant Claim to the extent that the Irregularity applies to it.
- (b) If a Correction is imposed the Grant Recipient shall either pay the amount or agree to the Correction being offset from a future Grant Claim as the case may be. The Secretary of State shall be at liberty to offset an amount of Grant in anticipation of a Correction pending the final outcome of any discussions or representations made by the Secretary of State and/or the Grant Recipient in respect of the Correction.
- (c) The Grant Recipient shall be at liberty to make representations in writing to the Secretary of State setting out the reasons it considers that the Correction should be adjusted together with evidence in sufficient detail to enable the Secretary of State to reconsider the requirement for the Correction provided always that the Secretary of State's decision shall be final and binding.

12.10. Exclusion of Liability

- (a) Neither party shall be liable to the other party (so far as permitted by law) for indirect special or consequential loss or damage in connection with this Funding Agreement which shall include, without limitation, any loss of or damage to profit, revenue, contracts, anticipated savings, goodwill or business opportunities whether direct or indirect.
- (b) Each party shall at all times take all reasonable steps to minimise and mitigate any loss or damage for which the relevant party is entitled to bring a claim against the other party pursuant to this Funding Agreement.
- (c) With respect to other claims so far as permitted by law the Secretary of State shall under no circumstances whatever be liable to the Grant Recipient whether in contract, tort (including negligence), breach of statutory duty, or otherwise for any Losses arising under or in connection with this Funding Agreement that would exceed the amount of the Maximum Sum less any amount of Grant Paid.
- (d) Any clause limiting the Grant Recipient's liability does not apply in relation to a Correction that is applied in accordance with the terms of this Funding Agreement.

13. ASSIGNMENT OR CHARGING OF THE FUNDING AGREEMENT

- 13.1.** The Grant Recipient may not, without the prior written consent of the Secretary of State, assign its rights under the Funding Agreement or charge the benefit of the Funding Agreement or novate the rights and liabilities of the Funding Agreement to a third party.
- 13.2.** If the Grant Recipient wishes to assign, charge or novate its rights and liabilities under the Funding Agreement, it will give as much notice as possible of its proposals to the Secretary of State and will provide a full account of relevant circumstances and such further particulars as the Secretary of State shall request concerning the party to which the Funding Agreement is proposed to be assigned, novated or charged.
- 13.3.** The Secretary of State shall determine as to whether or not to give consent to an assignment or novation or charging of the Funding Agreement or as to any conditions to be imposed.
- 13.4.** If the Secretary of State consents to an assignment, charge or novation, then the Secretary of State may notify the Grant Recipient that the documentation giving effect to the assignment, charge or novation is to be approved by the Secretary of State and copies of all completed documents supplied to the Secretary of State upon completion of the same.

14. MONITORING PROGRESS AND REPORTING/ NOTIFICATIONS

- 14.1.** Submission of progress reports
- (a) The Grant Recipient must send to the Secretary of State, at such intervals as the Secretary of State shall notify in writing to the Grant Recipient, a report on progress made towards the achievement of the Targets. Without prejudice to any provision of any of this Funding Agreement conferring a remedy for failure to achieve any of the Targets, this obligation shall subsist until the Targets have been achieved or, if earlier, until the end of the Useful Economic Life of the Assets.
- (b) The Grant Recipient must provide such additional information in such format as the Secretary of State may at any time require. This includes information about the progress of the Project Activities, the achievement of the Targets and any other information required to enable the Secretary of State to meet its reporting obligations and other obligations under State Aid Law and the Structural and Investment Funds Regulations.
- (c) The Grant Recipient warrants the accuracy of the reports and information it gives pursuant to this clause 14 and further warrants that it has diligently made full and proper enquiry of the subject matter pertaining to the reports and information given.
- 14.2.** Notification by the Grant Recipient
- The Grant Recipient shall notify the Secretary of State in writing:-

- (a) as soon as practicable thereafter firstly in the event of any Change in the information on costs (whether actual or estimated) of carrying out the Project Activities contained in the Application and secondly of any event which materially affects the continued accuracy of such information;
- (b) as soon as practicable thereafter, in the event of the receipt of any other public sector financial assistance or guarantees of other public sector financial Assistance or other funding obtained by the Grant Recipient in relation to the Project, or an offer of the same, in respect of any aspect of the Project or the Project Activities (or any part of it or them);
- (c) as soon as practicable thereafter, of any event which might adversely affect the carrying out and/or Completion of the Project Activities or any part of them;
- (d) prior to any proposed Disposal or any charging of any Asset during its Useful Economic Life;
- (e) prior to any change of use of any Asset from the Approved Use during its Useful Economic Life;
- (f) as soon as practicable thereafter, of any event which might adversely affect the delivery of the Project by the Agreed Activity End Date;
- (g) within 5 Working Days of any Disposal, details of that Disposal of the whole or any part of the Assets up to that date, together with details and evidence of the consideration obtained and (if required by the Secretary of State) together with copies of all relevant documentation; and
- (h) forthwith, on the occurrence of an Event of Default.

14.3. Records

- (a) The Grant Recipient shall provide the Secretary of State with such information and documentation as the Secretary of State may require in connection with the Project from the date of the Funding Agreement to the date on which the Grant Recipient has fulfilled all its obligations under this Funding Agreement.
- (b) The Grant Recipient shall comply with and assist the Secretary of State to comply with the requirements for an audit trail under the Structural and Investment Funds Regulations including (but not limited to) the detailed minimum requirements under Article 25 of Regulation 480.
- (c) This Grant Recipient shall keep a record of all Eligible Expenditure, all quotes, tenders and procurement practices, all financial contributions made towards the Project and all income generated by the Project.
- (d) The Grant Recipient will provide to the Secretary of State such information as is available as to the number of persons employed in connection with the Project and such other information as may be requested by the Secretary of State as to the benefits derived from the provision of funding for the Project.
- (e) The Grant Recipient must comply with the requirements of the Secretary of State regarding the keeping of records available on the Secretary of State Website.

14.4. Retention of documents

- (a) Without prejudice to any other provision of this Funding Agreement and the Grant Recipient's obligations pursuant to State Aid Law, the Grant Recipient will ensure that all documents relating to the Project and its implementation and financing are retained for a two year period from 31 December following the submission of the accounts to the European Commission in which the final expenditure for the Completed Project is included, in order that these may be made available to the European Commission and European Court of Auditors upon request in accordance with Article 140 of Regulation 1303.
- (b) The Secretary of State shall notify the Grant Recipient of the start date of the two year period referred to in the paragraph above.
- (c) In addition to the obligation under paragraph (a) above, the Grant Recipient shall ensure that all documents relating to the Project and its implementation and financing are retained as necessary in order to demonstrate compliance with any applicable State Aid law, the Structural and Investment Funds Regulations and the obligations under this Funding Agreement. The Secretary of State has published the National European Development Fund Document Retention Guidance in order to assist the Grant Recipient to determine how long documents should be retained for in order to demonstrate compliance.
- (d) The Grant Recipient will make available the documents relating to the Project and its implementation and financing if and when required to do so by the Secretary of State, the European Court of Auditors, the European Commission auditors, the National Audit Office (and also their respective auditors).
- (e) The documents referred to in this clause shall be kept and made available either in the form of the originals or certified true copies of the originals or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only. The National European Development Fund Document Retention Guidance provides guidance on commonly accepted data carriers and the procedure for certifying conformity with original documents.
- (f) Where documents exist in electronic form only, the computer systems used shall meet accepted security standards which ensure that the documents held meet with national legal requirements and can be relied upon for audit purposes. The equipment and software used to store the documents shall be retained and kept functional for a two year period from 31 December following the submission of the accounts in which the final expenditure for the Completed Project is included.

14.5. Conflicts of interest and financial irregularities

- (a) The Grant Recipient, any Delivery Partner and all officers, employees and other persons engaged or consulted by the Grant Recipient in connection with the Project shall not be in a position where there is a conflict of interest. The Grant Recipient is required to have formal procedures obliging all such persons to declare any actual or potential personal or financial interest in any matter concerning the Project, and to be excluded from any discussion or decision-making relating to the matter concerned. Any such conflicts must be reported to the Secretary of State in writing.

- (b) If the Grant Recipient has any grounds for suspecting any financial impropriety in the use of any amount paid under the Funding Agreement, it must notify the Secretary of State immediately, explain what steps are being taken to investigate the suspicion, and keep the Secretary of State informed about the progress of the investigation. For these purposes “financial impropriety” includes fraud or other impropriety; mismanagement; use of Grant for improper purposes; and failure to comply with requirements in the Structural and Investment Funds Regulations relating to the control and propriety of project expenditure.
- (c) The Secretary of State shall be entitled to interview employees of the Grant Recipient if fraud or other financial irregularity is suspected by the Secretary of State on the part of the Grant Recipient, its employees or agents in connection with the Project.

15. ACCOUNTING RECORDS AND SUPPORTING EVIDENCE AND AUDIT

- 15.1.** The Grant Recipient shall and shall procure that a Delivery Partner shall maintain full and accurate accounts and documentary evidence for the Project on an open book basis and the Grant Recipient will and shall Procure that a Delivery Partner will permit the Secretary of State and persons authorised by the Secretary of State to inspect audit and take copies of all reports books accounting records and vouchers which the Secretary of State properly considers relevant to the Project.
- 15.2.** The Grant Recipient shall and shall procure that a Delivery Partner shall maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules.
- 15.3.** The Grant Recipient shall and shall procure that a Delivery Partner shall comply with the Secretary of State’s audit monitoring and reporting requirements for grant recipients.
- 15.4.** The Grant Recipient shall and shall procure that a Delivery Partner shall provide the Secretary of State with such other information as the Secretary of State may require in connection with the Project and the Project Activities.
- 15.5.** The Grant Recipient shall and shall procure that a Delivery Partner shall cooperate fully and promptly with an Audit.
- 15.6.** Where the Project has been selected for Audit and the Secretary of State requires information from the Grant Recipient in order to respond to findings made in the draft Audit report, the Secretary of State shall write to the Grant Recipient with a list of requested information.
- 15.7.** The Grant Recipient shall provide the Secretary of State with the requested information within 14 days of receiving the request unless permission for an extension of time is granted in writing by the Secretary of State.
- 15.8.** The Grant Recipient acknowledges that failure to provide the requested information within the timeframe specified in clause 15.7 above may result in an Irregularity being found in relation to the Project which requires reimbursement to the budget of the European Union.

- 15.9.** Without prejudice to any other provision of this Funding Agreement, where the Grant Recipient has been notified that the Project has been selected for Audit and
- (a) The Grant Recipient has previously failed to comply fully and promptly with an Audit; or
 - (b) an Irregularity has previously been found in relation to the Project,,
- the Secretary of State may, at his discretion, withhold payment of Grant until a subsequent Audit has been completed to the Secretary of State's satisfaction.

16. CONFIDENTIALITY

- 16.1.** Except to the extent set out in this clause 16 or where disclosure is expressly permitted elsewhere in this Funding Agreement, each party shall:-
- (a) treat the other party's Confidential Information as confidential and safeguard it accordingly; and
 - (b) not disclose the other party's Confidential Information to any other person without the owner's prior written consent.
- 16.2.** Clause 16.1 shall not apply to the extent that:
- (a) such disclosure is a requirement of Law placed upon the party making the disclosure, including any requirements for disclosure under the Freedom of Information Act 2000, 'Code of Practice on Access to Government Information' or the Environmental Information Regulations;
 - (b) such information was in the possession of the party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;
 - (c) such information was obtained from a third party without obligation of confidentiality;
 - (d) such information was already in the public domain at the time of disclosure otherwise than by a breach of this Funding Agreement; or
 - (e) it is independently developed without access to the other party's Confidential Information.
- 16.3.** The Grant Recipient may only disclose the Secretary of State's Confidential Information to the Grant Recipient Personnel who are directly involved in the Project and who need to know the information, and shall ensure that such Grant Recipient Personnel are aware of and shall comply with these obligations as to confidentiality.
- 16.4.** The Grant Recipient shall not, and shall procure that the Grant Recipient Personnel do not, use any of the Secretary of State's Confidential Information received otherwise than for the purposes of this Funding Agreement.
- 16.5.** Nothing in this Funding Agreement shall prevent the Secretary of State from disclosing the Grant Recipient's Confidential Information:

- (a) to any Crown body or any other Contracting Authority. All Crown Bodies or Contracting Authorities receiving such Confidential Information shall be entitled to further disclose the Confidential Information to other Crown Bodies or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any Crown body or any Contracting Authority;
 - (b) to any consultant, contractor or other person engaged by the Secretary of State;
 - (c) (where such Confidential Information is contained in the Application, any Grant Claim or any progress report submitted in respect of the Project), to any member of a Local Enterprise Partnership European Structural and Investment Fund Sub-Committee for the purpose of monitoring and evaluating the Project, subject to clause 16.7.
 - (d) to a person receiving technical assistance in accordance with Regulation 1303 for the purpose of monitoring and evaluating the Project.
 - (e) to enable the Secretary of State to meet its reporting obligations and other obligations under State Aid Law and the Structural and Investment Funds Regulations for the purpose of clause 14.1(b) of this Funding Agreement;
 - (f) for the purpose of any Audit pursuant to clause 15 of this Funding Agreement;
 - (g) for the purpose of the examination and certification of the Secretary of State's accounts; or
 - (h) for any examination pursuant to Section 6(1) or Section 7ZA of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Secretary of State has used its resources.
- 16.6.** The Secretary of State shall use all reasonable endeavours to ensure that any Crown Body, government department, Contracting Authority, external auditor, employee, third party or Sub-contractor to whom the Grant Recipient's Confidential Information is disclosed pursuant to clause 16.5 is made aware of the Secretary of State's obligations of confidentiality.
- 16.7.** The Secretary of State may agree not to disclose specified Confidential Information contained in the Application, any Grant Claim or progress report to a member of the Local Enterprise Partnership European and Structural Investment Sub-Committee where the Grant Recipient has requested in writing that such information be withheld, including where it is considered to be commercially sensitive.
- 16.8.** Notwithstanding the foregoing the Grant Recipient hereby consents to the Secretary of State using and disclosing (including to the press) any techniques, ideas or know-how gained during the performance of the Project Activities and/or Funding Agreement. The Grant Recipient warrants to the Secretary of State that neither the Intellectual Property Rights nor any publication by the Secretary of State of the project related know-how will infringe, in whole or in part, any Intellectual Property Right of any other person and agrees to indemnify and hold the Secretary of State harmless against any and all claims, demands and proceedings arising directly or indirectly out of the Secretary of State's publication or use of the Project Related Know-how where this gives rise to or is alleged to give rise to an infringement of third party Intellectual Property Rights.

17. THE SECRETARY OF STATE DATA

- 17.1.** The Grant Recipient shall not delete or remove any proprietary notices contained within or relating to the Secretary of State Data.
- 17.2.** The Grant Recipient shall not store, copy, disclose, or use the Secretary of State Data except as necessary for the performance by the Grant Recipient of its obligations under this Funding Agreement or as otherwise expressly authorised in writing by the Secretary of State.
- 17.3.** The Grant Recipient shall take responsibility for preserving the integrity of the Secretary of State Data and preventing the corruption or loss of the Secretary of State Data.
- 17.4.** If at any time the Grant Recipient suspects or has reason to believe that the Secretary of State Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Grant Recipient shall notify the Secretary of State immediately and inform the Secretary of State of the remedial action the Grant Recipient proposes to take.

18. DATA PROTECTION

- 18.1.** With respect to the parties' rights and obligations under this Funding Agreement, the parties agree that both the Secretary of State and the Grant Recipient are Data Controllers with independently determined purposes and means of processing Personal Data. The parties shall use the Personal Data for the following independent purposes:
 - (a) The Secretary of State shall use the Personal Data for the purpose of assessing the Grant Recipient's compliance with its obligations under this Funding Agreement; and
 - (b) The Grant Recipient shall use the Personal Data for purpose of complying with its obligations under this Funding Agreement.
- 18.2.** The Grant Recipient and the Secretary of State shall comply at all times with the Data Protection Legislation.
- 18.3.** The Grant Recipient shall comply at all times with the Data Protection Legislation and shall not perform its obligations under this Funding Agreement in such a way as to cause the Secretary of State to breach any of its applicable obligations under the Data Protection Legislation.

19. SECURITY REQUIREMENTS

- 19.1.** The Grant Recipient shall, as an enduring obligation throughout the term of this Funding Agreement, use the latest versions of anti-virus definitions available from an industry accepted anti-virus software vendor to check for and delete Malicious Software from the Information Communications and Technology Environment.
- 19.2.** Notwithstanding clause 19.1, if Malicious Software is found, the parties shall cooperate to reduce the effect of the Malicious Software and, particularly if Malicious

Software causes loss of operational efficiency or loss or corruption of the Secretary of State Data, assist each other to mitigate any losses and to restore the Project Activities to their desired operating efficiency.

19.3. Any cost arising out of the actions of the parties taken in compliance with the provisions of clause 19.2 shall be borne by the parties as follows:

- (a) by the Grant Recipient where the Malicious Software originates from the Grant Recipient Software, the Third Party Software or the Secretary of State Data (whilst the Secretary of State Data was under the control of the Grant Recipient); and
- (b) by the Secretary of State if the Malicious Software originates from the Secretary of State Software or the Secretary of State Data (whilst the Secretary of State Data was under the control of the Secretary of State).

20. GRANT RECIPIENT WARRANTIES

The Grant Recipient warrants, represents and undertakes for the duration of the term of this Funding Agreement that:-

- (a) it has and will continue to hold all necessary (if any) regulatory approvals from the Regulatory Bodies necessary to perform the Grant Recipient's obligations under this Funding Agreement;
- (b) it has and will continue to have all necessary rights in and to the Grant Recipient Software or any Third Party Software and/or the Intellectual Property Rights, or any other materials made available by the Grant Recipient and/or the sub-contractors to the Secretary of State necessary to perform the Grant Recipient's obligations under this Funding Agreement;
- (c) in performing its obligations under this Funding Agreement, all Software used by or on behalf of the Grant Recipient will:
 - (i) be currently supported versions of that Software; and
 - (ii) perform in all material respects in accordance with its specification,
- (d) as at the Start Date all statements and representations in the Grant Recipient's Application are to the best of its knowledge, information and belief, true and accurate and that it will advise the Secretary of State of any fact, matter or circumstance of which it may become aware which would render any such statement, representation to be false or misleading; and
- (e) it shall at all times comply with Law in carrying out its obligations under this Funding Agreement;
- (f) It has the power and authority to execute, deliver and perform its obligations under this Funding Agreement and no limit on its powers will be exceeded as a result of the acceptance of the Funding or any of the terms pursuant to this Funding Agreement;
- (g) there has been no adverse change in the Grant Recipient's business, assets or financial condition since the submission of the Application to the Secretary of State and that the Application is true in all respects on the date of this Funding Agreement;

- (h) no regulatory investigation by any United Kingdom or European Union authorities has been commenced or is pending in respect of the Project or the Grant Recipient, or if there has been a regulatory investigation, it has been concluded to the satisfaction of the Secretary of State.

21. NOTICES

- 21.1.** Any notice demand or communication to be given or served under this Funding Agreement shall be in writing.
- 21.2.** Subject to any other term of this Funding Agreement, any notice demand or communication to be given or served under this Funding Agreement upon the Secretary of State shall be given or served:
 - (a) by personal delivery or by sending it by pre-paid recorded postal delivery to the address specified in the Funding Agreement for the attention of the Reopening High Streets Safely Fund, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London SW1P 4DF or to such other address as may from time to time be notified by the Secretary of State;
 - (b) by e-mail to the e-mail address specified in the Project Specific Conditions or such other address as may from time to time be notified by the Secretary of State; or
 - (c) where directed to do so by the Secretary of State, using the Secretary of State's System on line facility, in accordance with the terms of use of that facility.
- 21.3.** Any notice demand or communication to be served upon the Grant Recipient, shall be given or served:
 - (a) by personal delivery or by sending it by pre-paid recorded postal delivery to the address specified in this Funding Agreement or such other address as may from time to time be notified by the Grant Recipient to the Secretary of State;
 - (b) by e-mail to the e-mail address specified in the Project Specific Conditions or to such other address as may from time to time be notified by the Secretary of State; or
 - (c) using the Secretary of State's System on line facility.
- 21.4.** Any such notice shall (where sent by post) be deemed to have been served and received on the second working day following the day of posting and where delivered personally be deemed to have been given when delivery is made. An email or notice given using the Secretary of State's on line facility shall be deemed delivered when sent unless an error message is received.
- 21.5.** If the Grant Recipient shall comprise more than one person the service of any notice demand request or other communication on any one of such persons shall constitute good service on all of them.

22. VALUE ADDED TAX

- 22.1.** The payment of the Grant by the Secretary of State under the Funding Agreement is believed to be outside the scope of Value Added Tax but if any Value Added Tax shall

become chargeable all payments shall be deemed to be inclusive of all Value Added Tax and the Secretary of State shall not be obliged to pay any additional amount by way of Value Added Tax.

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

23. GOOD FAITH AND COOPERATION

The Grant Recipient covenants with the Secretary of State that:-

- (a) it shall at all times act with the utmost good faith towards the Secretary of State and will at all times co-operate fully with the Secretary of State;
- (b) it will comply with all the Secretary of State's reasonable requirements in relation to the Project from time to time; and
- (c) it will not do anything which will put the Secretary of State in breach of any of its obligations in relation to the Operational Programme.

24. INSURANCE

- 24.1.** The Grant Recipient covenants with the Secretary of State that it will ensure that it maintains at all times adequate insurance cover with an insurer of good repute to cover all claims and liabilities under this Funding Agreement and 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 Project.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 25.1.** A person who is not party to this Funding Agreement shall not have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Funding Agreement.

26. JURISDICTION

- 26.1.** This Funding Agreement shall be governed by and construed in accordance with the law of England and each party submits to the exclusive jurisdiction of the English Courts.

27. MISCELLANEOUS

- 27.1.** Nothing in this Funding Agreement shall constitute a partnership or joint venture between the parties to this Funding Agreement or constitute the Grant Recipient as

the agent of the Secretary of State for any purpose whatsoever, and the Grant Recipient shall ensure that any Delivery Partner is made aware of this.

- 27.2.** A certificate by the Secretary of State as to any sum payable under this Funding Agreement to the Grant Recipient shall be (save in the case of manifest error) conclusive evidence of the matter to which it relates and shall contain reasonable details of the basis of determination.
- 27.3.** If at any time any of the provisions of this Funding Agreement become illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality validity nor enforceability of the remaining provisions of this Funding Agreement shall be in any way affected or impaired as a result.
- 27.4.** No failure or delay on the part of the Secretary of State in exercising any right or power and no course of dealing between the parties to this Funding Agreement shall operate as a waiver nor shall any single or partial exercise of any right power or remedy of the Secretary of State prevent any other or further or other exercise of it or the exercise of any other right power or remedy of the Secretary of State. The rights and remedies available to the Secretary of State under this Funding Agreement are cumulative and are in addition to and not in substitution for any other rights or remedies which the Secretary of State would otherwise have, however arising.
- 27.5.** Nothing contained in or done under this Funding Agreement and no consents given by the Secretary of State shall prejudice the Secretary of State's rights, powers or duties and/or obligations in the exercise of its functions or under any statutes, bye-laws, instruments orders or regulations.
- 27.6.** Nothing in this Funding Agreement nor any other document shall impose any obligation or liability on the Secretary of State with respect to any actions of or obligations or liabilities assumed or incurred by the Grant Recipient or its agents, contractors or employees whether under contract, statute or otherwise.
- 27.7.** Any approval by the Secretary of State or any person on behalf of the Secretary of State pursuant to this Funding Agreement of any matter submitted by the Grant Recipient for approval shall not be deemed to be an Acknowledgment by the Secretary of State of the correctness or suitability of the contents of the subject of the approval or consent.
- 27.8.** The fact that the Secretary of State or its representatives have supplied or received any documents or information or attended any meeting shall not in itself imply approval of any matters raised in any such document, information or meeting or relieve the Grant Recipient of any obligation or liability in respect of the Project Activities or otherwise.
- 27.9.** Nothing in this Funding Agreement shall affect the coming into force or the continuance in force of any provision of this Funding Agreement which is expressly or by implication to come into force or continue in force upon termination or expiry of this Funding Agreement.
- 27.10.** This Funding Agreement contains all the terms which the Secretary of State has agreed in relation to the subject matter of this Funding Agreement and supersedes any prior written or oral agreements representations or understandings between the Secretary of State and the Grant Recipient.

27.11. No term of this Funding Agreement is intended to confer a benefit on, or to be enforceable by, any person who is not a party to this Funding Agreement

27.12. Notwithstanding any other provisions of this Funding Agreement, the Secretary of State shall not be entitled to be reimbursed or to recover any monies that it has paid under this Funding Agreement to the extent that it has already been compensated or reimbursed in respect of that same amount pursuant to this Funding Agreement.

ACCEPTANCE

This Funding Agreement has been entered into on the date stated at the beginning of it.

Signed for and behalf of

**THE SECRETARY OF STATE FOR HOUSING,
COMMUNITIES AND LOCAL GOVERNMENT**

Authorised Signatory: _____

Print Name: _____

Signed for and on behalf of

**THE COUNTY OF HEREFORDSHIRE DISTRICT
COUNCIL**

Authorised Signatory: _____

Print Name: _____

SCHEDULE 1 THE PROJECT SPECIFIC CONDITIONS

1. CONTRIBUTION RATES

1.1. The amount of Grant payable shall not exceed the maximum sum of £172,188.00 (one hundred and seventy two thousand one hundred and eighty eight pounds) and has been determined as follows:

- (a) 100% (being the Revenue Contribution Rate) of the Eligible Revenue Expenditure up to the Revenue Maximum Sum of £172,188.00

1.2. Contribution Rates by Category of Region

- (a) For the More Developed Region, the Revenue Maximum Sum is £172,188.00 payable at the Revenue Contribution Rate of 100%.

2. CONTACT

The principal contact for this Project in the Ministry of Housing, Communities and Local Government is Denise Durston (Denise.Durston@communities.gov.uk; tel: 07458 090 967). All correspondence, including any notices served pursuant to clause 21.2 in the main body of this Funding Agreement should be sent to the following address Reopening High Streets Safely Fund, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London SW1P 4DF or by email to RHSSFund@communities.gov.uk. In the event that the Grant Recipient raises a complaint that arises in connection with this agreement, that complaint shall be dealt with according to the procedures set out in the Ministry of Housing, Communities and Local Governments' complaints procedure as published on gov.uk. In any correspondence please quote the Project reference number found on the front page of this Funding Agreement.

3. INSTALMENT PERIODS

The Instalment Period will be quarterly ending on 30 June, 30 September, 31 December and 31 March. The first Instalment Period will start following the date on which the correctly executed Funding Agreement is received by the principal contact named above.

4. MILESTONE TABLE

	Milestone	Date
a)	Start Date	01/06/2020
b)	Agreed Financial Completion Date	31/03/2021
c)	Agreed Activity End Date	31/03/2021
d)	Agreed Project Practical Completion Date	31/03/2021
e)	The date of the submission of the first Grant Claim.	29/01/2020
f)	The date of the submission of the final Grant Claim.	29/04/2021

5. MATCH FUNDING

Not applicable. There is no match funding.

6. USEFUL ECONOMIC LIFE

6.1. Not applicable, the Grant will not be used for any Assets.

7. DELIVERY PARTNERS

7.1. Not applicable. There are no Delivery Partners associated with this Project.

8. METHODOLOGY FOR DETERMINING ELIGIBLE EXPENDITURE

8.1. For the avoidance of doubt, the methodology for determining the Eligible Expenditure of the Project is set out in the Reopening High Streets Safely Guidance and Grant Claims shall be submitted in line with this methodology. For the avoidance of doubt, all Eligible Expenditure must also be compatible with that set out in the Eligibility Rules.

8.2. Where the implementation of the Project gives rise to indirect costs, they are to be calculated at a flat rate of 15% of eligible direct staff costs in accordance with the Eligibility Rules.

9. INCOME GENERATION

9.1. Not applicable

10. STATE AID

10.1. The Grant Recipient has undertaken an evaluation of the Project and concluded that the Grant for the Project Activities will not constitute State Aid (within the meaning set out in Article 107(1) of the TFEU and the relevant case law). The Grant Recipient has provided confirmation of this position within the Grant Action Plan Form.

The Grant Recipient shall use all reasonable endeavours to maintain the 'no aid' structure and shall promptly inform the Secretary of State where it has reason to believe that the Project is no longer operating under a 'no aid' structure.

SCHEDULE 2

REOPENING HIGH STREETS SAFELY FUND GUIDANCE

DRAFT



Ministry of Housing,
Communities &
Local Government



European Union

European Regional
Development Fund

Reopening High Streets Safely Fund

Guidance

Version 2 – 29 May 2020

DRAFT



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This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

May 2020

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Introduction

Councils across England are to share £50m of additional funding to support the safe reopening of high streets and other commercial areas. The money will allow local authorities in England to put in place additional measures to establish a safe trading environment for businesses and customers, particularly in high streets, through measures that extend to the end of March 2021. This funding comes on top of the Government's comprehensive package of support for business and workers during the economic emergency.

Expenditure for reimbursement under this grant will be eligible from 1 June. The detail of the requirements of this ERDF grant will be covered in a Funding Agreement which we hope to have agreed with all local authorities by the end of June. Once this agreement is in place then claims for reimbursement for expenditure incurred from 1 June can begin to be made. The grant awards will be available to access up until the end of March 2021. Given the nature of the funding and size of the award we would encourage use of the funding by the end of this year to address immediate needs in 2020.

This guidance provides details of the activities that can be supported through the Fund and an overview of how it will be administered, as well as key contractual requirements. Our expectation is that funding should be managed at the lowest responsible tier of local government where it is possible and appropriate to do so. This information is designed to provide councils with the information they need now, in advance of the Funding Agreement being in place, to inform expenditure incurred from 1 June. Councils should refer to this guidance along with links to additional information. Any expenditure incurred that is not eligible cannot be reimbursed. If you do have any questions about this, please contact the department using the contact details below.

Scope of the fund

Activities covered by the Fund

The Fund will provide councils with additional funding to support their business communities with measures that enable safe trading in public places. The Fund will particularly focus on our high streets, as well as other public places that are at the heart of towns and cities gearing up to reopen as safe, welcoming spaces. The Fund will support 4 main strands of activity:

1. Support to develop an action plan for how the local authority may begin to safely reopen their local economies.

This plan may be one that is completely new or amends or builds on existing ones such as high street servicing and delivery plans. When developing your action plan you may wish to consider the High Streets Task Force's [COVID-19 Recovery Framework](#).

It is not essential that a local authority develops these plans but in considering how to use this funding, all local authorities are encouraged to engage businesses, business organisations, lower tier authorities such as parish councils, and other relevant stakeholders when considering how to use this award. In addition, where temporary changes to the public realm are being proposed the respective local authority should work in partnership with public sector landowners as appropriate.

2. Communications and public information activity to ensure that reopening of local economies can be managed successfully and safely:

The local authority will want to effectively communicate to its citizens their role in ensuring that the local economy can reopen safely. It will be for local authorities to decide the most appropriate communication channels for their areas.

Examples of communication activities include:

- online and digital;
- media and press activities; and
- print and publications such as posters and leafleting campaigns.

There is scope to pay the salaries of staff or consultants to develop this work, but it is important that the local authority can evidence that this is additional activity beyond what was already underway prior to the grant being received.

The local authority should also note the ERDF publicity requirements when developing their campaigns. Further details on this can be viewed in the Publicity section of this document.

In developing and delivering this campaign the local authority will want to ensure that it is engaging businesses, business organisations, lower tier authorities (such as parish councils) and other relevant stakeholders.

3. Business-facing awareness raising activities to ensure that reopening of local economies can be managed successfully and safely.

The principle of this activity is the same as for communications to citizens, but it is recognised that the messaging needs to be different and as such part of a separate campaign. For example, the local authority may want to communicate to retail businesses on how to make temporary adjustments to their business premises and good practice for social distancing.

The campaigns should be focussed on supporting SMEs. It is recognised that broad campaigns such as those online may be picked up by larger enterprises incidentally, but they should not be specifically targeted.

The advice being provided in these campaigns should be focussed on those businesses that operate alongside public spaces and have customers.

Whilst it is recognised that the local authority may already have a campaign in place covering these issues this funding can be used to expand the scope of that existing activity or increase its intensity.

There is scope through this Fund to support information officers to go directly to SMEs to provide them with advice, where those businesses serve the public and are adjacent to public spaces. These roles would have to be new posts, the Fund cannot be used as subsidy for existing provision.

In developing and delivering this campaign the local authority will want to ensure that it is engaging businesses, business organisations, lower tier authorities such as parish councils and other relevant stakeholders.

4. Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely.

To ensure that public spaces that are next to businesses are as safe as possible, temporary changes will need to be made to the physical environment. Local authorities will already be undertaking these changes in line with HMG's [Safer Public Places – Urban Centres and Green Spaces guidance](#). This funding can be used to enhance that existing offer to increase the level of safety measures, improve their attractiveness and ensure consistency of approach across individual and multiple public spaces including high streets. In doing so the respective local authority should work in partnership with public sector landowners as appropriate to enable works to be undertaken.

These changes can help improve consumer confidence and increase, safely, the number of active consumers.

The costs associated with administering this grant will also be eligible for reimbursement up to 4% of the total grant value. This 4% would be taken directly from the grant itself; no additional funding is being provided to cover these administrative costs.

Activities out of scope

There are three main categories where activities cannot be supported:

- **Activity that provides no additionality** - The Government recognises that local authorities will already be delivering activity to ensure the safe reopening of their economies. This funding is intended to be additional funding on top of that existing activity; it should not be replacing the source for already committed expenditure. For example, if there is already a communications officer on staff then this funding cannot be used to subsidise their salary, but it can support a new temporary role to support the implementation. Similarly, if the authority's own in-house public works department undertakes works (e.g. additional road markings) the staff costs associated with this activity would not be eligible, although additional materials purchased for this purpose would be eligible.
- **Capital expenditure** – This funding is intended to help local authorities address the short-term issue of re-opening their local economies. It can support some temporary changes to the physical environment, but those changes should not be anticipated to last beyond 12 months, or until no longer required for social distancing.
- **Grants to businesses** – Funding cannot provide direct financial support to businesses to make adaptations to premises, purchase PPE, purchase goods or equipment or offset wages or other operating costs.

Managing the Funding

Funding Agreement

Grants will be awarded to local authorities on the basis of population which will serve as a proxy for the footfall anticipated on the high streets and the degree of safeguarding required. A minimum grant value of £30k has been set.

Grant Funding Agreements will be put in place between the Cities and Local Growth Unit (CLGU) and each local authority. These will show the grant allocations, along with more detailed guidance about delivery.

The Funding Agreement will be tailored to local authorities and the specific activities covered by the Fund, which will take place over a shorter duration than a typical ERDF project. An example of a full Funding Agreement can be found on [GOV.UK](https://www.gov.uk) which local authorities should review before any spending takes place.

Claiming Expenditure

Local authorities will be able to spend money on eligible activities from 1 June 2020 and claim it back from CLGU in arrears. The default position is that claims will be paid quarterly. Any local authority that will need to make more regular claims to CLGU will need to discuss this with them. A single claim can be made for the entire grant allocation, for instance where expenditure is for a single item.

A standard claims template will be provided for local authorities and as a minimum all claims should contain the following information:

- a summary of expenditure;
- details of every transaction, irrespective of value, that is included in the project expenditure in the claim period;
- details of the outputs, as set out in Annex B, and results achieved in the claim period; and
- details of procurements included in the claim
- a progress report for the claim period – a progress report will be required even if no funding is being claimed.

Eligibility

For costs to be eligible to this project, local authorities will need to ensure that they can evidence how these costs are over and above any that they might otherwise incur.

Project records

Evidence must be retained to demonstrate that any project expenditure is eligible and that costs have been defrayed. These records will need to be retained through the life of the project and for the relevant retention period. Examples of evidence include:

- invoices/receipts, purchase orders/contracts, payroll records, bank statements and accounting records;
- employment and salary costs must be evidenced by job descriptions; contracts of employment, payroll records and bank statements;
- core documents for any procurement carried out; and
- copies of all publicity materials, including press releases, marketing activity and posters displayed in venues where activity takes place must be retained to demonstrate proactive activity and the correct use of the EU logo and required text.

Regulatory requirements

Publicity

The ERDF branding requirements will need to be followed by all local authorities. The use of the ERDF logo, which includes the emblem and reference to the Fund, and the requirements set on colour use, sizing, visibility and positioning must be followed. The HMG logo must be used alongside the ERDF logo.

The requirements to be considered and met include:

- display the ERDF logo on all electronic and print publication materials used for information and communications supported by the Fund including:
 - advertisements, job advertisements, job descriptions and notices
 - leaflets, brochures, flyers and newsletters
 - promotional items
 - project documentation – e.g. reports, papers and letterheads
 - procurement material
 - social media tools
 - posters (see below for more details)
- display the ERDF logo on the relevant website – established specifically for Fund activities or a broader website used by the beneficiary, ensuring:
 - use of the colour ERDF logo
 - logo is visible upon landing, in viewing area and without the need to scroll
 - inclusion of a short description of the activities to be supported with aims and results

- display of at least one poster of minimum A3 size, readily visible to the public (e.g. the entrance area of a public building) at the location of the activities being implemented and containing information on the work being delivered
- ensuring inclusion of a reference to ERDF, the logo and use of ERDF notes to editors in any media and press activities

The full branding and publicity requirements including details of logo use can be found on [GOV.UK](https://www.gov.uk).

Procurement

Local authorities will need to ensure that all procurements are awarded in line with the Public Procurement Regulations. Procurements should therefore be carried out in an open and transparent way and an audit trail of the routes followed and the process will need to be retained. Consideration should also be given to the latest CCS guidance notes in direct response to the COVID-19 crisis.

The full guidance on Procurement can be found on [GOV.UK](https://www.gov.uk)

State Aid

Local authorities will need to ensure that funding is managed in accordance with State Aid law.

Further State Aid guidance on can be found on [GOV.UK](https://www.gov.uk)

Monitoring

Monitoring of the local authority will take place by CLGU. This will include as a minimum some or all of the following measures:

- checks on LA systems and processes for retaining an audit trail; and
- spot checks on expenditure items included in claims.

Additional Reporting

Given the bespoke nature of this project there will be a need to provide some additional reporting requirements to evidence the outputs and outcomes of the investments being made. Before beginning to spend your grant, you should look to set baselines for future measurement in particular relating to the current footfall in your high streets.

The costs of incurring these baselines, assuming they are not already available, can be covered as part of the costs associated with developing an action plan.

Contacts

If you have questions regarding this guidance please send them to RHSSFund@communities.gov.uk.

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Annex A

Allocations per Local Authority

Local Authority	Allocation of £50 Million
Adur	£56,721
Allerdale	£86,416
Amber Valley	£113,424
Arun	£143,718
Ashfield	£114,527
Ashford	£116,814
Babergh	£81,635
Barking And Dagenham	£189,384
Barnet	£352,546
Barnsley	£219,400
Barrow-in-Furness	£58,858
Basildon	£165,814
Basingstoke And Deane	£155,751
Bassetlaw	£104,654
Bath And North East Somerset	£172,615
Bedford	£154,129
Bexley	£220,176
Birmingham	£1,016,937
Blaby	£91,482
Blackburn with Darwen	£131,610
Blackpool	£122,772
Bolsover	£71,400
Bolton	£253,140
Boston	£62,811
Bournemouth, Christchurch and Poole	£351,322
Bracknell Forest	£108,686
Bradford	£477,170
Braintree	£134,417
Breckland	£125,275
Brent	£295,907
Brentwood	£67,382
Brighton And Hove	£259,269
Bristol	£415,785
Broadland	£116,155
Bromley	£295,177
Bromsgrove	£88,668
Broxbourne	£85,547
Broxtowe	£101,458
Buckinghamshire Council	£481,588
Burnley	£78,757
Bury	£169,235

Local Authority	Allocation of £50 Million
Calderdale	£186,099
Cambridge	£110,674
Camden	£239,768
Cannock Chase	£89,622
Canterbury	£146,699
Carlisle	£95,875
Castle Point	£79,835
Central Bedfordshire	£255,873
Charnwood	£165,450
Chelmsford	£159,001
Cheltenham	£103,577
Cherwell	£133,843
Cheshire East	£339,533
Cheshire West and Chester	£305,395
Chesterfield	£92,638
Chichester	£108,161
Chorley	£105,438
City of London	£30,000
Colchester	£174,002
Copeland	£59,919
Corby	£64,668
Cornwall	£509,639
Cotswold	£81,144
Coventry	£334,307
Craven	£50,436
Crawley	£100,152
Croydon	£341,995
Dacorum	£137,473
Darlington	£94,239
Dartford	£100,466
Daventry	£77,158
Derby	£228,224
Derbyshire Dales	£63,808
Doncaster	£276,789
Dorset Council	£335,426
Dover	£105,542
Dudley	£285,548
Durham	£469,256
Ealing	£300,759
East Cambridgeshire	£79,895
East Devon	£130,992
East Hampshire	£108,114
East Hertfordshire	£132,170
East Lindsey	£126,238
East Northamptonshire	£84,908

Local Authority	Allocation of £50 Million
East Riding of Yorkshire	£301,870
East Staffordshire	£106,046
East Suffolk	£222,198
Eastbourne	£91,624
Eastleigh	£118,435
Eden	£46,899
Elmbridge	£120,877
Enfield	£295,948
Epping Forest	£116,694
Epsom And Ewell	£71,062
Erewash	£102,534
Exeter	£116,632
Fareham	£103,270
Fenland	£91,408
Folkestone and Hythe	£100,751
Forest of Dean	£77,635
Fylde	£71,758
Gateshead	£178,928
Gedling	£105,213
Gloucester	£115,135
Gosport	£75,131
Gravesham	£94,146
Great Yarmouth	£88,301
Greenwich	£258,441
Guildford	£131,382
Hackney	£252,053
Halton	£114,260
Hambleton	£80,700
Hammersmith And Fulham	£166,896
Harborough	£83,483
Haringey	£239,933
Harlow	£77,121
Harrogate	£141,714
Harrow	£221,203
Hart	£86,003
Hartlepool	£82,445
Hastings	£82,026
Havant	£112,726
Havering	£231,057
Herefordshire	£172,188
Hertsmere	£92,495
High Peak	£81,981
Hillingdon	£272,855
Hinckley And Bosworth	£101,469
Horsham	£128,132

Local Authority	Allocation of £50 Million
Hounslow	£240,811
Huntingdonshire	£157,826
Hyndburn	£71,676
Ipswich	£120,858
Isle of Wight	£126,269
Isles of Scilly	£30,000
Islington	£215,682
Kensington And Chelsea	£137,830
Kettering	£91,436
King's Lynn And West Norfolk	£134,654
Kingston upon Hull	£230,406
Kingston upon Thames	£156,784
Kirklees	£389,715
Knowsley	£133,288
Lambeth	£290,782
Lancaster	£128,905
Leeds	£701,810
Leicester	£318,069
Lewes	£91,677
Lewisham	£272,218
Lichfield	£92,501
Lincoln	£87,816
Liverpool	£443,129
Luton	£187,988
Maidstone	£153,551
Maldon	£57,609
Malvern Hills	£70,271
Manchester	£488,628
Mansfield	£97,256
Medway	£246,396
Melton	£45,239
Mendip	£102,863
Merton	£182,103
Mid Devon	£73,686
Mid Suffolk	£91,892
Mid Sussex	£133,898
Middlesbrough	£123,875
Milton Keynes	£239,276
Mole Valley	£76,828
New Forest	£159,208
Newark And Sherwood	£108,976
Newcastle upon Tyne	£267,011
Newcastle-under-Lyme	£115,378
Newham	£316,668
North Devon	£86,191

Local Authority	Allocation of £50 Million
North East Derbyshire	£90,043
North East Lincolnshire	£141,143
North Hertfordshire	£118,251
North Kesteven	£104,404
North Lincolnshire	£152,741
North Norfolk	£93,332
North Somerset	£191,439
North Tyneside	£183,918
North Warwickshire	£58,610
North West Leicestershire	£93,217
Northampton	£199,987
Northumberland	£284,807
Norwich	£125,962
Nottingham	£294,601
Nuneaton And Bedworth	£115,040
Oadby And Wigston	£50,503
Oldham	£210,417
Oxford	£134,950
Pendle	£81,195
Peterborough	£181,516
Plymouth	£233,129
Portsmouth	£191,340
Preston	£125,813
Reading	£144,780
Redbridge	£269,587
Redcar And Cleveland	£121,632
Redditch	£75,088
Reigate And Banstead	£132,263
Ribble Valley	£53,771
Richmond upon Thames	£175,408
Richmondshire	£46,921
Rochdale	£197,050
Rochford	£77,836
Rosendale	£63,416
Rother	£85,837
Rotherham	£235,727
Rugby	£96,315
Runnymede	£78,590
Rushcliffe	£106,208
Rushmoor	£83,473
Rutland	£35,627
Ryedale	£49,266
Salford	£230,071
Sandwell	£292,628
Scarborough	£96,527

Local Authority	Allocation of £50 Million
Sedgemoor	£109,807
Sefton	£244,167
Selby	£80,408
Sevenoaks	£107,106
Sheffield	£520,216
Shropshire	£288,194
Slough	£132,636
Solihull	£192,058
Somerset West and Taunton	£138,806
South Cambridgeshire	£140,440
South Derbyshire	£95,419
South Gloucestershire	£255,356
South Hams	£77,370
South Holland	£84,587
South Kesteven	£126,454
South Lakeland	£92,936
South Norfolk	£125,889
South Northamptonshire	£83,723
South Oxfordshire	£125,160
South Ribble	£97,965
South Somerset	£149,354
South Staffordshire	£99,469
South Tyneside	£133,554
Southampton	£225,271
Southend-on-Sea	£163,096
Southwark	£285,961
Spelthorne	£88,049
St Albans	£130,464
St. Helens	£160,220
Stafford	£121,848
Staffordshire Moorlands	£87,090
Stevenage	£77,818
Stockport	£259,403
Stockton-on-Tees	£174,891
Stoke-on-Trent	£227,484
Stratford-on-Avon	£116,036
Stroud	£106,463
Sunderland	£244,835
Surrey Heath	£78,494
Sutton	£182,487
Swale	£134,057
Swindon	£198,797
Tameside	£200,741
Tamworth	£67,445
Tandridge	£77,880

Local Authority	Allocation of £50 Million
Teignbridge	£119,835
Telford And Wrekin	£160,347
Tendring	£131,110
Test Valley	£112,403
Tewkesbury	£84,931
Thanet	£126,456
Three Rivers	£82,174
Thurrock	£155,810
Tonbridge And Malling	£117,531
Torbay	£121,293
Torrige	£61,179
Tower Hamlets	£292,962
Trafford	£210,672
Tunbridge Wells	£104,842
Uttlesford	£80,809
Vale of White Horse	£121,938
Wakefield	£311,389
Walsall	£253,601
Waltham Forest	£247,283
Wandsworth	£292,844
Warrington	£185,805
Warwick	£127,085
Watford	£85,637
Waverley	£111,270
Wealden	£143,302
Wellingborough	£71,209
Welwyn Hatfield	£109,901
West Berkshire	£139,795
West Devon	£49,619
West Lancashire	£100,989
West Lindsey	£84,598
West Oxfordshire	£97,972
West Suffolk	£159,294
Westminster	£232,924
Wigan	£290,046
Wiltshire	£449,858
Winchester	£110,972
Windsor And Maidenhead	£133,672
Wirral	£286,292
Woking	£89,172
Wokingham	£151,819
Wolverhampton	£234,488
Worcester	£90,121
Worthing	£98,168
Wychavon	£115,925

Local Authority	Allocation of £50 Million
Wyre	£99,180
Wyre Forest	£90,196
York	£186,219

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Annex B

Reopening High Streets Safely Fund Outputs

(P14) Number of CV-19 Action Plans	
Terms	Definitions
Unit of Measurement	Number of CV-19 Action Plans
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> The CV-19 action plan must be focussed on activities that help ensure that Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) in the area covered by the plan are able to build their resilience and adaptability in the context of the economic impact of CV-19. For example, ensuring that they can trade safely whilst CV-19 nonpharmaceutical interventions (NPIs) are in place such as social distancing measures.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> This CV-19 action plan may be one that either amends or adds to an existing plan or is completely new.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> CV-19 action plans that do not include measures to build the resilience and adaptability of Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) in the area covered by the plan are excluded.
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none"> A copy of the CV-19 action plan should be made available.

(P14) Number of CV-19 Action Plans	
Terms	Definitions
Additional Information Required for Indicator	<ul style="list-style-type: none"> No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none"> There is no direct relationship to other indicators.
Notes	<p>Action plans will be targeted at domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

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(P15) Number of CV-19 Public Information Campaigns

Terms	Definitions
Unit of Measurement	Number of CV-19 Public Information Campaigns
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> • The CV-19 public information campaign must be focussed on activities that include <i>inter alia</i> promotion of local commercial areas, make the public aware of the precautions in place, enable the public to make informed travel choices on how best to visit commercial areas and enable the public to visit commercial areas safely whilst CV-19 nonpharmaceutical interventions (NPIs) are in place such as social distancing measures. • Examples of communication activities include but are not limited to: <ul style="list-style-type: none"> ○ online and digital; ○ media and press activities; and ○ print and publications such as posters and leafleting campaigns.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> • This CV-19 public information campaign can be one that either is completely new, amends or adds to an existing campaign.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> • CV-19 public information campaign that does not include measures to build the resilience and adaptability of local commercial areas in the area covered by the campaign are excluded.

(P15) Number of CV-19 Public Information Campaigns

Terms	Definitions
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none">• A copy of the CV-19 public information campaign should be made available.
Additional Information Required for Indicator	<ul style="list-style-type: none">• No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none">• This indicator links to P16, number of CV-19 business facing campaigns. It is possible that a single campaign may be developed which covers both public and business facing elements. In those instances, then the campaign can be counted both under P15 and P16.
Notes	<p>Public campaigns will be targeted at supporting domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

(P16) Number of CV-19 Business Facing Campaigns	
Terms	Definitions
Unit of Measurement	Number of CV-19 Business Facing Campaigns
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> • The CV-19 business facing campaign must be focussed on activities that help ensure that Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) in the area covered by the campaign are able to build their resilience and adaptability in the context of the economic impact of CV-19. For example, ensuring that they are to trade safely whilst CV-19 nonpharmaceutical interventions (NPIs) are in place such as social distancing measures. • Examples of communication activities include but are not limited to: <ul style="list-style-type: none"> ○ online and digital; ○ media and press activities; and ○ print and publications such as posters and leafleting campaigns.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> • This CV-19 business facing campaign can be one that either is completely new, amends or adds to an existing campaign.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> • CV-19 business facing campaign that does not include measures to build the resilience and adaptability of Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) in the area covered by the campaign are excluded.

(P16) Number of CV-19 Business Facing Campaigns

Terms	Definitions
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none">• A copy of the CV-19 business facing campaign should be made available.
Additional Information Required for Indicator	<ul style="list-style-type: none">• No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none">• This indicator links to P15, number of CV-19 public facing campaigns. It is possible that a single campaign may be developed which covers both public and business facing elements. In those instances, then the campaign can be counted both under P15 and P16.
Notes	<p>Business facing campaigns will be targeted at supporting domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

(P17) Number of CV-19 Communication Officers

Terms	Definitions
Unit of Measurement	Number of CV-19 Communication Officers
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> • The CV-19 communications officer must be focussed on activities that help ensure that Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) to build their resilience and adaptability in the context of the economic impact of CV-19 in the area covered by the ERDF support. • Activities may include but are not limited to development and/ or delivery of the public information and/or business facing campaigns.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> • A CV-19 communications officer must be a new, paid, full-time equivalent (FTE) job on a fixed term contract.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> • CV-19 communications officers' activity that is not directed to building the resilience and adaptability of Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) in the area covered by the post are excluded.
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none"> • Written confirmation from a senior member of staff in the supported organisation confirming the post. This should include details of the job as advertised and start date, duration, and the number of hours per week.

(P17) Number of CV-19 Communication Officers

Terms	Definitions
Additional Information Required for Indicator	<ul style="list-style-type: none">No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none">Where a communication officer is engaged in face to face engagement with businesses, either on a one to one basis or one to many, then there may be scope to count C1 (and relevant subsets) or P13 outputs. These are defined in the programmes output definition guidance which can be found here.
Notes	<p>Communication officer activity will be targeted at supporting domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

(P18) Number of High Streets with CV-19 Adaptations

Terms	Definitions
Unit of Measurement	Number of High Streets with Temporary CV-19 Adaptations
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> • Temporary CV-19 adaptations made to public spaces adjacent to commercial areas which help Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) to build their resilience and adaptability in the context of the economic impact of CV-19 in the area covered by the ERDF support. • Adaptations can include but are not limited to signage, street markings, temporary barriers, changes to street furniture or parking arrangements.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> • Public spaces are defined as those under the control of a public sector organisation. • A High Street is defined as a cluster of 15 or more retail addresses within 150 metres. • Temporary is defined as a change to the environment that lasts no more than 12 months.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> • Temporary CV-19 adaptations made to public spaces adjacent to commercial areas are excluded where they do not: <ul style="list-style-type: none"> ○ meet the count threshold criteria; ○ help the public access commercial areas in a safe way; or ○ help Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) to build their resilience and adaptability in the context of the economic impact of CV-19 in the area covered by the ERDF support.

(P18) Number of High Streets with CV-19 Adaptations

Terms	Definitions
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none">• Invoices of expenditure incurred.• Where possible photographic evidence of the changes, ideally before and after.
Additional Information Required for Indicator	<ul style="list-style-type: none">• No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none">• There is no direct relationship to other indicators.
Notes	<p>Temporary CV-19 adaptations made to public spaces adjacent to commercial areas will be targeted at supporting domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Where temporary changes to the public realm are undertaken the respective local authority should work in partnership with public sector landowners as appropriate.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

(P19) Number of Neighbourhood Shopping Areas with CV-19 Adaptations

Terms	Definitions
Unit of Measurement	Number of Neighbourhood Shopping Areas with Temporary CV-19 Adaptations
Investment Priorities where this indicator is used	IP3d
Count Criteria: What can be recorded against this indicator?	<ul style="list-style-type: none"> • Temporary CV-19 adaptations made to public spaces adjacent to commercial areas which help Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) to build their resilience and adaptability in the context of the economic impact of CV-19 in the area covered by the ERDF support. • Adaptations can include but are not limited to signage, street markings, temporary barriers, changes to street furniture or parking arrangements.
Count Threshold: What is the threshold or minimum requirement for recording (one count) of this indicator?	<ul style="list-style-type: none"> • Public spaces are defined as those under the control of a public sector organisation. • A neighbourhood shopping area is defined as a cluster of 14 or less retail addresses within 150 metres. • Temporary is defined as a change to the environment that lasts no more than 12 months.
Count Exclusions: What activity cannot be counted against this indicator?	<ul style="list-style-type: none"> • Temporary CV-19 adaptations made to public spaces adjacent to commercial areas are excluded where they do not: <ul style="list-style-type: none"> ○ meet the count threshold criteria; ○ help the public access commercial areas in a safe way; or ○ help Small and Medium Sized Enterprises, including Social Enterprises (see Notes below) to build their resilience and adaptability in the context of the economic impact of CV-19 in the area covered by the ERDF support.

(P19) Number of Neighbourhood Shopping Areas with CV-19 Adaptations

Terms	Definitions
Verification Evidence: What records need to be retained to count this indicator?	<ul style="list-style-type: none">• Invoices of expenditure incurred.• Where possible photographic evidence of the changes, ideally before and after.
Additional Information Required for Indicator	<ul style="list-style-type: none">• No additional data is required.
Relationship to other Indicators	<ul style="list-style-type: none">• There is no direct relationship to other indicators.
Notes	<p>Temporary CV-19 adaptations made to public spaces adjacent to commercial areas will be targeted at supporting domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises; however, given the broad nature of this activity it is likely that they may indirectly benefit large companies too.</p> <p>Where temporary changes to the public realm are undertaken the respective local authority should work in partnership with public sector landowners as appropriate.</p> <p>Business is the term commonly used in the UK; the EU Regulations use enterprise.</p>

SCHEDULE 3

GRANT ACTION PLAN FORM

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Reopening High Streets Safely Fund Grant Action Plan

Local Authority Name	Name of Lead Contact	Richard Ball
	Telephone Number	01432 260965
	Email Address	Richard.Ball@herefordshire.gov.uk
	Name of Deputy Contact	Roger Allonby
	Telephone Number	01432 260330
	Email Address	Roger.allonby@herefordshire.gov.uk

1. Proposed Activity:

A) Please complete the table below to reflect the activities you propose to use the RHSS Fund for.

No.	Area of Scope	Using bullet points briefly set out the specific activities you will undertake	Briefly set out how the activity does not duplicate existing activity	Total Indicative Budget £ per item Gross
1	Support to develop an action plan for how the local authority may begin to safely reopen their local economies.			
2	Communications and public information activity to ensure that reopening of local economies can be managed successfully and safely	<p>Led by the council's Communication Team, we will undertake a programme of activities to promote Hereford and the market towns as an on-line and visitor shopper destination to local residents and those that live in the surrounding areas, encouraging the recovery of trade.</p> <p>Initially during the current lockdown period marketing activity will focus on the opportunities for local residents to buy locally on line, through click and collect and local businesses offering take away services.</p> <p>Thereafter, videos and information materials will focus on the re-opening of Hereford and the market towns successfully and safely.</p> <p>This will include two major campaigns – one early in the 2021 and the other in early spring.</p>	Currently there are no communication campaigns to local residents encouraging them to return to the high street.	£70,000

		Activity will include the creation and promotion of a web-presence where local retailers can promote, free of charge, how people can shop with them safely and the production of two videos for Hereford and Market Towns. The activity will target Herefordshire residents to encourage them to support businesses in Hereford and the market towns by emphasising that it is safe to shop.		
3	Business-facing awareness raising activities to ensure that reopening of local economies can be managed successfully and safely.			
4	Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely.	<p>Working with our Licensing and Trading, Parking and Infrastructure teams, we will undertake a programme of public realm measures to enable the safe return to the shopping areas in Hereford and the market towns. Activities will include;</p> <ul style="list-style-type: none"> • Signage at car parks, parking machines, markets, which are located near high streets and neighbourhood shopping centres. The signage to be at car parks which are part of the high streets and neighbourhood shopping areas and on local authority owned land. The car parks are adjacent to the high street areas and neighbourhood shopping areas and they immediately serve the high streets and neighbourhood shopping areas. The signage referred to is part of wider signage that is situated on the high streets and in the neighbourhood shopping areas. • COVID 19 warning notices (pavement markings, lamppost banners, hoardings) 	<p>Prior to 1 June 2020, Herefordshire Council has not put in place temporary public realm changes to ensure re-opening of local economies.</p> <p>The measures will enhance our separately funded Tranche 1 Covid 19 Emergency Response Active Travel Measures, and allow us to extend our activities across shopping areas in Hereford and the market towns.</p>	£97,000

		<ul style="list-style-type: none"> • Highway barriers and cones for parking space closure • Temporary signage (including digital matrix signs at key locations), barriers and planters for temporary infrastructure to assist walking and cycling in Hereford and the Market Towns. • Temporary barriers, signage and planters to support Tranche 1 Covid 19 Emergency Response Active Travel Measures and removal of on street parking to allow for footway widening and social distancing in Hereford and the market towns. 		
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B) At Risk Expenditure

Indicative amount of eligible expenditure you intend to incur between 01/06/20 and the date of the Funding Agreement with CLGU

£630.00 and £7009.93= £7,639.93 (included in the £97K above)

Please lists the costs you are incurring at risk before the signing of the Funding Agreement

Pavement signs on high street- £630.00

Car parking signage, pavement signage, entrance signs, COVID 19 warning signage, marker paint for queues at parking machines, highway barriers and cones, and staff costs - £7,009.93

C) Alignment with COVID-19 Plans

Please describe how the above planned activity contributes to a national, regional or local COVID-19 plan and provide a copy of the plan.

National COVID-19 Plan

This project will support the UK COVID-19 plan in advising businesses to build their own resilience by reviewing their business plans and following advice for employers on how to make their work COVID-19 secure. This project will also support businesses which have reopened or will re-open soon. The project take into consideration the guidance provided by government which covers a range of different types of work.

Herefordshire Council's Covid Plan

This project will support HC's plan which aims to provide infection control advice, guidance and setting specific COVID-19 resources to support high risk workplaces, location and communities. Working with our Public Health Team, we will help deliver good communications which are vital for the success of Herefordshire's outbreak control plan. Likewise, it will help mitigate the consequences of and help to keep as many services and businesses going as possible in a way that is safe and releases the Herefordshire's economy. Below is the link to Herefordshire Council COVID-19 Outbreak Control Plan

https://www.herefordshire.gov.uk/download/downloads/id/20930/herefordshire_covid-19_outbreak_control_plan.pdf

D) Locations of activity

Please list the High Street (and Neighbourhood Shopping Area) locations that you intend to support with this activity and give details of which strand of activity will be implemented at each location. *Insert more rows if required.*

Type High Street / Neighbourhood Shopping Area	Name of location	Postcode(s)
Hereford City Centre	Hereford City centre such as (but not limited to) King Street, Broad Street, Commercial Street, Widemarsh Street, High Town, Maylords Street, Gomond Street, Commercial Road, St. Owen Street, Church Street, West Street and the Old Market	HR1 City Centre
Leominster Town Centre	Leominster Town Centre	HR6
Bromyard Town Centre	Bromyard Town Centre	HR7
Kington Town Centre	Kington Town Centre	HR5
Ledbury Town Centre	Town Centre –Homend Street, Bye Street, New Street and Southend Street	HR8
Ross Town Centre	Ross Town Centre	HR9

E) Permissions

Please confirm that you will have all the necessary permissions in order to carry out the temporary public realm changes and that you will be able to evidence this upon request. Tick to confirm:

2. Stakeholder Engagement

Briefly set out how you have engaged with business organisations, Local Highway and Transport Authorities, lower tier authorities such as parish councils, and other relevant stakeholders when considering how to use the RHSS funding.

A) Please list which organisations and sectors you have engaged with?

Hereford Business Improvement District (Hereford BID)
Hereford and Worcester Chamber of Commerce
Marches LEP
B) Please provide details of the engagement activities these stakeholders have been involved with?
<p>We will work with our stakeholders and partners e.g. Hereford BID in promoting the videos and other communication materials to residents in Herefordshire and the neighbouring towns.</p> <p>We will work Hereford BID and other partners in ensuring that messages on Covid-19 safety messages from the government reach local businesses.</p>

C) Delivery Partners

See Grant Action Plan Guidance for details on the role of Delivery Partners and their associated requirements.

- i. Do you intend to include any other tier of local government as a Delivery Partner(s)? No
- ii. If yes, please complete the following table:

Name of Delivery Partner (please insert rows as required)	What RHSS project activity will they deliver?	Why are they the most appropriate body to deliver the activity?

- iii. For each Delivery Partner you are required to secure a Service Level Agreement for their RHSS Fund activity.

Name of Delivery Partner (please insert rows as required)	Please confirm that you have a signed SLA with each Delivery Partner	
	Yes – Submit with Grant Action Plan	No – provide date when SLA will be submitted

3. Outputs

Please indicate the volume for each output your activity will address.

	Output	Number of outputs
P14	Number of CV-19 Action Plan	0
P15	Number of CV-19 Public Information Campaigns	2
P16	Number of CV-19 Business Facing Campaigns	0
P17	Number of CV-19 Communication Officers	0
P18	Number of High Streets with Temporary CV-19 Adaptations	5
P19	Number of Neighbourhood Shopping Areas with Temporary CV-19 Adaptations	1

4. Claims

i. Please complete the table with the start and end date for the expenditure associated with the RHSS Fund activity.

Start Date	1 June 2020
End Date	31 March 2020

ii. Please select the claim quarter(s) in which you plan to submit a grant claim and insert a forecast value for each claim.

Claim	Claim Submission Period	Tick to indicate a claim submission in this period	Claim Forecast Value £ (Gross)
21Q2	1 June 2020 – 31 March 2021	x	£172,000

iii. Please indicate whether you plan to claim the 4% Management and Admin from within your grant allocation

Yes	Yes
No	

iv. If you propose to claim staff costs in line with the RHSS Fund Guidance, please complete the table below

Area of Scope	Role Title	Salary	Cost to be Claimed
Supervision of implementation of measure	Senior Parking Appeals and Representation Officer	£33,717	£300
Implementation of measures	Parking Support Officer	£20,344	£1,600
Preparation of risk assessment Manager check and sign off risk assessment and management of safe parking measures	Preparation of risk assessment Manager check and sign off risk assessment and management of safe parking measures	£37,849	£170

5. Monitoring and Evaluation: Please indicate all of the monitoring methods you will utilise to demonstrate the impact of the project activities.

Monitoring Method	Tick to confirm	Brief description
Footfall counts	X	Hereford Business Improvement District provides regular updates on footfall counts at Hereford City Centre. We will work with Town Councils to identify information on footfall counts.
Businesses reopening	X	Hereford Business Improvement District provides information on business reopening at Hereford City Centre. We will work with Town Councils to gather information on business reopening.
Businesses closed	X	Hereford Business Improvement District provides information on business closures at Hereford City Centre. We will work with Town Councils in gathering information on business closures.
Other		

6. Financial Management and Control

i.

Describe the financial management and control procedures for the project; including the process for compiling, authorising and ensuring only eligible and defrayed expenditure is included in RHSS claims

Herefordshire Council has a published financial policy: Section 7 of this policy outlines Herefordshire Council's financial processes, roles and scheme of delegation.

Extract from: Section 7 - Financial Procedure Rules

4.7.1 Background

4.7.1.1 Section 151 of the Local Government Act 1972 requires that "Every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs"

4.7.1.2 The person with overall responsibility for Herefordshire Council's financial affairs under the act, the Chief Financial Officer (CFO) or Section 151 Officer is the Director of Resources. Herefordshire uses the Chartered Institute of Public Finance (CIPFA) guidance in defining the role of their CFO or Section 151 Officer:

is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;

- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively

4.7.1.3 To deliver these responsibilities the Chief Financial Officer:
must lead and direct a finance function that is resourced to be fit for purpose
must be professionally qualified and suitably experienced

4.7.1.4 The 1988 Local Government Act makes a requirement to have a designated qualified deputy S151 Officer to act on their behalf in his/her absence or if requested by the CFO to do so. The role designated as deputy S151 officer is the Head of Corporate Finance.

The role of the chief financial officer in local government, CIPFA

They form part of the Council's Constitution and are to be read in conjunction with other sections of the Constitution in particular:

Part 3 – The Functions Scheme

Part 4 – Section 3 - The Budget and Policy Framework Rules

Part 4 – Section 6 – the Contract Procedure Rules

The Financial Procedure Rules apply to every member and officer of the council and anyone acting on its behalf except where separate arrangements are made under the scheme for the Local Management of Schools.

4.7.2 General Responsibilities

4.7.2.1 Members and officers have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

4.7.2.2 Members, officers and others acting on behalf of the Council are required to have proper regard to the advice and guidance issued by the CFO on the Financial Procedure Rules.

4.7.2.3 Every report to Members shall contain a statement setting out the financial implications of the recommendation(s) proposed that has been approved by the CFO.

4.7.2.4 The Council's expectation of propriety and accountability is that Members and staff at all levels shall lead by example in ensuring adherence to financial and legal requirements, rules, procedures and practices.

4.7.2.5 Members and staff at all levels shall act in accordance with the council's Anti-fraud and Anti-corruption policies.

4.7.2.6 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) that it comes into contact with, shall act towards the Council with integrity and without thought or actions involving fraud or corruption.

4.7.2.7 Appendix A sets out the responsibilities of members and officers relating to the Financial Procedure Rules.

4.7.2.8 The council's scheme of delegation is the formal record of delegation of financial decision making.

4.7.3 Urgent Decisions

4.7.3.1 In exceptional circumstances, where an urgent decision is required, this shall be taken by the relevant Director in consultation with the CFO and the Assistant Director Governance. If the matter is outside the scheme of delegation then the matter can only be authorised by the Chief Executive and the Cabinet Member responsible for Resources in accordance with the procedures for the taking of urgent decisions set out in the Council's Constitution.

4.7.3.2 Any decisions made under the 'Urgent Decision' arrangements shall be reported to the relevant Director, Cabinet Members and Local Members.

4.7.3.3 Nothing in these standing orders shall prevent expenditure required to meet immediate needs caused by a sudden emergency to which Section 138 of the Local Government Act 1972 applies, provided that such expenditure shall be reported as soon as possible to the appropriate Cabinet Member and the Cabinet.

Please describe the document management system for the project and how the audit trail will be maintained and accessible for the period required under the terms of the Funding Agreement, this includes retrieving original invoices and ensuring evidence of costs incurred is available.

The project manager will be under an obligation to keep and provide all original invoices copies of which will be provided to the Economic Development Team.

The applicant's document management system is described below:

This project will be managed in accordance with Herefordshire Councils Record Management Policy. It is the policy of Herefordshire Council to ensure that:

- records are complete and accurate, the information they contain is reliable and its authenticity can be guaranteed;
- records and the information within them can be efficiently retrieved by those with a legitimate right of access, for as long as the records are held by the organisation;
- records will be secure from unauthorised or inadvertent alteration or erasure, that access and disclosure will be properly controlled and audit trails will track all use and changes;
- records will be held in a robust format which remains readable for as long as records are required;
- there are consistent and documented retention and disposal procedures that include provision for permanent preservation of archival records;
- the application of records management procedures are regularly monitored against agreed indicators and action taken to improve standards as necessary;
- a records management strategy is developed and maintained;
- a records survey of all records is performed periodically;
- procedures are developed in line with information management and information governance requirements;
- legal and regulatory requirements are met;

- records management training is made available to staff as appropriate;
- records management is appropriately addressed in staff contracts and job descriptions.

All evidence will be collected and retained in such a way that it is compliant with EU requirements with sufficient audit trail (paper and electronic format) for staff appointments, expenditure, procurement, publicity, equality, sustainability, outputs, results, group minutes etc. For example when evidencing expenditure the audit trail will be traceable back to the original document demonstrating the expenditure. Where original documents have been copied, each document will be certified as conforming to the original document.

Electronic files and documents will be held. Hard copies of files and documents will also be kept as a back-up which are archived in accordance with Herefordshire Council's retention policy and ERDF requirements.

The claims process will be handled within the Economic Development Team who have previously managed and claimed for RDPE, ERDF, Ob. 2, AWM, and DCLG funding. Claims will be submitted every quarter and will be based on defrayed expenditure that the Council has incurred. The project manager will be under an obligation to keep and provide all original invoices copies of which will be provided to the Economic Development Team.

- ii. Please indicate whether or not the RHSS funded activities will result in any **Fixed and or Major Assets** NO
- iii. If Yes you are required to list the potential assets, and describe the system(s) in place to record asset details in compliance with ERDF Guidance

-
- iv. **VAT** – Please advise whether or not the project budget includes any VAT you cannot recover from HMRC (recoverable VAT). Note we may need confirmation of this by way of a letter from the council’s finance department?
YES / NO
 - v. **VAT** – If irrecoverable VAT will be claimed, please describe how this is captured through the claims procedure and how your financial processes will ensure that it is not being claimed as part of the normal VAT return.

All VAT can be recovered and all submitted costs exclude VAT. We are not claiming irrecoverable costs from the fund.

7. Procurement: Please provide details of all the procurements you have and/or will undertake in relation to RHSS eligible expenditure.

Applicants should note that procurements will be tested in detail in the lifetime of a project and by different independent bodies. In the event of non - compliance/irregularity financial penalty will be imposed in line with EU guidance. This can be up to 100% of the procurement expenditure.

It remains the responsibility of the Local Authority to ensure all procurements are compliant.

Anticipated value of the contract	Brief description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier? (Please tick)				Procurement status (Please tick)	
		OJEU	Advertised	Three Quotes	Direct Award	Procurement in progress/ to be started	Procurement completed
£2,500 - £25,000	Supplies (banner, signage, barriers, cones, etc) and videos			x		x	
More than £25,000	Public realm activities will be delivered by Balfour Beatty, who is our development partner. Herefordshire Council has awarded public realm contract to Balfour Beatty following a procurement process, which are in line with the public procurement regulations.	x					

8. State Aid: This section MUST be completed in conjunction with section 8 of the accompanying Grant Action Plan Guidance. CLGU has conducted its own analysis of the State Aid position of the RHSS project and concluded that there is no State Aid due to the nature of the RHSS eligible activities. This position has been set out in Annex A of the accompanying Grant Action Plan Guidance. However it is the responsibility of each Local Authority in receipt of RHSS funding to ensure that they are compliant with State Aid law.

- i. Have you read and understood CLGU's State Aid position as set out in Annex A of the Grant Action Plan Guidance?
YES
- ii. Have you completed your own State Aid analysis? YES
- iii. Does your State Aid analysis agree with CLGU's position that there is no State Aid associated with RHSS funded activity? YES

iv. If yes, and you will deliver the project such that there is no State Aid:

Describe how you will ensure that there is no State Aid
<p>Herefordshire Council, in delivering the project, is acting in its public remit. The work is being undertaken in public space and is therefore not benefitting individual undertaking and it is therefore considered that the aid falls outside of Article 107. All work undertaken through the project will be subject to the usual public procurement regulation.</p> <p>Any promotional activity encouraging people to return to the high street will equally benefit all businesses.</p>

v. If you have conducted your own State Aid analysis and concluded that there *would be* State Aid, you must complete **Annex A State Aid Analysis** below.

9. Policies and Documents

i. **It remains the responsibility of the Council to ensure that the policies are fit for purpose. RHSS Fund will not provide formal approval of policies.**

Policies and Documents Required	Tick to confirm you have attached	Policies and Documents Required	Tick to confirm you have attached
Counter Fraud Policy	x	Sustainable Development	x

Conflict of Interest Policy and Register	x	Document Retention	x
Equal Opportunities	x	Risk Register	x

- ii. **Please confirm that you have read and understood the ERDF Guidance including but not limited to Eligibility, State Aid, Branding and Publicity and Procurement and that you will deliver the project in compliance with the requirements.**

Select to confirm:

Declaration & Signature

I declare that I have the authority to represent Herefordshire Council in submitting the Grant Action Plan.

I understand that RHSS Fund acceptance of this Grant Action Plan does not in any way signify that the proposed activity described above is eligible and compliant with the requirements of the RHSS Fund.

On behalf of Herefordshire Council and having carried out full and proper inquiry, I confirm to the RHSS Fund:

- That the information provided in this application is accurate.
- I am not aware of any relevant information, which has not been included in the application, but which if included is likely to affect the eligibility and compliance of the activity.

I confirm to the RHSS Fund:

- That I shall inform the RHSS Fund if, prior to any RHSS funding being legally committed to Herefordshire Council, I become aware of any further information which might reasonably be considered as material to the RHSS Fund in deciding whether to enter into a Funding Agreement.
- I am aware that if the information given in this application turns out to be false or misleading, the Reopening High Streets Safely Fund may demand the repayment of funding and/or terminate the RHSS funding agreement.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant or for the purpose of assisting any person to obtain grant is liable to be prosecuted. A false or misleading statement will also mean that approval may be revoked, and any grant may be withheld or recovered with interest.

Local Authorities should be aware that any expenditure incurred before the signing of an RHSS Grant Funding Agreement is entirely at their own risk and may render the project ineligible for support.

Signed		Name (print)	Richard Ball
Position	Director Economy and Place Herefordshire Council	Date	2 November 2020

Annex A – State Aid Analysis

State Aid Law	
i.	Please list all the organisations (if known) which may benefit from the funding of the project. If they are not known, list the types of organisations that might benefit from the funding.
ii.	For each organisation or type of organisation that may benefit from the project, (including the Local Authority and any Delivery Partners) identify whether they meet the State Aid test. If you believe an organisation or type/ group of organisations is outside the scope of State Aid, please provide the reasons. Local Authorities may wish to refer to the European Commission’s “Notion of State Aid” guidance and the Ministry of Housing, Communities and Local Government’s European Regional Development Fund guidance on State Aid law available at https://www.gov.uk/government/publications/european-structural-and-investment-funds-state-aid-documents .

iii. For each beneficiary and or type of beneficiary that the Local Authority regards as being in receipt of State Aid, identify which exemption(s) they will be using to provide the aid in accordance with State Aid law¹.

Name of beneficiary or type of beneficiaries	Name of Exemption	Scheme reference number

Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Local Authority is required to either (a) confirm that the project falls within the scope of Regulation 6(5) or (b) to submit a separate document to demonstrate incentive effect in line with Regulation 6(2) containing the following information:

- (a) the applicant undertaking's name and size
- (b) a brief description of the project, including start and end dates

¹ For notified schemes the answer should include the full name of the scheme and the Commission reference number.

(c) the location of the project
(d) a full list of the project costs used to determine the allowable level of funding
(e) the form of the aid
(f) the amount of public money needed for the project.

iv. If you intend to use exemption(s) to deliver the Project, have you read the terms of the scheme and meet all the relevant terms.

Yes or No

v. If you intend to use De Minimis, please outline what work has been undertaken to ensure that this is the most appropriate mechanism.

vi. Are you subject to an outstanding recovery order in respect of State Aid?

Yes or No

vii. Describe the system in place for collecting and recording the required information for audits and returns?



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SCHEDULE 4 UNDERPERFORMANCE METHODOLOGY

Methodology for calculating penalty for operation underperformance						
Methodology						
OUTPUTS TO BE INCLUDED IN THE CALCULATION (Up to 4 outputs to be selected according to Priority Axis and those contracted for this operation)		OUTPUT 1	OUTPUT 2	OUTPUT 3	OUTPUT 4	
		Output reference / ID Output description / Indicator	Output reference / ID Output description / Indicator	Output reference / ID Output description / Indicator	Output reference / ID Output description / Indicator	
		NB: will be Performance Framework output where contracted				
Basic Facts	Total Project Value (a)	£ value as per schedule 1 of FAL / details as per latest variation				
	Contracted Target (b)		Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL
	Evidenced / actual achievement (c)		Number actually achieved at time of calculation	Number actually achieved at time of calculation	Number actually achieved at time of calculation	Number actually achieved at time of calculation
Calculated Variance	Variance (number) (d)		(b) - (c)	(b) - (c)	(b) - (c)	(b) - (c)
	Variance (%) (e)		(d) / (b) x 100	(d) / (b) x 100	(d) / (b) x 100	(d) / (b) x 100
Weighting	Up to 15% below target = normally deal with via project change process 16% and 25% below a weighting of 5% would normally be applied 26% and 50% below a weighting of 10% would normally be applied Over 50% below would normally result in a weighting of at least 15% (f)	(f)	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.
			Indicator Value (£) (g)	(a) * 0.55	(a) * 0.15	(a) * 0.15
Establish the value of the variance for each indicator as a proportion of the value of the operation.						
Penalty	Underperformance value (£) (h)		(g) x (f)	(g) x (f)	(g) x (f)	(g) x (f)
	Potential Reduction Value (£) (i)	sum all (h)s				