



European Union

European Regional
Development Fund

European Regional Development Fund Revenue Funding Agreement

Funding Agreement

between

Greater London Authority

and

Westminster City Council

Project Name: Connect Westminster

Project Number: ERDF 23R16S00865

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SCHEDULE 6 GLA AND SECRETARY OF STATE ROLES AND RESPONSIBILITIES

THIS Agreement is dated

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PARTIES

1. **THE GREATER LONDON AUTHORITY** whose principal address is City Hall, The Queen's Walk, London, SE1 2AA (**the GLA**); and
2. **WESTMINSTER CITY COUNCIL** of 64 Victoria Street, London, SW1E 6QP (**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 in relation to the European Regional Development Fund ('ERDF').;
- B The Secretary of State for Communities and Local Government ('Secretary of State') as the managing authority for the Operational Programme pursuant to Article 123(1) of Regulation 1303 will designate the GLA as an Intermediate Body with responsibility for the management of ERDF for Greater London in accordance with Article 123(6) of Regulation 1303.
- C The GLA's role in relation to this Funding Agreement includes management and authorisation of the Grant and the Funding Agreement, but does not include payment of the Grant which is undertaken by the Secretary of State. Further details of the GLA and the Secretary of State's role in relation to this Funding Agreement are set out in Schedule 6.
- D The GLA wishes to offer the Grant and the Grant Recipient agrees to accept the Grant on the terms and conditions of this Funding Agreement in relation to the Application.
- E This Funding Agreement serves as the document described in Article 125(3)(c) of Regulation 1303, setting out the conditions to support 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.

“Agreed Financial Completion Date” means the date specified as such in the Project Specific Conditions and being the date that all of the expenditure eligible for grant 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 application for Grant (and any annexures thereto) which is contained in Schedule 5.

“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 or the GLA as an Intermediate Body.

“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.

“Capital Maximum Sum for the More Developed Region” means the maximum amount of Grant payable in respect of Eligible Capital Expenditure for the More Developed Category of Region 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.

“Committed” means, in relation to any Match Funding, either:-

- (a) funding (which shall constitute all or any part of the Match Funding requirement contained in this Funding Agreement) which has been committed to the Grant Recipient in writing pursuant to which a third party makes available an amount to the Grant Recipient and which shall not be subject to any conditions precedent or conditions subsequent which are (in the opinion of the GLA acting reasonably) unacceptable; or
- (b) funding which shall constitute all or any part of the Match Funding requirement contained in this Funding Agreement which shall be provided from the Grant Recipient’s own resources the availability of which shall be evidenced to the GLA.

“Completion” means completion of the Project Activities to the satisfaction of the GLA.

“Conditions” means the terms and conditions upon which the Grant is payable as contained in clauses 1 to 26 of the main body of this Funding Agreement and the Project Specific Conditions at Schedule 1.

“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.

“Confidential Information” means all Personal Data and any confidential 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 and the GLA.

“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 Funds 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 GLA or 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 is the Data Controller.

“Data Controller” shall have the same meaning as set out in the Data Protection Act 1998, as amended.

“Data Processor” shall have the same meaning as set out in the Data Protection Act 1998, as amended.

“Data Protection Legislation” means the Data Protection Act 1998, as amended, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

“Data Subject” shall have the same meaning as set out in the Data Protection Act 1998, as amended.

“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.

“DCLG Code” means the Department for Communities and Local Government “Local Government Transparency Code” 2015 as updated from time to time.

“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 Capital Expenditure” means the expenditure set out in the profile at Schedule 2.

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

“Eligible Revenue Expenditure” means the revenue expenditure set out in the profile at Schedule 2.

“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 2.

“Financial Year” means the calendar year.

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

“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 by the Secretary of State 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 specific Secretary of State’s 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 GLA) 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).

“Guidance Note on Revenue Generating Projects” 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 *England Regional Development Fund Operational Programme 2014-20, Guidance on Revenue Generating Projects, September 2015*.

“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 GLA and which (those subsisting on the date of this Funding Agreement) are:-

- Commission Decision C(2013) 9527 19.12.2013 on the setting out and approval of the guidelines for determining financial corrections to be made by the Commission to expenditure financed by the Union under shared management 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 trade marks, registered designs, utility models, applications and rights to apply for any of the foregoing unregistered design rights, unregistered trade marks, 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.

“Intermediate Body” means the GLA being designated by the Secretary of State to award, manage and administrate ERDF funding in Greater London

“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 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 being used for the Project 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.

“Match Funding” means the contribution to the Project to meet the balance of Eligible Expenditure not supported by Grant and the Match Funding details are contained in the Project Specific Conditions.

["Match Funding Longstop Date” means the last date by which the Grant Recipient is to provide evidence to the GLA that any Match Funding listed as indicative is fully committed.]

“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 12.2.

“Maximum Sum” means the maximum amount of Grant to be authorised by the GLA and 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 as defined in Article 90 of Common Provision Regulation 1303/2013;

“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 *Document Retention Including Electronic Data Exchange for 2014-20 European Regional Development Fund Projects, February 2016*.

“National European Regional Development Fund Eligibility Rules” means the National Eligibility Rules published by the Secretary of State from time to time and contained on the Website. The version subsisting at the date of this Funding

Agreement being *European Regional Development Fund Operational Programme for England 2014-20, National Eligibility Rules, March 2015*.

“National European Regional Development Fund Publicity Guidance” means the guidance on publicity 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 *England 2014 to 2020 European Structural and Investment Funds Growth Programme, European Regional Development Fund and European Social Fund Branding and Publicity Requirements, November 2016*.

“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 *State Aid Law, European Regional Development Fund Guidance Note for Grant Recipients, January 2016*.

“National European Structural and Investment Fund 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 *Procurement Law, ESIF Compliance Guidance Note (ESIF-GN-1-001 version 3 (December 2016))*.

“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 GLA and the Grant Recipient.

“Personal Data” shall have the same meaning as set out in the Data Protection Act 1998, as amended.

“Process” has the meaning given to it under the Data Protection Act 1998, as amended but, for the purposes of this Funding Agreement, it shall include both manual and automatic processing.

“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 the activities to be carried out and implemented in the Project and described in the Application and this Funding Agreement and anything incidental thereto.

“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 the GLA 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” means the Secretary of State for Communities and Local Government.

“Secretary of State System” means the Secretary of State’s computing environment (consisting of hardware and/or software and/or telecommunications networks or equipment) used by the Secretary of State, the GLA and 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/or which interfaces with the Grant Recipient System or which is necessary for the GLA to comply with the terms of this Funding Agreement.

“Security” means any mortgage, charge, guarantee or other security interest securing an obligation of the Grant Recipient (or a relevant guarantor) required by the GLA as specified (if required) in the Project Specific Conditions.

“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” is the date specified as such in the Project Specific Conditions being the earliest date that the expenditure incurred by the Grant Recipient in relation to the Project 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.

“Targets” means the outputs and results identified and detailed in the milestone table contained in the Project Specific Conditions and Schedule 3.

“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 Final Payment Date that any Asset shall be used for the Approved Use as set out in Schedule 1.

“Website” means the national website for 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 GLA is 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
Schedules 2 ("Expenditure Profile"), 3 ("Targets"), 4 ("Underperformance Methodology"), and 6 ("GLA and DCLG Roles and Responsibilities")
 - (c) The Application.

3 GRANT

- 3.1** In consideration of the Parties' respective obligations contained in this Funding Agreement the GLA 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 GLA that the Application is accurate in all respects, having made proper and full enquiry in relation to the same. The GLA has based its decision to authorise the payment of 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 appraisal 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 GLA or affect the GLA'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 GLA's right to recover any sum under this Funding Agreement; and
 - (b) there is reserved to the GLA (notwithstanding clause 26.12) any rights of action or remedies for any mistake, negligent misstatement, misrepresentation or error of judgment made in the Application upon which the GLA has relied in agreeing to authorise the provision of the 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 GLA task a Delivery Partner to carry out certain Project Activities provided that such shall Delivery Partner 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 any 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 Capital Expenditure will be either the Capital Maximum Sum, or an amount calculated by applying the Capital Contribution Rate to the actual Eligible Capital Expenditure, whichever is the lower.
- (b) 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.
- (c) The total amount of Grant paid to the Grant Recipient shall not exceed the Maximum Sum.
- (d) 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.
- (e) The total amount of Grant payable in respect of Eligible Capital Expenditure for the More Developed Region shall not exceed the Revenue Maximum Sum for the More Developed Region.

5.2 Match Funding Arrangements

- (a) The payment of Grant is conditional upon the receipt by the Grant Recipient of the Match Funding or the Match Funding being Committed.
- (b) The Match Funding shall be compliant with the provisions of the Eligibility Rules.
- (c) The Grant Recipient shall notify the GLA in writing immediately of any failure by the Grant Recipient or a third party to make a contribution due under the Match Funding, or any circumstance that affects or might affect the payment or availability of Match Funding.

5.3 Conditions Precedent to the payment of Grant

The GLA will not authorise 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) the Grant Recipient has satisfied the GLA that the Grant Recipient has sufficient Match Funding Committed at the Start Date to achieve Completion of the Project by the Agreed Activity End Date;
- (d) the Grant Recipient has satisfied the GLA that the Grant Recipient has all funding needed to pay for expenditure in relation to the Project which is Not Eligible Expenditure;
- (e) 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;
- (f) any Security required as set out in the Project Specific Conditions is in place to the extent stated; and
- (g) the Conditions have been fully complied with provided that the GLA may waive in whole or in part any Condition/s without prejudicing the GLA'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 5.3 or exclude the right for the GLA to exercise any of its rights under this Funding Agreement.

5.4 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) The Parties agree that the GLA does not undertake the payments of the Grant. Payment is made by the Secretary of State as further set out in Schedule 6. The GLA will not be liable for any non payments, or actions or omissions in relation to payments. All queries in relation to this clause 5.4 shall be directed

to the GLA. Each Grant Claim is to be submitted using the Secretary of State's on line facility.

- (f) 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 GLA relating to the amount claimed in such Grant Claim.
- (g) The GLA will normally authorise 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 and promptly 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.
- (h) The time for payment of the Grant Claim shall not be of the essence. The GLA shall have no liability to the Grant Recipient for any Losses caused by a delay in the payment by the Secretary of State of a Grant Claim howsoever arising.
- (i) The Grant Recipient must notify the GLA promptly if at any time it becomes aware that it is unable to make a Grant Claim in accordance with the Expenditure Profile.
- (j) A progress report in respect of the Project must be submitted with each Grant Claim, and at such other times as the GLA may notify to the Grant Recipient.
- (k) By submitting a Grant Claim the Grant Recipient warrants to the GLA that there is no Event of Default or Material Breach subsisting by reference to the facts and circumstances existing on the date of such Grant Claim.
- (l) The Grant Recipient acknowledges and agrees that the GLA is managing and authorising the Grant on behalf of the Secretary of State which is the payer of the Grant. The Grant Recipient agrees that it will not seek any claim or payment from the GLA in respect of any non-payment and/or any clawback of the Grant and/or damages in relation to the same.

5.5 Retention of Grant

Without prejudice to any other provision of this Funding Agreement the Secretary of State will retain 10 % of the Grant which shall not be authorised for release by the GLA unless and until the following events have occurred:-

- (a) completion of the Project Activities;
- (b) the GLA has received, and is satisfied with, the final monitoring report following the final monitoring visit;

- (c) all outstanding audit issues are resolved; and

that the release of the retention shall not operate as an acknowledgement or waiver and shall not preclude the GLA from exercising any of its rights under this Funding Agreement.

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 GLA will be under no obligation to authorise payment of the Grant for any additional Eligible Expenditure to compensate for the shortfall 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 GLA will be under no obligation to authorise payment of the 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 GLA 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 GLA 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 GLA, 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 GLA 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 GLA 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 Asset, or any part of the Asset for the Approved Use without the prior written consent of the GLA. If consent is given, it may be subject to any conditions which the GLA 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 GLA. If the GLA grants consent to a Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the GLA.
- (b) Where the Grant Recipient disposes of any interest in any Asset without the prior written consent of the GLA, then the proceeds of the Disposal (limited to the total amount authorised by the GLA 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 and/or GLA.
- (c) The liability under clause 8.3(b) is separate from the liability to comply with any decision of the GLA 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 26.12 below).
- (d) The Grant Recipient shall provide to the GLA 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 GLA 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 GLA (except for Security contemplated by the Project Specific Conditions).

9 CHANGES TO THE PROJECT

- 9.1** All Changes must be approved by the GLA prior to the relevant Change being deemed to be effective. The Grant Recipient shall request the Change on a Project Change Request Form. The GLA 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, the Secretary of State or the GLA 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 GLA that the Project is structured so it is compliant with State Aid Law. Where the GLA 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 Grant Recipient acknowledges the GLA 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 and the GLA to comply with State Aid Law requirements and respond to any investigation(s) instigated by the European Commission into the Project.
- (c) The Grant Recipient acknowledges 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 the 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 at Annex 2e of the Application, 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 at Annex 2f of the Application, 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 at Annex 2e of the Application, 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 at Annex 2f of the Application, 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 Secretary of State has published the National European Regional Development Fund Publicity Guidance to assist the Grant Recipient to comply with the Regulations referred to in the paragraph above. This guidance is not compulsory and does not

have to be followed as a condition of this Funding Agreement. It is the Grant Recipient's sole responsibility to ensure compliance with the Regulations.

11.3 The obligations in this clause shall continue after this Funding Agreement is terminated.

11.4 The Grant Recipient hereby gives consent to the Secretary of State and GLA 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 GLA, as required by clause 9;
- (f) the Approved Use of any Asset has ceased without the prior written consent of the GLA before the expiry of its Useful Economic Life;
- (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 GLA under an agreement for the financial support of any other Project or activities;

- (k) if the 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 GLA, 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 GLA, 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.

12.2 Material Breach

A Material Breach is a breach of this Funding Agreement 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 GLA relating to this Project or under this Funding Agreement is found to be incorrect or incomplete to an extent which the GLA 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 GLA;
- (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 GLA in relation to an Event of Default or a Material Breach

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

- (a) Authorise the suspension of the payment of Grant for such period as the GLA 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 authorise payments of the Grant to the Grant Recipient under this Funding Agreement and (in addition) require the Grant Recipient to repay to 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 or a Material Breach

- (a) If the GLA gives written notice to the Grant Recipient pursuant to clause 12.3(a) to authorise suspension of payment of Grant, such notice shall specify the relevant Event of Default and/or Material Breach and where such Event of Default or Material Breach is in the opinion of the GLA remediable give the Grant Recipient an opportunity to rectify the relevant Event of Default or Material Breach within such period as the GLA shall determine to be reasonable and as shall be set out in such written notice (or such extended period as the GLA 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 GLA to assist it to determine whether the default and/or breach has been rectified to its satisfaction.
- (c) Where the rectification of the default and/or breach requires a Change the procedure under clause 9 shall be followed.
- (d) The GLA shall not by reason of the occurrence of an Event of Default and/or Material Breach which is, in the opinion of the GLA, 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 GLA.

12.5 GLA's right of termination

The GLA may also in addition but without prejudice to its rights under clause 12 and at its sole discretion terminate this Funding Agreement if the ERDF programme is terminated by the Secretary of State and/or European Commission or the GLA is no longer an Intermediate Body at any time by giving six months notice in writing.

12.6 Continued rights of actions or remedies of the GLA

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

12.7 Cessation of entitlement to Grant

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

12.8 Liability to meet demand for repayment of Grant and Covenant to Pay

- (a) Where the GLA requires the Grant Recipient to repay any amount of Grant, the Grant Recipient shall repay the amount concerned to a payee specified by the GLA on such demand 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 GLA makes a determination to recover any amount of Grant, it may recover the amount concerned by authorising the withholding or deducting of the amount from any sum due 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 GLA.
- (c) The GLA 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.

12.9 Reduction in grant for underperformance

- (a) This clause applies where the GLA determines that the Grant Recipient has underperformed against the Targets to such a degree that 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 GLA 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 GLA shall determine to be reasonable and as shall be set out in such written notice (or such extended period as the GLA 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 GLA to assist it to determine whether that underperformance has been rectified to its 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 GLA's satisfaction within the specified time period, the GLA 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 GLA shall either require the Grant Recipient to repay 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.

12.10 Corrections

- (a) Notwithstanding any other provision in this Funding Agreement the GLA and/or Secretary of State through the GLA may impose a Correction. If a Correction is imposed a notice will be sent to the Grant Recipient setting out the Irregularity that the GLA 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 GLA 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 GLA 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 GLA setting out the reasons it considers that the Correction should be adjusted together with evidence in sufficient detail to enable the GLA to reconsider the requirement for the Correction provided always that the GLA's decision shall be final and binding.

12.11 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 GLA 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 (i) losses (ii) any non payment by the Secretary of State of the Grant, and or clawback of the same arising under or in connection with this Funding Agreement and/or payment in relation to damages 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 GLA, 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 GLA and will provide a full account of relevant circumstances and such further particulars as the GLA shall request concerning the party to which the Funding Agreement is proposed to be assigned, novated or charged.
- 13.3** The GLA 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 GLA consents to an assignment, charge or novation, then the GLA may notify the Grant Recipient that the documentation giving effect to the assignment, charge or novation is to be pre-approved by the GLA and copies of all completed documents supplied to the GLA upon completion of the same.

14 MONITORING PROGRESS, REPORTING AND NOTIFICATIONS

14.1 Submission of progress reports

- (a) The Grant Recipient must send to the GLA, at such intervals as the GLA 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 GLA and/or 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 and the GLA to meet their 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 Project Assessment

- (a) The Grant Recipient shall undertake a summative assessment of the Project.
- (b) The summative assessment shall be undertaken according to the Secretary of State common framework and methodology which the GLA shall provide to the Grant Recipient.
- (c) The summative assessment must be completed and supplied to the GLA at least three months before the final Grant Claim is submitted in accordance with clause 5.4.
- (d) For the avoidance of doubt, the GLA will not authorise a payment in respect of the final Grant Claim until a satisfactory summative assessment report produced in conformity with the Secretary of State's common framework and methodology has been received.
- (e) Subject to clause 5.1(c), the maximum amount of Grant payable to the Grant Recipient in respect of the summative assessment is as specified in the Project Specific Conditions and shall not exceed 1% of the Project Specific Eligible Expenditure or £100,000, whichever is the lower.

14.3 Notification by the Grant Recipient

The Grant Recipient shall notify the GLA 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 GLA) together with copies of all relevant documentation; and
- (h) forthwith, on the occurrence of an Event of Default and/or Material Breach.

14.4 Records

- (a) The Grant Recipient shall provide the GLA with such information and documentation as the GLA 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 of its obligations under this Funding Agreement.
- (b) The Grant Recipient shall comply with and assist the GLA and 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) The Grant Recipient must 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 GLA 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 GLA 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.

14.5 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 or a 6 year period after the project has expired or terminated whichever is longest.
- (b) The GLA 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 GLA, 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.

14.6 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 GLA 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 GLA immediately, explain what steps are being taken to investigate the suspicion, and keep the GLA 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 GLA and/or Secretary of State shall be entitled to interview employees of the Grant Recipient if fraud or other financial irregularity is suspected by the

GLA on the part of the Grant Recipient, its employees or agents in connection with the Project.

15 ACCOUNTING RECORDS,SUPPORTING EVIDENCE AND AUDIT

- 15.1** The Grant Recipient shall and shall procure that any 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 any Delivery Partner will permit the GLA and/or the Secretary of State and persons authorised by the GLA to inspect audit and take copies of all reports, books, accounting records and vouchers which the GLA and/or the Secretary of State properly considers relevant to the Project .
- 15.2** The Grant Recipient shall and shall procure that any 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 GLA and/or the Secretary of State's audit monitoring and reporting requirements for grant recipients.
- 15.4** The Grant Recipient shall and shall procure that any Delivery Partner shall provide the GLA with such other information as the GLA 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** 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 GLA may, at its discretion, withhold authorisation of payment of Grant until a subsequent Audit has been completed to the GLA's and the Secretary of State' 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 GLA'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 GLA's Confidential Information received otherwise than for the purposes of this Funding Agreement.

16.5 Nothing in this Funding Agreement shall prevent the GLA (and/or Secretary of State as applicable) from disclosing the Grant Recipient's Confidential Information:

- (a) to the Secretary of State;
- (b) 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;
- (c) to any consultant, contractor or other person engaged by the Secretary of State or GLA;
- (d) (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;
- (e) to a person receiving technical assistance in accordance with Regulation 1303 for the purpose of monitoring and evaluating the Project;

- (f) to enable the Secretary of State and the GLA 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;
- (g) for the purpose of any Audit pursuant to clause 15 of this Funding Agreement;
- (h) for the purpose of the examination and certification of the Secretary of State's accounts; or
- (i) 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 GLA 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 and the GLA's obligations of confidentiality.

16.7 The GLA 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 and the GLA 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 and the GLA that neither the Intellectual Property Rights nor any publication by the Secretary of State or the GLA 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 and the GLA harmless against any and all claims, demands and proceedings arising directly or indirectly out of the Secretary of State and the GLA'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.

16.9 The Grant Recipient acknowledges that the GLA is subject to the Transparency Commitment under which the GLA may be required to publish certain information in relation to the Funding Agreement and/or any agreements ancillary or supplemental to it to the general public (together the "Main Terms"). Accordingly, notwithstanding any other provisions of the Funding Agreement, the Grant Recipient hereby gives its consent for the GLA to publish the Main Terms to the general public provided that, to the extent permitted by law, the GLA:

16.9.1 shall consult with the Grant Recipient regarding any such proposed publication and redactions to the information to be published pursuant to this clause;

16.9.2 shall consider the Grant Recipient's objections to disclosure

16.9.3 may as a result apply appropriate Freedom of Information Act 2000 and/or Environmental Regulations exemptions/exceptions to relevant information

16.9.4 may accordingly redact all or any part of the Main Terms prior to their publication.

17 DATA PROTECTION

17.1 With respect to the parties' rights and obligations under this Funding Agreement, the parties agree that the Secretary of State is the Data Controller and that the GLA and the Grant Recipient are Data Processors.

17.2 The Grant Recipient shall:-

- (a) process the Personal Data only in accordance with instructions from the Secretary of State and/or the GLA (which may be specific instructions or instructions of a general nature as set out in this Funding Agreement or as otherwise notified by the Secretary of State or the GLA to the Grant Recipient during the term of this Funding Agreement);
- (b) process the Personal Data only to the extent, and in such manner, as is necessary for the provision of the Project Activities or as is required by Law or any Regulatory Body;
- (c) implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;
- (d) take reasonable steps to ensure the reliability of any Grant Recipient Personnel who have access to the Personal Data;
- (e) obtain prior written consent from the GLA in order to transfer the Personal Data to any contractors or affiliates for the provision of the Project Activities;
- (f) ensure that all Grant Recipient Personnel required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this clause 17;
- (g) ensure that none of Grant Recipient Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the GLA;
- (h) notify the GLA (within five Working Days) if it receives:-
 - (i) a request from a Data Subject to have access to that person's Personal Data; or
 - (ii) a complaint or request relating to the Secretary of State's obligations under the Data Protection Legislation;

- (i) provide the GLA with full cooperation and assistance in relation to any complaint or request made, including by:-
 - (i) providing the GLA with full details of the complaint or request;
 - (ii) complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with the GLA's instructions;
 - (iii) providing the GLA with any personal data it holds in relation to a Data Subject (within the timescales required by the GLA); and
 - (iv) providing the GLA with any information requested by the GLA;
- (j) permit the GLA and/or the Secretary of State, or a representative of the GLA or the Secretary of State, to inspect and audit (subject to reasonable and appropriate confidentiality undertakings), the Grant Recipient's Data Processing activities (and/or those of its agents, subsidiaries and contractors) and comply with all reasonable requests or directions by the GLA and/or the Secretary of State to enable the GLA and/or the Secretary of State to verify and/or procure that the Grant Recipient is in full compliance with its Data Processing obligations under this Funding Agreement;
- (k) provide a written description of the technical and organisational methods employed by the Grant Recipient for processing Personal Data (within the timescales required by the GLA and the Secretary of State); and
- (l) not Process Personal Data outside the European Economic Area without the prior written consent of the GLA and/or the Secretary of State and, where they consent to a transfer, to comply with:
 - (i) the obligations of a Data Controller under the Eighth Data Protection Principle set out in Schedule 1 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred; and
 - (ii) any reasonable instructions notified to it by the GLA and / or the Secretary of State.

17.3 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 GLA and the Secretary of State to breach any of its applicable obligations under the Data Protection Legislation.

17.4 The Parties agree that the GLA is required to share all Data with the Secretary of State to enable the GLA and the Secretary of State to discharge their obligations in relation to ERDF. Schedule 5 sets out further details on the GLA and Secretary of State's roles in relation to this clause 16.

18 SECURITY REQUIREMENTS

- 18.1** 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.
- 18.2** Notwithstanding clause 18.1, if Malicious Software is found, the parties shall co-operate 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, GLA Data or the Secretary of State's System, assist each other to mitigate any losses and to restore the Project Activities to their desired operating efficiency.
- 18.3** Any cost arising out of the actions of the parties taken in compliance with the provisions of clause 18.2 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 through the GLA 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).

19 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 GLA 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 GLA 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 GLA 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 GLA.

20 NOTICES

20.1 Any notice demand or communication to be given or served under this Funding Agreement shall be in writing.

20.2 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 GLA 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 GLA's European Programmes Management Unit or to such other address as may from time to time be notified by the GLA;
- (b) by email to the email address specified in the Project Specific Conditions or such other email address as may from time to time be notified by the GLA; or
- (c) where directed to do so by the GLA, using the Secretary of State's on line facility, in accordance with the terms of use of that facility.

20.3 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 GLA;
- (b) by email to the email address specified in the Project Specific Conditions or to such other address as may from time to time be notified by the GLA; or
- (c) using the Secretary of State's System on line facility.

20.4 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.

20.5 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.

21 VALUE ADDED TAX

21.1 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.

21.2 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 via the GLA 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.

22 GOOD FAITH AND COOPERATION

The Grant Recipient covenants with the GLA that:-

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

23 INSURANCE

The Grant Recipient covenants with the GLA 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 or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Project.

24 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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.

25 JURISDICTION

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.

26 MISCELLANEOUS

- 26.1** 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 GLA for any purpose whatsoever, and the Grant Recipient shall ensure that any Delivery Partner is made aware of this.
- 26.2** A certificate by the GLA 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.
- 26.3** 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.
- 26.4** No failure or delay on the part of the GLA 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 GLA prevent any other or further or other exercise of it or the exercise of any other right power or remedy of the GLA. The rights and remedies available to the GLA under this Funding Agreement are cumulative and are in addition to and not in substitution for any other rights or remedies which the GLA would otherwise have, however arising.
- 26.5** Nothing contained in or done under this Funding Agreement and no consents given by the GLA shall prejudice the GLA's rights, powers or duties and/or obligations in the exercise of its functions or under any statutes, bye-laws, instruments orders or regulations.
- 26.6** Nothing in this Funding Agreement nor any other document shall impose any obligation or liability on the GLA 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.
- 26.7** Any approval by the GLA or any person on behalf of the GLA 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 GLA of the correctness or suitability of the contents of the subject of the approval or consent.
- 26.8** The fact that the GLA or their 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.

- 26.9** 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.
- 26.10** This Funding Agreement contains all the terms which the GLA has agreed with the Grant Recipient in relation to the subject matter of this Funding Agreement and supersedes any prior written or oral agreements representations or understandings between the GLA and the Grant Recipient.
- 26.11** 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
- 26.12** Notwithstanding any other provisions of this Funding Agreement, the GLA shall not be entitled to be reimbursed or to recover any monies that it has authorised payment of 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.
- 26.13** The GLA may novate or otherwise transfer the Funding Agreement (in whole or in part) within 10 business days of a written request from the GLA, the Grant Recipient shall at its expense execute such agreement as the GLA may reasonably require to give effect to any such transfer all or part of its rights and obligations under the Funding Agreement to one or more persons nominated by the GLA. Subject to clause 12, the Funding Agreement is personal to the Grant Recipient who shall not assign the benefit or delegate the burden of the Funding Agreement or otherwise transfer any right or obligation under the Funding Agreement without the prior written consent of the GLA.

ACCEPTANCE

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

EXECUTED AS A DEED by affixing)
THE COMMON SEAL of the)
GREATER LONDON AUTHORITY in the
presence of :)

Authorised Signatory: _____

Print Name: _____

The common seal of **THE LORD MAYOR AND)**

CITIZENS OF THE CITY OF WESTMINSTER

was hereunto affixed by order in the presence of:)

.....

(Signature of Authorised Signatory)

.....

(Signature of Authorised Signatory)

SCHEDULE 1

THE PROJECT SPECIFIC CONDITIONS

1A. Contribution Rates

The amount of Grant payable shall not exceed the maximum sum of £1,400,032 (one million four hundred thousand and thirty two pounds) and has been determined as follows:

- (a) 0% (being the Capital Contribution Rate) of the Eligible Capital Expenditure up to the Capital Maximum Sum of £0.
- (b) 50 % (being the Revenue Contribution Rate) of the Eligible Revenue Expenditure up to the Revenue Maximum Sum of £1,400,032.

1B. Summative assessment

Subject to clause 5.1(c), the maximum amount of Grant payable to the Grant Recipient in respect of the summative assessment in accordance with clause 14.2(e) shall be £28,000.64 and shall not exceed 1% of the Project Specific Eligible Expenditure or £100,000, whichever is the lower.

1C. Contribution Rates by Category of Region

- (a) The Capital Maximum Sum for the More Developed Region is £0.
- (b) The Revenue Maximum Sum for the More Developed Region is £1,400,032.

2. Contact.

The principal contact for this Project in the GLA is Louise Murch, 020 7983 4649.

All correspondence, including any notices served pursuant to clause 20.3 in the main body of this Funding Agreement should be sent to the following address: European Programmes Management Unit, Greater London Authority, City Hall, The Queen's Walk, London, SE1 2AA or by email to louise.murch@london.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 31 March, 30 June, 30 September and 31 December. 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	1 January 2017
b)	Agreed Financial Completion Date	31 December 2019
c)	Agreed Activity End Date	31 August 2019
d)	Agreed Project Practical Completion Date	31 December 2019
e)	The date of the submission of the first Grant Claim.	28 April 2017
f)	The date of the submission of the final Grant Claim.	28 January 2020
G)	Match funding longstop date	28 April 2017

5. Match Funding

5.1 Without prejudice to clause 5.2(a) of the conditions in the main body of this Funding Agreement, the GLA accepts that as at the date of this Funding Agreement the Match Funding for the Project has been approved as set out in the table below:

Funding Contributions	Status: Committed/Indicative	2017	2018	2019	Total
PUBLIC					
Westminster City Council	Committed	£106,720	£106,720	£31,312	£244,752
PRIVATE					
West End Partnership	Indicative	£507,640	£647,640	£0	£1,155,280
ERDF	Committed	£614,360	£754,360	£31,312	£1,400,032
Total Public Sector Match	Committed	£721,080	£861,080	£62,624	£1,644,784
Total Private Sector Match	Indicative	£507,640	£647,640	£0	£1,155,280
TOTAL	Indicative	£1,288,720	£1,508,720	£62,624	£2,800,064

5.2 The Grant Recipient shall provide evidence to confirm the indicative Match Funding is fully committed by the Match Funding Longstop Date included in the Key Milestones at clause 4 of these Project Specific Conditions.

5.3 The Grant Recipient acknowledges and accepts that if it fails to provide evidence to the satisfaction of the GLA in accordance with clause 5.2 of these Project Specific Conditions above, such failure shall be treated as an Event of Default pursuant to clause 12.1 of the conditions set out in the main body of this Funding Agreement.

6. Useful Economic Life

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

7. Delivery Partners

- 7.1 The Grant Recipient is acting as the lead beneficiary for a consortium where the Grant Recipient and the following delivery partners will be making use of the Grant:

The West End Partnership
c/o Westminster City Council
11th Floor
Westminster City Hall
64 Victoria Street
London SW1E 6QP

“the Delivery Partner”

- 7.2 The Grant Recipient shall enter into a legally binding agreement with the Delivery Partner upon materially similar terms to this Funding Agreement comprising provisions guaranteeing the sound financial management of the Grant including (without limitation) by the 28 April 2017:
- 7.2.1 clauses enabling the Grant Recipient to verify that expenditure presented by the Delivery Partner has been incurred and corresponds to that portion of the Project Activities actually being delivered by the Delivery Partner;
- 7.2.2 clauses imposing liability upon the Delivery Partner in the event of any irregularity in the expenditure declared by such Delivery Partner; and
- 7.2.3 clauses enabling the Grant Recipient to recover any amounts unduly paid.
- 7.3 Without prejudice to clause 7.2 of these Project Specific Conditions above, the Grant Recipient shall be solely responsible for ensuring the successful implementation of the Project and the achievement of the Targets.

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 Eligibility Rules and Grant Claims shall be submitted in line with this methodology.
- 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. State Aid

DE MINIMIS

- 9.1 The Grant Recipient warrants that any economic advantage will be provided to the Project beneficiaries by either the Grant Recipient or the Delivery Partner within the framework of the 'De Minimis Regulations' (EC Reg 1407/2013 OJ L 352 of 24.12.2013) and agrees that it will meet, and will ensure that the Delivery Partner meets, the conditions set out below
- 9.2 The Grant Recipient confirms that all staff and the Delivery Partner who deliver such aid shall first read the De Minimis Regulations 1407/2013 to ensure that they understand the administrative requirements. Compliance with the De Minimis Regulations shall include:
- a. valuing the 'gross grant equivalent' of the aid provided to each SME;
 - b. establishing how much aid the SME has received in the current and two previous financial years to ensure that the award of the aid shall not exceed the €200,000 threshold for the SME in that period;
 - c. obtaining a prior declaration from the SME (signed by a person authorised to bind them) that the aid received shall not result in the SME exceeding its allowable €200,000 threshold as above; and
 - d. providing a follow-up letter to each SME recording the gross grant equivalent value of aid provided under the De Minimis Regulations.
- 9.3 The Grant Recipient agrees not to provide, and to ensure that the Delivery Partner does not provide, aid to any person or sector excluded under the De Minimis Regulations and to retain all declarations until 2033 in order to establish that all the conditions laid down in Regulation 1407/2013 have been complied with.]

10. ADDITIONAL PROVISIONS RELATING TO THE GRANT

10.1 Simplified Hourly Rates

- The Grant Recipient acknowledges that the offer of Grant is based on a forecast of the estimated salary costs. The Grant Recipient shall claim expenditure relating to staff partly funded by the Project using the agreed hourly rate.
- The Grant Recipient shall ensure that staff partly funded by the Project maintain time sheets that clearly record time spent working on the Project. The Parties agree to use the following hourly rate:

Hourly staff cost = $\frac{\text{latest documented annual gross employment costs}}{\text{annual gross employment costs}}$

1720

- The Grant Recipient shall base hourly rates on the latest annual gross employment costs with a past reference period of 12 months. The Grant Recipient shall provide the GLA with:
 - (a) an extract from the payroll system to justify the numerators used to calculate each of the hourly rates for the previous 12 month period; and
 - (b) evidence of the latest documented gross employment costs for each of the staff partly funded by the Project prior to the submission of each Grant Claim.
- The hourly rates agreed shall be in place for 12 months from the date of this Funding Agreement. Hourly rates will be subject to review after 12 months from the date of the funding agreement, and regularly thereafter.

10.2 Delivery Partners

- The Grant Recipient shall provide the GLA with the service level agreement signed with the Delivery Partner prior to submitting the first Grant Claim.

10.3 Publicity, Communications and Marketing

The Grant Recipient shall provide the GLA with a publicity and communications plan which identifies target sectors, types of businesses and marketing methods, sets out the full marketing expenditure prior to submission of the first Grant Claim

10.4 Project Staff

The Grant Recipient shall provide a letter to existing staff fully or partly funded by the Project informing them that their salary is now funded through the 2014-2020 European Structural Investment Funds (the "HR Letter") prior to the submission of the first Grant Claim to the GLA.

10.5 Summative Assessment

The Grant Recipient shall provide the GLA with a completed logic model for the project one calendar month after the issuing of this Funding Agreement

SCHEDULE 2

EXPENDITURE PROFILES

Project Funding						
	ERDF/ESF (a) (£)	Public Match (b)	Private Match (c) (£)	Total (d) £	Contribut ion rate	Total public
Capital	£0	£0	£0	£0	0%	0%
Revenue	£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%
Sub Total	£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%
TOTAL	£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%

COSTS PROFILE

CATEGORY	Costs Profile Revenue												Total		
	2017				2018				2019					Total	
	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (July-Sep)	Q4 (Oct-Dec)	Total	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (July-Sep)	Q4 (Oct-Dec)	Total	Q1 (Jan-Mar)	Q2 (Apr-Jun)			Q3 (July-Sep)
Salaries	£23,200	£23,200	£23,200	£23,200	£92,800	£23,200	£23,200	£23,200	£23,200	£92,800	£11,440	£11,440	£11,440	£11,440	£45,760
Marketing	£4,500	£1,500	£0	£1,000	£7,000	£1,000	£0	£1,000	£0	£2,000	£0	£0	£0	£0	£9,000
Consultancy	£5,000	£5,000	£0	£0	£10,000	£0	£0	£0	£0	£0	£5,000	£5,000	£0	£0	£10,000
Flat rate indirect costs	£3,480	£3,480	£3,480	£3,480	£13,920	£3,480	£3,480	£3,480	£3,480	£13,920	£1,716	£1,716	£1,716	£1,716	£6,864
Other revenue	£2,000	£361,000	£371,000	£371,000	£1,105,000	£360,000	£350,000	£350,000	£340,000	£1,400,000	£0	£0	£0	£0	£2,505,000
Total	£38,180	£394,180	£397,680	£398,680	£1,228,720	£387,680	£376,680	£377,680	£366,680	£1,508,720	£18,156	£18,156	£13,156	£13,156	£62,624

SCHEDULE 3

TARGETS

Output	ER/C/0/1 Number of enterprises receiving support				
	Total	Q1	Q2	Q3	Q4
2017	428	0	142	143	143
2018	572	143	143	143	143
2019	0	0	0	0	0
Total	1,000	143	285	286	286

Output	ER/C/0/05 Number of new enterprises receiving support				
	Total	Q1	Q2	Q3	Q4
2017	107	0	35	36	36
2018	143	36	36	36	35
2019	0	0	0	0	0
Total	250	36	71	72	71

Output	ER/C/0/29 Number of enterprises supported to introduce new to the firm products				
	Total	Q1	Q2	Q3	Q4
2017	0	0	0	0	0
2018	27	0	9	9	9
2019	29	9	10	10	0
Total	56	9	19	19	9

Output	ER/P/0/04 Additional businesses taking up broadband with speeds at least 30Mbps				
	Total	Q1	Q2	Q3	Q4
2017	428	0	142	143	143
2018	572	143	143	143	143
2019	0	0	0	0	0
Total	1000	143	285	286	286

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 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				

Full Application Form

EUROPEAN STRUCTURAL & INVESTMENT FUNDS

ESIF-Form-2-010

The Full Application must be completed by the **Applicant** and submitted to the **Managing Authority**¹ by the deadline agreed by the **Managing Authority**.

In order to submit a Full Application you must first have received an invitation to do so from the **Managing Authority**.

Before submitting a Full Application, please ensure that you have read the Full Application Guidance carefully. Any queries should be addressed to the **Managing Authority**.

The **Managing Authority** will use the Full Application form to carry out its appraisal of the proposal, with the aim of determining whether the application meets the relevant criteria to be considered for funding. Applicants should note that the **Local Enterprise Partnership Area European Structural and Investment Funds Subcommittee** will receive the Managing Authority's appraisal, incorporating a summary of the Full Application, in order to advise on local strategic fit.

If this Full Application contains commercially sensitive information which the **Applicant** does not want to be shared with the **Local Enterprise Partnership Area European Structural & Investment Funds Committee**, the applicant must complete section 12, identifying the commercially sensitive information, requesting that this information is not released and explaining its reasons.

The **Applicant** is required to verify the accuracy of the information provided in the Full Application. Therefore the **Applicant** is expected to undertake appropriate investigation to establish the accuracy of its representations.

Further information on the application process, including on State Aid law and procurement compliance, can be found on the www.gov.uk website.

¹ Throughout this document, unless indicated otherwise, the phrase "Managing Authority" will mean the European Regional Development Fund Managing Authority (Department for Communities & Local Government and its Growth Delivery Teams), the London Intermediate Body (the Greater London Authority) and the European Social Fund Managing Authority (Department for Work & Pensions)

Please enter the following information:	
Applicant Organisation:	Westminster City Council
Name of Project:	Connect Westminster
Name of relevant Operational Programme Priority Axis:	Priority Axis 2: Enhancing access to, and, use and quality of, information and communication technology.

For completion by the Managing Authority In		
Identification	Unique Reference No. ERDF 23R16S00865	From IT system or added by MA
Application version number; date received by the Managing Authority	Version #3	Date 26/01/2017

Name/unique identifier of Call	OC23R16P0369		
Have you submitted a linked/complementary application against another call?	Yes		No X
If Yes please state the unique identifier(s) of the calls to which you have responded			

1.0 Applicant

1.1 Applicant organisation	Westminster City Council		
1.2 Status of organisation (limited company, registered charity, local authority, etc)	Local Authority		
1.3 For private sector applicants, what is the size of the enterprise applying for funding?	Small	Medium	Large
1.4 Company/charity registration number (where applicable)	N/A		
1.5 VAT number (where applicable)	239 2916 42		
1.6 Applicant address	Westminster City Hall		
1.7 Applicant address (row 2)	64 Victoria Street		
1.8 Applicant address (row 3)			
1.9 Town / City	London		
1.10 County	SW1E 6QP		
1.11 Postcode	SW1E 6QP		
1.12 Main contact	David Wilkins		
1.13 Job Title / Position in the Organisation	Business & Enterprise Programme Manager		
1.14 Email	dwilkins@westminster.gov.uk		
1.15 Telephone Number	020 7641 1620		
1.16 Mobile Number (optional)			

1.17 Has the organisation previously delivered ESF, ERDF or EAGRD (EAGGF or RDPE) funded projects? Or is it a current Applicant / Grant Recipient for other 2014 -2020 funds. Please note that previous experience is not a requirement for funding	Yes	X	No	
1.18 If Yes, please provide the official reference number and name of fund for previous and existing European funded projects that the Applicant has been involved in. If this is not available, provide the name of the project, role within the project and start and end dates. (This should include any European Regional Development Fund/European Social Fund/European Agricultural Fund for Rural Development/ European Agricultural Guidance and Guarantee Fund or Rural Development Programme for England projects from the 2000-06, 2007-2013 or the 2014–2020 Programmes).				

Project reference	Project name	Project Location	Your Role	Start Date	End Date
223	Environmental Performance of BIDS	Westminster, Lambeth, Southwark, Camden, Islington	Lead Partner	2009	2013
067	Supply Cross River	Lambeth, Southwark, City of Westminster and the City of London	Lead Partner	2008	2012
516	Developing Supply Chains across Central London	Camden, City of London, Hammersmith & Fulham, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth and Westminster	Lead Partner	Jan 2013	Sep 2015

1.19 Will the project involve Delivery Partners? If yes, please complete Annex 1b for **each** Delivery partner.

Yes

2.0 Project Details

2.1 Project Name		Connect Westminster	
2.2 Total European Structural & Investment Funds sought (£)		£1,400,032	2.3 Total Project Value (£) £2,800,064
2.3 Of Which	European Regional Development Fund (£)	£1,400,032	
	European Social Fund (£)		
	Youth Employment Initiative (£)		
2.4 Name of relevant European Regional Development Fund or European Social Fund Operational Programme Priority Axis		Priority Axis 2: Enhancing Access To, and Use and Quality of, information and Communications Technology.	
2.5 Name of European Structural & Investment Funds Investment Priority		2b – Developing Information and Communications Technology products and services, e-commerce, and enhancing demand for Information and Communications Technology.	
2.6 Local Enterprise Partnership area(s) covered		LONDON	
2.7 Lead Local Enterprise Partnership Area		LONDON	
2.8 Name of Managing Authority contact		Greater London Authority	

1	2	3	4
<p>Proposed Start Date i.e. date from which eligible expenditure will be incurred</p>	<p>Proposed Financial Completion Date i.e. date by which eligible costs will have been defrayed (European Social Fund contractual completion date)</p>	<p>Proposed Project Practical Completion Date i.e. date by which all Outputs/Results will be achieved (European Regional Development Fund only)</p>	<p>Proposed Activity End Date i.e. the date by which all the project activities described in the application and Funding Agreement will be completed</p>
1 Jan 2017	31 December 2019	31 December 2019	31 August 2019

2.10 Project Funding

		ERDF / ESF (a) (£)	Public Match (b) (£)	Private Match (c) (£)	Total (d) (£)	Intervention rate (%) (a)/(d) x 100	Total public funding (%) (a+b)/d 100
Capital	ERDF	-					
Revenue		£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%
Sub Total		£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%
Capital	ESF	-					
Revenue							
Sub Total							
Revenue	YEI	-					
Sub Total							
TOTAL		£1,400,032	£244,752	£1,155,280	£2,800,064	50%	59%

2.11 Outline Application Conditions

Briefly explain how you have addressed each of the conditions made at the Outline Application endorsement stage. Add additional rows if necessary

Outline Application Stage Conditions(s)	Summary of how the condition has been met
a) Further detail is required regarding market failure. In addressing this point the applicant may wish to consider whether a sectorial approach and geographical boundary would support the achievement of project outcomes.	<p>Evidence of meeting need/ addressing market failure</p> <p>The rationale for the scheme is based on a number of different types of evidence:</p> <ul style="list-style-type: none">• unmet demand from the London connection voucher scheme,• Highlighting areas of Westminster in which businesses do not have access to next generation broadband networks,• Modelling of economic outputs to indicate why the fact that two-thirds of business premises in Westminster are in areas without access to superfast broadband will continue to suppress economic performance and employment over the period 2016-2020• Information asymmetries between suppliers and SMEs about the respective costs and benefits of available services, both at a consumer and business grade <p>Geographic and Sector Split</p> <p>The project will focus on the local authority boundary of Westminster and the West End Partnership area of Camden. The postcodes for the Camden area are attached to this application. The application process will not target businesses based on the sector because all sectors benefit from faster broadband.</p> <p>Another argument for making the scheme non-selective follows from de minimis regulations. Both BDUK and DG COMP agreed that any attempt to prioritise specific sectors or locations moved away from those principles and increased the risk of challenge. It would have also increased the administrative burden of protecting against 'leakage' into other areas and types of</p>

	<p>business.</p> <p>However, WCC will encourage suppliers to focus their marketing efforts on areas where there is the lowest penetration of businesses with access to superfast broadband.</p>
<p>b) Explain what technical eligibility will be requested from suppliers; what technologies will be accepted; will the project seek to double the broadband speed where broadband is already in place (30mbps is a minimum requirement),</p>	<p>Technical eligibility</p> <p>Following conversations with DCMS WCC have decided to keep the scheme technology neutral. If an organisation is seen to favour certain technologies they could be subject to legal challenge.</p> <p>Instead the terms of the vouchers will be based on compliance with a set of performance characteristics rather than a particular technology. In the DCMS scheme, this safeguards against claims of 'overbuilding' existing networks with new, government-funded fibre infrastructure.</p> <ul style="list-style-type: none"> • Each voucher can only cover excess construction charges that are demonstrated to be incurred by adding one additional connection, rather than enabling existing cabinets or building new Points of Presence (PoP). • Furthermore, new services need to meet a number of requirements in order to be eligible for a voucher. Namely; <ul style="list-style-type: none"> ○ The new service should deliver a minimum download speed of 20Mbps for 'non-contended' and 30Mbps for contended solutions. ○ One off download or upload speeds has to be at least double that of the service that the voucher applicant is currently able to receive. <p>Supplier Registration</p> <p>Following discussions with the responsible officer for the DCMS voucher scheme and the receipt of legal advice, WCC will adopt the same model for supplier registration used by the national voucher scheme.</p>

	<p>The process will be as follows:</p> <p>Westminster City Council puts a call out to suppliers inviting them to register their interest in participation and confirming that should they accept they will abide by the scheme rules. This call will be circulated to suppliers who operated on the DCMS scheme and WCC will also publish an OJEU notification.</p> <p>All suppliers will have one month to complete the registration form and agree to the terms and conditions of the scheme. Suppliers will also be required to provide evidence of their ability to deliver connectivity to SMEs through one of the following checks; 1) Being a member of a relevant trade association, or 2) a reference from a customer or 3) evidence of previous participation in publicly funded voucher schemes.</p>
<p>c) Explain the systems that will be put in place regarding the roll out of the project. Has the project considered procurement, specifically as it intends to match fund project activities through SME contributions? The timeline for installation should be considered. It is recommended that the applicant engages in conversation with DCMS and the GLA as both have managed voucher schemes.</p>	<p>The roll out of the project will be-</p> <ol style="list-style-type: none"> 1. In compliance with all relevant ERDF publicity, procurement and associated guidelines. 2. Will follow the same methodology of the DCMS voucher scheme roll out. <p>There will be a set of core eligibility criteria which will be set out in the project guidelines and publicity material which will include permissible connection types, eligible costs and voucher value that will make clear to the applicants and the suppliers how the scheme and system will work.</p> <p>Procurement</p> <p>The project is no longer using SME contributions as match funding they will not fall under the procurement regulation and therefore in our view will be precluded from providing 3 quotes. However, WCC will implement the value for money checks used throughout the DCMS voucher scheme. The value for money checks will be appended to the application form.</p>

	<p>WCC will follow Procurement Law – ESIF Compliance Guidance Note (ESIF-GN-1-001) which states that contracts between £0 - £2,499 can be directly awarded.</p> <p>Where the value of the award is £2,500 or more the recipient will be required to provide three written quotes. Only when these are received will the grant letter be issued.</p> <p>Timeline for installation</p> <p>The scheme will issue vouchers over a two year period and then will allow a further year for connection to be made and then to evaluate the benefit the business has received through receiving a faster connection.</p> <p>Following discussions with the GLA, for Westminster and Camden, the average time from the receipt of a voucher to making a connection was 131 days (leased lines only). Of the 395 connections installed after this point, the average was 245 days to complete. Therefore, there will be a sufficient time cushion to ensure all eligible expenditure is captured within the project life.</p> <p>Westminster City Council is also involved in a project to speed up the connection times which was not available during the DCMS scheme. A standard wayleave agreement has now been drafted to much simplify the process of receiving a wayleave which is one of the barriers to getting connected. The council will also work with internal departments such as the street works and highways teams, to ensure permits are granted quickly.</p>
<p>d) It appears from the project narratives that match funding for the capital activities (broad band connection) will be in the form of SME contributions. Can the applicant confirm if a pipeline of SMEs contributions is already in place? For the revenue activities, the financial table shows an ERDF</p>	<p>WCC have reviewed the project budget based on EPMU recommendations and made any necessary changes. As a result, a £100,000 increase in ERDF has been requested and a comparable reduction in private match made to reconcile the change in intervention rates.</p>

<p>contribution of 100%, please note that ERDF intervention rate is a maximum of 50%.</p>	
<p>e) State Aid needs to be considered in more detail (legal advice should be sought), specifically if suppliers will be eligible to apply for the voucher scheme.</p>	<p>De Minimis</p> <p>WCC have considered the State Aid implication of providing micro grants to SMEs within a geographically targeted area. A condition under the scheme is that SMEs self-certify that they have not received over €200,000 over the last three financial years. Therefore, the provision of micro grants would fall under the De Minimis regulation.</p> <p>Supplier Registration</p> <p>Following legal advice it is our view that suppliers will not fall under State Aid regulations as WCC will not be in receipt of the works and the suppliers will not be directly in receipt of the grant from WCC. It will be the SMEs who determine which of the many suppliers registered will provide services to them. The registration process for suppliers is outlined in this application.</p>

<p>2.12 Key changes since Outline Application</p>	
<p>What changes, if any, to your proposal have there been since the submission of your Outline Application? Add additional rows if necessary.</p>	
<p>Change</p>	<p>Justification for the change</p>
<p>a) Potential of the WEP funding coming through</p>	<p>On the recommendation from EPMU, we have changed the source of private sector match from SME contributions to the cost to private sector funding from the West End Partnership. The West End Partnership brings together senior public service and private sector leaders, academic experts and resident representatives. It was created to be the catalyst and mechanism to enable the West End to accommodate growth, whilst at the same time, strengthen the areas unique cultural character, amenity and openness. The West End Partnership coordinates and initiates action and delivery in response to this growth with new policies, plans and actions which benefit residents,</p>

	<p>communities, businesses and visitors alike.</p> <p>A commitment letter from the West End Partnership is appended to the application.</p>
b) Reallocation of the capital revenue split	<p>WCC have reviewed the project budget based on EPMU recommendation and made the necessary changes. This has led to a £100,000 increase in ERDF requested and a comparable reduction in private match to reflect the change in intervention rates.</p>
c) Increase the output C1	<p>The output C1 has increased to 1000 businesses receiving support to reflect the expected higher grant value of the project.</p>
d) Connection Vouchers moved from Capital to Revenue.	<p>As per EPMUs recommendation we have moved voucher expenditure from Capital to Revenue expenditure.</p>
e) No longer using the legacy software and managing the system manually.	<p>Following discussions with the software developer the Council determined that operating a manual system would be more cost effective than procuring a software solution. The software costs have been reallocated to cover the salary of a band 2 position within the team.</p>
f) Organisation chart has changed.	<p>There have been some structural changes within the Business and Enterprise Team at Westminster City Council and a change in the method of delivering the scheme. This has led to a change in the structure of the project team; it will now include a Senior Responsible Officer, a Compliance Manager, a Project Manager, a Project Administrator and a Project Apprentice.</p>

3.0 The Business Case

3.1 What is the project? (100 words)

- What is it going to do?
- What will it achieve?

This project will deliver a geographically targeted intervention in an area of London which has one of the lowest percentages of affordable superfast broadband availability out of any parliamentary constituency in the UK (638th out of 650). The project will deliver a demand side voucher scheme to support SME's to connect to super and ultrafast broadband.

The project will enable 1,000 businesses will become connected to super or ultrafast broadband and at least 56 businesses will bring new to the firm products as a result of improved connectivity. The improved connections will also deliver positive economic, social and environmental impacts.

3.2 Summary of the project (500 words)

The scheme will support micro, small and medium sized enterprises to take up broadband services over next generation networks capable of providing at least 30Mbps download speeds. To do this it will offer connection vouchers to cover all or part of the upfront cost of one of the following types of service to a minimum of 1,000 eligible SMEs:

- Access to a 'consumer' service delivered over next generation networks capable of providing at least 30Mbps download speed,
- A 'business grade' solution with a defined service level agreement based on a minimum of 20Mbps symmetrical conditions delivered over next generation networks that offer an upgrade path to higher speeds.

Eligible SME's already receiving 30MBbps+ services will be entitled to use the voucher to upgrade to a new service where either the download or the upload speed is at least double that of their existing connection, irrespective of whether the new service is a consumer or business grade product.

The rationale for the scheme is based on the following evidence:

- The unmet demand from the London connection voucher scheme.
- Mapping of supply to highlight areas in which businesses do not have access to next generation broadband networks.
- Modelling of economic outputs to support the fact that two-thirds of business premises in Westminster are in areas without access to superfast broadband and to illustrate how this will continue to suppress economic performance and employment over the period 2016-2020.
- Information asymmetries between suppliers and SMEs about the respective costs and benefits of the available services, both consumer and business grade.

From a recent piece of research by Adroit Economics, half of the Borough's GVA and jobs are created by firms in areas currently offering less than 30Mbps fixed line and average download speeds. If left to market forces alone, the situation is forecast to improve only marginally by 2020.

The London voucher scheme survey shows that firms achieve cost savings and sales increases as a result of use of faster broadband. These translate into strong GVA and employment growth. Firms that cannot access faster/higher grade consumer broadband will miss out on this growth. Applying the findings from the London voucher scheme survey to the number of firms in Westminster in sub 30 Mbps areas, suggests the following

- A lost net additional increase of £831m GVA per annum. If reversed this would represent a 2.1% increase of GVA currently generated per annum by the commercial business sectors in the borough and a 1.6% increase of total borough GVA (commercial and public sector)
- A lost 15,772 net additional jobs. If reversed, this would represent a 2.7% increase of employment associated with the commercial business sectors in the borough and a 2.3% increase of total borough employment (commercial and public sector)
- Through the provision of faster broadband there is evidence to suggest that this enables businesses to make efficiency savings, increase turnover from selling

online, save staff time and enables businesses to bring new systems or products to their business. An independent economic assessment of the expected benefit of the voucher scheme was undertaken by Adroit Economics. Adroit Economics have previously undertaken evaluation of the DCMS scheme and are using these previous findings to model expected future economic benefit. The report found that over 5 years the scheme provided an additional £172m to £234m net additional GVA in the local economy representing an EROI of between £61 and £83, per £1 invested through the project). A key assumption to these figures is that businesses can accurately apportion the increase in turnover and reduction of costs to the superfast broadband service they receive.

3.3 How is the project delivered: to and by whom?

Fully describe how the project will be delivered.

Please cover the following points in your response:

- Where the project will be delivered
- Over what timescale
- Who will deliver it
- Who will benefit from the project
- From which Local Enterprise Partnership area(s) the beneficiaries will come.
- The specific activities that will be undertaken as part of the project

For capital funded activity, please complete Annex 2(c)

The main activity of this project is to create a geographically targeted voucher scheme to support SME's to connect to speeds of at least 30Mb/s. The scheme will provide businesses with a maximum grant of £2,500 to cover up to 100% of the capital costs of getting connected to a superfast broadband solution. Should the costs exceed £2,500 this will leverage additional private sector match.

There will be a particular focus for businesses within multi tenanted buildings and there is an opportunity to pool the vouchers, this will ensure legacy infrastructure within buildings in Westminster. The private match for the vouchers will come from the West End Partnership.

The West End Partnership brings together senior public service and private sector leaders, academic experts and residents. The partnership was created to be the catalyst and mechanism to enable the West End to accommodate growth, whilst at the same time, strengthen its unique cultural character, amenity and openness. The West End Partnership coordinates and initiates action and delivery in response to this growth with new policies, plans and actions which benefit residents, communities, businesses and visitors alike.

The scheme will focus on the City of Westminster to address the following market failures:

- The 'Cities of London and Westminster' have the lowest percentage of connections above 30Mb/s out of any London borough and is 638/650 of all parliamentary constituencies in the UK and Westminster North has the 3rd lowest connections above 30Mb/s.
- The DCMS connection scheme which operated between December 2013 and

October 2015 revealed that the average voucher value in Westminster was the second highest out of any London borough. Westminster was 58% higher than the London average (£2,421 in Westminster compared to £1,534 for London overall). This indicates that the cost of getting connected to a superfast solution in Westminster is significantly more expensive.

- There was unmet demand for the DCMS Connection Voucher Scheme, with 58 businesses applying for vouchers which were not granted because the programme came to an end. Following the close of the DCMS Connection Voucher Scheme in October 2015, there has continued to be strong demand for a connection voucher scheme in Westminster.
- Mapping of suppliers, highlights areas in which business do not have access to next generation broadband networks.
- Modelling of economic outputs indicate that two-thirds of business premises in Westminster are in areas without access to superfast broadband. This will continue to suppress economic performance and employment over the period 2016-2020.
- Information asymmetries between suppliers and SMEs about the respective costs and benefits of available services, both consumer and business grade.

The provision of connection vouchers, there is evidence that businesses develop new products and services. These innovations improve the firm's productivity and generate wider economic, social and environmental benefits. From the evaluation of the London voucher scheme, 50% of businesses stated that the faster connection has been transformative to their business. 22% said it would enable the development of new products and services, 19% said it would enable them to sell to new customers, 18% said that it would enable them to sell to more and larger clients, 3% said it would enable them to sell overseas for the first time, 6% said it would enable them to export more and 7% said it would enable them to open more sites and branches.

The project will be delivered using a manual application system. Previously we had explored using the legacy software used to deliver the DCMS system but a manual system has been deemed more cost effective to deliver the scheme. The process for applying will be that an SME completes an application form. The application is reviewed and checked by a project administrator. Assuming the application meets the scheme guidelines the business will be issued with a connection voucher. The SME will then procure a superfast broadband solution from an eligible supplier. The SME will pay for the connection cost and provide evidence of payment. The Council will then check the connection has been made and release payment of the voucher to the SME.

An indirect benefit of the scheme is the support this provides suppliers. There is evidence that by providing micro finance to SMEs for better connections it enables these suppliers to grow. During conversations with suppliers they are positive about the potential of a new connection voucher scheme and feel they could deliver vouchers based on the criteria highlighted above.

The project will also benefit the West End which incorporates Westminster and parts of Camden. The West End is a major national and international asset which generates economic activity that outpaces any other area of London. Indeed, the West End generates 3% of the country's economic output (£51.25 billion in GVA in 2014). This is even more significant than the City of London's contribution. The West End Partnership has highlighted broadband as a key work stream to ensure the continued economic success of

the area.

Objectives

3.4 What are the project's objectives?

The overarching objective is to increase the number of small and medium sized enterprises making productive use of digital technologies. A more detailed breakdown of the project objectives is listed below:

- 1) To improve broadband connectivity amongst SME's within Westminster and the West End Partnership area.
- 2) To support SME businesses to adopt new digital systems and processes.
- 3) To support SME businesses to sell online.
- 4) To support SME business growth in terms of revenue and jobs.

3.5 Describe how the project will be evaluated and by whom?

In order to evaluate the scheme a budget has been set aside to procure an external evaluator of project. As the value of this contract is above £20,000 we will advertise the opportunity and obtain 3 quotes from organisations that have experience in this field. This opportunity will be published through the Capital E-sourcing Platform which is the council's online procurement platform.

For the evaluation of the scheme, one year after receiving the connection, all voucher recipients will be required to participate in a follow up survey, either by telephone or a face to face interview, . Findings will then be used to model the economic benefit of the scheme. Some key performance indicators that will be measured are;

- staff time savings,
- business cost savings,
- increased sales,
- increased productivity of home and mobile workers,
- improved skill levels due to access of online informal learning.

These indicators will then be modelled and values will be determined for the expected GVA generated per £1 of public money invested.

3.6 Describe if and how the project will continue once the European Structural & Investment Funds investment ends and what measures you will put in place to reduce reliance on public sector support.

This project provides micro grants to SMEs to cover the capital costs of receiving superfast broadband. Once the investment into the capital is made, the premises will have the infrastructure required to deliver superfast broadband. Therefore the benefits will be realised long after the project closes. If an SME were to move out and assuming a new business were to enter the premises, they would be able to connect to superfast broadband using the existing infrastructure which ensures the benefits are realised for a longer duration.

The evaluation also suggested that the provision of superfast broadband has a transformative effect on 50% of the businesses who receive vouchers. As the infrastructure remains with the SME even after the project closes, the transformative practises that the

businesses adopt will remain as well as cost savings and revenue growth.

Strategic Fit

3.7 Why is the project considered the best solution to the needs/opportunities set out in the Call Specification?

- Please explain how the proposal fits the Call criteria
- Explain why the proposal should be viewed as the best option (solution)

The Department for Culture Media and Sport (DCMS) has previously supported a connection voucher scheme for London and other major cities in the UK. That scheme provided up to £3,000 of the capital costs of installing a superfast broadband solution at a 100% intervention rate. It was hugely popular in London, delivering 11,619 superfast broadband connections to SME's for a total value of £17,818,271 and with a London wide average value of £1,534.

The proposed Connect Westminster project funded through this ERDF call is to provide geographically focused intervention in Westminster which has one of the lowest percentage of connections above 30Mb/s and is the most costly to deploy superfast broadband solutions. This is evidenced by the popularity of the DCMS voucher scheme which saw 1,019 SME's receiving a superfast connection for a value of £2,467,667. The average voucher value was £2,422.

To meet the call, the main principles from this successful scheme need to be taken into account to ensure the desired outputs. The maximum value of the voucher will be reduced to £2,500. This aligns well with the average cost of connection in Westminster which was £2,421 in the previous scheme. By reducing the maximum voucher value in this way, the desired outputs will be achieved with a reduced budget when compared with the DCMS connection voucher scheme.

One of the main goals of the call is to increase by one place the ranking for selling online by SMEs according to the EU Digital Scoreboard. The previous scheme proved that providing micro finance for the connection had a positive impact on a firm's ability to sell online. This was particularly highlighted in the early impacts and data analysis of an SME survey of voucher recipients. The report showed that for over 35% of SMEs their upgrade generated new sales and provided access to new markets. The evaluation of the London Voucher scheme suggested the faster connection had a positive impact on their firm's sales. Fifty percent of businesses stated that the faster broadband connection transformed their business, 19% stated it enabled them to sell to new customers, 18% enabled them to sell to more and larger clients and 3% to trade overseas.

Another key result within the call criteria is to increase the number of SMEs making productive use of digital technologies. This desired result was also achieved through the previous connection voucher scheme. The results indicated that after the business received the connection, their business profits increased by £1,300 per year, per SME, The equivalent of 0.27 extra full time staff was created per firm. This highlights the increase in productivity in firms as a result of improved digital connectivity. Based on these figures, the independently evaluated return on investment study suggests the provision of the 1,000 vouchers would return £61 to £83 of additional GVA per £1 of public money invested, assuming a 5 year benefit period. This provides excellent return on investment from the

micro grants.

3.8 Explain how the project represents an appropriate means of delivering the relevant specific objectives and results of the relevant priorities set out in the Operational Programme?

The provision of small levels of micro finance has proven successful in encouraging SMEs to take up superfast broadband connections; as evidenced through the DCMS voucher scheme. Many firms opted for connections in excess of the 100MB/s offer; Many, around 50%, opted for greater than 50MB/s, well above the criteria required within this ERDF call, future proofing these enterprises with regards to future requirements.

The introduction of superfast and ultrafast broadband into a firm enables it to develop new products and services, improving productivity whilst also generating economic, social and environmental benefits. There was evidence through the DCMS scheme of firms introducing the following technologies:

- Cloud computing
- Selling online
- Digital marketing
- Online analytics
- Voice over IP

Within the London Scheme, the top five examples of practises that saved costs included: increased use of skype and video conferencing (60%), storage and backup on the cloud (57%), voice over IP telephony (49%), financial banking (40%) and online learning (36%).

The ERDF calls stated it wants firms to make better use of digital connectivity. The results from the London Voucher Scheme suggest that 50% of voucher recipients found the faster broadband transformative over the next 2 to 3 years. Firms stated that this would be by enabling them to develop new products and services (22%), sell to new customers (19%), sell to more and larger clients (18%), sell overseas (3%), increase export revenue (6%) and open new branches (7%).

The map below also demonstrates that the DCMS voucher scheme provided appropriate means at addressing poor connectivity within Westminster.



On the map the dark blue areas demonstrate the areas in which there is low download speeds. The dots represent areas in which connection vouchers were issued. As you can see the dark blue areas have the highest concentration of vouchers which helps to demonstrate that the vouchers help to reach the businesses who are currently the worst connected.

3.9 Explain how the project is aligned to the local growth needs set out in the local European Structural & Investment Funds strategy / strategies)?

For London to be a world-leading hub for science, technology and innovation, good connectivity infrastructure is a pre-requisite. Westminster GVA in 2014 was £46 billion, 15% of London's total. This is despite the poor connectivity evidenced in the Grant Schapps, 'Broadbad' report, with Westminster being the 638th out of 650 parliamentary constituencies for the highest percentage of connections above 30MB/s. This scheme will help SME's connect so they are able to fully exploit the potential of Information Communication Technologies.

The scheme addresses the specific local challenge of the difficulty SMEs face when navigating the market for high speed communication and the high cost of connections. This project will provide demand stimulation in the form of vouchers to encourage Westminster SME's to take up broadband with speeds of at least 30MB/s.

The project will address specific market failures faced in Westminster. These include:

- The 'Cities of London and Westminster' have the lowest percentage of connections

above 30Mb/s out of any London borough and are 638 out of 650 of all parliamentary constituencies in the UK Westminster North has the 3rd lowest connections above 30Mb/s.

- The DCMS connection scheme which operated between December 2013 and October 2015 showed that the average voucher value in Westminster was the second highest out of any London borough. The average voucher value in Westminster was 58% higher than the London average (£2,421 in Westminster compared to £1,534 for London overall). This indicates that the cost of getting connected to a superfast solution in Westminster is significantly more expensive.
- There was also unmet demand for the DCMS Connection Voucher Scheme, with 58 businesses applying for vouchers which could not be granted because the programme ended. Following the close of the DCMS Connection Voucher Scheme in October 2015, there continued to be strong demand for a connection voucher scheme in Westminster.
- Mapping of suppliers highlights areas in which business do not have access to next generation broadband networks.
- Modelling of economic outputs to indicate the fact that two-thirds of business premises in Westminster are in areas without access to superfast broadband. This will continue to suppress economic performance and employment over the period 2016-2020.
- Information asymmetries between suppliers and SMEs about the respective costs and benefits of available services, both consumer and business grade.

The project will also add value to existing activities undertaken by Westminster City Council to support Central London Forward in producing a standardised wayleave agreement. This simplifies the time it takes, and reduces the associated legal costs, to put telecoms infrastructure into a building. Having this standard wayleave in place prior to the launch of the voucher will ensure that connections are delivered quickly and at an affordable cost. The scheme will also link with London's Growth Hub by providing another route to signpost businesses to other sources of finance for SME's.

3.10 Please identify any organisations offering the same or similar activity. Explain how the proposed project adds value to and doesn't duplicate existing provision, and does not conflict with national policy?

The Connect Westminster project would add value to the following relevant activity:

- **Broadband Campaign (Summer 2015)** to highlight the issue of the poor connectivity across Westminster, publicly backed by the London Chamber of Commerce, Westminster Property Association and property firms such as Shaftsbury and Grosvenor.
- **Brokered an agreement with BT Openreach** to roll out a programme of investment to deliver 144 additional street cabinets for its superfast broadband, reaching some additional 40,000 premises. Five trial cabinets were agreed as part of this, one of which has already been delivered by BT at Tachbrook Street in Pimlico. This has supported supply side construction. The voucher scheme will support demand of these new networks and help stimulate further investment into infrastructure.

- **Agreed with Virgin** that it will reactivate its dormant analogy system inherited from BT several years ago to upgrade to fibre enabled broadband technology – this will bring connectivity to 5,000 residents in the Pimlico and Paddington areas. This has supported supply side construction; the voucher scheme will support demand of these new networks and help stimulate further investment into infrastructure.
- Established a '**Wired Westminster Group**' which is a high level group of property firms, advisors and broadband operators to tackle some of the challenges of connectivity to premises.
- On behalf of Central London Forward, in a partnership with BSI and the City of London, we are close to completion of a draft **Standard Wayleave Agreement**. This will help reduce the time and cost with regards to an SME receiving a connection. Creating a voucher scheme would further reduce the cost barriers SME's face. The creation of a voucher scheme will amplify the benefits of this piece of work by increasing the number of connections being made within Westminster.
- Promoted the **Mayor's Wired Score connectivity rating** initiative to Westminster property owners which rates buildings according to their telecoms connectivity, thereby encouraging landlords, competing for tenants, to improve their connectivity offer. The voucher scheme will be a useful tool in promoting the Mayor's Wired Score connectivity rating. For buildings that are assessed under this rating, the vouchers will provide a means to address some of the barriers in providing world class connectivity.
- Stimulated demand by **promoting the DCMS Broadband Connection Voucher Scheme** for small and medium sized firms.
- Working to include superfast broadband considerations within the revisions to the **City Plan** so developers are required to consider it when developing their properties.
- Included **broadband in the West End Partnership's** programme in response to the Board's concern that availability of affordable NGE superfast broadband to small firms in the West End is amongst the poorest in the country.
- Made submissions to various Government bodies about **connectivity within urban hot-spots**. Key areas of lobbying included the re-start of a connection voucher scheme, greater transparency in the broadband market and an increase in national guidance into state aid for local authorities.

There are currently no schemes in operation that provide funding to London's SMEs to help address poor connectivity issues.

Evidence to Support the Proposal

3.11 Proposed Design: How does the proposed delivery model build on evidence of good practice, and what works most effectively for the target group?

The delivery model is based on the DCMS voucher scheme which was very successful nationally. We will therefore adopt this model and align it to be ERDF compliant.

The SMEs within the eligible geographic area will be informed of the scheme through newsletters, suppliers, social media and networking events which will invite them to apply for the vouchers. These applications will be evaluated against set criteria as mentioned

above.

3.12 Need for the project within the market – European Regional Development Fund only – please describe the market failure(s) that your project will address. Please provide relevant evidence and research to support your case.

A recent study by Adroit Economics found that half the borough's firms are in areas offering less than 30 Mbps terrestrial fixed line broadband speeds

- *As of today (2016), 23,190 premises (66% of the total number of recorded premises in the study area) are currently in sub 30 Mbps areas. 70% of these are office premises.*
- *The number of premises is forecast to reduce slightly by 2020 by 1,037, to 22,153 (63% of the total number of recorded premises in the study area)*

Adroit estimate that business premises currently in sub 30 Mbps areas account for

- *£26bn GVA (52% of the Borough total) and*
- *369,000 jobs (53% of the Borough total)*

These figures fall only marginally by 2020.

This represents potential significant lost economic growth opportunities for the local economy

The London voucher scheme survey shows that firms achieve cost savings and revenue increases as a result of use of faster broadband. These translate into GVA and employment growth. Firms that cannot access faster, higher grade consumer broadband will miss out on this growth. Applying the findings from the London voucher scheme survey to the number of firms in Westminster in sub 30 Mbps areas, suggests the following lost growth opportunities:

- *A lost net additional increase of £831m GVA p/a. If reversed this would represent a 2.1% increase of GVA currently generated per annum by the commercial business sectors in the borough and a 1.6% increase of total borough GVA (commercial and public sector GVA)*
- *A lost 15,772 net additional jobs. If reversed, this would represent a 2.7% increase of employment associated with the commercial business sectors in the borough and a 2.3% increase of total borough employment (commercial and public sector)*

•

• As well as this information the rationale for the scheme is based on the following evidence:

- The 'Cities of London and Westminster' has the lowest percentage of connections above 30Mb/s out of any London borough and is 638/650 of all parliamentary constituencies in the UK and Westminster North has the 3rd lowest connections above 30Mb/s.
- The DCMS connection scheme which operated between December 2013 and October 2015 showed that the average voucher value in Westminster was the second highest out of any London borough. The average voucher value in Westminster was 58% higher than the London average (£2,421 in Westminster compared to £1,534 for London overall). This indicates that the cost of getting connected to a superfast solution in Westminster is significantly more expensive.

- There was unmet demand for the DCMS Connection Voucher Scheme, with 58 businesses applying for vouchers which could not be granted because the programme ended. Following the close of the DCMS Connection Voucher Scheme in October 2015, there has continued to be strong demand for a connection voucher scheme in Westminster.
- Mapping of supply to highlight areas in which businesses do not have access to next generation broadband networks.
- Modelling of economic outputs to indicate the fact that two-thirds of business premises in Westminster are in areas without access to superfast broadband will continue to suppress economic performance and employment over the period 2016 to 2020.
- Information asymmetries between suppliers and SMEs about the respective costs and benefits of available services, both consumer and business grade.

The proposed scheme seeks to address the poor connectivity within these areas and unlock the untapped potential that better broadband will deliver within firms.

3.13 Demand for the project – European Regional Development Fund only – please set out the demand for the project; what are the demand projections; how have these been identified?

The demand was demonstrated by the DCMS scheme that was managed locally by the GLA. This saw 1,019 SME's receiving a superfast connection with a value of £2,467,667, delivered over a period of 22 months. When the scheme closed in October 2015, there were some applications received from Westminster businesses that missed out on the chance of the funding. They are a potential pool of applicants under this new scheme.

Based on the previous scheme, we would expect an average of 46 vouchers being issued per month. As suppliers are used to delivering the scheme under the DCMS scheme, there will be no need to adapt to new processes. This will ensure vouchers can be delivered in high volume from the start of the delivery phase. Demand is likely to be higher if focusing on a smaller geography where the number of firms in areas below 30Mbps is at its greatest. Suppliers will therefore focus a large amount of their effort in these areas.

If the uptake is lower than expected we would explore expanding the geography in which the scheme operates to deliver vouchers in other parts of London where connectivity is an issue. These include the City of London and other parts of Camden.

4.0 Project Schedule

4.1 Key dates and milestones

Complete the schedule below with the key project milestones for the on-going development and implementation of the project which must include any dates linked to procurement activity and for securing necessary consents e.g. planning permissions, securing budget approval or third party match funding.

Milestone	Start Date	Completion Date
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Set Up Phase		
Project Approval / Grant Agreement Signed	Dec 2016/ Jan 2017	Feb 2017
Programme Management Team in post	Jan 2017	Jan 2017
Steering Group - first meeting	Jan 2017	Jan 2017
Programme Work Plan developed	Jan 2017	Feb 2017
Establishment of programme management systems & development of monitoring tools	Feb 2017	March 2017
Supplier registration and OJEU Notice published	Jan/ Feb 2017	March 2017
Website & IT Infrastructure for SME registration	Mar 2017	Apr 2017
Development of communication strategy and information tools for project dissemination and promotion	Mar 2017	Jun 2017
Delivery Phase		
Marketing and recruitment of beneficiaries begins	Mar 2017	Aug 2019
Suppliers selected and notified of Launch	April 2017	April 2017
Formal Launch of Voucher Scheme & enrolment of first beneficiaries	Apr 2017	Apr 2017
First month of handing out Connection Vouchers & business support activities delivered- outreach and networking events	Apr 2017	Apr 2017
Claim 1 Submitted to EPMU	Apr 2017	Apr 2017
Steering Group	Apr 2017 then quarterly	Aug 2019
Project Management Steering Group meeting	Bi-Weekly until Jun 2017 then monthly	Aug 2019
Project external evaluator procured and appointed	Jul 2017	Jul 2017
Recruitment of Beneficiaries push (if required)	Summer 2017	Summer 2017
Development of baseline information & evaluation framework	Jul 2017	Sep 2017
First Case studies	Oct 2017	Nov 2017
Interim Project reviews – progress, contracts and client services, internal processes by Project Manager and Delivery partners, together with suggestions and plan of action for next stages of delivery	Dec 2017 & Dec 2018	Dec 2017 & Dec 2018
Further Case studies	Summer 2018	Summer 2018
Interim evaluation	Apr 2018	Apr 2018
Outputs to be achieved:	Apr 2018	Apr 2018

300 Enterprises receiving support 125 New Enterprises receiving support 500 SMEs taking up high speed broadband		
Recruitment of beneficiaries push (if required)	Apr/May 2018	Apr/May 2018
Further Case studies	Apr 2018	Apr 2018
Cumulative outputs achieved: 600 Enterprises receiving support 250 New Enterprises receiving support 28 Enterprises introducing new products 1000 SMEs taking up high speed broadband	Apr 2019	Apr 2019
Case studies	Apr 2019	Apr 2019
Follow up and post connection surveys	Apr 2018-Apr 2019	Apr 2018-Apr 2019
Cumulative outputs achieved: 600 Enterprises receiving support 250 New Enterprises receiving support 56 Enterprises introducing new products 1000 SMEs taking up high speed broadband	Jun 2019	Jun 2019
Project finale event	Sep 2019	Sep 2019
Operational completion – draft final activity report submitted	Sep 2019	Sep 2019
Project Closure		
Final evaluation completed	Oct 2019	Oct 2019
Last claim submitted to EPMU	Dec 2019	Dec 2019
Financial completion	Dec 2019	Dec 2019

4.2 Provide any necessary commentary on the milestones above including any dependencies.

The project milestones will be pursued in the same order as mentioned above to ensure the smooth delivery of outputs and outcomes. The success of the project is dependent on the publicity of the scheme through Westminster City Council, the supplier network, SME networking events and most importantly the willingness of the SMEs and suppliers to be part of the project. Through initial market research, and a demand and need exercise, it has been established that the scheme has strong support and therefore very likely to succeed and indeed exceed expectations.

Project governance, risk management and compliance are vital to success as is the implementation of the physical connections to ensure there is no clawback or correction applied to the project post any audit (A13, A15 or external) exercise. To mitigate this, a strong project management framework will be implemented and monitored regularly.

5.0 Project Risks and Issues

5.1 Please explain the issues and risks identified for the project and how these will be managed and mitigated.

Westminster City council considers this programme to be of medium to low risk overall. This is based on the demand for superfast broadband among businesses and the need for funding for the cost of the installations. In addition many of the activities necessary to support the roll out of superfast broadband are already in existence and one of the primary purposes of this intervention is to co-ordinate and enable this activity more effectively, thus enhancing competitiveness.

5.2 Risks Description	Owner	Probability	Impact	Mitigation
No or limited uptake from SMEs	Project Manager	Low	High	Following on from the DCMS scheme and from current market research it is unlikely that there will be no or limited uptake from SMEs or suppliers, as the demand is there and the need is high among the SME community.
Suppliers not interested in the scheme	Project Manager	Low	Medium	There are roughly 600 suppliers who provide the services in London for broadband connection. The likelihood of all these suppliers not being interested is low and initial market research has indicated that they are in support of the scheme.
Time taken for connections to be made	Project Manager	Low	Medium	The project is seeking 36 months to complete with voucher delivery in the first 24 months and the average number of days taken for the cycle to be completed is 131 days. This would

				allow a full year for connections to be made.
Poor response rate to our survey post connection	Project Manager	Low	Low	The funding agreement between WCC and the SMEs will contain clauses to prevent this. Regular contact will be maintained to ensure that we receive a good level of responses.
Staff leaving during the project	Project Manager	Low	Medium	Correct documentation will be maintained to ensure that no information or knowledge is lost should key staff leave. Detailed handovers will ensure business continuity.
Operational-Delays in delivery	Project Manager	Medium	Medium	Since part of the delivery will depend on co-ordinating with external suppliers of broadband connections and based on the time taken by the DCMS scheme to implement the connections, the project is seeking a 36 month programme phase instead of 24 months to allow full implementation and evaluation to mitigate the risk.
Financial – SMEs and suppliers do not provide	Compliance Manager	Low	High	The project team in place has

<p>necessary evidence and information on expenditure on time.</p>				<p>numerous years of experience delivering ERDF projects and has learned from these past projects. A strong information gathering and monitoring process will be implemented right from the start of the project to avoid unnecessary delays and non-compliance. SMEs will not receive the vouchers until all relevant information has been received and they have paid the invoice to the supplier. Funding agreements will include clauses to ensure beneficiaries and suppliers comply with evidence sharing as well.</p>
<p>Staffing – recruiting experienced staff with appropriate knowledge & expertise takes time</p>	<p>Senior Responsible Officer</p>	<p>Low</p>	<p>Medium</p>	<p>The project staff has already been identified with the Project Manager, Compliance Manager and the SRO having had numerous years' experience in ERDF projects. The only post to be recruited will be the Apprentice Project Support</p>

				Officer who will be trained on ERDF admin and work closely under the guidance of the project manager.
Legal / Technical – Failure to comply with ERDF procurement requirements	Compliance Manager	Medium	High	The project team in place has learned lessons from previous ERDF project audits (article 13 and 16) and will ensure that it complies with ERDF rules. SMEs will be issued with guidelines which will be sent and extensively explained. The team will also ensure that all evidence is collected and kept as per the EU document retention requirements. The team will also seek advice from the EPMU as necessary.
Behavioural – the project model will require high level staff with exceptional communication skills who can work well as a team and with partners	Project Manager	Low	Low	The Project Manager has experience in working on ERDF projects and linking with public and private sector partners. The SRO will lead on recruitment and offer intensive support to new staff during induction. There will be weekly

				project team meetings to review progress and bi-monthly steering group meetings to oversee delivery.
Operational – Project fails to meet output targets	Project Manager	Low	Medium	An extensive programme of activities will be implemented with the aim to exceed the project's target outputs, allowing some leeway. With the amount of interest the project will generate it is likely that the project will exceed on its target and the risk of underachievement will be very low.
Financial – payment of claims delayed	Compliance Manager	Medium	High	The Project team will make sure that claims are prepared ahead of deadlines and will have a continuous dialogue with its EPMU and will address any issue as swiftly as possible. There is sufficient budget to cashflow the project until claims are paid but the team will ensure it works closely with EPMU.

5.3 Issue Description	Owner	Impact	Planned Action
Match funding confirmation from the WEP dependant on WEP	Project Manager	High	The back up plan has always been to seek private match from the

			SMEs where they provide part of the funding towards the cost.
Confirmation of Terms and Conditions to use the licence for the software from the DCMS scheme	Project Manager	Low	Negotiations are ongoing to get the terms agreed by the time we get the decision on the application.

6.0 Costs and Funding

6.1 Please summarise what the project budget (as detailed in the financial tables) will be spent on.

Core Project management & delivery staff costs based on salary and on costs

- 0.1 FTE x Senior Responsible Officer
- 0.7 FTE x Project Manager
- 1.0 FTE x Apprentice Project Officer
- 0.3 FTE x Compliance Manager
- 1.0 FTE x Project Administrator

Professional fees – Evaluation

This refers to the contracting of an external consultant to carry out the evaluation of the project. It is based on previous experience of external evaluation costs and plans for a robust and comprehensive independent evaluation of the project.

Marketing & events

This cost refers to:

- The development and management of the project website/web presence.
- The production of promotional materials for outreach, events (adhering to ERDF marketing and publicity requirements) including leaflets and case studies.
- The organisation of the launch and final project events as well as workshops, networking events for the SME beneficiaries in London. They include costs for venues, refreshments and AV equipment.

All events will be run ensuring best value for money.

6.2 Please detail the key assumptions used in the development of your budget and the research completed to prepare it, including how you ensure that the costs are commensurate with the required quality.

The various aspects of the budget have been assumed/ estimated as per the following:

<ol style="list-style-type: none"> 1. Project Staff Salary: Actual with on-costs and estimated time that they will spend on the project. 2. Evaluation: Actual costs of past project and preliminary estimates from experts on probable costs for a full evaluation. 3. Marketing & Events: Liaising with the Communications Team and from past projects. 4. Cost of Vouchers and the total value required to fulfil 1,000 connections: From the DCMS scheme evaluation and report by taking the average voucher value to provide minimum assistance to enable the steep change in broadband speeds.
6.3 Please advise whether the project will be adopting any the available European Structural & Investment Funds overhead methodologies and if so which one.
The project will adopt the Simplified Cost options of applying a 15% Flat rate methodology as outlined in the ESIF-GN-003 ERDF Eligibility Guidance
6.4 For all other cost headings, where relevant please set out the proposed apportionment methodology to be used and provide supporting calculations / documentation.
As stated in point 6.4 all other costs where relevant will reflect the same methodology i.e. the Simplified Cost options of applying a 15% flat rate as outlined in the ESIF-GN-003 ERDF Eligibility Guidance
6.5 Please advise if the project budget includes any VAT you cannot recover from HMRC (recoverable VAT)
No
6.6 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. Please supply proof of irrecoverable VAT on eligible costs (confirmation letter from HMRC or a signed independent audit report identifying this as an eligible cost).
N/A
6.7 Explain how the amount of European Structural & Investment funding requested has been calculated and explain why this is an appropriate amount. Consider whether or not you have exhausted all other avenues for funding, including loans.
<p>The costs are based on:</p> <ul style="list-style-type: none"> - The scope and scale of activities to be delivered; the target number of vouchers WCC would like to deliver is 1,000. Therefore, with a voucher value of £2,500 the total cost would be £2,500,000. We have assumed that the cost of managing the project would be £300,000 which is set at a level lower than the cost of administrating the DCMS voucher scheme which itself equated to 10% of the total vouchers issued. - Financial data and information from current and past projects; it is expected that savings will be realised from the cost of the DCMS project as some of the infrastructure that had been created can be repurposed for this new scheme. - Close consultation with the internal teams which will be part of the project. - The funding from the West End Partnership won't tackle the scale of the challenge

in Westminster on its own, therefore, it is vital that ERDF funding is secured.

Westminster City Council believes these costs are accurate and realistic, and at a level necessary to deliver the activities and resulting outputs of the Connect Westminster Project.

6.8 If the project covers more than one Local Enterprise Partnership area or more than one Category of region, explain how the costs have been shared between areas.

No

6.9 Explain the impact for the project for each of the following:

- If the project did not receive European Structural & Investment Funds
- If the level of European Structural & Investment Funds was reduced
- If there was a delay in European Structural & Investment Funds

- If the project did not receive European Structural Investment Funds

Without ERDF, the project would not exist and SMEs would continue to experience either no broadband or slow broadband connection speeds stifling their growth and economic potential.

One thousand businesses would not be enabled with a high speed broadband connection, 650 SMEs and startups would not be supported and 56 firms would not bring new products into the market. £1.5m of private sector match would not be leveraged.

If the project were not to take place, the expected benefits of the scheme would be lost. An independent researcher estimated the benefit of the Westminster 1,000 voucher scheme will generate; £172m and £234m net additional GVA in the local economy within a 5-year period. This represents an ERol of between £61 and £83, per £1 of project costs. The research also projects that between 2,000 and 2,750 gross jobs will be created, of which 484 to 680 will benefit the local economy, at a cost per job figure of £5,787 and £4,116. A major assumption in this research is that firms have the ability to accurately attribute turnover increases and cost reduction to better broadband.

- If the level of European Structural Investment Funds was reduced

The Connect Westminster project would go ahead but its overall size, ambition and impact would have to be reduced significantly. The project would support fewer SMEs and startups and offer a severely limited number of connection vouchers. Considering the level of demand from the SME community, scaling back would limit the probability of being connected or upgraded to superfast broadband. This would have a negative impact on the level of outputs – Many fewer SMEs and start-ups supported into bringing new products into the market. Conversely, if the level of funding was increased we anticipate we could deliver additional outputs.

- If there was a delay in European Structural Investment Funds

Flexibility has been built into the timeline for the Connect Westminster project. . If the delay was less than three months, the project as proposed would be largely unaffected. If the delay was over three months, one option would be to go ahead as is, postponing the start date and therefore the end date of the project or, go ahead with a reduced timescale and proportionately reduced spend and output targets.

Match funding

6.10 State the source(s) of your match funding. Is it in place yet and if not, when is it likely to be confirmed?

A provisional match funding letter to the value of £1,155,280 from the West End Partnership is attached to this application.

6.11 Is any of this match funding 'in-kind'? Please see restrictions on this in the Eligibility guidance

Use the Full Application financial table to show the amounts of match funding for the duration of the project

No

7.0 Deliverables

7.1 Please complete the Indicators Annex Table which is available on www.gov.uk. After you have done this, please describe the rationale and assumptions you have made in establishing each deliverable which will be achieved. This must link clearly to the project's activity and objectives. Please explain your method for calculating the target levels.

C1 Number of enterprises receiving support (1000)

For the DCMS scheme the average voucher value for Westminster was £2,422. Therefore with £2,500,000 of grant funding, 1,000 enterprises could benefit from the funding of £2,500. In order to receive an output under this strand, receiving support is defined by the SME receiving at least £1,000 in financial support. Therefore, it is likely a minimum of 1,000 businesses will receive support of at least £1,000 through the scheme and it is expected that 250 of these will be new enterprises (please see below).

C5 Number of new enterprises receiving supported (250)

In 2015 there were 5,098 start-ups within the City of Westminster alone. This makes Westminster one of the most entrepreneurial places and arguably the start-up capital of the UK. Therefore during the life of the voucher scheme, there will be around 10,000 potential start-ups who could benefit from the scheme. In order to reach these start-ups, WCC will send them targeted material promoting Westminster City Council and the services the council can offer businesses. The average penetration rate through the DCMS scheme was circa 5% for the whole of the country. Therefore a conservative estimate is that 2.5% of these start-ups will benefit from the voucher scheme. The number supported will therefore be 250.

C29 Number of enterprises supported to introduce new to the firm products (56)

Through early impacts and data analysis of the DCMS scheme 45% of responders reported that the upgrade had improved their ability to develop new goods and services. If the same assumption were applied, there is potential for this project to deliver around 450 outputs under this indicator. As the project is asking for 50% of the funding it is therefore reasonable to assume that the scheme will support 56 enterprises to introduce new products. Any overachievement of this will be duly reported. This output will be captured through a detailed independent evaluation, in line with ERDF guidelines, where participating businesses will take part in surveys and interviews to ascertain the benefit of the faster connection and what new firm products have been adopted. Any over delivery of this output will be recorded and reported as an additional project output.

P4 Additional Business Taking up broadband with speeds of at least 30MB/s (1,000)

Through the Connect Westminster Project there will be £2,500,000 worth of grants made available to SMEs. As the maximum grant value is £2,500, the minimum number of SMEs benefiting from the project is 1,000. If SMEs apply for less than £1,000 this output will be exceeded and any overachievement duly reported.

Achieving the project outputs will have a positive benefit to the economy. This will be captured through an independently commissioned evaluation. The following are all benefits as highlighted within the 'UK Broadband Impact Study, November 2013'.

Economic Impacts

- Productivity growth of high speed broadband enabled SME enterprises
- Safeguarding of local enterprise employment
- Teleworker productivity
- Labour force participation
- Network construction impacts

Social Impacts

- Reducing the digital divide
- The value of household savings associated with additional teleworking
- The value of leisure time saved through increased teleworking

Environmental impacts

- Reduced emissions relating to daily commutes due to increased teleworking
- Reduced business travel due to video-conferencing

Cloud computing help to reduce businesses having low levels of utilisation of servers

7.2 Please explain your approach for forecasting each deliverable; this should include setting out the baseline data upon which the deliverables were calculated.

This proposed scheme draws on an established programme so there is robust data available to forecast the number of vouchers that will be delivered.

Within the DCMS scheme, 1019 vouchers were issued over a 22 month period. Therefore, the scheme averaged 46 connection vouchers a month. Uptake on the original scheme was slow as it took a while for suppliers to adapt to provide connections based on a voucher scheme. However the speed of uptake increased towards the end of the scheme. It is reasonable to assume the uptake of the new scheme will be of a similar rate to that of the DCMS programme. We expect on average of 48 vouchers a month over a 21 month period of issuing vouchers. This equates to circa 1,000 vouchers. The rationale for a larger volume of vouchers per month is because this scheme is also operating in parts of Camden, and the above figures relate just to Westminster, This scheme is operating in a smaller geography with greater challenges, so suppliers will focus their efforts where the voucher scheme is present.

As the provision of the vouchers equates to delivering output C1 and C5, the rationale for these outputs is as above. It is expected the majority of the vouchers will be delivered of a value of over £1,000, so these outputs will be achieved. We have assumed that through targeted marketing, the voucher scheme will specifically target start-up businesses. We also assume that a quarter of all vouchers will go to start-up businesses.

In relation to the number of enterprises supported to introduce new products, independently commissioned research suggests that 50% of firms who received vouchers through the London Scheme found the connection transformed their business. As a result these firms adopted new products and services. As we are asking for circa 50% of the funding, we will be able to deliver half the outputs which totals 56. Any over delivery in relation to this target will be duly reported and will form part of the evaluation survey conducted with participating businesses.

8.0 Project Management and Governance

8.1 Has the Organisation been involved in, or become involved in, any other European Social Fund, European Regional Development Fund or EAFRD funded projects that were not identified in the Outline Application? Please provide details. Add rows if necessary.

Project Reference	Project Name	Project Location	Your Role	Start Date	End Date
-					

8.2 Outline the project management and control systems that will be established for the project, demonstrating that the project has the appropriate capacity to meet the requirements of European Structural & Investment Funds.

Westminster City Council will be the project lead and will have core responsibility for managing and delivering the Connect Westminster project.

The project will be managed by a team comprising significant project management and programme compliance experience. This includes experience of successfully managing and delivering ERDF and other national and European externally funded projects and programmes as well as providing the Accountable Body function in line with funding body requirements. The project manager also has thematic experience as he leads for

Westminster City Council on broadband matters.

More specifically, WCC will manage the delivery of the Connect Westminster project. The SMEs will register to receive the connection voucher on the online portal and provide WCC with the quote and details of who the provider will be to connect and upgrade their broadband. WCC will then review the application and approve or reject it on basis of the qualification criteria. If the application is approved, WCC will issue a connection voucher up-to a maximum value of £2,500 to the SME, to carry out the works required. Once the work has been completed, the SME will then send the council a copy of the invoice associated with the work. The invoice will then be paid by WCC Finance Team, following a full audit check of payment by the SME to the supplier. The invoice will be accompanied by a copy of the supplier invoice and SME bank statement evidencing defrayal of the expenditure.

To track and deal with the risks associated with the delivery of this ERDF project, a steering group will be formed which will meet quarterly to review all project activities, consortium workings and financial management issues related to the project. The Project Manager will report directly on progress against targets and milestones to the steering group and communicate any relevant correspondence between EPMU and consortium members pertaining to the management of the project.

As detailed in the ESIF-GN-1-025 ESIF Management and Control Requirements, the project will be managed in accordance with ERDF project management principles and appropriate processes Systems and a management framework will be set up to ensure the project is effectively managed. A risk register and issues log will be created to raise awareness of and appropriately assess and address potential barriers to delivery.

The Compliance Manager with input from the Project Manager will ensure all evidence and output requirements are collected in line with ERDF guidelines from SMEs and suppliers. The Compliance Manager will also put together the quarterly claims, investigate inconsistencies and raise relevant enquiries to correct any non-compliance. The Manager will submit the claim onto the EPMU claim portal. The SRO will do a final check of the claim and submit for approval by the EPMU officer for payment.

8.3 Please describe the individual posts and/or team that will be delivering the project:

- How is the team set up to manage and deliver the project?
- What resources, expertise, skills, responsibilities and experience do they have?
- Will existing staff be employed, or will new staff be openly recruited (if yes, how)?
- What are the reporting lines and accountabilities of individual posts?

Please include details of Delivery Partners (if relevant).

Please attach a structure chart (organogram) and job descriptions for project delivery staff. See the 'Supporting Documents checklist'.

Westminster City Council and more particularly the Economy Team has been involved in various externally funded projects and has excellent experience of delivering EU projects. Some projects have been listed above

The project will be led by David Wilkins, Business & Enterprise Programme Manager whose role will be to manage the project and co-ordinate the project as well as lead on the implementation of Westminster City Council's delivery role in the project. David has extensive experience of partnership and stakeholder management as well as experience of European funded projects and programmes. David also has experience managing the DCMS voucher scheme in the Greater Ipswich area. Since joining Westminster City Council he has taken the lead for broadband activities within Westminster and works on activities that include supporting BT with their cabinet rollout within Westminster, encouraging other suppliers to build infrastructure in the area, supporting the council estates to become connected to ultrafast broadband and working with the City of London to create a Standardised Wayleave agreement. Through his earlier career David acquired experience of managing a local partnership for an INTERREG Channel Programme which supported the development and growth of creative businesses. The Project Manager will report to the Senior Responsible Officer (SRO)

The Accountable Body and compliance function will be delivered by a new the External Funding and Compliance Manager on a part time basis. Once recruited the post holder will have extensive experience of and expertise in managing compliance for European funded projects. The post will be recruited for in the new year and will report to the SRO.

The Senior Responsible Officer (SRO) for the project will be Haylea Asadi, Strategic Manager - Business & Enterprise. Haylea's career to date includes roles as Head of Economic Development for Wiltshire County Council and Head of Education, Employment & Skills for Wiltshire Council (Unitary Authority). Haylea is ideally equipped to support this project from a strategic perspective with her own strong track record of bidding for and successfully managing significant European/National funded business support/economic growth/education, employment and skills programmes (e.g. BIS, DCLG, DfE, EFA, DWP, SFA, INTERREG IVA Channel Programme, ERDF) and vast expertise in both Economic Development and the Education, Employment & Skills agenda.

The Apprentice Project Officer will be employed on a full time basis to deal with the applications from the SMEs and the administrative tasks associated with uploading of documents, collection of claim data, liaising with the SMEs for submission of invoices and other evidence required for the project to issue the connection vouchers. The Apprentice Project Officer will be line managed and report to the Business and Enterprise Programme Manager. He will also take instructions from the project team with regards to any other job requirements as such.

A Project Administrator will also be employed on a full time basis, their responsibility to set up the document management system in order to effectively manage the voucher scheme. The Project Administrator will report to the Business and Enterprise Programme Manager who will provide guidance in how to set up the document management system.

8.4 If this application form has been drafted by individuals who will not be involved in the delivery of the project, how will you ensure that the project delivery team understands the rationale and detail of the project?

The project team have authored this application.

This being said, WCC will ensure effective document management systems are in place, which contain all the relevant scheme information so that should the application authors

leave the team, or WCC, there is a repository of information available to support a smooth transition. A robust, tried and tested document retention system will be created in line with ERDF guidelines to ensure safekeeping of all the relevant documents relating to the project management and delivery and collection of financial and output evidence for future audit purposes.

8.5 If applicable, how will you ensure that Delivery Partner(s) comply with the requirements of European Structural & Investment funding? How will you monitor and manage the performance of Delivery Partner(s) and or sub-contractor(s)?

Although there are no direct delivery partners in relation to the scheme there will be a number of suppliers that will be procured by SMEs. As these suppliers are crucial to the success of the voucher scheme there will be a registration process for suppliers to participate in the scheme as follows:

At the start there will be a one month period for suppliers to register onto the scheme. Suppliers will be notified through a variety of channels and there will also be an OJEU notice inviting suppliers to register to apply.

As part of the registration process, suppliers will be required to provide one of the following forms of evidence: membership of an accredited trade body, previous experience of managing a similar publicly funded voucher scheme or a reference from a customer.

The registration process will also entail a declaration from suppliers that they will provide vouchers in accordance to the scheme guidelines and they understand that there is a process in place to deal with non-compliance.

As well as a self-declaration from suppliers, there will also be an audit on the proportion of connections that are delivered. These will be a random sample, but if there are suspicions of foul play from a supplier, WCC will target additional audit checks. If suppliers do breach the conditions they will be removed from the registered supplier list.

In order to keep suppliers informed there will be a regular communication to registered suppliers reporting on the performance of the scheme to date so that suppliers have an understanding of how much more funding is remaining.

8.6 Please describe how you will collate, calculate and verify deliverables to ensure that interventions are recorded and an audit trail is retained to prove their validity

The project will use a monitoring system developed and used successfully for the DCMS led Broadband Connection Voucher project and will fully adapt it to meet the output definitions and evidence requirements of the 2014-2020 programme.

SMEs and Start-ups will be connected or upgraded to broadband services through service providers that best matches their needs and provides best value for money. As a condition of participation, businesses will be required to register on line. This will enable the collection of baseline information on the individuals or business size plans, and support needs. This online system will also enable project staff and suppliers to input data and track progress, the number of jobs created and hours of support received.

More specifically, information upon registration is likely to include:
business and applicant name, contact details, equality data, ownership, sector, legal status, months / years established, turnover and number of employees (as relevant),

business plans (as relevant), ambitions and aspirations.

On a quarterly basis, the project team will collate information from the online system on:

- Number of new enterprises accessing support
- Number of businesses accessing support
- Amount of Private Sector match leveraged from West End Partnership

Upon completion, the project team will gather further information on:

- Number of vouchers handed out and type of business support offered
- Private Sector Match leveraged from West End Partnership
- Information on impact of the connection voucher/ project results, whether business has commenced trading in new markets; increased value of sales; GVA as a result of the support provided; jobs created.

The online system will be a primary source of collecting and gathering the data to support output indicators. Hard copy evidence as required under the output indicator guidelines mentioned in the **ESIF-GN-1-002 Output Indicator Definitions Guidance** will be collected

8.7 How will you ensure continuous improvement in the quality of service or provision?

There will be a continuous monitoring of the project and lessons will also be applied from the DCMS scheme project. Changes will be implemented according to best practice.

The project team will also continuously engage with the EMPU project team to gain feedback on the quality of data gathered to evidence financial and output claims and inform of any improvements advised

A lessons learnt log will be created and updated to ensure best practice is logged for future use and sharing.

9.0 Financial Management and Control

9.1 Financial background to the project: please explain any relevant financial issues relating to the applicant organisation.

No financial issues relating to WCC

9.2 Describe the financial management and control procedures for the project, including the process for compiling and authorising European Structural & Investment Funds claims for payment.

The Programme Compliance/Accountable Body function will be carried out by the Compliance Manager in close collaboration with the Business and Enterprise Programme Manager. They will prepare the claims to be submitted quarterly to the EPMU.

A rigorous preparation and review process of expenses under the project code will be undertaken to ensure expenses comply with the ERDF guidance: a) eligibility of expenditure b) defrayal of expenditure during the reporting period c) correct allocation of expenditure to the budget heading as foreseen in the application form. A checklist will be created for checking these claims to ensure the process is carried out thoroughly and consistently.

For staff costs, all management and delivery staff not working full time on the ERDF project will be required to complete monthly timesheets recording the time spent on the Connect Westminster project. The Senior Responsible Officer will review and countersign the timesheets. On-costs and overheads will be provided by our Finance Department in line with the ERDF apportionment methodology.

For other expenditure, all transactions will be recorded individually, project coded with a single reference number, what they relate to, dates of payment and defrayment and supporting evidence. Particular attention will be paid to ensuring that all costs have been spent and defrayed during the claim period and are directly related to the delivery of the Connect Westminster project.

The claims will be checked and validated by the Senior Responsible Officer who will authorise the submission. The claims will be prepared well ahead of deadlines and WCC will have a continuous dialogue with its EPMU officer and the EPMU team and will address any issue as swiftly as possible.

The project will also include a financial monitoring spreadsheet where actual spend is monitored against forecast spend to be updated quarterly. The scheme will be managed in accordance with ERDF project management principles and appropriate processes, systems and a project management framework ensure the project is effectively managed. A risk register and issues log will be created to raise awareness of and appropriately assess and address potential barriers to delivery. Control measures and mitigating actions will be introduced as required by the project.

The project steering group headed up by the Senior Responsible Officer will help guide the direction and ongoing development of the project, review performance against targets, the achievement of milestones, delivery of outputs and outcomes and oversee compliance matters and project governance.

9.3 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 European Structural & Investment Funding Agreement.

WCC will implement a robust tried and tested document management system as per recommendations and experience from previous ERDF projects. The registration system will also maintain a repository of all the registrants and SMEs.

WCC will use the legacy software that was created to administer the DCMS Voucher scheme in London, this software was used by the GLA. The system has the capability to store all voucher applications along with relevant supporting documentation as required under ERDF document retention guidelines.

9.4 Please set out your organisation's financial policy which describes processes, roles and schemes of delegation.

Westminster City Council has a strict no Purchase Order (PO) no pay policy This will ensure that there is a full audit trail of all invoices paid. The Council also uses the AGRESSO online platform where all invoices are loaded and processed. This is fully audit traceable and all data is stored. The invoice is processed by the officer which is then signed off by the budget holder, then sent over to the Finance team (outsourced to BT) for processing of payment.

There is a clear separation of roles in terms of who can process and authorise payments within the organisation.

9.5 European Structural & Investment Funds is paid to Grant Recipients in arrears. Please explain how the project will manage its cash flow throughout the project lifetime.

Private Sector match will come from West End Partnership and 50% will be paid for by the connection voucher. This will generate £1.4m of private sector match towards the project.

With regards to cash-flowing the project because of claiming back ERDF in arrears, Westminster City Council will utilise its own funding resources which are already identified and in place. Arrangements have been made with the Finance Team to enable effective cash flow, even if there is a slippage in claiming back the ERDF grant from the EPMU.

9.6 How will you ensure that only eligible and defrayed expenditure is included in a claim to the Managing Authority?

From the outset, we will be clear and transparent in our communication of the eligibility criteria set by the project. A Connect Westminster project code will be created and all transactions will be recorded individually with their project code reference and their single transaction reference, as well, a clear description of what they relate to, dates of payment and defrayment and supporting evidence. A list of collated transactions under the project code, for the claim period, will be exported from the council's financial systems. Particular attention will ensure that all costs have been spent and defrayed during the claim period and are directly related to the delivery of the Connect Westminster project.

More specifically, defrayal of expenditure will be checked through the following evidence: print offs of the organisations' finance ledger for the reporting period, bank statements or equivalent, and payroll information (pay slips and/or print off of payroll ledger). Private sector match through West End Partnership will be evidenced through compliant defrayal documentation by providing relevant invoices and bank statements that will have been used to pay suppliers by the SMEs to connect/ upgrade their broadband services

9.7 If applicable, how will you ensure that Delivery Partners/financial beneficiaries engaged in the delivery of the project will comply with the requirements relating to defrayal of expenditure?

From the outset, there will be clarity and transparency in communication of the eligibility criteria of the project. WCC will ensure that all financial beneficiaries have the latest available versions of the guidance and all other supporting documents on ERDF 2014-2020 rules and requirements. Particular focus will be placed on ensuring that defrayal costs are correctly evidenced to ensure ERDF funds can be claimed.

Compliance will be a standing item of discussion at Project Steering Group meetings and on-going communications throughout the life of the project will reflect changes to criteria or claim requirements as directed by the funding body.

9.8 Describe the system used for filing and retrieving original invoices; explain how evidence of costs incurred will be checked and verified.

WCC will file and store all claims supporting evidence, including original copies of all signed and dated timesheets, proof of expenditure and related supporting documents, including original invoices, finance system / bank statement extracts and receipts. This will be verified as per ERDF requirements. Original documents will be retrieved from the

Finance Department at WCC. The software which captures all the data for the connection vouchers will also contain the audit trail of vouchers granted and private sector match generated.

All documentation will be collected and stored in accordance with the Data Protection Act, with due regard paid to matters of commercial confidentiality, the requirements of the funding body, the Council's own Information Security Policies, internal and external audit requirements.

9.9 Please explain how the accounting software and systems used will be capable of maintaining separate records for the project and producing detailed reports to demonstrate where the European Structural & Investment Funds is being spent. If applicable, please describe how your partner's software/systems will manage project finances.

At WCC, financial information is recorded through the AGRESSO system using a managed service model delivered by BT. It is fully capable of maintaining separate records for the project and of producing detailed reports to demonstrate expenditure.

10.0 Compliance

European Structural and Investment Funds are regularly audited and may be subject to recovery where the compliance requirements have not been met. For this reason, many applicants choose to obtain their own independent advice from a law firm or suitable organisation to assist them to structure their project in line with the compliance requirements.

Procurement Law
10.1 Is your organisation a "Contracting Authority" under the Public Contracts Regulations?
Yes
10.2 If not, please set out the reason(s)
N/A
10.3 Confirm that you have completed Annex 2e, listing all contracts that will be used to provide goods, works or services to the project and which have already been awarded prior to this application.
Yes
10.4 Confirm that you have completed Annex 2f, listing all the contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.
Yes
10.5 Describe the system that will be put in place to:
<p>Test that the contracts listed at Annex 2e can demonstrate compliance with procurement law</p> <p>Plan the tender processes listed at Annex 2f to ensure that they comply with procurement law including:</p> <ul style="list-style-type: none"> • Advertising contract opportunities to the market; and • Evaluating bids in an open transparent and non-discriminatory manner. <p>Ensure that all relevant documents are retained with a view to providing relevant information in the event of an audit or other investigation.</p> <p>Ensure that all relevant documents are retained with a view to providing relevant information in the event of an audit or other investigation.</p> <p>Please provide further information on any contracts you have referred to in Annex 2e in which there has been a single tender action, the use of a framework or dynamic purchasing system (in particular if this has not been set up by the applicant) or where the contract has been extended.</p> <p>Procurement Law guidance will be published on the www.gov.uk website during July and will set out the position for procurements below the Public Contracts Regulations thresholds.</p>
Westminster City Council will use the software that was used as part of the DCMS scheme

and will pay a licence fee for the usage. This software was procured by the GLA using the OJEU competitive tender process by publishing a call on the OJEU website. All relevant procurement documentation required for ERDF audit will be gathered prior to obtaining the licence to use the software.

The project evaluation report will be commissioned externally in compliance with ERDF regulations and is expected to be in the region of £20,000 and the relevant ERDF guidelines will be adhered to.

Westminster City Council and its solicitors will ensure that any and all tendering undertaken is carried out ethically, efficiently and in accordance with appropriate guidelines. This includes the GLA Group's Responsible Procurement Policy (of which Westminster City Council is a signatory and as such actively encourages collaborative work with contractors to adopt practices that minimise environmental and social impacts).

It is estimated that the project will contract with 3rd party suppliers for roughly a total value of £20,000 over three years. This contract will be for the evaluation of the project. All of these contracts will be below the OJEU threshold, and will respect the Public Contracts Regulations 2016 advertisement requirements for contracts over £25k and below £174k. All procurement will be undertaken by Westminster City Council. Westminster City Council Procurement team will provide all necessary guidance and expertise to ensure that the most appropriate, legal, efficient and cost effective procurement route is chosen to meet the needs of the project. These 2 potential contracts have been mentioned in Annexe 2 of this application.

All procurement and contracts will be carefully documented for audits (justification of procedure selected, copies of relevant advertisement, clear selection criteria, copy of tender specification with clear award criteria, copies of tenders received) and related log sheet of when they were received, copies of tender scoring sheets, signed and dated, copy of communication of award/rejection as relevant, copy of report on evaluation of tenders, etc.

Westminster City Council's procurement code sets clear rules for all contracts. It is backed up with a substantial toolkit and support from the procurement and contracts team. For all contracts undertaken by WCC, Westminster's procurement code and the procurement toolkit will be used for awards, variations, extensions and waivers and will outline factors that should be taken into account through the entire procurement cycle. These documents set out the Government's position and ERDF guidance on procurement and all council activities will comply with these policies. The procurement code focuses on creating strong communities supported by excellent Council services. It is aimed at assisting staff, and the City Council as a whole, to integrate sustainable procurement considerations: environmental impact, local small supplier engagement and equality and diversity, into their procurement activity.

In terms of record collection and retention the code sets out the following:

Maintaining Records and Access to Information all documentation relating to the procurement of works, goods and services will be maintained confidentially and stored in

an appropriate manner (either soft or hard copy) to evidence the audit trail. The legislation underpinning the retention of records relating to contracts is the Limitation Act 1980. The National Audit Office (NAO) shall keep accurate records of all contracts and related transactions so that an adequate audit trail is provided.

State Aid Law

10.6 Please list all the organisations (if known) which may benefit from the funding of the project.

- Potential entrepreneurs / individuals
- Start-ups and early stage SMEs
- SMEs
- Westminster City Council
- Suppliers of the broadband connection

10.7 For each potential beneficiary (including the applicant and any Delivery Partners) identify whether they meet the State Aid test. If you believe a potential beneficiary is outside the scope of State Aid, please provide the reasons.

Applicants may wish to refer to the European Commission's "Notion of State Aid" guidance and the Department for Communities and Local Government's European Regional Development Fund guidance on State Aid law

State aid test

Potential Beneficiary	Individuals	SMEs	WCC	West End Partnership	Contractors
Transfer of State resources (grant/subsidised or no fee)	Yes	Yes	Yes	No	No
To an undertaking	No – natural person	Yes	No	No	No
Advantage	Yes	Yes	Yes	No	No
Is the advantage selective	Yes	Yes	Yes	No	No
Potential to distort competition	No – natural person	Yes	No – public authority	No	No
Affects trade between Member States	No – natural person	Yes - in principle	No – Public Authority	No	No

STATE AID	NO	YES	NO	NO	NO	
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10.8 For each beneficiary that the applicant 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 law².

Name of beneficiary or class 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 Applicant 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
- (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.

N/A

10.9 Where the Applicant intends to use exemption(s) to deliver the Project, the applicant confirms that they have read the terms of the scheme and meet all the relevant terms.

N/A

10.10 The Applicant confirms that they are not subject to an outstanding recovery order in respect of State Aid.

Yes

10.11 For programme bids, what system will be put in place to assess the eligibility of beneficiaries, activities, costs, and compliance with aid intensity levels prior to the intervention?

Before a grant can be made available to the SMEs, a self certification form will be obtained to confirm that the enterprise has not received more than €200,000 over a 3 year period so as to comply with State Aid regulations.

² For notified schemes the answer should include the full name of the scheme and the Commission reference number.

Once the project is live there will be a one month time limit for suppliers to register onto the project between March/April 2017 after which all the SMERs wishing to benefit from the project will have to source their connections through these registered suppliers. The registration opportunity will be advertised on the OJEU website as a notice but will not be a procurement process. We have sought legal advice on this and have been advised that a procurement process is not required for this purpose. To register onto the project suppliers will have to adhere and agree to a set of terms and conditions to ensure ERDF compliance. We've attached legal advice for your reference, please refer to point 'e' of the document.

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

The project will implement all the necessary systems in line with ERDF requirements, based on guidance provided in the ESIF-GN-1-025 Management and Control requirements and from past ERDF experience.

10.13 Please set out in Annex 2a any further information on State Aid which is useful in explaining why your project will be compliant (for example extracts from any professional advice explaining the structure or if the applicant intends to notify the project to the European Commission explaining how they will handle this process).

Westminster City Council has sought legal advice and has attached this to the application.

Income Generation

10.14 Please explain how and if the project is likely to generate income? (European Regional Development Fund only)

No income is generated through the project.

10.15 As this is now the Full Application, if yes to above please complete Annex 2(b) on Revenue Generating Projects.

N/A

Publicity

10.16 Please explain how the project will meet the European Structural & Investment Funds Publicity Requirements.

A detailed communication strategy will be developed to ensure maximum publicity for the project so that entrepreneurs, start-ups and the general public are made aware of the ERDF funding. The strategy will cover digital, social media, print and press marketing, as well as events, referral network and ways to encourage word of mouth publicity about the project amongst London's business, enterprise and entrepreneurship communities.

All publicity will comply with the ERDF publicity requirements, for example, press releases will state that the project is part-financed by the ERDF. Any web-based or print marketing will include mention of the ERDF funding, along with the relevant ERDF logo. All publicity will be created with accessibility in mind, print and online publicity will be compliant with the relevant accessibility regulations. Plaques showing ERDF support will be displayed in a prominent position by each delivery partner.

SME beneficiaries will be fully aware that the business support they receive is part-financed by ERDF, whilst the general public will be made aware of the wider project, its impacts on London's SMEs and that ERDF support that has enabled these results.

To raise awareness amongst both SMEs/the general public, project partners will:

- Use partners' extensive networks of business support agencies to promote the project via e-bulletins and using e-flyers at the project launch and other key points throughout the project. For example, Westminster City Council will use their own network of business support providers and SMEs, to publicise the project amongst suitable audiences of SMEs.

These include (but are not limited to):

- Westminster Enterprise Centre
 - Westminster Business Council
 - London Chamber of Commerce
 - FSB
 - Vital Regeneration
 - Impact Hub Westminster
 - Great Western Studios
 - Somerset House Trust
 - 10 Westminster Business Improvement Districts
- The Westminster Business Unit will also have a crucial role in promoting the Connect Westminster project. The business unit is a newly established team which acts as a single point of contact for businesses wishing to engage with the council. The unit will establish a series of events including meet the start-up and meet the buyer events which can be used as a platform to promote the voucher scheme.
 - Add a simple Connect Westminster webpage to WCC's economic development microsite, which will incorporate the on-line application forms to be completed by all individuals and businesses who want to enter the programme. This simple website page will interface with the London Growth Hub's website which signposts SMEs and entrepreneurs businesses to business support. People staffing the Growth Hub's instant messaging and telephone helplines will also be made aware of the programme. The simple and relatively inexpensive project microsite page will be one of the main tools for marketing the programme and will be regularly updated so as to be a useful and relevant site for SMEs. It will include details of the project partnership, and will make reference to the ERDF funding, along with the appropriate logos.
 - Produce a range of case studies, as soon as there are examples of businesses development and growth success, which will be used to illustrate the benefits to SMEs participating in the programme. A selection of the case studies will feature each of the target minority groups, to encourage businesses from diverse backgrounds to register on the project. Case studies from the previous voucher scheme can be used to promote the scheme from the point of launch.

- Make use of social media sites. Partners are already actively using social media sites to achieve wide publicity for their business support programmes, and also for more targeted recruitment.

10.17 For projects with a retrospective start date, please provide confirmation and evidence to show how you have complied with these requirements to date.

N/A

National Eligibility Rules

10.18 What checks will be carried out to ensure the end beneficiaries (for example, businesses or learners) benefitting from the proposal or individuals engaged as part of the proposal are eligible and belong to the target group?

As part of the SME application process, WCC will collect information such as

- Company Registration Number
- Current broadband speeds
- Company size
- Annual Turnover
- Address and postcode
- And all other details to determine if the business falls within the definition of an SME under the ERDF guidelines

General compliance

10.19 Where the applicant has appointed a compliance lead, please provide details.

The compliance lead for the project will be appointed to the position of External Funding and Compliance Manager. The post holder will have extensive experience of ERDF management and compliance.

A full job description for the position has been appended to the application.

10.20 Describe the controls put in place by the applicant to check that it is maintaining each of the compliance requirements during the delivery of the project.

The project will have the processes required for managing all compliance requirements at every stage in line with the ERDF regulations.

The Compliance Manager will check all financial and output evidence documents to ensure all claims are eligible and where non-compliant will undertake necessary steps to correct or remove from the claim/ project eligible expenditure or output claim.

There will be a continuous dialogue maintained with the EPMU team to ensure data quality is maintained to required standards in order for the project to deliver all its outcomes both financially and in terms of outputs.

10.21 Are there any potential conflicts of interest which may affect the delivery of the project? If so, what steps will be put into place to manage these?

No conflict of interest.

11.0 Cross Cutting Themes

11.1 Support for the Sustainable Development theme (European Regional Development Fund & European Social Fund)

- How does the project respect the principle of sustainable development? In particular how does the project maximise positive environmental impacts or mitigate potential negative impacts (with regard to the “polluter pays” principle where appropriate)?

There are various routes to environmental impact through the proposed broadband connection voucher scheme. These have been highlighted in the ‘UK Broadband Impact Study, November 2013’ as follows:

- **Teleworking.** Probably the most frequently cited environmental benefit of better broadband is that it will encourage people to work from home more, thereby reducing carbon emissions associated with the daily commute. There is expected to be an environmental benefit despite the rebound effect that if people work from home they will do more mileage for activities like dropping children off at school or heating and powering their house.
- **Business travel.** Large corporates have made significant inroads over the last few years into reducing their travel costs (and emissions) by reducing the need for face-to-face meetings through the use of collaboration software and video-conferencing. With affordable faster broadband with low latency becoming available through the scheme, we anticipate that this trend will continue.
- **Cloud computing.** UK businesses collectively use hundreds of thousands of servers, which are typically on for 24 hours per day, 365 days per year, and which are frequently operating at very low levels of utilisation. Although the trend towards virtualisation of on-premises servers is significantly improving utilisation levels (and hence carbon efficiency), the use of the ‘public cloud’ for a proportion of businesses’ computing needs offers the prospect of substantial further environmental benefits. It is expected with better connections, more businesses will opt for this environmentally efficient form of data storage.

The independent evaluation will measure the environmental impact of a firm adopting better broadband connections.

11.2 Support for the Equality and Diversity theme (for European Regional Development Fund this is defined as ‘Equality and Anti-Discrimination’; for European Social Fund this is defined as ‘Gender Equality and Equal Opportunities’)

- How will equality between men and women be taken into account and promoted in the project?
- What steps will be taken to prevent discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of the project?
- How will accessibility for persons with disabilities be taken into account in the project?

The provision of superfast broadband to businesses supports labour force participation as it will enable firms to adopt practices that allow workers to work from home and other remote or flexible locations. Disadvantaged groups from the labour force that this implementation could benefit includes:

- Parents – Firms upgrading their connections will enable their staff to work remotely. This would have a huge benefit on parents, as it would enable them to work from home providing the flexibility to undertake childcare responsibilities.
- Carers – By enabling teleworking it gives an option for people who take on caring responsibilities for family and friends. This could enable these groups to re-enter the work force on a part time basis whilst still providing the required care.
- Persons with disabilities – Levels of unemployment for people with disabilities have historically been persistently higher than those for the workforce as a whole. Providing the flexibility of working at home will increase this group's participation within the workforce.

The scheme will not discriminate on businesses based on protected characteristics and any SME within Westminster can benefit.

- How will equality between men and women be taken into account and promoted in the project?

Westminster City Council has an Equal Opportunities Policy, which will be adhered to and shared with all staff and sub-contractors. Any newly recruited staff will be offered training in Equalities and Diversity.

- What steps will be taken to prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of the project?

Targeted marketing through specialist networks across London will help to ensure minority groups can access the programme. The commitment to achieving the equalities targets will be apparent in all of the project's marketing and media materials. These will be tailored if required, in order to make them relevant and suitable for local media and niche titles and to ensure the services are communicated to the widest-possible audience.

- How will accessibility for persons with disabilities be taken into account in the project?

All project events will be held in accessible venues. Reasonable adjustments will be made to accommodate any staff, sub-contractors or visitors with access requirements. Marketing materials will be compliant with regulations concerning accessibility. Materials will ensure people have access to full information about the project. People with disabilities may also need additional information about the project or to have original information reproduced in alternative formats. As set out in the DDA, the project will anticipate the needs of disabled people by making sure that accessible information is readily available and complies with RNIB accessibility guidelines.

For ERDF

Data Protection Act 1998 and Freedom of Information Act 2000

The Department for Communities and Local Government is the data controller for the purpose of the Data Protection Act 1998.

By proceeding to complete and submit this form, you consent that we may process the personal data (including sensitive personal data) that we collect from you, and use the information you provide to us, in accordance with our Privacy Policy.

For ESF

Operating Policy in Respect of European Social Fund (ESF) Online Applications

By signing and accepting this Full Application Form you are accepting and consenting to the practices described in this policy:
<https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>.

12.0 Confidential Information

Please insert here any information that you wish to keep confidential from the Local Enterprise Partnership Area European Structural & Investment Funds Committee and explain the reason why. Please note that the Managing Authority as a public body is bound by the Freedom of Information Act and may have to disclose information if requested.

13.0 Declaration & Signature

I declare that I have the authority to represent Westminster City Council in making this application.

I understand that acceptance of this Full Application does not in any way signify that the project is eligible for ESI Funding support or that ESI funding has been approved towards it.

On behalf of Westminster City Council and having carried out full and proper inquiry, I confirm to the Department:

Westminster City Council has the legal authority to carry out the project; and

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 decision of the Department

whether to endorse the application.

I confirm to the Department:

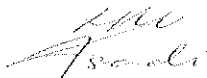
- I have informed all persons in relation to whom I have provided personal information of the details of the personal information I have provided to you and of the purposes for which this information will be used and that I have the consent of the individuals concerned to pass this information to you for these purposes.
- That I shall inform the Department if, prior to any ESI funding being legally committed to *Westminster City Council*, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the application.
- Match funding will be in place prior to any award of ESI funding.
- I am aware that if the information given in this application turns out to be false or misleading Department for Communities & Local Government (DCLG, for European Regional Development Fund) and the Department for Work and Pensions (DWP, for European Social Fund) may demand the repayment of funding and/or terminate a funding agreement pertaining to this Application.

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.

You should not commence project activity, or enter in to any legal contracts, including the ordering or purchasing of any equipment or services before the formal approval of your project and you have signed a European Regional Development Fund or European Social Fund Funding Agreement. Any expenditure before the approval date is incurred at your own risk and may render the project ineligible for support.

Signed

For and on behalf of
the Applicant
Organisation



Name (Print)

HAYLEA ASADI

Position

Strategic Manager –
Business & Enterprise

Date

26.01.2017

Supporting documents checklist

Where applicable, please submit the following documents with your Full Application:

Document	Supporting Notes	Applicant's comments
Confirmation of match funding from each funder.	Confirmed match funding must be in place prior to the award of European Structural & Investment Funds.	Provisional Match funding letter from the West End Partnership attached to the application.
Granular breakdown of budget	To demonstrate a) cost items are eligible for European Structural & Investment Funds b) the forecast cost c) how the costs will be profiled across the project lifetime.	Detailed in the application and the financial tables.
If applicable, proof of irrecoverable VAT on eligible costs	Please supply proof of irrecoverable VAT on eligible costs (confirmation letter from HMRC or a signed independent audit report identifying this as an eligible cost).	N/A
Applicant organisation's Equality & Diversity Policy May also need sustainability policy / plan	You are responsible for ensuring any Delivery Partners hold a policy.	Appended to the application
If applicable, independent State Aid advice		Appended to the application
Job descriptions (JD)	Will set out the responsibilities of project delivery staff. For new posts, the JD should include acknowledgement that European Structural & Investment Funds is part-funding the post.	Appended to the application
Gantt Chart	To reflect the key milestones during project set-up, implementation and closure.	Appended to the application
Organogram	An up-to-date organisation chart, including the European Structural & Investment Funds project delivery	Included in the application in the relevant section

	team. Also, for delivery partners, if applicable.	
Applicant's procurement policy if available	Note that European Structural & Investment Funds procurement rules supersede organisation's procurement policy	Appended to the application
Other	Any other key, relevant, documents you consider should be submitted.	Research document attached.

Annexes

Full Application Financial tables – this is a separate Excel spreadsheet
Indicators Annex Table – this is a separate Excel spreadsheet

The above two annexes are available at:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-project-requirements-and-publicity-materials>

1(b) - Delivery Partners

2(a) - State Aid Law

2(b) - Article 61: revenue generation

2(c) - Capital projects (European Regional Development Fund Only)

2(d) - Major projects (European Regional Development Fund Only)

2(e) - Procurement law: Procured Contracts

2(f) - Procurement law: Contracts to be procured

3(a) – European Social Fund Cross-cutting themes guidance:

- Sustainable Development Policy and Implementation Plan

3(b) - Gender Equality & Equal Opportunities Policy and Implementation Plan

Annex 1(b): Delivery Partners

Which other organisations will be involved in delivering the project? (please copy and paste this table for each Delivery Partner)

Guidance on delivery partners can be found at 1.17 above.

Name of partner organisation	<i>West End Partnership</i>		
Status of organisation (Public, Private and Charity: add dropdown)	Private		
Company/charity registration number (where applicable)			
Contact person	Steve Carr		
Position in organisation	Deputy Director		
Email	steve.carr@westendpartnership.london		
Telephone number	0207 641 6551		
Address and postcode	c/o Westminster City Council 11th Floor Westminster City Hall 64 Victoria Street London SW1E 6QP		
Role in European Structural & Investment Funds project delivery	Match funding Partner		
Contribution to match funding	£1,155,280		
Relationship to lead applicant	Delivery Partner		
Is a Service Level Agreement in place with this delivery partner?	NO	If yes, please append copy	
		If no, when will this be confirmed?	Once application has been approved
Please describe how the Delivery Partner/s was identified:			
The West End Partnership (WEP) was looking to play a role in enhancing the broadband connectivity for businesses in the borough by providing grants. Through the connect Westminster project it will be possible to assist a larger pool of businesses to achieve that objective at the same time as opposed to if the WEP was to deliver this scheme alone. Therefore by partnering up with the WEP this has become possible.			

Annex 2(a) State Aid Law

Please provide any further information on State Aid which explains how your project will be State Aid compliant (for example extracts of any professional advice explaining the structure, or if the applicant intends to notify the project to the European Commission, information explaining how they will handle this process).

Advice note attached to the application

Annex 2(b): Article 61 - Revenue Generating Projects

Projects which generate net revenue must comply with Article 61 (1-8) of EU Regulation (EU) No. 1303/2013.

Is the project expected to generate any net revenue?

No

How will revenue and/or income be recorded and reported?

-

Explain how the audit trail for the revenue and/or income will be demonstrated.

-

For infrastructure projects, the economic lifetime of the fixed asset often exceeds the term of the European Structural & Investment Funds project. Will this be the case in your project? If so, describe how the net revenue will be monitored for the economic lifetime and what arrangements are in place to report on the final revenue position.

-

EUROPEAN REGIONAL DEVELOPMENT FUND Only:

Annex 2(c): Capital Projects (land and property)

For each site where capital project activities will be undertaken, please provide the following information:

Site name	Land Registry Number	Applicant's legal interest on the site

If any site has been purchased for the project, please identify the site, the purchase price and the date on which the site transferred.

Please list all approvals needed for the project to proceed as envisaged:

- a) which have already been obtained
- b) which are to be obtained (include timescales)

Please list all existing charges on the project site(s) at the date of the Application.

Please provide details of any charges the Applicant expects to be removed or added to the site(s) in the 6 months following the submission of this application. Please list all options to purchase the project site(s) at the date of the Application or which are expected to be put in place within 6 months of the submission of this application.

Please provide a clear statement on the sources of match funding. This should detail the source, the contribution amount, its current status and any conditionality.

Please provide a clear statement on the intended use of the completed asset(s) and the sectors you are targeting for occupiers. Please provide details of any planned disposals.

If the project is awarded European Regional Development Fund you will be expected to enter into DCLG's precedent legal documentation. This includes a Grant Funding Agreement, a Deed of Covenant, a Collateral Warranty (for the Quantity Surveyor) and a Legal Charge. Please confirm that you have reviewed DCLG's precedent legal documentation and are willing to enter into these.

The following accompanying documents should be provided for all Capital Projects applying for European Regional Development Fund.

Accompanying documents for Capital Projects applying for European Regional Development Fund	Specification of document or acceptable alternative	Comment including name of document and explanatory description where the document does not fully meet the required specifications. Please advise whether a document is not applicable for the project.
Evidence that the applicant has/will have control of the site to deliver the project.	Freehold or leasehold title for the project, or signed Heads of Terms between applicant and vendor for land/building acquisition.	
Evidence of full planning permission and, where applicable, listed building consent	Copy of full planning permission and evidence of obtaining any other consents required before the project activities can commence.	
State Aid Report	<p>A State Aid Report, addressed to the Applicant and produced by a suitably qualified professional organisation (e.g. a law firm or accountant) which</p> <p>(a) lists all the Project costs used to determine the State Aid intervention rate (b) gives an opinion as to whether each cost is eligible (c) analyses whether the proposed award to the Applicant meets all the requirements of the specified State Aid scheme and (d) sets out all the information required for Article 6 of Regulation 651/2014 (if applicable).</p> <p>If the Applicant intends to use the value of any land or buildings in the match funding calculation, the report must provide an express explanation as to how this is State Aid compliant, if necessary using the information set out in the independent valuation report.</p>	
Evidence of match-funding	<p>Independent valuation report produced by a suitably qualified expert body listing:</p> <ul style="list-style-type: none"> • the land/buildings, to be used as match-funding; • their current condition/use; 	

	<ul style="list-style-type: none"> the date purchased and consideration paid, where applicable; the open market value at the date of the Application taking into account legal, planning or physical constraints to development; and <p>the open market value at the date of the Application if all legal, planning and physical constraints to development were not present.</p>	
Detailed Cost Plan prepared by a suitably qualified Quantity Surveyor.	As a minimum designed to the equivalent of RIBA Plan of Work Stage '3' which prices the schedule of works with quantities and rates, cash-flows the works and provides a development programme for completion of the project activities.	
Supporting design information	Architect drawings and plans, specification, schedule of accommodation, pre-project photographs and post-project Computer Generated Images (CGI).	
BREEAM pre-assessment Environmental Impact Assessment where applicable	Completed by a suitably qualified BREEAM Assessor and specific to the project	

The following accompanying documents MAY also be required for Capital Projects which are applying for EUROPEAN REGIONAL DEVELOPMENT FUND. A member of the Managing Authority should have advised you of the additional information required to support your application.

Additional information for Capital Projects operating under notified State Aid schemes	Specification of document or acceptable alternative	Comment including name of document and explanatory description where the document does not fully meet the required specifications
Development appraisal for the project	<p>This will include:</p> <p>An assessment of end value of the completed development based on market assumptions of rent, yields, void periods, rent-free periods and floor areas and specification.</p> <p>Estimated project costs of undertaking the development which may include cost of buying land/building, construction, professional fees,</p>	

	disposal fees, finance charges and the developer fee; Cashflow for projected income and expenditure.	
Independent valuation report prepared by a suitably qualified Valuation Surveyor	To certify the valuation and end value assumptions in the development appraisal and provide a detailed view of market conditions including current property supplies, the development pipeline and demand.	
Independent cost consultancy report prepared by a suitably qualified Quantity Surveyor	To certify the construction related assumptions in the development appraisal and comment of realism of cashflow and development programme.	
Funding Calculations	Three separate calculations showing (1) the State Aid eligible costs, subject to the relevant maximum aid intensity (2) the gap-funding calculation and (3) the European Regional Development Fund eligible costs. The lower of the three calculations represents the maximum European Regional Development Fund grant available to the project	
Market demand report prepared by an independent property consultant	This will provide an in-depth analysis of current property supply, the property development pipeline and likely market demand including likely sectors.	
Business Plan prepared by a suitably qualified property or economic development consultant	To certify assumptions submitted by the applicant for the Article 61 calculation, including: Revenue stream based on projected occupancy levels, rents, service charges and any other income; Operating costs including maintenance, marketing, estate management and salary costs.	
Independent valuation report prepared by a suitably qualified Valuation Surveyor and cost consultancy report prepared by a suitably qualified Quantity Surveyor for Land Remediation projects	Valuation report will confirm (a) the current open market value of land/buildings and (b) the projected open market value of land/buildings following European Structural & Investment Funds investment. Cost consultancy report will undertake assessment on the suitability of the proposed remediation strategy (in	

	comparison to other options) and certify the estimate remediation costs.	
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Annex 2(d): Major European Regional Development Fund Projects

Articles 100-103 of EU Regulation (EU) No 1303/2013 set out a role for the EC in appraising and approving major projects.

Article 100 defines a major project as 'a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified goals and for which the total eligible cost [i.e. European Regional Development Fund and match funding] exceeds €50 million and in the case of projects contributing to the thematic objective under point (7) of the first paragraph of Article 9 where the total eligible cost exceeds €75 million'.

A major project proposal will need to follow the standard European Structural & Investment Funds application process incorporating the following additional information in to the Full Application Form:

- results of feasibility studies;
- cost benefit analysis;
- market analysis;
- scenario mapping and options assessment;
- an analysis of the environmental impact (to indicate if a full environmental impact analysis is required);
- communications plan.

Article 100 requires that the Managing Authority submits any Major Project Applications to the European Commission. Prior to this, the Local Enterprise Partnership Area European Structural & Investment Funds Committee should have reviewed the application. The Managing Authority can provide more advice on the process.

Applicants should be aware that obtaining approval from the European Commission can be a lengthy process, and should be familiar with Articles 100-103.

If your project has applied for approval as a Major Project, please attach a copy of the Major Project application and provide an update on the progress made in achieving approval.

-

Annex 2 (e) contracts that have been procured

Please provide details of all contracts that will be used to provide goods, works or services to the project and which have already been awarded prior to this application.

	Value of the contract ³ (Highest value first)	Anticipated value of works, supplies or services which will be provided to the Project under the contract	Name of supplier	Date of the contract	Description of works, supplies or services provided under the contract	Process used to select supplier e.g. OJEU	How was the contract advertised?	Does your organisation hold all the relevant procurement documents?
1								
2	£							
3	£							
4	£							
5	£							

Annex 2 (f) contracts to be procured

Please provide details of all contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.

	Anticipated value of the contract (Highest value first)	Will the contract only be used to provide works, supplies or services to the Project?	Description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier?	Where will the contract opportunity be advertised?	What processes will be put in place to collect appropriate records to demonstrate compliance in the event of an audit or other investigation
1	£20,000	Yes	Provide evaluation of the project during and after the project.	To be advertised on the Council's e-procurement portal and obtain 3 quotes as per ESIF guidance	Council's e-procurement portal.	Westminster City Council will comply with the ERDF national Procurement Guidance. Record Keeping SUB OJEU Explanation of procurement procedure selected with justification Copy of Quotes/Advert/Service specification and assessment criteria selection criteria (where and log of

³ If the contract relates to recruitment managed by an agency, this will be the cumulative value of annual salaries

Annex 2 (f) contracts to be procured

Please provide details of all contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.

	Anticipated value of the contract (Highest value first)	Will the contract only be used to provide works, supplies or services to the Project?	Description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier?	Where will the contract opportunity be advertised?	What processes will be put in place to collect appropriate records to demonstrate compliance in the event of an audit or other investigation
						responses received Copy of quote score sheets dated and signed Copy of letters to unsuccessful quotes Signed contract Summary record of the above process to assist with future monitoring and audits.
2	£					
3	£					
4	£					
5	£					

Annex 3(a)

Cross-Cutting Themes Guidance for European Social Fund

Sustainable Development Policy and Implementation Plan

Introduction

1. Sustainable development is a regulatory cross cutting theme for all Structural Fund programmes.
2. The UK Government is committed to sustainable development. The Government aims to stimulate economic growth and tackle the deficit, maximise wellbeing and protecting the environment, without negatively impacting on the ability of future generations to do the same.
3. This refreshed vision and commitment builds on the principles that underpinned the UK's 2005 Sustainable Development strategy, by recognising the needs of:
 - the economy;
 - society; and
 - the natural environment,
4. The ESF England Operational Programme explains that the objectives of the European Social Fund programme will be pursued in line with the principle of sustainable development, including the aim of preserving and improving the quality of the environment as well as the need to prepare for expected changes to the environment and climate.
5. Sustainable development in the European Social Fund Programme has an environmental focus – to help provide some balance to the European Social Fund's strong social and economic focus (its main mission). The European Social Fund programme therefore welcomes applications from projects that have a strong environmental focus whilst also supporting either: jobs; skills; or social inclusion in a way that addresses local strategic needs. The programme also welcomes complementary training support for specialist sustainable development activities delivered by other programmes such as the European Regional Development Fund.
6. All projects, whether they have an environmental focus or not, must take the environment into account when delivering their services. The Operational Programme explains that Managing Authority and Opt-In organisations will require all programme providers to have sustainable development policies and implementation plans.

7. The purpose of the sustainable development policy is to provide a statement – a public commitment – to promoting sustainable development and to comply with relevant environmental legislation whilst delivering European Social Fund activities.
8. The purpose of the implementation plan will be to turn the above policy commitment into action.
9. **It should be noted that this regulatory theme is subject to monitoring, audit and evaluation.**
10. Your sustainable development policy and plan will undergo a basic initial assessment at application stage to ensure that a basic policy and plan exist and that the key elements of the policy and plan have been drafted. **Passing the basic initial assessment should not be considered as a full endorsement of the policy / plan.**
11. The policy and plan are working documents and developmental in nature and are therefore expected to be subject to continuous improvement. This means that the policy and plan may well need to be amended / improved / updated on an on-going basis should your application be approved. This will be discussed in the context of future contract management and monitoring of your project.

The basic requirements

Sustainable development policy

12. i) The provider's sustainable development policy should provide a firm commitment to promoting sustainable development whilst delivering the European Social Fund activity that is being funded and provides an assurance that any sub-contractors delivering European Social Fund activities will also support sustainable development. The plan should list sub contractors used / to be used (if known at application stage).
13. ii) The sustainable development policy statement should confirm that it will check that each organisation involved in delivery of the contract (the provider and any sub-contractors) will: (a) dispose of its waste using a registered waste collector and (b) observe and comply with the Waste Electrical and Electronic Equipment (WEEE) regulations.
14. iii) The sustainable development policy should be specific to the European Social Fund contract being delivered and should include details of any sub-contractors involved in the delivery of the contract provided (where this is known).

Sustainable development implementation plan

15. (iv) The sustainable development implementation plan should explain what specific action it will take to ensure that each organisation involved in delivery of the contract will:
- (a) minimise waste;
 - (b) minimise energy consumption;
 - (c) minimise use of travel and promote use of public or green transport where travel is unavoidable.
16. (v) The sustainable development implementation plan should include a commitment to researching and producing a simple 'baseline' estimate of its own environmental impact in terms of: waste minimisation; recycling; and energy consumption. The plans should also explain how this will be assessed for any other organisations helping to deliver the contract. Having established the simple baselines, the plan should then explain how they will monitor reduced energy consumption, increased volumes of recycling and improvements in waste management (where required) against the original baseline. The aim of this exercise is to demonstrate that, as far as possible, efforts are being made to reduce waste, increased recycling and reduce energy consumption during the life of the project. **The baselines and subsequent measurements can be set in very simple terms** (e.g. number of toner cartridges used / volumes of paper consumed / electricity consumed etc). Some projects may prefer to use 'carbon usage' estimates – this will be a matter of choice for each project.
17. (vi) The sustainable development implementation plan should provide details of how staff and trainee awareness of sustainability will be increased / improved in order to support the policy and plan (for example , how with policy and plan be communicated? Will training be provided? will the projects have a 'switch it off' campaign, will public transport / green transport be promoted for staff and participants etc?).

Annex 3(b)

Gender Equality and Equal Opportunities Policy and Implementation Plan for European Social Fund Applications

Introduction

18. All European Social Fund providers will be expected to have an equality policy and an implementation plan. The Managing Authority requires this in order to:
 - (i) help embed 'due regard' to the Public Sector Equality Duty / Equality Act 2010 into programme delivery; and
 - (ii) help meet EU structural fund regulations to promote gender equality and equal opportunities.
19. It should be noted that ESF-funded private and voluntary sector organisations, including sub-contractors, come under the scope of the Public Sector Equality Duty
20. The policy and implementation plan will not only help projects / providers meet regulatory requirement – but should also be used as a tool to help provide a quality service to participants.
21. The purpose of the equality policy is to provide a statement which acts as a public commitment to promoting equality in-line with the Public Sector Equality Duty (Equality Act 2010). This commitment need to be put in writing and communicated to staff and participants and other service users.
22. The purpose of the implementation plan is to set out the action that will be taken by the providers and its staff to enable equality to be promoted in line with the Public Sector Equality Duty. The plan should be set out as an action-plan.
23. Background information on the Equality Act 2010 and the Public Sector Equality Duty is available from the EHRC website:
24. <http://www.equalityhumanrights.com/legal-and-policy/legislation/equality-act-2010>
25. Your equality policy and plan will undergo **an initial basic assessment** at application stage to ensure that a basic policy and plan exist and that the key elements of the policy and plan have been drafted. **Passing the basic assessment is not, in itself, a full endorsement of the policy / plan.** The policy and plan are working documents and are expected to be subject to **continuous improvement**. The policy and plan may well need to be

amended / updated should your application be approved. This will be discussed in light of contract management and monitoring of your project.

The basic requirement for the equality policy and implementation plan

26. Equality Policy:

- (i) **The equality policy has a clear title linking it to the project / provision.**
- (ii) **The policy has a clear general statement which recognises the importance of the Equality Act 2010 and the related Public Sector Equality Duty** and commits the organisation to have due regard to the need to the three aims of the general duty i.e.:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not.

To note:

27. The Equality Act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics;
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people;
- encouraging people from protected groups to participate in public life or in **other activities where their participation is disproportionately low.**

28. The Equality Act states that meeting different needs includes taking steps to take account of disabled people's disabilities.

29. The Act describes fostering good relations as tackling prejudice and promoting understanding between people from different groups.

(iii) **The public commitment should be endorsed by the chief executive** (or a similar senior figure within the organisation) – so, reflecting commitment from a high level within the organisation.

(iv) **There should be a clear revision history** – indicating when the plan was agreed and who approved it.

(v) scope:

- The policy should cover the nine protected characteristics of the Equality Act 2010 i.e.: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Public authorities also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status.
- **The policy should cover staff and participants alike.**
- **The policy should cover the ESF funded activity and explain how the provider will ensure that any sub-contractors will promote equality in line with legal requirements (if this is required). If action is required this should be reflected in the implementation plan.**
- The policy should give a **commitment to communicate to staff and participants** and suppliers as necessary.
- The policy should give a **commitment to monitoring of progress towards any key objectives – including monitoring representation and performance of different groups (sex, race, disability, age).**

The Implementation Plan

30. The implementation plan should set out how the project will turn its equality commitment into action.
31. The plan should cover:

(i) staff

- how they will be trained in equality and diversity / how training will be reviewed
- annual monitoring of staff by characteristics – sex, race, disability, age (with a view to identifying any significant under-representation)
- do staff have equality objectives in personal development and appraisal processes.

(ii) participants

- how they will be informed of policy / anti bullying policy etc. – e.g. induction
- how they will learn about importance of good relations

(iii) performance

- how the Project(s) will monitor its performance in terms of representation effectiveness of different groups

- action that the Project(s) will take in light of any underperformance (this to be added as required once the Project(s) has been running for a period of time)

(iv) arrangements for reviewing the policy and implementation plan

The plan should be reviewed on a regular basis and in line with any contractual requirements set by the opt in organisation or Managing Authority.

(v) Communication

How the policy and plan will be communicated to staff, participants and where necessary, other suppliers.

SCHEDULE 6

GLA AND SECRETARY OF STATE ROLES AND RESPONSIBILITIES

Grant Claims Procedure

Pursuant to clause 5.4 of the Funding Agreement;

- The GLA manages the ERDF Programme in London on behalf of the Secretary of State.
- Grant Recipients submit Grant Claims to the GLA using the Secretary of State System an online IT facility E-CLAIMS. The GLA reviews and authorises the Grant Claim. Once the GLA is satisfied of the completeness of the Grant Claim in accordance with the Secretary of State's rules, the GLA authorises the Secretary of State to make the payment. The physical payment of Grant Claims to Grant Recipients is made by the Secretary of State, not the GLA. The GLA, however, is the contact point for all enquiries about Grant Claims or Grant payment.

Data Protection

- Pursuant to clause 17 of the Funding Agreement;
- The Secretary of State and the GLA are subject to the requirements of the Data Protection Act 1998. Under this Act, the Secretary of State is classed as the 'Data Controller' and the GLA is a 'Data Processor'. The GLA manages Grant Recipients Data on the Secretary of State's behalf.
- Grant Recipients will submit all their Data including Personal Data to the GLA via the Secretary of State's System online IT facility E-CLAIMS. Both the GLA and Secretary of State will have access to the Data, and use the Data for different purposes, for example, to collate and publish management information, case studies and to publish good news stories.
- As the Data Controller, the Secretary of State is responsible for all Personal Data collected and processed in accordance with ERDF. The GLA will therefore be required to share the Personal Data that is processed on behalf of the Data Controller with the Data Controller as required.
- Aggregated and anonymised Data relating to the Grant Recipient may be shared by either the GLA or Secretary of State with third parties for the purpose of auditing and verification. Identifiable Personal Data will only be shared in exception circumstances and after notifying the Grant Recipient or Data subject.
- The GLA also maintains additional records (e.g. email correspondence) in addition to, and in support of, those held on E-CLAIMS where E-CLAIMS does not provide the necessary functionality. Relevant Data may be shared with the Secretary of State.

