

Company Name

Date

Dear [Insert name]

**West of England Growth Fund (WEGF) Grant Offer Letter. Project ref: WEGFXXXX**

I am pleased to tell you that, **subject to the preliminary conditions referred to below being fulfilled**, Bath and North East Somerset Council as accountable body of the West of England Local Enterprise Partnership (also referred to as "We" or "Us" or "Our" in this Grant Offer Letter) will give [Company Name] (company registration number: [Insert Company number]) (also referred to as "You" or "Your" or the "Company" in this Grant Offer Letter) a grant of up to £[insert number] [(insert number in word pounds)] under:

- **the Industrial Development Act 1982.**
- European Commission (EC) regulation No. 1407 / 2013 of 18<sup>th</sup> December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Grant will be used to [brief description of investment to be carried out including jobs to be created] at [location, including post code] (the "Premises"), all as more fully described at Schedule 1 (the "Project"). This offer is subject to the conditions set out in this Grant Offer Letter, including the Schedules and Annexes.

**Preliminary conditions**

[Any appropriate? If none, delete section].

**Duration of Grant**

Grant is available between the project **Registration date** and the 31<sup>st</sup> March 2015 or your **Completion Date** whichever is earlier. Expenditure defrayed prior to the project **Registration Date** is not eligible to be claimed as Grant and We have no obligation to pay any grant to you for Eligible Costs incurred by You after the 31<sup>st</sup> March 2015.

**Registration Date** [insert date]

*The date that You submitted your application for funding to us.*

**Completion Date** [insert date]

*The date on which the funded project is complete; when all eligible expenditure is defrayed.*

**End Date** [insert date]

*The date that Your final Annual Report is submitted – 3 years post the creation of the last new job.*

### **Intervention Rate**

The intervention rate applicable to this agreement is **20%**. The amount paid by Us to You should not exceed this proportion of the total Eligible Costs defrayed on the Project between the **Registration Date** and **Completion Date**. We will pay, upon receipt of eligible claims, 20% of all Eligible Costs defrayed (spent by You) between the **Registration Date** and 31st March 2015 (or your **Completion Date**, whichever is the earliest).

We may, on agreement and subject to specific additional conditions, pay some claims at a higher intervention rate. Such specific additional conditions will include:

- A requirement for You to continue to submit claims evidencing eligible expenditure until such time as the value of the grant we have paid to you does not exceed 20% of the eligible costs incurred by You between your **Registration Date** and your **Completion Date**.

Details of how to claim funding from Us are set out in Schedule 3.

### **Claim and Monitoring arrangements**

Schedule 3 sets out the claim and monitoring process. We normally pay each grant instalment, or tell You why the claim cannot be accepted, within 30 calendar days of receiving a fully documented claim. We require a Claim and Progress Report from you at least every three (3) months and an Annual Report once a year between Your **Completion Date** and **End Date**.

We may inspect the Project (announced or unannounced) and may require additional information from You to enable Us to monitor the Project's progress and to evaluate the outcomes of the Project. You must give Us access to such information on Our request.

### **Audit requirements**

You are required to supply an **Accountant's Report** from an Independent Accountant, appointed and paid for by You, on an annual basis in the form set out in Annex 1, to verify spend/activity in the previous financial year. You shall send the **Accountant's Report** to the West of England Growth Fund team within thirty (30) working days of the end of the relevant financial year, or within thirty (30) working days of your Project **Completion Date**, whichever is sooner.

### **Variation, withholding and clawback of grant and indemnity**

Schedule 4 sets out the circumstances in which We have the right to vary, withhold and/or clawback part or all of Your grant. You must read this Schedule and the other Schedules before signing the Acceptance. If any of the circumstances set out in Schedule 4 occurs or

may occur, You must tell Us immediately so that We can discuss the best way forward with You.

You shall indemnify and hold harmless Us, Our employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of Your actions and/or omissions in relation to the grant and this Grant Offer Letter, the non-fulfilment of Your obligations under this Grant Offer Letter or its obligations to third parties.

### **European Union**

We are obliged to give the European Commission schedules of information on offers in certain industrial sectors. Very occasionally the European Commission queries an offer, in which case We are obliged to give them information about the offer. You may be required to co-operate with Us in providing such information.

### **State Aid**

It remains Your responsibility to ensure that **State Aid** regulations are adhered to if you receive any public funding. Failure to comply with **State Aid** regulations could result in recovery of some or all of any public funding provided to You.

If You have received any 'de minimis' aid over the last three years (from any public source) that you have not declared in your application form, You must inform Us in writing immediately with details of the dates and amounts of aid received.

By accepting this offer of State Aid under the de minimis regulation You accept that the activities for which You will claim funding are commercial economic activities (offering a good or service to the market in competition with others) and that You will need to declare this Aid when applying for or receiving any other public funding granted by the State (including, but not limited, to such bodies as the Big and Heritage Lottery Funds, Creative England, the Arts Council for England, Local Authorities and central Government Departments (in relation to some European funds)).

It is understood that no other public financial assistance has been offered to You for this Project and that you will not use any other public funding against the same cost items that We fund under this offer.

### **Assets**

You shall establish and maintain an asset register of all assets funded, wholly or partly, by the West of England Growth Fund. This can be a project specific asset register or the Company's asset register.

You must not dispose of any interest in any asset wholly or partly funded by the West of England Growth Fund, without Our written consent, prior to Your **End Date**.

## **Freedom of Information**

Nothing in this Grant Offer Letter shall prevent Us from disclosing any information whether or not relating to the Project which We in Our absolute discretion consider that We are required to disclose in order to comply with the Freedom of Information Act 2000, as amended, and/or the Environmental Information Regulations and any other statutory requirements whether or not existing at the date of this Grant Offer Letter.

## **Equality Act**

You must, at all times, comply with the Equality Act 2010.

## **Publicity and Evaluation**

We normally publish the amount of grant offered with the name of the company concerned and a brief description of the Project in the first 3 months after the acceptance of this Grant Offer Letter. If You propose to give any publicity for the Project outside Our publicity arrangements, You must consult Us in sufficient time to enable Us to discuss the publicity with You.

You shall at all times comply with any current publicity requirements (including any branding guidelines) for the West of England Growth Fund and Government's Regional Growth Fund.

You will not make or issue any press releases or make any announcement in relation to this Project, unless you (i) agree with Us the contents first and (ii) unless notified by Us not to do so, include in the press release / announcement a reasonably prominent statement that the Project is being supported by the Government's Regional Growth Fund.

For the avoidance of doubt the paragraphs above in *Publicity and Evaluation* will continue to apply for 2 years after Your project **End Date**.

We may pass your business details to any organisation appointed by us, or by the Department for Business, Innovation and Skills, to carry out an evaluation of this funding scheme.

## **Withdrawal**

If You decide to withdraw from Your West of England Growth Fund offer at any time prior to payment of Grant, we ask that You notify Us in writing of Your intention, and indicate to Us the reason for doing so. Where You have already drawn down some or all of your award, You must, on demand, repay all payments of Grant already paid to You.

## **Entire agreement**

This Grant Offer Letter and its Schedule and Annexes constitute the entire agreement and understanding between Us and You with respect to all matters which are referred to and

shall supersede any previous arrangement(s) between Us and You in relation to the matters referred to in this Grant Offer Letter.

In drawing up this Grant Offer Letter We have appraised and relied on the contents of Your Full Application. We reserve the rights of action and/or remedy in relation to any mistake, misrepresentation or error of judgement made in the Full Application upon which We have relied upon in agreeing to offer You grant.

This offer, and all documents made under or in connection with it, shall be governed by, and construed in accordance with the laws of England. You hereby irrevocably submit to the jurisdiction of the English Courts and Your address for service in England is **[insert contact and address]**.

### **Document Retention**

Project documents such as original invoices, receipts, and other relevant documents relating to claims/progress reports must be kept for at least ten (10) years from the date of the document. These must be available for inspection at any time by Us or anyone acting on Our behalf.

### **How to accept**

This offer remains open until **[insert date]**. A Director of **[insert company]** should sign and date the Acceptance, return the whole document to the West of England Growth Fund Team, Engine Shed, Station Approach, Temple Meads, Bristol, BS1 6HQ, and sign/keep a copy.

If You have queries on this Grant Offer Letter or the Schedules, contact **[Insert Details]** who will be pleased to advise You.

Please note that variations to this Grant Offer Letter will be effective only if We agree them in writing.

Please acknowledge receipt of this letter.

I look forward to receiving Your Acceptance and wish You every success with the Project.

Yours sincerely

**[Authorised Signatory]**

**On behalf of Bath and North East Somerset Council**

### **Acceptance**

*Note: If you give information that You know or suspect is untrue or misleading You may be committing an offence that could lead to prosecution.*

I declare that the information in the Full Application submitted by [insert Company name] on [insert date] and any other information given in support of this application for funding under the West of England Growth Fund is correct to the best of my knowledge and belief.

In accepting this offer of funding, [insert Company name] confirm that there are no grants or other payments from any public authority (for example an institution of the European Communities, a Government Department, a local authority or any other partly or wholly publicly financed body or charitable fund) received or receivable in respect of any element of the Project for which funding is being provided under the terms of this Grant Offer Letter.

In accepting this offer of funding You confirm that neither You nor Your holding company (if any) nor Your subsidiary (if any) or a subsidiary of Your holding company (if any) is subject to an outstanding recovery order following a European Commission Decision declaring an aid illegal and incompatible with the common market.

[Insert Company name] have read carefully this Grant Offer Letter, including its Schedules and Annexes, and accept the offer on the conditions set out in it

Signed: ..... Date: .....

Print Name: .....

Director

On behalf of: [insert company name and registered number]

**Data Protection**

Your Full Application, Grant Offer Letter, and Claim and Progress Reports in relation to the West of England Growth Fund, contain information that is personal data for the purposes of the Data Protection Act 1998 and in respect of which Bath and North East Somerset Council, acting as the accountable body for the West of England Local Enterprise Partnership, is obliged to supply the following information:

- For the purposes of the Data Protection Act, Your contact is The Data Protection Officer, Bath and North East Somerset Council, The Guildhall, High Street, Bath, BA1 5AW.
- The personal data that You have provided will be used for the purpose of administering this offer of funding. It may be given to any relevant government department or agency for this purpose and will not be disclosed to any other organisation for any other purpose other than in relation to cases of suspected fraud or where there is a statutory requirement for disclosure.

## SCHEDULE 1: THE PROJECT

### Brief outline

[Insert brief outline as per page 1]

### Project Objectives

To spend [Insert Amount] of West of England Growth Fund grant monies to create [Insert number] FTE new jobs and lever [Insert number] of private sector investment by 31<sup>st</sup> March 2015.

### Governance Structure / Management & Delivery Arrangements

The project will be organised by [Insert Name], [Insert Job Title] at [Insert Company Name]. [Insert Name] will review progress against timescales and costs on a monthly basis and ensure that project milestones and outputs in relation to West of England Growth Fund grant are achieved and only eligible costs are claimed for. For the avoidance of doubt, ineligible costs are:

- Costs incurred as 'private sector match' for other public sector funded grants or services (for example: Growth Accelerator, National Apprentice Scheme, Innovation Vouchers, UKTI services and other Regional Growth Fund activities).
- Existing overheads.
- Discretionary remuneration (such as annual bonuses).
- VAT (unless You are not VAT registered).
- Internal transactions.
- Costs reasonably deemed by us as not related to new and additional activity.

Furthermore, We will pay no more than 40% of wage costs (of employees of Your company) in WEGF grant, i.e. if your company is allocated £10,000 we will pay no more than £4,000 in wage costs.

The grant falls under the European Commission Regulation (EU) no. 1407/2013 (de minimis aid).

**Table 1 – Total Project Funding (£) – forecast draw down**

	14/15 Q1	14/15 Q2	14/15 Q3	14/15 Q4	Total
West of England Growth Fund ("WEGF")	[Insert figure]				
Bank debt					
Other commercial financing					

Shareholder equity					
Cash flow					
[Insert funding source]					
<b>Total</b>					[Insert figure]

For money to have been defrayed, liabilities must have been both incurred and discharged by payment.

**Table 2 – Eligible Costs (£) – Projected Draw down**

	14/15 Q1	14/15 Q2	14/15 Q3	14/15 Q4	Total
Wage Costs					
Marketing					
Capital Assets					
Training					
[Insert cost]					
<b>Total</b>					[Insert figure]

**Table 3 - Number of direct Full Time Equivalent ("FTE") jobs created (outputs)**

Identify the job title, qualification level, salary level for each job created, whether it is full time (FT) or part time (PT) and when (year/quarter) it will be created. One row for each job.

	Salary (£)	Qual level	FT or PT	2014/15	2015/16
[Insert job title]	[Insert figure]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert job title]	[Insert figure]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert job title]	[Insert figure]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert job title]	[Insert figure]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert job title]	[Insert figure]	[Insert]	[Insert]	[Insert]	[Insert]

<b>Total</b>				0	0
--------------	--	--	--	---	---

Jobs created must be maintained for a minimum period of three (3) years from the point at which they are created and be based in the West of England, that being the city of Bristol, Bath and North East Somerset, South Gloucestershire and/or North Somerset.

Jobs created must not have been recorded as such under another Government funded programme.

A direct Full Time Equivalent job is a job of 30 or more hours per week. Two part time jobs of 15 or more hours per week count as the equivalent to one full time job. Self-employed, sub-contracted and temporary jobs and jobs in companies other than those with You, or at a location other than in the West of England, do not count towards Your job targets.

### Project Milestones

Complete table proportionate to scale of project

<b>2014/15</b>		
Q1	a. WEGF spend b. Private sector spend c. Jobs d. One project milestone per active quarter	Pending
Q2	a. WEGF spend b. Private sector spend c. Jobs d. One project milestone per active quarter	Pending
Q3	a. WEGF spend b. Private sector spend c. Jobs d. One project milestone per active quarter	Pending
Q4	a. WEGF spend b. Private sector spend c. Jobs d. One project milestone per active quarter	Pending
<b>2015/16</b>		
Q1	a. Accountant's Report? b. Annual Report?	Pending
Q2		n/a
Q3		n/a
Q4		Pending
<b>2016/17</b>		
Q4		Pending

## **SCHEDULE 2: REPORTING**

### **BETWEEN PROJECT REGISTRATION AND COMPLETION DATES**

You will inform Us of progress towards and achievement of Project Milestones and/or Outputs, plus provide Us with information regards Total Project Spend, including West of England Growth Fund spend, and spend against Eligible Costs, via Claim and Progress Reports, which You must complete and submit to Us at least every three (3) months.

It is essential that We receive Your Claim and Progress Reports, plus Supporting Documentation, within the timescale, as follows:

- a. by the thirtieth (30<sup>th</sup>) day of the months of July, October, January and April, in relation to project activity undertaken by You in the preceding three (3) months.

**It is in Your interests to make regular claims in accordance with these dates, to reduce the risk of You not receiving grant funding.**

- b. You may make up to four claims per year in respect of this Grant, unless otherwise agreed with Us.

Each instalment will be made direct to your nominated bank account subject to the conditions of this Grant Offer Letter, within 30 days of receiving a completed Claim and Progress Report. We shall deem a Claim and Progress Report as complete when You have submitted sufficient information for Us to be able to certify a Claim is in accordance with the requirements of this Grant Offer Letter.

The final Claim for the year must be accompanied by a report from an independent accountant ("the Accountant's Report") in the form at Annex 1, submitted no later than 30 April of the following financial year, or within thirty (30) working days of your Project **Completion Date**, whichever is sooner.

### **BETWEEN PROJECT COMPLETION AND END DATES**

You will be required to demonstrate that, as at the project **End Date** You have satisfied all Project Milestones and/or Output Targets, as defined in Schedule 1.

An Annual Report must be submitted to **Us** within 30 days of the first anniversary of Your Project **Completion Date**, then annually thereafter until Your project **End Date**.

We will send you a template Annual Report.

You must complete all sections of the Annual Report.

### **SCHEDULE 3: HOW TO CLAIM INSTALMENTS OF GRANT**

You can make claims for each instalment of grant by submitting a Claim and Progress Report, plus Supporting Documentation.

We will provide You with a template of the Claim and Progress Report.

You are required to complete all sections of the Claim and Progress Report when making a claim.

Supporting Documentation must be submitted with each claim to evidence Total Project Spend, including West of England Growth Fund (WEGF) spend, and achievement against Project Milestones and Outputs.

Supporting Documentation can include, for example, copy invoices, copy of bank statements, copies of payroll records.

The grant will be paid at the agreed Intervention Rate, in respect of Eligible Costs which have been defrayed by You on the Project.

For money to have been defrayed, liabilities must have been both incurred and discharged by payment.

DRAFT

#### **SCHEDULE 4: VARIATION, WITHHOLDING AND/OR CLAWBACK OF GRANT**

This paragraph sets out the circumstances in which We may vary or withhold any or all of the payments and / or require repayment of State Funds already drawn down by You. We have the right to require repayment of part or all of the grant. In circumstances, where We obtain a repayment from You, We will then provide those funds to HM Government.

If any of the circumstances set out below occurs or may occur, You must tell Us immediately so that We can discuss the best way forward with You. The circumstances where We may vary or withhold and/or clawback any or all of the payments and / or require repayment of State Funds already drawn down by You if, at any time before the project **End Date**:

- a) You have entered into a legally binding arrangement to defray money on the Project before Your project **Registration Date**;
- b) You change the arrangements for financing the Project;
- c) You receive assistance for the Project or are promised assistance from an institution of the European Communities, a Government Department, a local authority or any other partly or wholly publicly financed body or charitable fund;
- d) In Our opinion, Your progress on the Project, including progress towards reaching Project Milestones and Outputs, is not satisfactory;
- e) In Our opinion, the future of the Project is in jeopardy;
- f) In Our opinion, there is a significant change in the scale or nature of the Project;
- g) [delete as necessary][any event or series of events occurs which in Our opinion will have a material adverse effect on the ability of the parent company to perform its obligations under the guarantee referred to in this Grant Offer Letter;]
- h) You do not meet nor maintain any of the pre-conditions noted in this Grant Offer Letter;
- i) You become insolvent, bankrupt or make any arrangement with creditors, or go into liquidation or take or suffer any steps preparatory to winding up or to the appointment of an Administrator, Liquidator or Receiver or commit or suffer any act equivalent to any of the foregoing;
- j) You undergo a change of ownership or control; or change of company structure;
- k) You fail to provide an Accountant's Report as required by this Grant Offer Letter;
- l) You fail to provide an Annual Report as required by this Grant Offer Letter;

- m) In Our opinion, any information You have given in relation to the Project changes substantially during implementation or is shown to be incorrect or misleading or any claim for grant is based on misleading information;
- n) You fail to comply with any conditions of this Grant Offer Letter including its Schedules and Annexes;
- o) We deem that Your actions have brought the West of England Growth Fund and/or the West of England Local Enterprise Partnership, into disrepute;
- p) We deem any of Your Claim and Progress Reports and/or Annual Reports do not comply with the requirements of this Grant Offer Letter;
- q) If the Accountant's Report is not received by Us or if We are not satisfied that the Accountant's Report confirms Your claims have been made in accordance with this Grant Offer Letter.

### **European Commission**

We may vary or withhold any or all of the payments and/or require repayment of Grant already paid, together with interest from the date of payment, if we are required to do so as a result of a decision by the European Commission or as a result of any obligation arising under European Union law.

DRAFT

## **ANNEX 1: THE ACCOUNTANT'S REPORT**

*The Accountant's Report must be written on the accountant's headed paper, dated and addressed to the West of England Local Enterprise Partnership/Bath and North and East Somerset Council and be in the following form.*

[Date]

[Name of Accountant] has examined the enclosed claims from [the Applicant] (the "Company") for the period from 1<sup>st</sup> April [insert year] to [30 March [insert year] in accordance with the terms and conditions of the West of England Growth Fund Grant Offer Letter dated [insert date]. These claims have been prepared by and are the sole responsibility of the directors of the Company.

[Name of Accountant] has carried out a high level of assurance assignment by performing the following tests:

- a. [Name of Accountant] has selected a random sample of eligible expenditure incurred, as reported on the claims, and traced them to invoices or other supporting documentation and evidence of payment to check that they have been properly incurred and defrayed in accordance with the terms and conditions of the Company's West of England Growth Fund Grant Offer Letter;
- b. [Name of Accountant] confirms the arithmetical accuracy of the schedules relating to the claims and agreed them to the appropriate supporting documentation. [Name of Accountant] has also checked whether the grant claimed by the Company has been calculated in accordance with the terms and conditions of the Company's West of England Growth Fund Grant Offer Letter;
- c. [Name of Accountant] confirms that other sources of Total Project Funding (other than West of England Growth Fund) have been secured and defrayed by the Company on the project as per their Claims;
- d. [Name of Accountant] confirms that the jobs claimed as created and/or safeguarded by the Company, as a result of the project, have been created and/or safeguarded, as a result of the project, and maintained for the period of time as per the conditions of the Company's West of England Growth Fund Grant Offer Letter;
- e. [Name of Accountant] confirms the recorded salary for each of the jobs created and job safeguarded as a result of the project and confirms they are in accordance with the terms of the Company's West of England Growth Fund Grant Offer Letter;
- f. [Name of Accountant] confirms the Company has maintained adequate records to enable us to report on this claim and has made available all evidence that was attached to claims made in the period [date] to [date];
- g. [Name of Accountant] confirms that during the period [date] to [date] the Company defrayed the cumulative expenditure totals as per their claims to date, for the

different types of expenditure that are eligible for grant aid for the Project in accordance with their West of England Growth Fund Grant Offer Letter;

- h. [Name of Accountant] confirms that the Company has established and maintained an asset register in respect of assets funded wholly or partly by the West of England Growth Fund;
- i. [Name of Accountant] confirms that the Company has not disposed of any interest in any asset funded wholly or partly by the West of England Growth Fund.;
- j. according to HP/leasing agreements seen by [Name of Accountant's firm], that during the period from [date] to [date] the Company entered into unconditional obligations [HP/leasing] committing it to further expenditure £[amount] (excluding VAT) on [fixed assets] for the Project in accordance with the Grant Offer letter and Schedules.

Statement of any errors and reservations/exceptions.

<These, if any, should be clearly stated here in bullet points.>

Based on the examination as above and subject to the possible financial effect of any reservations or qualifications set out in paragraph 3, [Name of Accountant] report that based on the findings, in [Name of Accountant's firm] opinion the claims for grant payment meet the conditions of the Company's West of England Growth Fund Grant Offer Letter dated [date].

Our report is prepared solely for the confidential use of the Company and Bath and North East Somerset Council or any UK central government department and solely for the purpose of verifying the grant claimed. It may not be relied upon by the Company or Bath and North East Somerset Council or any UK central government department for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other published document without our written permission except where disclosure is required as a result of a statutory obligation. Our report must not be made available, copied or recited to any other party without our express written permission in every case except that the Company or Bath and North East Somerset Council or any UK central government department may disclose the report where it has a statutory obligation to do so. Other than to the Company and Bath and North East Somerset Council or any UK central government department [Name of Accountant] do not have any duty to any other party to whom this report may be disclosed.

The engagement to report on the grant claim is separate from, and unrelated to, the audit of the annual financial statements of the Company and that the report relates only to the matters specified and that it does not extend to the grant recipient's annual financial statements taken as a whole.

Name and signature of the reporting accountant.

Date of the report.

Name for enquiries

DRAFT