

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3069

Author:

Karla Banfield

Department:

Strategy and Resources

Contact:

Karla Banfield

(Job Title: Market and Business Partnership Manager, Email: karla.banfield@nottinghamcity.gov.uk, Phone: 64796)

Subject:

Life Chances Fund: Social Investment Bond - Development Funding Grant

Total Value:

£72,000 (Type: Revenue)

Decision Being Taken:

- 1) agree to accept a Life Chances Fund development grant of £72,000 from the Big Lottery Fund on behalf of the Department for Digital, Culture Media and Sport's (DCMS) Office for Civil Society (OCS) to develop three Social Investment Bond (SIB) proposals for homelessness and mental ill health; and
- 2) agree to spend £30,000 of the grant money (of £72,000) on procuring expertise to help develop the proposals as per the terms and conditions of the grant and delegate authority to the Director of Commissioning and Procurement to award and sign this contract.
- 3) delegate authority to the Director of Commissioning and Procurement to spend the remainder of the grant (£42,000) as per the terms and conditions of the grant.

Reasons for the Decision(s) Nottingham City Council has successfully expressed an interest in three Social Impact Bonds (SIB) for homelessness and mental ill health with the Life Chances Fund and been awarded development monies for all three. SIB 1 - £18,000 development money rough sleepers. Providing services for citizens who have drug, alcohol and support needs who are rough sleeping. The focus is on providing support and accommodation for citizens who are at risk of being discharged from hospital to street homelessness and have a history of frequently using A&E. SIB 2 - £27,000 development money young people. Aimed at providing services for young people, aged 16-21, who are homeless or at risk of homelessness. SIB 3 - £27,000 development money mental ill health. Aimed at providing services to support adults aged 44 and under with mental ill health, who are either at risk of entering residential care or are in residential care, to live in a community based living arrangement.

Part of the terms and conditions of the grant money is that Nottingham City Council is required to commission experts to support us in the research and development of a full application to the Life Chances Fund, therefore the decision is to spend £30,000 of the grant money on experts. The decision is to accept the grant money and delegate authority to the Director of Commissioning and Procurement to spend of the remainder of the grant which will be £42,000.

Briefing notes documents: 20171213 SIB Briefing Paper.docx

Other Options Considered: The terms and conditions of the grant state the Council will use this development grant to obtain technical support as set out within the offer letter to help launch a SIB. £2,000 of this grant on project management directly related to the SIB'. Up to £500 of this grant to cover travel expenses to attend workshops held by the Life Chances Fund team to support the development of your application. A total of £8,000 of the grant offer is specifically allocated to fund support to the internal capacity of the Council's commissioner to allow them to backfill staff time primarily engaged in project management of the development of the SIB. These terms and conditions apply to all three-development grant-funding offers. Therefore the option of not engaging external expertise was rejected.

Background Papers: Three offer letters from the Life Chances Fund.

Unpublished background papers: LCF Round 3 DG Offer Letter with Terms_Final.pdf, LCF Round 3 DG Offer Letter with Terms_Final MH.pdf, LCF Round 3 DG Offer Letter with Terms_Final RS.pdf

Published Works: There is not any published documentation

Affected Wards: Citywide

Colleague / Councillor Interests: None

Use of Consultants

Number of Days:42
Rate per Day:714.29
Total value:30000

	Start date:08/02/2018
	End date:06/04/2018
Reason for using a consultant:	The Council have successfully expressed an interest in three Social Investment Bond (SIB) for adults aged 44 and under with a mental health illness; young people at risk of homelessness and rough sleepers with the Life Chances Fund and have been awarded £72k in development money for the all three. Part of the terms and conditions of the SIB is that the Council are required to commission experts to support us in the research and development of a SIB. We will appoint two experts one in homelessness and one in mental ill health.
Other options considered:	None considered given it is a condition of grant funding. However, part of the development money is available to fund internal resource.
Name of consultant:	Not yet awarded
Reason for selection?	Not yet awarded. We are conducting an open tender exercise to secure two experts, one in mental ill health and one in homelessness. This will ensure that we secure value for money and that we attract the maximum interest in this work.
Has the consultant previously completed work for the City Council?	Not yet known as not yet awarded
Specific activities to be undertaken by the consultant are:	Recommendations for the interventions that could be successfully implemented in the City, accounting for the levels of demand and the City's demographic profile. A comprehensive understanding of the link between investment in the recommended interventions and the possible savings that this approach could realise. Recommendation of the Social Investment Model including financial projections and potential payment mechanisms to a social investor. A full report of the findings, including the evidence for the recommendations and the pricing mechanism proposed.
Period of engagement:	8 weeks
By what process was the consultant selected?	The expert will be selected via an open tender exercise.
Consultations:	Date: 05/12/2017
	Other:Procurement for advice and guidance for procuring experts to help with the development of three applications to the life chances fund.
	The recommendation was to procure via an open tender to ensure that we secured value for money and attracted the right experts to bid for this work.
	Date: 03/01/2018
	Chief Finance Officer:Finance advice for the process and procedure on securing and spending the development monies.
	The outcome was to gain authority through a delegated decision.
	Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications as this is to agree to bring money in to the Council in the form of a development grant from the Life Chances Fund and to procure two experts to support the Council to develop a full application to the Life Chances Fund.

Equality:

EIA not required. Reasons: There are no equality implications at this stage as this is to agree to bring money in to the Council in the form of a development grant from the Life Chances Fund and to procure two experts to support the Council to develop a full application to the Life Chances Fund

Relates to staffing:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

14/02/2018

Advice Sought:

Legal, Finance, Procurement, Human Resources

Legal Advice:

This report does not raise any significant legal issues. The City Council must ensure it complies with the terms of the grant funding and procures any providers in accordance with the City Council's Financial Regulations.
Advice provided by Andrew James (Team Leader Contracts and Commercial) on 18/01/2018.

Finance Advice:

This decision seeks approval to accept and spend £72k grant funding awarded to Nottingham City Council from the Life Chances Fund. The £72k relates to 3 separate Social Investment Bonds (SIB's), made up of the following:

- 1) Recovery to independence model £27k**
 - 2) Preventing youth homelessness £27k**
 - 3) Mental health £18k**
- Total - £72k**

The proposed profile of spend against each of the SIB can be seen in the attached table (SIB proposed expenditure profile - Jan 2018).

This decision also seeks approval for the use of consultants (£30k of the total £72k grant allocation) which is in line with the conditions of the grant. Value for money, as well as the requirements highlighted in the HR advice should be obtained through the open tendering exercise.

A new cost centre with 3 separate analysis codes has been set up in order for the grants to be monitored and reported on in accordance with the individual grant conditions.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 08/01/2018.

Advice documents: SIB Proposed Expenditure Profile - Jan 2018.xlsx

HR Advice:

This decision is in relation to the council accepting grant funding to the value of £72k.

As part of this £72k, there is a requirement for the Council to delegate authority to the Director of Procurement & Commissioning to procure an expert to develop a full application for the proposed SIBs at a cost of £30k. It is understood that the procurement will be conducted by an open tender exercise inviting organisations and individual consultants in the market place the opportunity to pitch for the work. HR advice is for management to ensure that the process is transparent and open (and compliant with procurement guidelines). Management should also ensure that the equality objectives of the council are prioritised and that applications in response to the tender are encouraged from under-represented groups or organisations.

IR35 (new tax legislation introduced in April 2017) might apply if the organisation appointed is that of an independent consultancy firm. The IR35 assessment form should be completed in any case and management should be aware of additional costs if IR35 applies.

We have explored the option to create a role as an alternative of procuring the work. This option is not viable as there is a specific skills set and knowledge required to undertake this work, that we do not feel is available within the current workforce, we also require specific in-depth knowledge of other models that have worked nationally and the work is required to be completed in a very specific and short timescale, which would not continue after the work has finished in April 2018.

A use of consultants form is not advised in this instance as the Leader is approving this delegated decision, therefore avoiding duplication. Advice provided by Rachael Morris (HR Business Partner) on 10/01/2018.

Procurement Advice:

The report author has already engaged with procurement to ensure compliance with the Council's financial regulations and contract procedure rules. An open RFQ will be conducted in order to secure best value for the Council and the citizens it represents. On this basis there are no procurement concerns with the approach. Advice provided by Rosalie Parkin (Category Manager) on 12/01/2018.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 06/02/2018
Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 31/01/2018
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 31/01/2018

Nottingham City Council Social Impact Bonds Briefing Paper

13 December 2017

NCC have successfully expressed an interest in three Social Impact Bonds (SIB) for homelessness and mental ill health with the Life Chances Fund and been awarded development monies for all three.

SIB 1 - £18k development money. Providing services for citizens who have drug, alcohol and support needs who are rough sleeping. The focus is on providing support and accommodation for citizens who are at risk of being discharged from hospital to street homelessness and have a history of frequently using A&E.

SIB 2 - £27k development money. Aimed at providing services for young people, aged 16-21, who are homeless or at risk of homelessness.

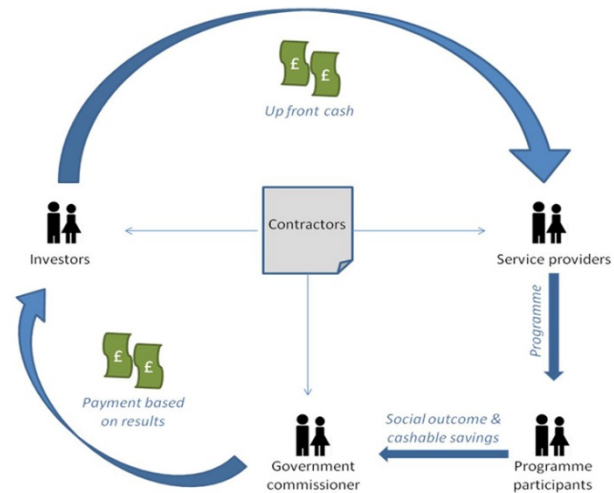
SIB 3 - £27k development money. Aimed at providing services to support adults aged 44 and under with mental ill health, who are either at risk of entering residential care or are in residential care, to live in a community based living arrangement.

What is a Social Impact Bond (SIB)?

A Social impact bond is a financing option available to support Pay by Results programs. They bring together government, service providers and investors/funders.

Social Impact Bonds are a type of bond that operate over a fixed period, but do not offer a fixed rate of return. Repayment to investors is contingent upon specified social outcomes being achieved.

Investors/funders provide the initial capital support and the public sector agrees to make payments to the program only when outcomes are achieved resulting in the public sector paying for results/success.



Who are the Life Chances Fund?

An £80 million fund has been committed by central government to contribute to outcome payments for payments by results contracts.

Finances

- £80m fund
- Contribute to outcome payments for payments by results
- LCF contribute 20% of total payment
- From April 2016 to March 2025

Social

- Tackle complex social problems
- Help citizens in society who face the most significant barriers to leading happy and productive lives

Purpose

- Increase no. of SIB's across England
- Make it easier and quicker to set-up a SIB
- Generate public sector efficiencies by delivering better outcomes
- Increasing social innovation
- Clear evidence of what works
- Increasing amount of capital to be available to the VCSE

Commissioning

- Locally commissioned
- Transforming public services
- Systems change approach
- Outcome based commissioning
- Small amount of development support available (grant by Big Lottery)

Current Activity

Research experts will be appointed in January 2018 to conduct research for the SIB's, there will be two open tenders one for homelessness and one for mental ill health. It is anticipated that there will be two-research expert's appointment, one for homelessness and one for mental ill health. It is expected that the researchers will cover the following bullet points.

SIB 1 – Rough Sleepers

- Their use of health services including mental health, ambulance and A&E
- Costs of preventative accommodation and support services in comparison to health and social care services
- Identifying best practice
- Recommendations for a SIB model
- Accommodation and/or support options for those with no recourse to public funds or those with no local connection
- To look at the link between investment in measures and budget savings

SIB 2 - Young People

- Root causes for homelessness amongst young people (16-21) in Nottingham, including underlying factors behind becoming homeless from the family home
- The level of hidden homelessness amongst young people in Nottingham
- Interventions that have been evidenced successfully in preventing youth homelessness or supporting young people to return to the family home
- Examples of good practice
- To look at the link between investment in measures and budget savings

SIB 3 – Adults Aged 44 and Under with Mental Ill Health

- How to develop the CSE provider market without impacting on other social care provider markets
- Examples of good practice are there elsewhere in the country (particularly where the population demography is similar to Nottingham) and be replicated in Nottingham
- Examples of evidence-based interventions that have successfully prevented adults aged 44 and under, with a mental ill health, either entering residential care and/or moving out of residential care in to a community based living arrangement.
- Recommendations for a model that could be successfully implemented in Nottingham, accounting for high levels of demand and the city's demographic profile.
- To examine the link between investment in measures and possible budget savings

Timelines

- A specialist will be appointed end of January 2018
- The research project will start w/c 5 February 2018
- Interim findings report beginning of March 2018
- Final report beginning of April 2018
- Full application to be submitted to LCF 27 April 2018
- Full application decision 31 July 1018
- All projects should be completed by 2025



Department for
Digital, Culture
Media & Sport

Life Chances Fund

Ms Helen Jones
Nottingham City Council
Lead Organisation
Loxley House
Station Street
Nottingham
NG2 3NG

Date: 27.10.2018
Project ID: APP-00949

Dear Ms Jones,

Life Chances Fund - development funding grant offer to Nottingham City Council (“you”). I am pleased to tell you that Big Lottery Fund on behalf of the Department for Digital, Culture Media and Sport’s (DCMS) Office for Civil Society (OCS) has agreed to offer a Life Chances Fund (LCF) development grant of £27,000 to your organisation to develop the Social Investment Bond (SIB) proposal set out below.

This letter contains important information on the following:

1. the grant offer;
2. accepting the terms and conditions;
3. starting your grant; and
4. publicising your grant and the embargo date



Department for
Digital, Culture
Media & Sport

Delivered By:



NATIONAL
LOTTERY FUNDED

1. The grant offer

Our offer to you is £27,000 as revenue over four months.

The grant is to fund the following SIB development costs:

Research

Metrics and Financials

Stakeholder Participation

You can use up to £2,000 of this grant on project management directly related to the above. You can use up to £500 of this grant to cover travel expenses to attend workshops held by the Life Chances Fund team to support the development of your application.

A total of £8,000 within the above grant offer has been specifically allocated to fund support to the internal capacity of your local government commissioner(s) to allow them to backfill staff time primarily engaged in project management of the development of the SIB. This resource cannot be used for any other item of expenditure and must be allocated to the commissioner(s) to disburse.

You cannot use any part of this development grant to fund any items that do not fall within the categories listed above. Specifically, this grant will not fund development of SIB governance and management structures, legal advice, pre-procurement work, administration costs, marketing costs and any work scheduled to take place after you have completed the feasibility work funded through your development grant other than for project management within the £2,000 envelope and internal commissioner capacity building within the envelope allocated above.

Please note that you have until 30th March to complete the feasibility work on your LCF proposal and apply for a full award. If feasibility takes any longer than this, we note our full application will be deferred and may be rejected. Any commissioner capacity building work can continue through to July 2018.

We will expect to receive a copy of your feasibility work either prior to, or with, your Full Application in April 2018.

Project Summary and Summary of Technical Support:

Nottingham City Council will use this development grant to obtain technical support as set out above to help launch a SIB aimed at maximising the potential of younger adults (aged 44 and under) who are either in residential care or are receiving a high level Care Support and Enablement (CSE) package or who are at risk of entering into residential care or are at risk of receiving a high level CSE package leading to suitable, successful independent living.

The technical support will enable the project to achieve the defined LCF project outcomes and indicators set out at Annex B.

If you decide to procure technical support, you are free to choose any organisation to provide this. It's important to think about the best fit with your own organisation and your proposal. We will send out a list of potential advisors shortly, there is also a list on www.goodfinance.org.uk. We would strongly encourage you to carry out an internal skills audit prior to procuring any technical support, and to consider carefully how you will work with advisors in partnership so that you retain ownership of the development of your project at all stages. We would also encourage you to take up references from previous clients of any potential technical providers prior to contracting with them.

Other Support Available

We will be running a workshop for applicants during November and December. This has been designed to support you as you go through the application process for the Life Chances Fund. We would strongly encourage you to attend a workshop - it will not only give you a better understanding of the process of the Life Chances Fund, but also give you the chance to meet with other applicants going through the process with you.

For further details and to book a place please enter the following links into a browser.

10 November 2017 - <http://tinyurl.com/y89y2rww>

29 November 2017 - <http://tinyurl.com/y7pn5orx>

07 December 2017 - <http://tinyurl.com/yby89uvl>

The password to book onto any of the dates is LCF. Please note: this is the same workshop, run three times, so please only book onto one date.

We have received a large number of applications, a number of which have significant overlaps, so we are also looking to identify potential areas for collaboration between similar proposals. We will be in touch with you soon if your project is one where we feel there would be benefit in collaborating with others.

We also encourage you to use your own initiative to network and collaborate with other applicants.

Please note the Life Chances Fund has a contract with OPM to provide specialist support to help development grant and full award holders progress their proposals. This will provide independent expert (non-technical) support from experienced advisors to help your commissioners at no charge. This is time-limited support that can be accessed at any point during the application process. If you think this is something you would like to access, please speak to your Funding Officer. The Life Chances Fund Team will determine how to prioritise this resource.

2. Accepting the terms and conditions

We can only pay you the grant if you accept our terms and conditions, which are attached to this letter in Annex A. Please read them carefully.

If you accept our offer and agree to meet our terms and conditions, please return a signed copy of this letter with the terms and conditions by 30 November 2017. If you do not, this offer will automatically lapse.

Please ensure that you return the signed offer letter AND the terms and conditions together and in their original format (as printed copies, in the post). They are part of the grant agreement between us, so we must receive them together.

We also require completion of the additional grant set-up documents that will be sent to you under separate cover. Keep the other copy of the offer letter and terms and conditions for your records.

If you have any questions about this offer or our terms and conditions, please contact us as soon as possible. By accepting our terms and conditions you agree to meet our monitoring requirements, which may vary depending on the grant.

If you do not meet our requirements, we may withhold payments of this grant or any other grants that your organisation holds with us. We would also be unlikely to fund any further applications from your organisation until the situation is resolved. In some circumstances, we might take legal action to recover all or part of the grant.

3. Starting your grant

You will be allocated a Funding Officer, who will be your main contact for this grant. On receipt of your signed offer letter, we will get in touch with you to arrange a time to discuss the set-up of your grant in more detail and to give you contact details for your Funding Officer. They will tell you more about how we will pay and monitor your grant and answer any questions you may have.

You can contact us by email at lifechancesfund@biglotteryfund.org.uk quoting your Project reference number.

To start your grant, you need to send back your 'Starting Your Development Grant' form with the signed grant offer and attached terms and conditions.

We will email you a bank or building society details form within the next ten working days to complete, so that we can pay funds into your account. If we don't have an email address for you the bank or building society details form will be enclosed with this offer pack and you **must return it with the signed offer letter**.

After we have received your signed grant agreement and bank or building society details form, we will get in touch to confirm your grant has started or to let you know if there is anything else you need to do.

You must start your project within two months of the date that we receive your signed grant agreement and complete your grant prior to the LCF Round 3 call out full award submission date, which is 30 April 2018. The capacity building element can run on until ministerial decision on any full award application you submit, which is likely to be 13 working weeks after the call out submission date. You are strongly advised to procure any support you need quickly to allow you maximum time to complete the feasibility work and to contact us if you think there may be a problem with the above requirement.

4. Publicising your grant and the embargo date

We will publish details of this grant offer on our website on 17th November 2017.

If you need to start your project before this date, let people know it is happening so they can attend or carry out recruitment, please do so only mentioning our previous in-principle offer to your project. You can arrange your own publicity, but please make sure that news of the grant is not shared with the media or made public until this date.

We wish you every success with your project and look forward to hearing from you shortly.

Yours sincerely

Vicki Smith
Funding Manager

cc Ms Linda Sellars (Nottingham City Council)

Enclosed:

- Annex A - Standard terms and conditions (attached to this letter)
- Annex B - Project Outcomes and Indicators
- Copy of this offer letter for your records
- Starting Your Development Grant Form
- Bank Details Form (email)

Project ID: APP-00949
Organisation name: Nottingham City Council

I am authorised on behalf of the organisation named above to accept this offer of grant on the terms and conditions stated.

Name

Position

Signature

Date

Who can sign? Please make sure you follow these rules:

If your organisation is incorporated under the Companies Act a director must sign.

For local authorities and statutory health bodies, the chief executive or an equivalent accountable officer must sign.

For schools, the head teacher or an accountable officer from the relevant local authority must sign.

For other organisations, the chair, vice chair, secretary or treasurer must sign.

Annex A: Standard terms and conditions for development grants

Definitions

“We” and “our” refer to the organisation receiving the grant bound by these terms and conditions and includes employees and those acting for the organisation.

“You” and “your” means the Department for Digital, Media Culture and Sport (DCMS)/ Office for Civil Society (OCS) and DCMS/OCS representatives and includes Big Lottery Fund employees and others acting for DCMS.

The “project” means the development work that you are giving us the grant for as set out in our proposal and any supporting documents, and as varied by the Grant Agreement.

The “Grant Agreement”, which we have accepted and signed, includes and incorporates these standard terms and conditions and the grant offer letter (with any special conditions we have agreed).

1. In general

1. We will use the grant to develop the application to the Life Chances Fund. We will hold any unused part of the grant on trust for you at all times, and we will repay any grant (including any unused grant) to you immediately upon demand.
2. During the period of the grant we will act in a manner without distinction as to race, religion, age or disability, and in compliance with all laws.
3. We will, make sure that all current and future members of our governing body receive a copy of these terms and conditions while the Grant Agreement remains in force.
4. We will ensure that at all times while the Grant Agreement is in force we are correctly constituted and regulated and that the receipt of the grant and the delivery of the project are within the scope of our governing documents; and, if asked by you, we will provide a legal opinion from our solicitors confirming this.

2. The project

1. We will get your written agreement before making any change to the project or to its aims, structure, delivery, duration or ownership.
2. We will start the project within six weeks of the date of the grant offer letter or if it is delayed, write to you giving reasons for the delay and ask for an extension.
3. We will complete the project within sixteen weeks of the date agreed for the start of the project, or if it is delayed, write to you giving reasons for the delay and ask for an extension.
4. We agree to make satisfactory progress with the project and complete it on time or within a reasonable period if you have not set a time limit.
5. We will not use the grant to pay for any spending commitments we have made before the date of the grant offer letter. We will tell you of any offer of funding for the project from anyone else, which duplicates your grant.
6. If any part of a grant is to buy goods and services or a series of related services costing more than £10,000, we will put out the order to competitive tender. If there are good reasons why we cannot tender, we will get your agreement beforehand.
7. We will acknowledge the grant publicly as appropriate and as practical. We will follow your DCMS branding and publicity guidelines at all times. We will acknowledge your support in any published documents or on digital media that refer to the project.
8. We hereby consent to any publicity about the grant and the project as you or any television company may from time to time require.
9. We will tell you promptly about any changes to information we have provided and will make sure that the information you hold is always true, accurate and up to date at the time it is given and remains true, accurate and up to date whilst the Grant Agreement remains in force.
10. In our management of all personal information we will meet the requirements of the Data Protection Act 1998 and the General Data Protection Regulation (EU) 2016/679.
11. We agree to meet all laws regulating the way we operate, the work we carry out, the staff we employ or the goods we buy. We will ensure that we have an equal opportunities policy, to help us comply with all relevant laws and good practice (that is put into practice and regularly reviewed).

12. If our project involves work with children, young people or vulnerable adults (“vulnerable people”), we will take all reasonable steps to ensure their safety. We will obtain the written agreement from the legal carer or guardian before having any direct contact with any vulnerable person.
13. We will have and carry out an appropriate written policy and set of procedures in place at all times to safeguard vulnerable people, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees or contractors who will supervise, care for or otherwise have significant direct contact with vulnerable people with the Criminal Records Bureau.
14. We will maintain adequate insurance at all times and if asked, will supply copies of the insurance policy to you. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets you have funded. 2.13. You have the right to reproduce any of our application or subsequent information supplied by us to you for any purpose as you see fit without any right of a claim by us in respect of copyright.
15. If any part of the grant is used directly or indirectly to purchase or develop any intellectual property rights then we will take all necessary steps to protect such rights and we agree that we will not exploit such rights without your prior written consent. Exploitation includes use for any commercial purpose or any licence, sale, assignment, materials transfer or other transfer rights. We understand and accept that if you provide the consent it may be subject to conditions requiring us to repay or to share any money we receive.

3. Our organisation

- 1 We will get your agent’s (currently Big Lottery Fund) written agreement before:
 - Changing our governing document, (unless we are a statutory organisation) concerning our aims, payments to members and members of our governing body, the sharing out of our assets (whether our organisation is dissolved or not), or the admission of any new members; or
 - Transferring our assets to, or merging or amalgamating with, any other body, including a company set up by us.
- 2 We will write to you immediately if any legal claims are made or threatened against us and/or which would adversely affect the project during the period of the grant (including any claims made against members of our governing body or staff concerning the organisation).

- 3 We will tell you in writing immediately of any investigation concerning our organisation, trustees, directors, employees or volunteers carried out by the Police, Charity Commission, HM Revenue & Customs or any other regulatory body.
- 4 We will be available for meetings with you and allow you or those acting for you, the Department of Media Culture and Sport or the National Audit Office full and free access to our records and any of our offices or buildings.
- 5 We will let you know when our governing body, management committee or board of directors falls below three unrelated members and will increase it to at least three unrelated people as soon as possible.

4. VAT

- 4.1 We acknowledge that the grant is not consideration for any taxable supply for VAT purposes by us to you. We understand your obligation does not extend to paying us any amounts in respect of VAT in addition to the grant and that the grant made by you is inclusive of VAT.
- 4.2 We agree to repay you immediately any VAT we recover whether by set-off, credit or repayment to the extent that any such VAT cost is included in the grant.
- 4.3 We will notify you immediately if any irrecoverable VAT claimed under the grant becomes recoverable.
- 4.4 We will keep proper and up to date records relating to VAT, and we will make such records available for you to look at and give you copies when requested.
- 4.5 If you have funded all of the VAT costs for our project, we agree to refund immediately all of the VAT we recover to you.
- 4.6 If you have funded a proportion of the VAT costs for our project, we agree to refund immediately the same proportion of the VAT recovered to you.

5. Our annual report and accounts

- 5.1 We will acknowledge the Life Chances Fund grant in our annual reports and accounts covering the period of the project.
- 5.2 We will show your grant and related expenditure as a restricted fund under the description "Life Chances Fund Grant" in our organisation's annual accounts. If we have more than one restricted fund, we will include a note to the accounts identifying each restricted fund separately.

- 5.3 If we have more than one grant from you, we will record each grant separately in the notes to the accounts. We will identify unspent funds and assets in respect of the grant separately in our accounting records. A member of our management committee will sign the accounts.
- 5.4 We understand that, if we are a statutory body, we are not required to send you our accounts. However, if you do require to see them, then we will send you our accounts, signed and audited as required by the appropriate regulations. Otherwise, if we are not a statutory body, we will send you a copy of our annual accounts as soon as they have been approved in accordance with our governing document and in any event within ten months of the end of the financial year for each year in which grant payments are made. The accounts will be signed by a member of our management committee and externally audited or independently examined by a suitably qualified person if our annual income is over £10,000.
- 5.5 We will keep proper and up to date accounts and records, including summary profit and loss accounts and management accounts, personnel and payroll records and invoices, which show how the grant has been used. We will make these financial records available to you to look at and give you copies.
- 5.6 We will report regularly and fully to all members of our governing body on the financial position of our organisation and will put in place procedures to avoid any conflict of interest arising in the provision of goods and services or the employment of staff required to deliver the project.

6. Monitoring

- 6.1 We will complete any forms or reports as you require from time to time.
- 6.2 We will inform you immediately in writing of anything that significantly delays, threatens or makes unlikely the submission of a full application to the Life Chances Fund. We will tell you immediately if there is to be any variation to the project indicators set out in Annex B to the offer letter.
- 6.3 We understand that the grant monitoring is complete only after we have completed the final report and for non-statutory bodies, you have received annual accounts for the full period to your satisfaction. We understand that we need to complete the grant monitoring by no later than 30 June 2018.

6.4 We will complete all work to assess feasibility of the proposal funded by the development grant by no later than 27 April 2018 or by the conclusion of the development grant, whichever is the earlier. We also note that all capacity building and project management work funded through the development grant must be completed by 30 June 2018. In the event of this not being the case, we understand that you will defer consideration of our full application and may reject that full application.

7. Payment of grant

1. We will open a separate and designated bank or building society account for the sole purpose of receiving and administering the grant if your agent (currently Big Lottery Fund) ask us to do so and will provide your agent with the bank or building society statements when asked.
2. Your agent will pay the grant by bank transfer (BACS) on your behalf into a UK-based bank account or building society account in our name, which requires the signatures of at least two authorised people for every withdrawal.
3. We will not use ATMs or debit cards to make cash withdrawals or payments from this account.
4. You and your agent will not be liable for any losses or costs (including, but not only, bank charges) if you do not make grant payments on the agreed date.
5. If you or your agent are not satisfied that we have met all the terms of our Grant Agreement, or you need extra information or documents, you may ask for this and may postpone payment of the grant until you feel that the terms are met or until you receive the material you want.

8. Length of Grant Agreement

These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- For one year following payment of the grant.
- As long as any part of the grant remains unspent.
- As long as we do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or project delivery).

9. We understand that

1. You can only guarantee future instalments of the grant as long as funds from the Department for Culture, Media and Sport Life Chances Fund are available and you continue to operate.
2. We accept that you may share information about our grant with any parties of your choice as well as with members of the public who make a request for information under the Freedom of Information Act 2000. Details of the project may be broadcast on television, in newspapers and through other media.
3. You will not increase the grant if we spend more than the agreed budget. You may suspend payment of the grant if you want to investigate any matters concerning the grant (or any other grants you have given to us).
4. We understand that you accept no liability for any consequences, whether direct or indirect, that comes about from a suspension even if the investigation finds no cause for concern.
5. You may withhold or demand repayment of all or part of the grant at your absolute discretion, in any of the following circumstances if:
 - We fail to meet any of these terms and conditions, or the terms and conditions attached to any other grants from you for which a Grant Agreement is still in force;
 - We completed the application form dishonestly or significantly incorrectly or misleading;
 - We or any other person or organisation operating for us gave you any significantly misleading or inaccurate information, whether deliberate or accidental, during the application process, or during the period of the Grant Agreement;
 - Members of our governing body, volunteers or staff (or those from our partner organisations) act at any time during the project dishonestly or negligently or in any way, directly or indirectly, to our detriment or to the detriment of our organisation or the project or to the detriment of your reputation;
 - Our organisation, members of our governing body, employees or volunteers (or our partner organisations, members of their governing bodies, employees or volunteers) are subject to an investigation or formal enquiry by the Police, Charity Commission, the Office of the Scottish Charity Regulator, HM Revenue and Customs or other regulatory body;
 - We receive duplicate funding from any other source for the same or any part of the project;
 - We do not take positive steps to ensure equal opportunities in our own employment practices and the delivery of and access to our services;

- There is a significant change of purpose, ownership or recipient, either during the project or within a reasonable period after its completion, so that you judge that the grant is unlikely to fulfil the purpose for which you made it;
- At any stage of the application process or during the period of the Grant Agreement we do not let you have information that would affect your decision to award, continue or withdraw all or part of the grant;
- If it is likely that our organisation will have to stop operating, may be dissolved or become insolvent;
- We are or become legally ineligible to hold the grant;
- If you have reasonable grounds to believe that it is necessary to protect public money.

6. We acknowledge that the grant comes from public funds and we will not use the grant in a way that constitutes unapprovable State aid. We acknowledge that this development grant does not appear to be in support of any direct economic activity, and that, as the grant would not have any likely tangible effect on EU competition, a 'no aid' presumption is reasonable. Where we have any uncertainty about this presumption or consider there is a risk that this grant constitutes unapprovable state aid, we will take our own advice to clarify the position.

7. In the event that it is deemed to be unapprovable State aid, then we will repay the entire grant immediately.

8. You may assign any of your rights under the Grant Agreement to any successor or other body.

9. We may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless we have entered into an agreement which must have been authorised by you in writing, permitting us to work with another organisation in delivering the project.

10. Termination

You may by notice in writing to us terminate this Grant Agreement with immediate effect if any of the events set out below arise:

- The Big Lottery Fund's grant funding agreement for the Life Chances Fund with the Department for CMS is terminated;
- The Big Lottery Fund is no longer in receipt of sufficient funding from DCMS for this project; or
- You are of the opinion that we are in material breach of our Grant Agreement

11. Conditions

1. We will provide an update on progress to develop an investment strategy to obtain start-up funding needed to fund delivery by the end of the development grant.
2. We will put a risk register in place by no later than the mid-way point of the development grant. The register will need to have sufficient coverage to anticipate, consider and mitigate all likely internal and external risks, including contingency for unforeseen events for the development grant.
3. We will ensure that beneficiary cohort referral pathways developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of those cohorts.
4. We will ensure that interventions developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of the beneficiary cohorts to be supported by the full proposal.
5. We will ensure that we put in place a clear timed plan for completing feasibility work within the grant period, effective commissioner engagement, collection and dissemination of learning and broader stakeholder engagement including service users. We will report on a draft strategy giving assurance on the above at the midway point of this grant.
6. We will provide your agent with the feasibility report, business case or other documents that support our decision to proceed with the Social Impact Bond ("SIB") proposal (or not), having completed the feasibility work associated with our development grant work. We will do this, normally, within two weeks of submitting a full award or, by agreement with you on a case by case basis at a later date, prior to any offer of a full Life Chances Fund Award being made to us.
7. Should any financial gain be realised through the development grant funding provided by you, then we will ensure any such gain will be reinvested in the grant funded activities during the lifetime of the grant. We note that this will need to be advised to you prior to any re-investment to ensure that appropriate use is made and best value is realised from all resource sourced from the grant.
8. We cannot procure any organisation to deliver activities that are funded through this award, where that organisation may subsequently invest in the

resulting proposition, either directly or via a fund they manage. A potential investor or investment fund looking to invest in the SIB this grant aims to develop cannot be funded through this development grant to provide technical support to assess the feasibility of your project.

9. We note that there is a risk of a conflict of interest where an expert technical support provider advises both a commissioner and a VCSE delivery organisation; and note that we need to have satisfactory arrangements compliant with our lead commissioner's financial standing orders and other governance in place to manage this risk.
10. In determining whether to work with a particular provider, we will look to mitigate any potential conflict of interest. This could include for example, the SIB employing an intermediary, advisor or consultancy, funded to develop the SIB, in the capacity of intermediary organisation or management agent for the SIB post launch.
11. We will ensure that all work to assess feasibility of the proposal funded by the development grant will normally be completed within four months of the first payment of grant funding and by no later than the published LCF deadline for this social policy area or by the conclusion of the development grant, whichever is the earlier.
12. We understand that any exceptions to this will need to be agreed in advance, by you. We will ensure that all work funded through the development grant will be completed and we will have submitted all the documentation required to close our development grant prior to you taking any decision to award outcomes payment funding in-principle to this proposal. In the event of this not being the case we understand that you will defer consideration of our full application and that this may result in the rejection of our proposal.
13. You have the right to impose further terms and conditions on the grant either in the letter offering us the grant and/ or if:
 - We are in breach of the Grant Agreement;
 - You judge that members of our governing body, volunteers or staff or any person or organisation closely involved in carrying out the project act in a way that may have a detrimental effect on it;
 - If you have reasonable grounds to believe that it is necessary to protect public money.
 - You believe such conditions are necessary or desirable to make sure that the project is delivered as set out in our application or following agreed changes.

Annex B: Project Outcomes and Indicators

<p>Project Outcome: To develop the proposed Social Impact Bond (SIB) model and contribute to the Life Chances Fund programme aim of helping people in society who face the most significant barriers to leading happy and productive lives (by growing the market in locally commissioned SIBs).</p>		
Indicator:	Indicator level:	Timescale:
Developing commissioner engagement	<p>Outline:</p> <ul style="list-style-type: none"> • how commissioners have been engaged with and involved in the proposal • any changes to commissioners engaged and reasons for those changes • how commissioner engagement will be sustained 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p>
Developing the SIB proposal	<p>Outline:</p> <ul style="list-style-type: none"> • feasibility work completed • whether a full application has been developed for LCF and if not, then why not • set out updated arrangements and time lines for launching the SIB or exiting from the project 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - 1 page summary report</p>
Learning from feasibility work	<p>Outline:</p> <ul style="list-style-type: none"> • learning achieved and disseminated, including how it has been targeted for impact • how the proposal has or plans to engage with and involve service users in SIB planning, management and delivery • how the proposal has or plans to involve local VCSE organisations (as intervention providers, SIB management, technical support providers and other roles as appropriate) 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p> <p>Within two weeks of applying for an LCF full award - feasibility report, business case or other documentation informing your decision to progress (or not) to launch a SIB.</p>



Department for
Digital, Culture
Media & Sport

Life Chances Fund

Ms Katy Ball
Nottingham City Council
Loxley House
Station Street
Nottingham
NG2 3NG

Date: 27.10.2017
Project ID: APP-01045

Dear Ms Ball,

Life Chances Fund - development funding grant offer to Nottingham City Council (“you”). I am pleased to tell you that Big Lottery Fund on behalf of the Department for Digital, Culture Media and Sport’s (DCMS) Office for Civil Society (OCS) has agreed to offer a Life Chances Fund (LCF) development grant of £18,000 to your organisation to develop the Social Investment Bond (SIB) proposal set out below.

This letter contains important information on the following:

1. the grant offer;
2. accepting the terms and conditions;
3. starting your grant; and
4. publicising your grant and the embargo date



Department for
Digital, Culture
Media & Sport

Delivered By:



1. The grant offer

Our offer to you is £18,000 as revenue over four months.

The grant is to fund the following SIB development costs:

Research

Theories of Change

Metrics and Financials

Service Design

Stakeholder Participation

You can use up to £2,000 of this grant on project management directly related to the above. You can use up to £500 of this grant to cover travel expenses to attend workshops held by the Life Chances Fund team to support the development of your application.

A total of £8,000 within the above grant offer has been specifically allocated to fund support to the internal capacity of your local government commissioner(s) to allow them to backfill staff time primarily engaged in project management of the development of the SIB. This resource cannot be used for any other item of expenditure and must be allocated to the commissioner(s) to disburse.

You cannot use any part of this development grant to fund any items that do not fall within the categories listed above. Specifically, this grant will not fund development of SIB governance and management structures, legal advice, pre-procurement work, administration costs, marketing costs and any work scheduled to take place after you have completed the feasibility work funded through your development grant other than for project management within the £2,000 envelope and internal commissioner capacity building within the envelope allocated above.

Please note that you have until 30th March to complete the feasibility work on your LCF proposal and apply for a full award. If feasibility takes any longer than this, we note our full application will be deferred and may be rejected. Any commissioner capacity building work can continue through to July 2018.

We will expect to receive a copy of your feasibility work either prior to, or with, your Full Application in April 2018.

Project Summary and Summary of Technical Support:

Nottingham City Council will use this development grant to obtain technical support as set out above to help launch a SIB aimed at providing services for individuals who have drug and alcohol support needs and who are rough sleeping. There will be a particular focus on providing support and accommodation for homeless individuals with alcohol and substance misuse issues who are at risk of being discharged from hospital to street homelessness and who have a history of frequently using emergency health care services.

The technical support will enable the project to achieve the defined LCF project outcomes and indicators set out at Annex B.

If you decide to procure technical support, you are free to choose any organisation to provide this. It's important to think about the best fit with your own organisation and your proposal. We will send out a list of potential advisors shortly, there is also a list on www.goodfinance.org.uk. We would strongly encourage you to carry out an internal skills audit prior to procuring any technical support, and to consider carefully how you will work with advisors in partnership so that you retain ownership of the development of your project at all stages. We would also encourage you to take up references from previous clients of any potential technical providers prior to contracting with them.

Other Support Available

We will be running a workshop for applicants during November and December. This has been designed to support you as you go through the application process for the Life Chances Fund. We would strongly encourage you to attend a workshop - it will not only give you a better understanding of the process of the Life Chances Fund, but also give you the chance to meet with other applicants going through the process with you.

For further details and to book a place please enter the following links into a browser.

10 November 2017 - <http://tinyurl.com/y89y2rww>

29 November 2017 - <http://tinyurl.com/y7pn5orx>

07 December 2017 - <http://tinyurl.com/yby89uvl>

The password to book onto any of the dates is LCF. Please note: this is the same workshop, run three times, so please only book onto one date.

We have received a large number of applications, a number of which have significant overlaps, so we are also looking to identify potential areas for collaboration between similar proposals. We will be in touch with you soon if your project is one where we feel there would be benefit in collaborating with others.

We also encourage you to use your own initiative to network and collaborate with other applicants.

Please note the Life Chances Fund has a contract with OPM to provide specialist support to help development grant and full award holders progress their proposals. This will provide independent expert (non-technical) support from experienced advisors to help your commissioners at no charge. This is time-limited support that can be accessed at any point during the application process. If you think this is something you would like to access, please speak to your Funding Officer. The Life Chances Fund Team will determine how to prioritise this resource.

2. Accepting the terms and conditions

We can only pay you the grant if you accept our terms and conditions, which are attached to this letter in Annex A. Please read them carefully.

If you accept our offer and agree to meet our terms and conditions, please return a signed copy of this letter with the terms and conditions by 30 November 2017. If you do not, this offer will automatically lapse.

Please ensure that you return the signed offer letter AND the terms and conditions together and in their original format (as printed copies, in the post). They are part of the grant agreement between us, so we must receive them together.

We also require completion of the additional grant set-up documents that will be sent to you under separate cover. Keep the other copy of the offer letter and terms and conditions for your records.

If you have any questions about this offer or our terms and conditions, please contact us as soon as possible. By accepting our terms and conditions you agree to meet our monitoring requirements, which may vary depending on the grant.

If you do not meet our requirements, we may withhold payments of this grant or any other grants that your organisation holds with us. We would also be unlikely to fund any further applications from your organisation until the situation is resolved. In some circumstances, we might take legal action to recover all or part of the grant.

3. Starting your grant

You will be allocated a Funding Officer, who will be your main contact for this grant. On receipt of your signed offer letter, we will get in touch with you to arrange a time to discuss the set-up of your grant in more detail and to give you contact details for your Funding Officer. They will tell you more about how we will pay and monitor your grant and answer any questions you may have.

You can contact us by email at lifechancesfund@biglotteryfund.org.uk quoting your Project reference number.

To start your grant, you need to send back your ‘Starting Your Development Grant’ form with the signed grant offer and attached terms and conditions.

We will email you a bank or building society details form within the next ten working days to complete, so that we can pay funds into your account. If we don’t have an email address for you the bank or building society details form will be enclosed with this offer pack and you **must return it with the signed offer letter**.

After we have received your signed grant agreement and bank or building society details form, we will get in touch to confirm your grant has started or to let you know if there is anything else you need to do.

You must start your project within two months of the date that we receive your signed grant agreement and complete your grant prior to the LCF Round 3 call out full award submission date, which is 30 April 2018. The capacity building element can run on until ministerial decision on any full award application you submit, which is likely to be 13 working weeks after the call out submission date. You are strongly advised to procure any support you need quickly to allow you maximum time to complete the feasibility work and to contact us if you think there may be a problem with the above requirement.

4. Publicising your grant and the embargo date

We will publish details of this grant offer on our website on 17th November 2017.

If you need to start your project before this date, let people know it is happening so they can attend or carry out recruitment, please do so only mentioning our previous in-principle offer to your project. You can arrange your own publicity, but please make sure that news of the grant is not shared with the media or made public until this date.

We wish you every success with your project and look forward to hearing from you shortly.

Yours sincerely

Vicki Smith
Funding Manager

cc Rachael Harding (Nottingham City Council)

Enclosed:

- Annex A - Standard terms and conditions (attached to this letter)
- Annex B - Project Outcomes and Indicators
- Copy of this offer letter for your records
- Starting Your Development Grant Form
- Bank Details Form (email)

Project ID: APP-01045
Organisation name: Nottingham City Council

I am authorised on behalf of the organisation named above to accept this offer of grant on the terms and conditions stated.

Name

Position

Signature

Date

Who can sign? Please make sure you follow these rules:

If your organisation is incorporated under the Companies Act a director must sign.

For local authorities and statutory health bodies, the chief executive or an equivalent accountable officer must sign.

For schools, the head teacher or an accountable officer from the relevant local authority must sign.

For other organisations, the chair, vice chair, secretary or treasurer must sign.

Annex A: Standard terms and conditions for development grants

Definitions

“We” and “our” refer to the organisation receiving the grant bound by these terms and conditions and includes employees and those acting for the organisation.

“You” and “your” means the Department for Digital, Media Culture and Sport (DCMS)/ Office for Civil Society (OCS) and DCMS/OCS representatives and includes Big Lottery Fund employees and others acting for DCMS.

The “project” means the development work that you are giving us the grant for as set out in our proposal and any supporting documents, and as varied by the Grant Agreement.

The “Grant Agreement”, which we have accepted and signed, includes and incorporates these standard terms and conditions and the grant offer letter (with any special conditions we have agreed).

1. In general

1. We will use the grant to develop the application to the Life Chances Fund. We will hold any unused part of the grant on trust for you at all times, and we will repay any grant (including any unused grant) to you immediately upon demand.
2. During the period of the grant we will act in a manner without distinction as to race, religion, age or disability, and in compliance with all laws.
3. We will, make sure that all current and future members of our governing body receive a copy of these terms and conditions while the Grant Agreement remains in force.
4. We will ensure that at all times while the Grant Agreement is in force we are correctly constituted and regulated and that the receipt of the grant and the delivery of the project are within the scope of our governing documents; and, if asked by you, we will provide a legal opinion from our solicitors confirming this.

2. The project

1. We will get your written agreement before making any change to the project or to its aims, structure, delivery, duration or ownership.
2. We will start the project within six weeks of the date of the grant offer letter or if it is delayed, write to you giving reasons for the delay and ask for an extension.
3. We will complete the project within sixteen weeks of the date agreed for the start of the project, or if it is delayed, write to you giving reasons for the delay and ask for an extension.
4. We agree to make satisfactory progress with the project and complete it on time or within a reasonable period if you have not set a time limit.
5. We will not use the grant to pay for any spending commitments we have made before the date of the grant offer letter. We will tell you of any offer of funding for the project from anyone else, which duplicates your grant.
6. If any part of a grant is to buy goods and services or a series of related services costing more than £10,000, we will put out the order to competitive tender. If there are good reasons why we cannot tender, we will get your agreement beforehand.
7. We will acknowledge the grant publicly as appropriate and as practical. We will follow your DCMS branding and publicity guidelines at all times. We will acknowledge your support in any published documents or on digital media that refer to the project.
8. We hereby consent to any publicity about the grant and the project as you or any television company may from time to time require.
9. We will tell you promptly about any changes to information we have provided and will make sure that the information you hold is always true, accurate and up to date at the time it is given and remains true, accurate and up to date whilst the Grant Agreement remains in force.
10. In our management of all personal information we will meet the requirements of the Data Protection Act 1998 and the General Data Protection Regulation (EU) 2016/679.
11. We agree to meet all laws regulating the way we operate, the work we carry out, the staff we employ or the goods we buy. We will ensure that we have an equal opportunities policy, to help us comply with all relevant laws and good practice (that is put into practice and regularly reviewed).

12. If our project involves work with children, young people or vulnerable adults (“vulnerable people”), we will take all reasonable steps to ensure their safety. We will obtain the written agreement from the legal carer or guardian before having any direct contact with any vulnerable person.
13. We will have and carry out an appropriate written policy and set of procedures in place at all times to safeguard vulnerable people, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees or contractors who will supervise, care for or otherwise have significant direct contact with vulnerable people with the Criminal Records Bureau.
14. We will maintain adequate insurance at all times and if asked, will supply copies of the insurance policy to you. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets you have funded. 2.13. You have the right to reproduce any of our application or subsequent information supplied by us to you for any purpose as you see fit without any right of a claim by us in respect of copyright.
15. If any part of the grant is used directly or indirectly to purchase or develop any intellectual property rights then we will take all necessary steps to protect such rights and we agree that we will not exploit such rights without your prior written consent. Exploitation includes use for any commercial purpose or any licence, sale, assignment, materials transfer or other transfer rights. We understand and accept that if you provide the consent it may be subject to conditions requiring us to repay or to share any money we receive.

3. Our organisation

- 1 We will get your agent’s (currently Big Lottery Fund) written agreement before:
 - Changing our governing document, (unless we are a statutory organisation) concerning our aims, payments to members and members of our governing body, the sharing out of our assets (whether our organisation is dissolved or not), or the admission of any new members; or
 - Transferring our assets to, or merging or amalgamating with, any other body, including a company set up by us.
- 2 We will write to you immediately if any legal claims are made or threatened against us and/or which would adversely affect the project during the period of the grant (including any claims made against members of our governing body or staff concerning the organisation).

- 3 We will tell you in writing immediately of any investigation concerning our organisation, trustees, directors, employees or volunteers carried out by the Police, Charity Commission, HM Revenue & Customs or any other regulatory body.
- 4 We will be available for meetings with you and allow you or those acting for you, the Department of Media Culture and Sport or the National Audit Office full and free access to our records and any of our offices or buildings.
- 5 We will let you know when our governing body, management committee or board of directors falls below three unrelated members and will increase it to at least three unrelated people as soon as possible.

4. VAT

- 4.1 We acknowledge that the grant is not consideration for any taxable supply for VAT purposes by us to you. We understand your obligation does not extend to paying us any amounts in respect of VAT in addition to the grant and that the grant made by you is inclusive of VAT.
- 4.2 We agree to repay you immediately any VAT we recover whether by set-off, credit or repayment to the extent that any such VAT cost is included in the grant.
- 4.3 We will notify you immediately if any irrecoverable VAT claimed under the grant becomes recoverable.
- 4.4 We will keep proper and up to date records relating to VAT, and we will make such records available for you to look at and give you copies when requested.
- 4.5 If you have funded all of the VAT costs for our project, we agree to refund immediately all of the VAT we recover to you.
- 4.6 If you have funded a proportion of the VAT costs for our project, we agree to refund immediately the same proportion of the VAT recovered to you.

5. Our annual report and accounts

- 5.1 We will acknowledge the Life Chances Fund grant in our annual reports and accounts covering the period of the project.
- 5.2 We will show your grant and related expenditure as a restricted fund under the description “Life Chances Fund Grant” in our organisation’s annual accounts. If we have more than one restricted fund, we will include a note to the accounts identifying each restricted fund separately.

- 5.3 If we have more than one grant from you, we will record each grant separately in the notes to the accounts. We will identify unspent funds and assets in respect of the grant separately in our accounting records. A member of our management committee will sign the accounts.
- 5.4 We understand that, if we are a statutory body, we are not required to send you our accounts. However, if you do require to see them, then we will send you our accounts, signed and audited as required by the appropriate regulations. Otherwise, if we are not a statutory body, we will send you a copy of our annual accounts as soon as they have been approved in accordance with our governing document and in any event within ten months of the end of the financial year for each year in which grant payments are made. The accounts will be signed by a member of our management committee and externally audited or independently examined by a suitably qualified person if our annual income is over £10,000.
- 5.5 We will keep proper and up to date accounts and records, including summary profit and loss accounts and management accounts, personnel and payroll records and invoices, which show how the grant has been used. We will make these financial records available to you to look at and give you copies.
- 5.6 We will report regularly and fully to all members of our governing body on the financial position of our organisation and will put in place procedures to avoid any conflict of interest arising in the provision of goods and services or the employment of staff required to deliver the project.

6. Monitoring

- 6.1 We will complete any forms or reports as you require from time to time.
- 6.2 We will inform you immediately in writing of anything that significantly delays, threatens or makes unlikely the submission of a full application to the Life Chances Fund. We will tell you immediately if there is to be any variation to the project indicators set out in Annex B to the offer letter.
- 6.3 We understand that the grant monitoring is complete only after we have completed the final report and for non-statutory bodies, you have received annual accounts for the full period to your satisfaction. We understand that we need to complete the grant monitoring by no later than 30 June 2018.

6.4 We will complete all work to assess feasibility of the proposal funded by the development grant by no later than 27 April 2018 or by the conclusion of the development grant, whichever is the earlier. We also note that all capacity building and project management work funded through the development grant must be completed by 30 June 2018. In the event of this not being the case, we understand that you will defer consideration of our full application and may reject that full application.

7. Payment of grant

1. We will open a separate and designated bank or building society account for the sole purpose of receiving and administering the grant if your agent (currently Big Lottery Fund) ask us to do so and will provide your agent with the bank or building society statements when asked.
2. Your agent will pay the grant by bank transfer (BACS) on your behalf into a UK-based bank account or building society account in our name, which requires the signatures of at least two authorised people for every withdrawal.
3. We will not use ATMs or debit cards to make cash withdrawals or payments from this account.
4. You and your agent will not be liable for any losses or costs (including, but not only, bank charges) if you do not make grant payments on the agreed date.
5. If you or your agent are not satisfied that we have met all the terms of our Grant Agreement, or you need extra information or documents, you may ask for this and may postpone payment of the grant until you feel that the terms are met or until you receive the material you want.

8. Length of Grant Agreement

These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- For one year following payment of the grant.
- As long as any part of the grant remains unspent.
- As long as we do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or project delivery).

9. We understand that

1. You can only guarantee future instalments of the grant as long as funds from the Department for Culture, Media and Sport Life Chances Fund are available and you continue to operate.
2. We accept that you may share information about our grant with any parties of your choice as well as with members of the public who make a request for information under the Freedom of Information Act 2000. Details of the project may be broadcast on television, in newspapers and through other media.
3. You will not increase the grant if we spend more than the agreed budget. You may suspend payment of the grant if you want to investigate any matters concerning the grant (or any other grants you have given to us).
4. We understand that you accept no liability for any consequences, whether direct or indirect, that comes about from a suspension even if the investigation finds no cause for concern.
5. You may withhold or demand repayment of all or part of the grant at your absolute discretion, in any of the following circumstances if:
 - We fail to meet any of these terms and conditions, or the terms and conditions attached to any other grants from you for which a Grant Agreement is still in force;
 - We completed the application form dishonestly or significantly incorrectly or misleading;
 - We or any other person or organisation operating for us gave you any significantly misleading or inaccurate information, whether deliberate or accidental, during the application process, or during the period of the Grant Agreement;
 - Members of our governing body, volunteers or staff (or those from our partner organisations) act at any time during the project dishonestly or negligently or in any way, directly or indirectly, to our detriment or to the detriment of our organisation or the project or to the detriment of your reputation;
 - Our organisation, members of our governing body, employees or volunteers (or our partner organisations, members of their governing bodies, employees or volunteers) are subject to an investigation or formal enquiry by the Police, Charity Commission, the Office of the Scottish Charity Regulator, HM Revenue and Customs or other regulatory body;
 - We receive duplicate funding from any other source for the same or any part of the project;
 - We do not take positive steps to ensure equal opportunities in our own employment practices and the delivery of and access to our services;

- There is a significant change of purpose, ownership or recipient, either during the project or within a reasonable period after its completion, so that you judge that the grant is unlikely to fulfil the purpose for which you made it;
- At any stage of the application process or during the period of the Grant Agreement we do not let you have information that would affect your decision to award, continue or withdraw all or part of the grant;
- If it is likely that our organisation will have to stop operating, may be dissolved or become insolvent;
- We are or become legally ineligible to hold the grant;
- If you have reasonable grounds to believe that it is necessary to protect public money.

6. We acknowledge that the grant comes from public funds and we will not use the grant in a way that constitutes unapprovable State aid. We acknowledge that this development grant does not appear to be in support of any direct economic activity, and that, as the grant would not have any likely tangible effect on EU competition, a 'no aid' presumption is reasonable. Where we have any uncertainty about this presumption or consider there is a risk that this grant constitutes unapprovable state aid, we will take our own advice to clarify the position.

7. In the event that it is deemed to be unapprovable State aid, then we will repay the entire grant immediately.

8. You may assign any of your rights under the Grant Agreement to any successor or other body.

9. We may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless we have entered into an agreement which must have been authorised by you in writing, permitting us to work with another organisation in delivering the project.

10. Termination

You may by notice in writing to us terminate this Grant Agreement with immediate effect if any of the events set out below arise:

- The Big Lottery Fund's grant funding agreement for the Life Chances Fund with DCMS is terminated;
- The Big Lottery Fund is no longer in receipt of sufficient funding from DCMS for this project; or
- You are of the opinion that we are in material breach of our Grant Agreement

11. Conditions

1. We will provide an update on progress to develop an investment strategy to obtain start-up funding needed to fund delivery by the end of the development grant.
 2. We will put a risk register in place by no later than the mid-way point of the development grant. The register will need to have sufficient coverage to anticipate, consider and mitigate all likely internal and external risks, including contingency for unforeseen events for the development grant.
 3. We will ensure that beneficiary cohort referral pathways developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of those cohorts.
 4. We will ensure that interventions developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of the beneficiary cohorts to be supported by the full proposal.
-
1. We will ensure that we put in place a clear timed plan for completing feasibility work within the grant period, effective commissioner engagement, collection and dissemination of learning and broader stakeholder engagement including service users. We will report on a draft strategy giving assurance on the above at the midway point of this grant.
 2. We will provide your agent with the feasibility report, business case or other documents that support our decision to proceed with the Social Impact Bond (“SIB”) proposal (or not), having completed the feasibility work associated with our development grant work. We will do this, normally, within two weeks of submitting a full award or, by agreement with you on a case by case basis at a later date, prior to any offer of a full Life Chances Fund Award being made to us.
 3. Should any financial gain be realised through the development grant funding provided by you, then we will ensure any such gain will be reinvested in the grant funded activities during the lifetime of the grant. We note that this will need to be advised to you prior to any re-investment to ensure that appropriate use is made and best value is realised from all resource sourced from the grant.
 4. We cannot procure any organisation to deliver activities that are funded through this award, where that organisation may subsequently invest in the

resulting proposition, either directly or via a fund they manage. A potential investor or investment fund looking to invest in the SIB this grant aims to develop cannot be funded through this development grant to provide technical support to assess the feasibility of your project.

5. We note that there is a risk of a conflict of interest where an expert technical support provider advises both a commissioner and a VCSE delivery organisation; and note that we need to have satisfactory arrangements compliant with our lead commissioner's financial standing orders and other governance in place to manage this risk.
6. In determining whether to work with a particular provider, we will look to mitigate any potential conflict of interest. This could include for example, the SIB employing an intermediary, advisor or consultancy, funded to develop the SIB, in the capacity of intermediary organisation or management agent for the SIB post launch.
7. We will ensure that all work to assess feasibility of the proposal funded by the development grant will normally be completed within four months of the first payment of grant funding and by no later than the [published](#) LCF deadline for this social policy area or by the conclusion of the development grant, whichever is the earlier.
8. We understand that any exceptions to this will need to be agreed in advance, by you. We will ensure that all work funded through the development grant will be completed and we will have submitted all the documentation required to close our development grant prior to you taking any decision to award outcomes payment funding in-principle to this proposal. In the event of this not being the case we understand that you will defer consideration of our full application and that this may result in the rejection of our proposal.
9. You have the right to impose further terms and conditions on the grant either in the letter offering us the grant and/ or if:
 - We are in breach of the Grant Agreement;
 - You judge that members of our governing body, volunteers or staff or any person or organisation closely involved in carrying out the project act in a way that may have a detrimental effect on it;
 - If you have reasonable grounds to believe that it is necessary to protect public money.
 - You believe such conditions are necessary or desirable to make sure that the project is delivered as set out in our application or following agreed changes.

Annex B: Project Outcomes and Indicators

<p>Project Outcome: To develop the proposed Social Impact Bond (SIB) model and contribute to the Life Chances Fund programme aim of helping people in society who face the most significant barriers to leading happy and productive lives (by growing the market in locally commissioned SIBs).</p>		
Indicator:	Indicator level:	Timescale:
Developing commissioner engagement	<p>Outline:</p> <ul style="list-style-type: none"> • how commissioners have been engaged with and involved in the proposal • any changes to commissioners engaged and reasons for those changes • how commissioner engagement will be sustained 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p>
Developing the SIB proposal	<p>Outline:</p> <ul style="list-style-type: none"> • feasibility work completed • whether a full application has been developed for LCF and if not, then why not • set out updated arrangements and time lines for launching the SIB or exiting from the project 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - 1 page summary report</p>
Learning from feasibility work	<p>Outline:</p> <ul style="list-style-type: none"> • learning achieved and disseminated, including how it has been targeted for impact • how the proposal has or plans to engage with and involve service users in SIB planning, management and delivery • how the proposal has or plans to involve local VCSE organisations (as intervention providers, SIB management, technical support providers and other roles as appropriate) 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p> <p>Within two weeks of applying for an LCF full award - feasibility report, business case or other documentation informing your decision to progress (or not) to launch a SIB.</p>



Department for
Digital, Culture
Media & Sport

Life Chances Fund

Ms Katy Ball
Nottingham City Council
Loxley House,
Station Street,
Nottingham.
NG2 3NG

Date: 27.10.2017
Project ID: APP-00962

Dear Ms Ball,

Life Chances Fund - development funding grant offer to Nottingham City Council (“you”). I am pleased to tell you that Big Lottery Fund on behalf of the Department for Digital, Culture Media and Sport’s (DCMS) Office for Civil Society (OCS) has agreed to offer a Life Chances Fund (LCF) development grant of £27,000 to your organisation to develop the Social Investment Bond (SIB) proposal set out below.

This letter contains important information on the following:

1. the grant offer;
2. accepting the terms and conditions;
3. starting your grant; and
4. publicising your grant and the embargo date



Department for
Digital, Culture
Media & Sport

Delivered By:



NATIONAL
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1. The grant offer

Our offer to you is £27,000 as revenue over four months.

The grant is to fund the following SIB development costs:

Research
Metrics and Financials
Service Design
Stakeholder Participation

You can use up to £2,000 of this grant on project management directly related to the above. You can use up to £500 of this grant to cover travel expenses to attend workshops held by the Life Chances Fund team to support the development of your application.

A total of £8,000 within the above grant offer has been specifically allocated to fund support to the internal capacity of your local government commissioner(s) to allow them to backfill staff time primarily engaged in project management of the development of the SIB. This resource cannot be used for any other item of expenditure and must be allocated to the commissioner(s) to disburse.

You cannot use any part of this development grant to fund any items that do not fall within the categories listed above. Specifically, this grant will not fund development of SIB governance and management structures, legal advice, pre-procurement work, administration costs, marketing costs and any work scheduled to take place after you have completed the feasibility work funded through your development grant other than for project management within the £2,000 envelope and internal commissioner capacity building within the envelope allocated above.

Please note that you have until 30th March to complete the feasibility work on your LCF proposal and apply for a full award. If feasibility takes any longer than this, we note our full application will be deferred and may be rejected. Any commissioner capacity building work can continue through to July 2018.

We will expect to receive a copy of your feasibility work either prior to, or with, your Full Application in April 2018.

Project Summary and Summary of Technical Support:

Nottingham City Council will use this development grant to obtain technical support as set out above to help launch a SIB aimed at providing services for young people aged 16-21 who are homeless or at risk of homelessness. The primary focus will be on maximising the number of young people in this cohort who can return to the family home, as soon as possible, wherever it is safe to do so.

The technical support will enable the project to achieve the defined LCF project outcomes and indicators set out at Annex B.

If you decide to procure technical support, you are free to choose any organisation to provide this. It's important to think about the best fit with your own organisation and your proposal. We will send out a list of potential advisors shortly, there is also a list on www.goodfinance.org.uk. We would strongly encourage you to carry out an internal skills audit prior to procuring any technical support, and to consider carefully how you will work with advisors in partnership so that you retain ownership of the development of your project at all stages. We would also encourage you to take up references from previous clients of any potential technical providers prior to contracting with them.

Other Support Available

We will be running a workshop for applicants during November and December. This has been designed to support you as you go through the application process for the Life Chances Fund. We would strongly encourage you to attend a workshop - it will not only give you a better understanding of the process of the Life Chances Fund, but also give you the chance to meet with other applicants going through the process with you.

For further details and to book a place please enter the following links into a browser.

10 November 2017 - <http://tinyurl.com/y89y2rww>

29 November 2017 - <http://tinyurl.com/y7pn5orx>

07 December 2017 - <http://tinyurl.com/yby89uwl>

The password to book onto any of the dates is LCF. Please note: this is the same workshop, run three times, so please only book onto one date.

We have received a large number of applications, a number of which have significant overlaps, so we are also looking to identify potential areas for collaboration between similar proposals. We will be in touch with you soon if your project is one where we feel there would be benefit in collaborating with others.

We also encourage you to use your own initiative to network and collaborate with other applicants.

Please note the Life Chances Fund has a contract with OPM to provide specialist support to help development grant and full award holders progress their proposals. This will provide independent expert (non-technical) support from experienced advisors to help your commissioners at no charge. This is time-limited support that can be accessed at any point during the application process. If you think this is something you would like to access, please speak to your Funding Officer. The Life Chances Fund Team will determine how to prioritise this resource.

2. Accepting the terms and conditions

We can only pay you the grant if you accept our terms and conditions, which are attached to this letter in Annex A. Please read them carefully.

If you accept our offer and agree to meet our terms and conditions, please return a signed copy of this letter with the terms and conditions by 30 November 2017. If you do not, this offer will automatically lapse.

Please ensure that you return the signed offer letter AND the terms and conditions together and in their original format (as printed copies, in the post). They are part of the grant agreement between us, so we must receive them together.

We also require completion of the additional grant set-up documents that will be sent to you under separate cover. Keep the other copy of the offer letter and terms and conditions for your records.

If you have any questions about this offer or our terms and conditions, please contact us as soon as possible. By accepting our terms and conditions you agree to meet our monitoring requirements, which may vary depending on the grant.

If you do not meet our requirements, we may withhold payments of this grant or any other grants that your organisation holds with us. We would also be unlikely to fund any further applications from your organisation until the situation is resolved. In some circumstances, we might take legal action to recover all or part of the grant.

3. Starting your grant

You will be allocated a Funding Officer, who will be your main contact for this grant. On receipt of your signed offer letter, we will get in touch with you to arrange a time to discuss the set-up of your grant in more detail and to give you contact details for your Funding Officer. They will tell you more about how we will pay and monitor your grant and answer any questions you may have.

You can contact us by email at lifechancesfund@biglotteryfund.org.uk quoting your Project reference number.

To start your grant, you need to send back your 'Starting Your Development Grant' form with the signed grant offer and attached terms and conditions.

We will email you a bank or building society details form within the next ten working days to complete, so that we can pay funds into your account. If we don't have an email address for you the bank or building society details form will be enclosed with this offer pack and you **must return it with the signed offer letter**.

After we have received your signed grant agreement and bank or building society details form, we will get in touch to confirm your grant has started or to let you know if there is anything else you need to do.

You must start your project within two months of the date that we receive your signed grant agreement and complete your grant prior to the LCF Round 3 call out full award submission date, which is 30 April 2018. The capacity building element can run on until ministerial decision on any full award application you submit, which is likely to be 13 working weeks after the call out submission date. You are strongly advised to procure any support you need quickly to allow you maximum time to complete the feasibility work and to contact us if you think there may be a problem with the above requirement.

4. Publicising your grant and the embargo date

We will publish details of this grant offer on our website on 17th November 2017.

If you need to start your project before this date, let people know it is happening so they can attend or carry out recruitment, please do so only mentioning our previous in-principle offer to your project. You can arrange your own publicity, but please make sure that news of the grant is not shared with the media or made public until this date.

We wish you every success with your project and look forward to hearing from you shortly.

Yours sincerely

Vicki Smith
Funding Manager

cc Karla Banfield (Nottingham City Council)

Enclosed:

- Annex A - Standard terms and conditions (attached to this letter)
- Annex B - Project Outcomes and Indicators
- Copy of this offer letter for your records
- Starting Your Development Grant Form
- Bank Details Form (email)

Project ID: APP-00962
Organisation name: Nottingham City Council

I am authorised on behalf of the organisation named above to accept this offer of grant on the terms and conditions stated.

Name

Position

Signature

Date

Who can sign? Please make sure you follow these rules:

If your organisation is incorporated under the Companies Act a director must sign.

For local authorities and statutory health bodies, the chief executive or an equivalent accountable officer must sign.

For schools, the head teacher or an accountable officer from the relevant local authority must sign.

For other organisations, the chair, vice chair, secretary or treasurer must sign.

Annex A: Standard terms and conditions for development grants

Definitions

“We” and “our” refer to the organisation receiving the grant bound by these terms and conditions and includes employees and those acting for the organisation.

“You” and “your” means the Department for Digital, Media Culture and Sport (DCMS)/ Office for Civil Society (OCS) and DCMS/OCS representatives and includes Big Lottery Fund employees and others acting for DCMS.

The “project” means the development work that you are giving us the grant for as set out in our proposal and any supporting documents, and as varied by the Grant Agreement.

The “Grant Agreement”, which we have accepted and signed, includes and incorporates these standard terms and conditions and the grant offer letter (with any special conditions we have agreed).

1. In general

1. We will use the grant to develop the application to the Life Chances Fund. We will hold any unused part of the grant on trust for you at all times, and we will repay any grant (including any unused grant) to you immediately upon demand.
2. During the period of the grant we will act in a manner without distinction as to race, religion, age or disability, and in compliance with all laws.
3. We will, make sure that all current and future members of our governing body receive a copy of these terms and conditions while the Grant Agreement remains in force.
4. We will ensure that at all times while the Grant Agreement is in force we are correctly constituted and regulated and that the receipt of the grant and the delivery of the project are within the scope of our governing documents; and, if asked by you, we will provide a legal opinion from our solicitors confirming this.

2. The project

1. We will get your written agreement before making any change to the project or to its aims, structure, delivery, duration or ownership.
2. We will start the project within six weeks of the date of the grant offer letter or if it is delayed, write to you giving reasons for the delay and ask for an extension.
3. We will complete the project within sixteen weeks of the date agreed for the start of the project, or if it is delayed, write to you giving reasons for the delay and ask for an extension.
4. We agree to make satisfactory progress with the project and complete it on time or within a reasonable period if you have not set a time limit.
5. We will not use the grant to pay for any spending commitments we have made before the date of the grant offer letter. We will tell you of any offer of funding for the project from anyone else, which duplicates your grant.
6. If any part of a grant is to buy goods and services or a series of related services costing more than £10,000, we will put out the order to competitive tender. If there are good reasons why we cannot tender, we will get your agreement beforehand.
7. We will acknowledge the grant publicly as appropriate and as practical. We will follow your DCMS branding and publicity guidelines at all times. We will acknowledge your support in any published documents or on digital media that refer to the project.
8. We hereby consent to any publicity about the grant and the project as you or any television company may from time to time require.
9. We will tell you promptly about any changes to information we have provided and will make sure that the information you hold is always true, accurate and up to date at the time it is given and remains true, accurate and up to date whilst the Grant Agreement remains in force.
10. In our management of all personal information we will meet the requirements of the Data Protection Act 1998 and the General Data Protection Regulation (EU) 2016/679.
11. We agree to meet all laws regulating the way we operate, the work we carry out, the staff we employ or the goods we buy. We will ensure that we have an equal opportunities policy, to help us comply with all relevant laws and good practice (that is put into practice and regularly reviewed).

12. If our project involves work with children, young people or vulnerable adults (“vulnerable people”), we will take all reasonable steps to ensure their safety. We will obtain the written agreement from the legal carer or guardian before having any direct contact with any vulnerable person.
13. We will have and carry out an appropriate written policy and set of procedures in place at all times to safeguard vulnerable people, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees or contractors who will supervise, care for or otherwise have significant direct contact with vulnerable people with the Criminal Records Bureau.
14. We will maintain adequate insurance at all times and if asked, will supply copies of the insurance policy to you. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets you have funded. 2.13. You have the right to reproduce any of our application or subsequent information supplied by us to you for any purpose as you see fit without any right of a claim by us in respect of copyright.
15. If any part of the grant is used directly or indirectly to purchase or develop any intellectual property rights then we will take all necessary steps to protect such rights and we agree that we will not exploit such rights without your prior written consent. Exploitation includes use for any commercial purpose or any licence, sale, assignment, materials transfer or other transfer rights. We understand and accept that if you provide the consent it may be subject to conditions requiring us to repay or to share any money we receive.

3. Our organisation

- 1 We will get your agent’s (currently Big Lottery Fund) written agreement before:
 - Changing our governing document, (unless we are a statutory organisation) concerning our aims, payments to members and members of our governing body, the sharing out of our assets (whether our organisation is dissolved or not), or the admission of any new members; or
 - Transferring our assets to, or merging or amalgamating with, any other body, including a company set up by us.
- 2 We will write to you immediately if any legal claims are made or threatened against us and/or which would adversely affect the project during the period of the grant (including any claims made against members of our governing body or staff concerning the organisation).

- 3 We will tell you in writing immediately of any investigation concerning our organisation, trustees, directors, employees or volunteers carried out by the Police, Charity Commission, HM Revenue & Customs or any other regulatory body.
- 4 We will be available for meetings with you and allow you or those acting for you, the Department of Media Culture and Sport or the National Audit Office full and free access to our records and any of our offices or buildings.
- 5 We will let you know when our governing body, management committee or board of directors falls below three unrelated members and will increase it to at least three unrelated people as soon as possible.

4. VAT

- 4.1 We acknowledge that the grant is not consideration for any taxable supply for VAT purposes by us to you. We understand your obligation does not extend to paying us any amounts in respect of VAT in addition to the grant and that the grant made by you is inclusive of VAT.
- 4.2 We agree to repay you immediately any VAT we recover whether by set-off, credit or repayment to the extent that any such VAT cost is included in the grant.
- 4.3 We will notify you immediately if any irrecoverable VAT claimed under the grant becomes recoverable.
- 4.4 We will keep proper and up to date records relating to VAT, and we will make such records available for you to look at and give you copies when requested.
- 4.5 If you have funded all of the VAT costs for our project, we agree to refund immediately all of the VAT we recover to you.
- 4.6 If you have funded a proportion of the VAT costs for our project, we agree to refund immediately the same proportion of the VAT recovered to you.

5. Our annual report and accounts

- 5.1 We will acknowledge the Life Chances Fund grant in our annual reports and accounts covering the period of the project.
- 5.2 We will show your grant and related expenditure as a restricted fund under the description "Life Chances Fund Grant" in our organisation's annual accounts. If we have more than one restricted fund, we will include a note to the accounts identifying each restricted fund separately.

- 5.3 If we have more than one grant from you, we will record each grant separately in the notes to the accounts. We will identify unspent funds and assets in respect of the grant separately in our accounting records. A member of our management committee will sign the accounts.
- 5.4 We understand that, if we are a statutory body, we are not required to send you our accounts. However, if you do require to see them, then we will send you our accounts, signed and audited as required by the appropriate regulations. Otherwise, if we are not a statutory body, we will send you a copy of our annual accounts as soon as they have been approved in accordance with our governing document and in any event within ten months of the end of the financial year for each year in which grant payments are made. The accounts will be signed by a member of our management committee and externally audited or independently examined by a suitably qualified person if our annual income is over £10,000.
- 5.5 We will keep proper and up to date accounts and records, including summary profit and loss accounts and management accounts, personnel and payroll records and invoices, which show how the grant has been used. We will make these financial records available to you to look at and give you copies.
- 5.6 We will report regularly and fully to all members of our governing body on the financial position of our organisation and will put in place procedures to avoid any conflict of interest arising in the provision of goods and services or the employment of staff required to deliver the project.

6. Monitoring

- 6.1 We will complete any forms or reports as you require from time to time.
- 6.2 We will inform you immediately in writing of anything that significantly delays, threatens or makes unlikely the submission of a full application to the Life Chances Fund. We will tell you immediately if there is to be any variation to the project indicators set out in Annex B to the offer letter.
- 6.3 We understand that the grant monitoring is complete only after we have completed the final report and for non-statutory bodies, you have received annual accounts for the full period to your satisfaction. We understand that we need to complete the grant monitoring by no later than 30 June 2018.

6.4 We will complete all work to assess feasibility of the proposal funded by the development grant by no later than 27 April 2018 or by the conclusion of the development grant, whichever is the earlier. We also note that all capacity building and project management work funded through the development grant must be completed by 30 June 2018. In the event of this not being the case, we understand that you will defer consideration of our full application and may reject that full application.

7. Payment of grant

1. We will open a separate and designated bank or building society account for the sole purpose of receiving and administering the grant if your agent (currently Big Lottery Fund) ask us to do so and will provide your agent with the bank or building society statements when asked.
2. Your agent will pay the grant by bank transfer (BACS) on your behalf into a UK-based bank account or building society account in our name, which requires the signatures of at least two authorised people for every withdrawal.
3. We will not use ATMs or debit cards to make cash withdrawals or payments from this account.
4. You and your agent will not be liable for any losses or costs (including, but not only, bank charges) if you do not make grant payments on the agreed date.
5. If you or your agent are not satisfied that we have met all the terms of our Grant Agreement, or you need extra information or documents, you may ask for this and may postpone payment of the grant until you feel that the terms are met or until you receive the material you want.

8. Length of Grant Agreement

These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- For one year following payment of the grant.
- As long as any part of the grant remains unspent.
- As long as we do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or project delivery).

9. We understand that

1. You can only guarantee future instalments of the grant as long as funds from the Department for Culture, Media and Sport Life Chances Fund are available and you continue to operate.
2. We accept that you may share information about our grant with any parties of your choice as well as with members of the public who make a request for information under the Freedom of Information Act 2000. Details of the project may be broadcast on television, in newspapers and through other media.
3. You will not increase the grant if we spend more than the agreed budget. You may suspend payment of the grant if you want to investigate any matters concerning the grant (or any other grants you have given to us).
4. We understand that you accept no liability for any consequences, whether direct or indirect, that comes about from a suspension even if the investigation finds no cause for concern.
5. You may withhold or demand repayment of all or part of the grant at your absolute discretion, in any of the following circumstances if:
 - We fail to meet any of these terms and conditions, or the terms and conditions attached to any other grants from you for which a Grant Agreement is still in force;
 - We completed the application form dishonestly or significantly incorrectly or misleading;
 - We or any other person or organisation operating for us gave you any significantly misleading or inaccurate information, whether deliberate or accidental, during the application process, or during the period of the Grant Agreement;
 - Members of our governing body, volunteers or staff (or those from our partner organisations) act at any time during the project dishonestly or negligently or in any way, directly or indirectly, to our detriment or to the detriment of our organisation or the project or to the detriment of your reputation;
 - Our organisation, members of our governing body, employees or volunteers (or our partner organisations, members of their governing bodies, employees or volunteers) are subject to an investigation or formal enquiry by the Police, Charity Commission, the Office of the Scottish Charity Regulator, HM Revenue and Customs or other regulatory body;
 - We receive duplicate funding from any other source for the same or any part of the project;
 - We do not take positive steps to ensure equal opportunities in our own employment practices and the delivery of and access to our services;

- There is a significant change of purpose, ownership or recipient, either during the project or within a reasonable period after its completion, so that you judge that the grant is unlikely to fulfil the purpose for which you made it;
- At any stage of the application process or during the period of the Grant Agreement we do not let you have information that would affect your decision to award, continue or withdraw all or part of the grant;
- If it is likely that our organisation will have to stop operating, may be dissolved or become insolvent;
- We are or become legally ineligible to hold the grant;
- If you have reasonable grounds to believe that it is necessary to protect public money.

6. We acknowledge that the grant comes from public funds and we will not use the grant in a way that constitutes unapprovable State aid. We acknowledge that this development grant does not appear to be in support of any direct economic activity, and that, as the grant would not have any likely tangible effect on EU competition, a 'no aid' presumption is reasonable. Where we have any uncertainty about this presumption or consider there is a risk that this grant constitutes unapprovable state aid, we will take our own advice to clarify the position.

7. In the event that it is deemed to be unapprovable State aid, then we will repay the entire grant immediately.

8. You may assign any of your rights under the Grant Agreement to any successor or other body.

9. We may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless we have entered into an agreement which must have been authorised by you in writing, permitting us to work with another organisation in delivering the project.

10. Termination

You may by notice in writing to us terminate this Grant Agreement with immediate effect if any of the events set out below arise:

- The Big Lottery Fund's grant funding agreement for the Life Chances Fund with DCMS is terminated;
- The Big Lottery Fund is no longer in receipt of sufficient funding from DCMS for this project; or
- You are of the opinion that we are in material breach of our Grant Agreement

11. Conditions

1. We will provide an update on progress to develop an investment strategy to obtain start-up funding needed to fund delivery by the end of the development grant.
2. We will put a risk register in place by no later than the mid-way point of the development grant. The register will need to have sufficient coverage to anticipate, consider and mitigate all likely internal and external risks, including contingency for unforeseen events for the development grant.
3. We will ensure that beneficiary cohort referral pathways developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of those cohorts.
4. We will ensure that interventions developed during the development grant period, through usage of this development grant and any in-kind resources allocated to support it, are targeted at addressing only the charitable, educational, environmental or health related needs of the beneficiary cohorts to be supported by the full proposal.
5. We will ensure that we put in place a clear timed plan for completing feasibility work within the grant period, effective commissioner engagement, collection and dissemination of learning and broader stakeholder engagement including service users. We will report on a draft strategy giving assurance on the above at the midway point of this grant.
6. We will provide your agent with the feasibility report, business case or other documents that support our decision to proceed with the Social Impact Bond ("SIB") proposal (or not), having completed the feasibility work associated with our development grant work. We will do this, normally, within two weeks of submitting a full award or, by agreement with you on a case by case basis at a later date, prior to any offer of a full Life Chances Fund Award being made to us.
7. Should any financial gain be realised through the development grant funding provided by you, then we will ensure any such gain will be reinvested in the grant funded activities during the lifetime of the grant. We note that this will need to be advised to you prior to any re-investment to ensure that appropriate use is made and best value is realised from all resource sourced from the grant.
8. We cannot procure any organisation to deliver activities that are funded through this award, where that organisation may subsequently invest in the

resulting proposition, either directly or via a fund they manage. A potential investor or investment fund looking to invest in the SIB this grant aims to develop cannot be funded through this development grant to provide technical support to assess the feasibility of your project.

9. We note that there is a risk of a conflict of interest where an expert technical support provider advises both a commissioner and a VCSE delivery organisation; and note that we need to have satisfactory arrangements compliant with our lead commissioner's financial standing orders and other governance in place to manage this risk.
10. In determining whether to work with a particular provider, we will look to mitigate any potential conflict of interest. This could include for example, the SIB employing an intermediary, advisor or consultancy, funded to develop the SIB, in the capacity of intermediary organisation or management agent for the SIB post launch.
11. We will ensure that all work to assess feasibility of the proposal funded by the development grant will normally be completed within four months of the first payment of grant funding and by no later than the [published](#) LCF deadline for this social policy area or by the conclusion of the development grant, whichever is the earlier.
12. We understand that any exceptions to this will need to be agreed in advance, by you. We will ensure that all work funded through the development grant will be completed and we will have submitted all the documentation required to close our development grant prior to you taking any decision to award outcomes payment funding in-principle to this proposal. In the event of this not being the case we understand that you will defer consideration of our full application and that this may result in the rejection of our proposal.
13. You have the right to impose further terms and conditions on the grant either in the letter offering us the grant and/ or if:
 - We are in breach of the Grant Agreement;
 - You judge that members of our governing body, volunteers or staff or any person or organisation closely involved in carrying out the project act in a way that may have a detrimental effect on it;
 - If you have reasonable grounds to believe that it is necessary to protect public money.
 - You believe such conditions are necessary or desirable to make sure that the project is delivered as set out in our application or following agreed changes.

Annex B: Project Outcomes and Indicators

<p>Project Outcome: To develop the proposed Social Impact Bond (SIB) model and contribute to the Life Chances Fund programme aim of helping people in society who face the most significant barriers to leading happy and productive lives (by growing the market in locally commissioned SIBs).</p>		
Indicator:	Indicator level:	Timescale:
Developing commissioner engagement	<p>Outline:</p> <ul style="list-style-type: none"> • how commissioners have been engaged with and involved in the proposal • any changes to commissioners engaged and reasons for those changes • how commissioner engagement will be sustained 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p>
Developing the SIB proposal	<p>Outline:</p> <ul style="list-style-type: none"> • feasibility work completed • whether a full application has been developed for LCF and if not, then why not • set out updated arrangements and time lines for launching the SIB or exiting from the project 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - 1 page summary report</p>
Learning from feasibility work	<p>Outline:</p> <ul style="list-style-type: none"> • learning achieved and disseminated, including how it has been targeted for impact • how the proposal has or plans to engage with and involve service users in SIB planning, management and delivery • how the proposal has or plans to involve local VCSE organisations (as intervention providers, SIB management, technical support providers and other roles as appropriate) 	<p>2 months after first payment - phonecall to update on progress</p> <p>3 months after first payment or prior to submission of full application, whichever is the earlier - ½ page summary report</p> <p>Within two weeks of applying for an LCF full award - feasibility report, business case or other documentation informing your decision to progress (or not) to launch a SIB.</p>

Proposed spend profile of SIB grants awarded to NCC from Life Chances Fund (LCF)

Title	Period	Total Grant	Project Management	Fund support to bid	Travel	Balance remaining of grant	Consultant estimated spend
LCF DG Offer – Recovery to Independence Model (APP-00949)	4 months	27,000	2,000	8,000	500	16,500	
LCF DG Offer – Preventing Youth Homelessness (APP-00962)	4 months	27,000	2,000	8,000	500	16,500	15,000
LCF DG Offer – Mental Health (APP-01045)	4 months	18,000	2,000	8,000	500	7,500	15,000
TOTAL		72,000		24,000		40,500	30,000

Additional Notes

30th March to complete the feasibility work on LCF proposal and apply for a full award. Any commissioner capacity building work can continue through to July 2018.

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