

DATED

2009

LEEDS CITY COUNCIL

and

DAVID YOUNG COMMUNITY ACADEMY

SEACROFT/MANSTON WEDGE CO-LOCATION DEVELOPMENT

SCHEME ID:GCA9/60

**T N JACKSON
Assistant Chief Executive
(Corporate Governance)
Civic Hall
Leeds
LS1 1UR**

THIS GRANT AGREEMENT is made the day of 2009

BETWEEN

- (i) **LEEDS CITY COUNCIL** of Civic Hall Leeds LS1 1UR (hereinafter called 'the Council')
- (ii) **DAVID YOUNG COMMUNITY ACADEMY** whose registered office is situate at Bishops Way, Seacroft, Leeds, LS14 6NU (hereinafter called 'the Academy')

RECITALS

- A. The Council and the Academy have been identified by the Secretary of State for Children, Schools and Families (hereinafter referred to as the "Secretary of State") as eligible to receive grant funding in respect of the development of co-location facilities as set out in the application for funding as set out in the application for funding attached at Schedule 1. The grant funding is available in financial years 2009/10 and 2010/11 and is only available for those two years.
- B. Payment of the grant has been made to the Council by the Secretary of State and the Council is to manage the grant in respect of developing the co-location facilities.
- C. The Council shall provide funding to the Academy in accordance with the terms of this Agreement.

NOW IT IS HEREBY AGREED as follows:-

1. Definitions

- 1.1 Save where and to the extent the context or the express provisions of this Agreement otherwise require, the following expressions shall have the following meanings:

"Department" means the Department for Children, Schools and Families

"Grant" means the monies made available by the Council

"Funding Agreement" means these terms and conditions and also the documents attached hereto

2. Purpose of Grant

- 2.1 Any grant paid by the Council to the Academy has been paid by the Secretary of State 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 Academy for the purpose of the development of co-located facilities as set out in the application for funding attached at Schedule 1.
- 2.2 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.
- 2.3 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.

3. Specific terms and conditions relating to the co-location project

- 3.1 The co-location project detailed at Schedule 1 must be completed by 31 August 2011, so that services can begin to be delivered from 1 September 2011.

- 3.2 Failure to deliver the project by this time may result in the Council giving notice in writing to require the Academy to repay all or any part of grant paid to it under this Funding Agreement.
- 3.3 In addition to the delivery of the capital project itself 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 their representatives.
- 3.4 The Council 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 Council, the Academy and the Department and/or its representatives, future payments may be suspended.
- 3.5 On behalf of all partners in the co-location project, by 31 July 2009, the Academy will provide the Council 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.
- 3.6 By 31 July, the Academy 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, and the amount of such funding that will be required each quarter. The total amount of funding requested over the two financial years will equal the amount of funding set out in the original application.
- 3.7 Subject to relevant milestones being achieved, payments will be made to the Academy 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.
- 3.8 The Academy is responsible for putting in place appropriate information, monitoring and internal reporting systems which ensure that the funding provided by the Council is spent on the co-location project and in line with this Funding Agreement.
- 3.9 The Academy's Chief Financial Officer (or equivalent), in signing off the grant funds return at the end of each financial year, must satisfy himself/herself that the funds paid by the Council to the Academy earmarked for co-location projects have been used for that purpose.
- 3.10 The Academy 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.
4. **Specific terms relating to this project led by the David Young Community Academy, 'the Academy'**
- 4.1 The Council will work with the Academy to secure the successful delivery of this project by:-

- i) designating an officer to be the main link with the Academy's Project Manager;
 - ii) responding in a timely manner to requests for information;
 - iii) minimising any requests for additional information over and above monitoring information required by the Department of Children, Schools & Families;
 - iv) passing on grant funding in a timely manner in accordance with the agreed payment schedule.
 - v) ensuring project specific applications submitted to the Council are managed effectively and efficiently;
 - vi) proactively advising the Academy on best practice and policy and actively seeking to resolve problems in partnership with the Academy and other stakeholders ;
 - vii) positively promoting the outcomes of the project and the involvement of all stakeholders;
 - viii) maintaining a constant level of communication with the project management team, the Academy and other stakeholders.
 - ix) providing the project management team with progress reports; attending project meetings;
- 4.2 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 the Department 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 the 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.
- 4.3 If the project is not delivered in the required timescale, and the Department claws back funds from the Council; the Council may, in turn, claw back funds from the Academy, if and to the extent that it has passed such funds to the Academy.
- 5. Accountability**
- 5.1 The Academy shall ensure that any grant from the Council is used only in accordance with the terms of this Funding Agreement.
- 5.2 The Academy shall take such steps as the Council may require from time to time to satisfy itself that the systems of financial and manpower control and the management and organisation of the Academy are such as to enable it to fulfil its objectives under this Funding Agreement.
- 5.3 The Academy 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.
- 6. Payment of grant**
- 6.1 As set out above, the grant will be paid to the Council on a quarterly basis, in accordance to the profile agreed between the Council and the Academy 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.
- 6.2 The total amount of grant paid to the Academy will not exceed the amount of funding requested in the application to the co-location fund attached at Schedule 1. No funds will be paid to the Academy in relation to this project after March 2011.

- 6.3 Any grant issued by the Council by 31 March in a particular financial year may be used by the Academy until 31 August of the following financial year. Any grant issued to the Academy but which remains unexpended on 31 August 2011 shall be repaid to the Council, after consulting the Council on the method of repayment.

7. Financial management

- 7.1 The Academy 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 Council. The system shall be subject both to internal and external audit.

8. Internal audit

- 8.1 The Academy is responsible for ensuring that the systems governing the grant provided by the Council are subject to independent review in order to obtain an assurance on the adequacy of the system of internal control and safeguards against fraud.
- 8.2 In deciding on the most appropriate arrangements, the Academy 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 Council who will take account of the objectives, standards and practices set out in the Council's Financial Procedure Rules, a copy of which to be provided to the Academy.

9. Disposal of assets and change of use

- 9.1 Where the market value exceeds £2,500, the Academy shall consult the Council 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 Council.
- 9.2 Any proceeds, where the total amount exceeds £2,500, resulting from the disposal of an asset financed with grant from the Council, or the appropriate proportion thereof, shall be surrendered to the Council. Unless otherwise agreed in writing by the Council with the consent of the Treasury, the Academy shall not dispose of assets below market value.
- 9.3 Where the market value exceeds £2,500, if the purpose of an asset, funded wholly or in part from grants from the Council, 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 Council.

10. Copyright

- 10.1 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.

11. Procurement

- 11.1 The 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 Academy 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 the Public Contracts Regulations 2006, where applicable and any additional guidance issued by the Council.

12. Grant accounting

- 12.1 The Academy 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.

13. Accounts

- 13.1 The books and other documents and records held by the Academy relating to the expenditure of this capital grant shall be open to inspection by the Council and the Secretary of State, its representatives and by the Controller and Auditor General (National Audit Office) as necessary.

14. Recovery of grant

- 14.1 If the Academy does not comply to a material extent with any of the key conditions and requirements referred to in this Funding Agreement, the Council may by notice in writing require the Academy to remedy or procure the remedy of such failure to comply, within a reasonable timescale. In the event that such failure to comply is not remedied within that reasonable timescale the council may by notice in writing require the Academy to repay all or any part of the grant paid to it, pursuant to a notice in writing from the Secretary of State requiring the council to repay all or any part of the grant paid to it under Section 7 of the Children and Young Person's Act 2008 for the purposes of the development of co-located facilities as set out in schedule 1 of this Funding Agreement.

15. Interpretation

- 15.1 Questions arising on the interpretation of the arrangements in this Funding Agreement shall be resolved by the Council after consultation with the Secretary of State.

16. Effective date

- 16.1 The Council's representative and the representative of 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 Council and by the Academy.

17. Scrutiny Board/Executive Board Assistance

- 17.1 If required by the Council to do so the Academy shall give all reasonable assistance to the Council including attending the Council's Scrutiny and/or Executive Board in order to answer questions pertaining to this Funding Agreement should the need arise.
- 17.2 In the event that the Council requires the Academy's assistance after the expiry of this Funding Agreement the Council shall pay the reasonable expenses of the Academy arising as a result of providing such assistance

18. Dispute Resolution

- 18.1 If any dispute arises in connection with this Funding Agreement (including a dispute as to whether or the extent to which the Department/the Secretary of State can or should suspend payments or seek repayment of any payments), the parties will attempt in good faith to settle it by way of direct discussion. If, after a period of one calendar month after the dispute has arisen, it has not been settled, the parties will then attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator will be nominated by CEDR. The Department/the Secretary of State will not suspend payments or demand repayment of any funding advanced pursuant to this Funding Agreement unless and until such dispute resolution procedures have first been exhausted.

Dated this day of August 2009

Authorised signatory on behalf of the Council

Authorised signatory on behalf of the Academy