



Dear [REDACTED]

Northern Way NCGE Champions NE002671

01 December 2005

On behalf of and as authorised by One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle upon Tyne NE15 8NY ("One NorthEast") I hereby offer to pay to you Chief Executive, NCGE, 3 Priestley Wharf, Holt Street, Birmingham, B7 4BN ("the Applicant") a maximum grant of £45,000 ("the Grant") subject to the following conditions:-

1. The grant shall be applied wholly and exclusively for the purposes of the Project described in Appendix 1 attached ("the Project").
2. The Project shall commence no sooner than the Project Approval Date and in any event within 3 months of the Project approval date. The Project shall be completed no later than the anticipated completion date as specified in the Application or such other date as may be agreed in writing by One NorthEast ("the Agreed Completion Date")
3. The contract between One NorthEast and the Applicant shall be constituted by this offer, all Appendices hereto and the Applicant's signed acceptance of this offer, to be returned to One NorthEast within seven days of today's date using the form attached ("the Agreement").

STATE AIDS

4. The applicant needs to ensure that the project does not breach any State Aid rules.

5. In this Agreement: -

The Application	means the application for the grant and all associated documentation submitted by the Applicant to One NorthEast relative to the Project.
Approved Costs	means the capital and revenue items listed in Appendix 2 not exceeding £45,000
Capital Asset	means any item of equipment or other moveable asset which on the date of its purchase by the Applicant has a useful life of more than one year, and is purchased wholly or partly out of the Grant provided under this Agreement.
Event of Default	means any of the events described in Appendix 5 attached.
Financial Year	means One NorthEast's financial year commencing 1 April and ending on 31 March.
First Return Date	means 1May 2006.
Monitoring Period	means the period of 3 years following completion of the Project
Outputs and Key Milestones	means the outputs and key milestones detailed in Appendix 3.
Payment Period	means monthly.
Project Finance Officer	means the Project Finance Officer, One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle upon Tyne NE15 8NY.
Project Monitoring Officer	means the Senior Monitoring Executive of One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle upon Tyne NE15 8NY or such other Officer of One NorthEast as shall be notified to the Applicant from time to time.
Project Approval Date	means the date of this offer.
Public Sector Financial Assistance	includes all funding received or receivable by the Applicant from Public Sector Bodies

including for this purpose funding from the European Commission, Government Bodies (whether national or local) or bodies in receipt of lottery funds from the National Lottery Distribution Fund pursuant to the National Lotteries Act 1993 and 1998.

Term

means the period commencing on the Project Approval Date and ending on the Agreed Completion Date.

GRANT PAYABLE

6. It is a material condition of the Agreement that the Applicant warrants that all of the information contained in the Application is true and accurate.
7. The Grant is offered towards certified expenditure of net Approved Costs on the Project.
 - 7.1 Grant will be paid on a *pro rata* basis relative to actual expenditure incurred by the Applicant, but will not be paid until the Applicant has (1) satisfied One NorthEast that it has paid in full the contributions due by the Applicant and any third party funders towards the Project as outlined in the Application and (2) paid the relevant invoices and produced the discharged invoices to One NorthEast in accordance with the claiming arrangements set out in condition 8 and Appendix 6.
 - 7.2 **Any expenditure incurred prior to the Project Approval Date will be ineligible.**
 - 7.3 **It is a material condition of the Agreement that the Applicant shall confirm the payment profile to One NorthEast within 5 working days of today's date.**
 - 7.4 To be eligible to receive the Grant, the Applicant must meet the Outputs and Key Milestones.
 - 7.5 The Special Conditions (if any) specified in Appendix 7 shall apply.
8. One NorthEast shall pay:
 - 8.1 Interim claims as reimbursement of actual costs defrayed by the Applicant until such interim payments amount to 90% of the Grant within the relevant Financial Year and
 - 8.2 The final 10% upon receipt of the final claim and upon production of the independent auditor's report mentioned in Condition 15.

9. The Applicant warrants that all additional sources of funding for the Project, as detailed in the Application, have been secured. Prior to receiving payment of any part of the grant, the Applicant shall provide One NorthEast with documentary evidence confirming that all project funding is in place.
- 9.1 The allocation of costs as outlined in Appendix 2 and/or the payment profile may not be altered except with the prior written consent of One NorthEast but if the costs allocated to a particular activity heading vary by less than 10% then prior written consent from One NorthEast to alter these shall not be required.

HOW TO CLAIM

10. Claims shall be submitted in arrears within 7 days of the end of each Payment Period to the Project Finance Officer unless One NorthEast agrees otherwise (or in the event of a termination within 3 months of the date termination takes effect).
- 10.1 All claims must be made using the standard claim form provided by One NorthEast and each claim for payment must cover the whole of the period in question.
- 10.2 The first return for this project should reach One NorthEast no later than 1 May 2006
11. The Applicant must in completing the claim form provide a description of:
 - 11.1 progress on the Project including details of expenditure on Approved Costs.
 - 11.2 an up-to-date estimate of the actual project costs indicating any significant variations in the amount or timing of those costs.
 - 11.3 the Applicant must provide copies of invoices for project expenditure, evidence of any payroll costs and details of the calculation of any overhead costs with every claim.
 - 11.4 any change in the nature or scale of the Project including an assessment of any change in the prospects of technical and commercial success or any alteration to the financial profile.
 - 11.5 any change or prospective change in ownership of the Project or project's assets.
 - 11.6 detail of any other Public Sector Financial Assistance received or likely to be received by the applicant towards the Approved Costs which were not disclosed prior to the making of this offer.
12. Where at the end of any Payment Period a financial claim is not being made the Applicant must return a nil claim in any event together with an explanation

in writing of the reasons for the delay and an up to date report as described in condition 10.

- 12.1 The Applicant shall promptly inform One NorthEast as soon as it becomes aware that it does not intend to claim the maximum amount of grant available for the Project within the relevant Financial Year.

13. The Applicant shall have regard to the need for economy in all expenditure.

- 13.1 Where any expenditure in a claim, in One NorthEast's reasonable opinion, is excessive having due regard to the purpose for which it was incurred, One NorthEast shall only be liable to reimburse so much (if any) of the expenditure which, in One NorthEast's reasonable opinion after consultation with the Applicant, would reasonably have been required for that purpose. A certificate by One NorthEast as to any sum payable shall be conclusive save in the case of manifest mathematical error.

- 13.2 All procurement of works, equipment, goods and services shall be based on value for money. Subject to Condition 12.3, save with the prior written consent of One NorthEast purchases by the Applicant shall be subject to formal competitive tendering, including where appropriate through the Official Journal of the European Union. At least three written tenders should be obtained for all purchases over £10,000.00. In determining how this requirement should be met, the Applicant must take account of Public Sector accountability and probity, and shall document the decision making progress.

- 13.3 Where the Applicant is a local branch of a national organisation, it is exempt from the requirement to tender where this process has been followed at a national level and a supplier agreed which is applicable to the Applicant, provided that the Applicant shall provide evidence of this to One NorthEast on request.

PAYMENT OF GRANT

14. Once a fully documented claim has been received, payment of the grant will normally be posted, or the claim rejected, within 4 weeks, unless it is necessary for One NorthEast to seek further information to support the claim.

VALUE ADDED TAX

15. The payment of funding by One NorthEast under this Agreement is believed to be outside the scope of Value Added Tax but if Value Added Tax shall be chargeable all payments of funding shall be deemed to be inclusive of all Value Added Tax and One NorthEast shall not be obliged to pay any Value Added Tax over and above the funding.

PROVISION OF INFORMATION, DOCUMENTATION, INSPECTIONS

16. The Applicant must:
 - 16.1 notify One NorthEast in writing of any material changes to the Project or its phasing (including changes of more than 10% in Outputs or Key Milestones or costs and alteration to its proposed use, project financing or ownership) at the earliest possible opportunity.
 - 16.2 comply with the monitoring and invoicing arrangements specified in Appendix 6 and comply within a reasonable period with any requests for information concerning the progress of the Project in whatever form.
 - 16.3 undertake an evaluation of the project in proportion to the size of the project and in accordance with the arrangements detailed in the APP
 - 16.4 retain documentary evidence of all capital and revenue purchases to support the amounts claimed from One NorthEast. This shall include an invoice register of suppliers' and sub-contractors' invoices and all other documents relating to the purchase of all capital and revenue items funded by One NorthEast.
 - 16.5 maintain full and accurate accounts for the Project and at the end of each Financial Year complete a 'statement of grant expenditure', which must be certified by the Chief Financial Officer of the Applicant and audited by its external auditor. Different sources and amounts of funding shall be identified and input and output VAT shall be included as separate items in such accounts. Such accounts shall be retained for at least 6 years after the end of the Financial Year in which the last payment is made under this Agreement.
 - 16.6 send the audited final accounts, certificate and auditor's report to One NorthEast as soon as possible, and at the latest within three months of the date of completion of the Project. The auditor's report shall be as set out in Appendix 4.
17. The Applicant shall allow access to its business premises on 2 days notice between 9.00 a.m. and 5.00 p.m. to One NorthEast's internal auditors or its other duly authorised staff or agents and shall allow them to inspect such documents as One NorthEast considers necessary in connection with this Agreement. One NorthEast shall be entitled to interview employees of the Applicant in order to obtain oral and/or written explanations of documents and the Applicant shall provide access to the relevant employees at such times as may be reasonably required to enable One NorthEast to do so. One NorthEast reserves the right for its staff or agents carry out examinations into the probity, economy, efficiency and effectiveness with which the Applicant has used One NorthEast's resources in the performance of this Agreement.
18. The Applicant shall continue to supply progress reports quarterly (or at such other intervals as may be specified by One NorthEast) until the expiry of the Monitoring Period and with the final such report shall provide One NorthEast

with details of the proposed long-term funding and forward strategy for the Project at the end of the Term.

19. The Applicant shall co-operate with One NorthEast and its agents on the evaluation of the Project as part of the Regional Economic Strategy. The Applicant shall ensure that the Project promotes diversity and demonstrates a commitment to equal opportunities and reflects the principles of sustainable development.
20. The award of grant in respect of this Project shall be notified by the Applicant to any body who has awarded grant funding (or to whom an application for grant has been made) in relation to the whole (or part) of the Project.

WITHHOLDING AND REPAYMENT OF GRANT

21. One NorthEast may reduce, suspend or withhold the Grant, require all or part of the Grant to be repaid, or require Capital Assets to be transferred to One NorthEast (where the purchase of such Capital Assets was wholly funded by One NorthEast) if:
 - 21.1 One NorthEast judges the performance of the Project to be unsatisfactory, or
 - 21.2 the Applicant fails to comply with the terms and conditions set out in this Agreement.
 - 21.3 there is a substantial or material change in the nature, scale, costs, ownership or timing of the Project which One NorthEast has not approved, or any attempt is made to transfer or assign any rights, interests or obligations created under this Agreement or substitute any person in respect of any such rights, interests or obligations, without the agreement in advance of One NorthEast.
 - 21.4 any information provided in the application for funding or in a claim for payment or in subsequent or supporting correspondence is found to be incorrect, misleading or incomplete to an extent which One NorthEast considers to be material.
 - 21.5 a charge is taken on an asset financed wholly or partly from the Grant without the agreement in advance of One NorthEast.
 - 21.6 there is a failure to keep and maintain the records specified in the Agreement.
 - 21.7 during the Monitoring Period the Project is used for purposes other than those specified in the application.
 - 21.8 there is unsatisfactory progress towards completing the Project; or if the Project is not completed by the Agreed Completion Date. Before any such cancellation or reduction is made, One NorthEast will seek an explanation for any delay.

- 21.9 there is unsatisfactory progress towards meeting the Outputs and Key Milestones.
- 21.10 the Applicant receives any Public Sector Financial Assistance towards the Approved Costs unless the Public Sector Financial Assistance was taken into account in making this offer.
- 21.11 within the Monitoring Period an Event of Default occurs.
- 21.12 any or all of the Capital Assets funded exclusively by One NorthEast as part of the Project are disposed of within five years of the date of the final payment of grant without the prior approval of One NorthEast.
- 21.13 insufficient measures are being taken to investigate and resolve any reported irregularity.
- 21.14 the Applicant fails to comply with any condition contained in this Agreement, or
- 21.15 any other circumstance or event occurs which in the opinion of One NorthEast is likely to affect the Applicant's ability to achieve the Outputs and Key Milestones or result in a risk that the Project as approved from time to time will not be completed.
- 22. Any over-payment of grant must be repaid to One NorthEast on demand or upon the Applicant becoming aware that grant has been over-paid, whichever first occurs.
- 23. Nothing herein contained shall affect the coming into, or continuance in force of any provision of the Agreement, which is expressly or by implication intended to come into force or continue in force upon termination of the Agreement.

SECURITY

- 24. One NorthEast shall retain a right of lien over all Capital Assets funded by One NorthEast as part of the Project for a period of 5 years from the date of the final payment of grant or until consent to sell any Capital Asset is given by One NorthEast. Such consent may be made conditional upon the refund to One NorthEast of the whole or a proportionate part of the proceeds of sale of the asset (as One NorthEast shall in its absolute discretion determine) less any necessary sale expenses.
- 25. The Applicant shall keep a register of all Capital Assets and their location, which shall be accessible at all times. Where the grant is used for the purchase of furniture and ICT equipment all items must be included on the asset register if their individual value is more than £1,000. All Capital Assets must be kept insured against loss or damage for their full replacement value, and with a reputable insurer. For the avoidance of doubt, in the event of any loss of, or damage to any Capital Asset, One NorthEast will not be obliged to pay for its replacement or repair.

JOINT DEVELOPMENTS

26. Where the Project includes a joint venture with One NorthEast a supplemental agreement will be necessary between One NorthEast and the other parties to the Joint Venture to regulate the relationship between the parties and the arrangements for sharing capital and revenue receipts.

PUBLICITY

27. **One NorthEast has the right to publicise the Project and to require that the Applicant acknowledges the part played by One NorthEast in supporting the Project in any publicity that it produces. The form and content of all publicity material shall be approved by One NorthEast prior to its publication, and the Applicant must not publish or display any item bearing the logo or name of One NorthEast unless, and until, such approval has been given. The Applicant shall use the One NorthEast logo for all materials and publicity (these are available in electronic format upon request). The Applicant shall acknowledge the receipt of the Grant by incorporating the One NorthEast logo with the words "This project received funding from One NorthEast" into the design of any printed or presentation material associated with the Project. The Applicant shall use the same wording on all written communications and press releases concerning the Project and shall inform One NorthEast of all promotional events.**
28. One NorthEast grants the Applicant a non-exclusive licence to use the One NorthEast logo for the purposes set out in this offer for the duration of the Project. The Applicant shall not assign or grant sub-licences of this licence or any part of it. The Applicant acknowledges that the One NorthEast logo is owned by and shall remain the property of One NorthEast. The Applicant shall not acquire any rights in respect of the logo by reason of the exercise of the rights granted by this Agreement.
29. The Applicant shall not, and shall use its best endeavours to procure that its sub-contractors shall not, knowingly do or omit to do, anything in relation to this Agreement or in the course of their other activities, which may bring the standing of One NorthEast into disrepute or attract adverse publicity for One NorthEast.
30. The Applicant shall at all times carry out the Project with due regard to the need for those in a public service environment to observe the highest standards of efficiency, economy, probity, courtesy, consideration and hygiene.

CONFIDENTIALITY

31. Unless One NorthEast notifies the Applicant otherwise, the Applicant shall treat as confidential all documents and information provided by One NorthEast to the Applicant during or in connection with the performance of this Agreement ("Confidential Information"). Such Confidential Information shall not be used by

the Applicant except for the purposes for which it was made available and such Confidential Information shall not, subject to the provisions of this offer, be disclosed by the Applicant to any other person without the prior written consent of One NorthEast.

ENTIRE AGREEMENT

32. This Offer with the Applicant's acceptance endorsed constitutes the entire agreement between One NorthEast and the Applicant with respect to the subject matter of this Offer and supersedes all prior agreements, negotiations and discussions between the parties relating to it.

HOW TO ACCEPT

33. If you wish to accept this offer please confirm in writing within 7 days from the date of this letter by signing and returning to me the enclosed copy of this offer, confirming that the necessary steps will be taken to comply with the conditions contained in this offer. No payments will be made until you have agreed to accept the terms of this offer.
34. If you have any queries regarding the content of this letter, please contact Linda Blakelock on 0191 229 6864

Yours sincerely

Peter Judge
HEAD of LEGAL SERVICES

**ACCEPTANCE
(SIGN AND RETURN COPY OF LETTER)**

On behalf of and as authorised by Chief Executive, NCGE, 3 Priestley Wharf, Holt Street, Birmingham, B7 4BN I hereby accept the offer of grant as set out above and in Appendices 1 to 7 annexed.

Authorised Signatory

Name in CAPITALS

**Position in
Organisation**

Address in full

Date



The Project: Northern way NCGE Champions .

The Northern Way aims to 'unlock the potential for faster economic growth' in the North by encouraging the Regional Development Agencies of the North West (NWDA), Yorkshire and Humber (Yorkshire Forward) and the North East (ONE NorthEast) to work together. To help achieve this ten priorities have been identified, one of which is to 'build a more entrepreneurial culture.

The project aims to review current enterprise education and support within higher education institutions throughout the North. Identifying areas of good practise, lessons learnt and policy implications across the North.

Appendix 2

APPROVED COSTS

1. The Approved Costs shall be £45,000 as set out below:

Heads of Revenue Expenditure	Amount
Salaries	£45,000
Total	£45,000

1. Spend Profile

	2005 - 06	2006 - 07	2007 - 08	Total
Capital	0	0	0	0
Revenue	£45,000	0	0	£45,000
Total	£45,000	0	0	£45,000

OUTPUTS KEY MILESTONES AND OUTCOMES

The Applicant shall achieve the following milestones, outputs and anticipated outcomes

MILESTONE

DATE

Contract agreement

Early Feb

First meeting of champions with C3 representative

Early Feb

Commencing merging of data

Early Feb

Meeting with Northern Way Policy lead

Late Feb

First Draft of report

Mid March

Completed report and action plan developed

End March

OUTPUT

There are no outputs associated with this project

THE AUDITOR'S REPORT

Headed paper of the independent auditor

(Address the letter to One NorthEast)

Date

I/We have examined the enclosed claim.

I/We have examined the related accounts and records of the Applicant and have carried out such tests as I/We consider necessary. I/We have obtained such explanations as I/We consider necessary.

(Subject to the observations in the attached report dated,) I/We are of the opinion that the financial information and the level of grant claimed are fairly stated and that the expenditure has been properly defrayed in accordance with the offer letter date

Name for enquiries:

EVENTS OF DEFAULT

1. The Applicant passes a resolution that it should be wound-up or that an application be made for an administration order or the Applicant applies to enter into a voluntary arrangement with its creditors, or
2. A receiver, liquidator, administrator, supervisor or administrative receiver be appointed in respect of the Applicant's property, assets or any part thereof, or
3. The court orders that the Applicant be wound-up or a receiver of all or any part of the Applicant's assets be appointed, or
4. The Applicant is unable to pay its debts in accordance with section 123 of the Insolvency Act 1986.
5. There is a change in the legal or beneficial ownership of 50% or more of the Applicant's share capital issued at the date of acceptance of the Agreement or there is a change in the control of the Applicant, unless One NorthEast has previously approved the change in writing. For the purpose hereof "control" means the power of a person to secure that the affairs of the Applicant are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power.
6. The Applicant is convicted (or being a company, any officers or representatives of the Applicant are convicted) of a criminal offence related to the Applicant's business or to professional conduct.
7. The Applicant commits (or being a company, any officers or representatives of the Applicant commit) an act of grave misconduct in the course of the business.
8. The Applicant fails (or being a company, any officers or representatives of the Applicant fail) to fulfil his/their obligations relating to the payment of Social Security contributions.
9. The Applicant fails (or being a company, any officers or representatives of the Applicant fail) to fulfil his/their obligations relating to payment of taxes.
10. The Applicant fails (or being a company, any officers or representatives of the Applicant fail) to disclose any serious misrepresentation in supplying information required by One NorthEast in or pursuant to this Agreement.

MONITORING AND CLAIMING ARRANGEMENTS

1. The Project Monitoring Officer or such other person as may be authorised by One NorthEast shall have the right at any reasonable time to inspect the Project and to require such further information as they think appropriate, and to be provided with copies of such documents, accounts and statements or other items as they request.
2. The Applicant shall retain documentary evidence of capital purchases to support the amounts claimed from One NorthEast. This shall include suppliers' invoices and all other documents relating to the purchase of all capital equipment funded by One NorthEast.
3. The Applicant shall maintain full and accurate accounts for the Project. Such accounts and all other documentation relevant to the Project shall be retained for at least six years after the end of the financial year in which the last payment of grant was made under the Agreement. Input and output VAT shall be included as separate items in such accounts.
4. The Applicant shall permit the Project Monitoring Officer or other staff member or agent of One NorthEast, the National Audit Office or European Auditors to examine the accounts at any reasonable time and shall furnish oral or written explanations of the accounts if required. One NorthEast reserves the right to have such staff or agents carry out examinations into the economy, efficiency and effectiveness with which the Applicant has used resources in the performance of the Agreement.
5. The Applicant shall submit a Final Project Evaluation Report where the monies provided to the project is less than £250,000. The Applicant shall submit an in-depth evaluation report where the monies provided to the project is more than £250,000.
6. The claim together with all discharged invoices payroll information and overhead calculations shall be sent within seven working days of the end of the relevant quarter to the Project Monitoring Officer in accordance with the payment profile. The Applicant or his or her nominated representative or accountant shall certify on the invoice that the amount claimed is in accordance with the Project and that the invoice does not include any costs being claimed from any other body or individual or from One NorthEast within the terms of another Agreement.
7. One NorthEast aims to pay the relevant proportion of grant within 30 days of receipt of the invoices. If any problems arise, contact the Project Monitoring Officer aims to reply to complaints within 10 working days. One NorthEast shall not be responsible for any delay in payment caused by incomplete or illegible invoices.

8. The Applicant shall submit an end of programme report to One NorthEast no later than the first quarter following the Agreed Completion Date detailing the full breakdown of the final Project costs, outcomes achieved as set out in the enclosed Final Project Monitoring and Evaluation Report.

Special conditions

1. None.

Freedom of Information Act 2000

The above legislation requires us to make available to the public any information that we hold. This will include any information you provide to us. If a third party requests access to your information we will be obliged to disclose it unless it is exempt from disclosure in accordance with the legislation. Accordingly, we offer no assurances that your information will be maintained in confidence and you should obtain independent legal advice before submitting any proprietary or sensitive information to us.