

GRANT FUNDING AGREEMENT FOR LEEDS CITY COUNCIL IN RECEIPT OF CO-LOCATION CAPITAL GRANT in FINANCIAL YEARS 2009-10 and 2010-11

Grant Funding Agreement

Introduction

1. The Funding Agreement sets out the terms and conditions for the payment by the Secretary of State for Children, Schools and Families of a grant to the local authority out of monies voted by Parliament.
2. For the purposes of this Funding Agreement:

'Secretary of State' means the Secretary of State for Children, Schools and Families;

'the Department' means the Department for Children, Schools and Families;

'financial year' means the 12 months from 1 April to 31 March;

'grants' means monies made available by the Department;

'month' means calendar month;

'the local authority' means the top-tier county, unitary, metropolitan or London borough, to which funding will be paid for the co-location project – in this case, Leeds City Council.

Purpose of grant

3. Any grant paid by the Secretary of State will be paid pursuant to Section 7 of the Children and Young Person's Act 2008 and will accordingly be paid only in respect of approved expenditure incurred by the local authority or its partners for the purpose of the development of co-located facilities as set out in the application for funding attached at Annex B.
4. Payment of grant shall be subject to the conditions and requirements in this Funding Agreement and to such further conditions and requirements that the Secretary of State may from time to time specify.
5. The grant is a capital grant and thus must be used exclusively for capital expenditure. It may not be invested in a way that creates a long term revenue stream.

Specific terms and conditions relating to the co-location project

6. The co-location project detailed at Annex B must be completed by 31 August 2011, so that services can begin to be delivered from 1 September 2011.
7. Failure to deliver the project by this time may result in the Secretary of State giving notice in writing to require the local authority to repay all or any part of grant paid to it under this Funding Agreement.
8. In addition to the delivery of the capital project itself, the local authority, the Academy and its partners will be expected to support the development of good practice and other materials through, for example, participating in regional and national workshops and/or conferences, hosting learning visits from other local authorities, providing case studies and "lessons learned" type documents and contributing to the evaluation of the co-location fund by the Department and/or its representatives.
9. The Department and/or its representatives will monitor the progress being made in respect of delivering the project (full details of the monitoring will be sent out to projects by July/August 2009; the monitoring approach will be proportionate to the size and risk of the project being delivered). If progress is deemed unsatisfactory or there is significant alteration to the specification described in the project bid, following discussion between the local authority, the Academy and the Department and/or its representatives, future payments may be suspended.

10. On behalf of all partners in the co-location project, by 31 July 2009, the local authority will provide the Department with a set of milestones for the delivery of the capital project, specifically listing key deliverables which will have been achieved by the following dates: 1 September 2009, 1 December 2009, 1 March 2010, 1 May 2010, 1 September 2010, 1 December 2010, 1 March 2011, 1 May 2011, 1 September 2011.
11. By 31 July, the local authority will also provide confirmation of the total amount of funding required for the project during the 2009-10 financial year and the 2010-11 financial year. The total amount of funding requested over the two financial years will equal the amount of funding set out in the original application.
12. Subject to relevant milestones being achieved, payments will be made to the local authority via the Standards Fund or equivalent mechanism on a quarterly basis. Payments will be made in September, December, March and May. The first payment will be made in September 2009 and will be 50% of the agreed 2009-10 allocation for the project.
13. The local authority is responsible for putting in place appropriate information, monitoring and internal reporting systems which ensure that the funding provided by the Department is spent on the co-location project and in line with the terms and conditions of grant.
14. The local authority's Chief Financial Officer (or equivalent), in signing off the Standards Fund (or an equivalent system) return at the end of each financial year, must satisfy himself/herself that the funds paid by the Department to the local authority earmarked for co-location projects have been used for that purpose.
15. The local authority must not pass on any funding paid for this co-location project to a Primary Care Trust, or work in such a way that causes a capital charge to be placed on the balance sheet of a Primary Care Trust over and above any such charge that has already been notified to the Department of Health. Any queries relating to this point must be raised immediately with the Department and/or its representatives and the Department of Health.

Specific terms relating to this project led by the David Young Academy Trust, 'the Academy'

16. The local authority is expected to work with the David Young Community Academy Trust to secure the successful delivery of this project, providing funds to the Academy on an agreed basis (to be determined through negotiation between the LA and the Academy).
17. Any additional costs that arise through over the course of the project should be met by the Academy; the amount of funding available from the co-location fund will not be increased, nor will the Academy have call on other funds available from DCSF to cover any additional costs, over and above any contribution the Academy is making towards the project through use of its Devolved Formula Capital funds or through the deployment of surplus General Academy Grant up to a maximum 10% in line with the Academy Funding agreement. The Academy may approach Leeds City Council to contribute towards any additional costs incurred as a result of delivering this project; but there is no obligation on the part of the Council to agree such a request.
18. If the project is not delivered in the required timescale, and the Department claws back funds from the local authority; the local authority may, in turn, claw back funds from the Academy.

Accountability

19. The local authority shall ensure that any grant from the Secretary of State is used only in accordance with the terms of this Funding Agreement.
20. The local authority shall take such steps as the Secretary of State may require from time to time to satisfy himself that the systems of financial and manpower control and the management and organisation of the local authority are such as to enable it to fulfil its objectives under this Funding Agreement.

21. The local authority will be expected to comply with the recommendations of the Public Accounts Committee or other Parliamentary authorities as accepted by Her Majesty's Government, and with such administrative and financial practices applicable to the expenditure of public funds as notified to it by the Secretary of State.

Payment of grant

22. As set out above, the grant will be paid to the local authority quarterly via the Standards Fund (or an equivalent) mechanism, in accordance to the annual profile agreed between the Department and the local authority for the co-location project(s) concerned. Alterations to the payment profile for the project can be made in December 2009 and March 2010 if necessary.
23. The total amount of grant paid to the local authority will not exceed the amount of funding requested in the application to the co-location fund attached at Annex B. No funds will be paid to the local authority in relation to this project after March 2011.
24. Any grant voted by Parliament issued by the Department by 31 March in a particular financial year may be used by the local authority until 31 August of the following financial year. Any grant issued to the local authority but which remains unexpended on 31 August 2011 shall be repaid to the Department, after consulting the Department on the method of repayment.

Financial management

25. The local authority shall maintain a sound system of internal financial control which ensures regularity, propriety and value for money. This includes safeguards against fraud and theft. Value for money need not automatically mean the cheapest price, but should be justifiable in terms of the best outcome in relation to price. All cases of fraud or theft, whether proven or suspected, must be referred to the Secretary of State. The system shall be subject both to internal and external audit.

Internal audit

26. The Chief Executive is responsible for ensuring that the systems governing the grant provided by the Department are subject to independent review in order to obtain an assurance on the adequacy of the system of internal control and safeguards against fraud.
27. In deciding on the most appropriate arrangements, the Chief Executive will have regard to the size of the body, the level of grant, the perceived risk to the public funds provided and the cost of provision of the review service. These arrangements may be reviewed by the Department who will take account of the objectives, standards and practices set out in HM Treasury's 'Government Internal Audit Standards'.

Disposal of assets and change of use

28. Where the market value exceeds £2,500, the Academy shall consult the local authority and the Secretary of State if it proposes to dispose of, or change the use of, a tangible asset (e.g. land, building and equipment) or intangible asset (e.g. copyright) which has been financed wholly or developed with co-location fund grant that has been routed through the local authority.
29. Any proceeds, where the total amount exceeds £2,500, resulting from the disposal of an asset financed with grant from the Secretary of State, or the appropriate proportion thereof, shall be surrendered to the Secretary of State. Unless otherwise agreed in writing by the Secretary of State with the consent of the Treasury, the Academy shall not dispose of assets below market value.
30. Where the market value exceeds £2,500, if the purpose of an asset, funded wholly or in part from grants from the Secretary of State, is changed from that for which it was originally funded, the value of that asset, or the appropriate proportion thereof, shall be remitted to the Secretary of State.

Copyright

31. Copyright and rights in the nature of copyright in materials produced with the help of this grant from

the Secretary of State shall vest in the Crown, unless otherwise agreed in writing by the Secretary of State.

Procurement

32. The local authority and Academy shall have regard to HM Treasury guidelines in the procurement of goods and services for which it receives grant so as to secure best value for money. In particular, contracts of work, equipment, stores and services etc awarded by the local authority shall be placed on a competitive basis, unless there are good reasons to the contrary. Tendering procedures shall be in accordance with the EU Procurement Directive and UK Procurement Regulations¹, where applicable and any additional guidance issued by the Department.

Grant accounting

33. The local authority shall establish and maintain separate records of grant monies received and dispersed. This may be done by setting up relevant account codes, also by establishing a separate bank account.

Accounts

34. The books and other documents and records held by the local authority relating to the expenditure of this capital grant shall be open to inspection by the Secretary of State, its representatives and by the Comptroller and Auditor General (National Audit Office) as necessary.

Recovery of grant

35. If the local authority and/or Academy does not comply with any of the conditions and requirements referred to in this Funding Agreement, the Secretary of State may by notice in writing require the local authority to repay all or any part of grant paid to it under this Funding Agreement. The local authority may recover all or part of the grant from the Academy if/as appropriate.

Interpretation


36. Questions arising on the interpretation of the arrangements in this Funding Agreement shall be resolved by the Secretary of State after consultation with the local authority.

Effective date

37. The Secretary of State's representative and the representative of the local authority and the Academy signify below, their acceptance of the terms and conditions of this Funding Agreement which become effective from the date of signing. A copy of this agreement shall be held by the local authority, the Academy and by the Department.

¹ <http://www.ogc.gov.uk/procurement.asp> policy and practice procurement policy and application of eu rules.asp

Annex A – Signatures

Signed by person authorised to sign on behalf of the Secretary of State	
Date	13 July 2009
Signature	
Name (please print)	Peter Houten
Position in DCSF	Director, School Formation and Investment Group

Signed by a person authorised to sign on behalf of the grant recipient	
Date	
Signature	
Name (please print)	
Position in organisation	
Organisation	

Signed by a person authorised to sign on behalf of the Academy	
Date	
Signature	
Name (please print)	
Position in organisation	
Organisation	

Principal contacts (if different from above)	Department / Representative	Grant Recipient
Contact name	Paul Adam	
Position	Programme Director	
Telephone no.	07771 907068	
Email	Paul.adam@partnershipsforschools.org.uk	