

NEIGHBOURHOOD FUND (NF) TERMS AND CONDITIONS

1.0 PAYMENT OF NEIGHBOURHOOD FUND

- 1.1 The recipient organisation shall not make any significant change to the Project without the Council's prior written agreement. Should any of the terms and conditions described below not be adhered to the Neighbourhood Fund may be suspended or withdrawn and the organisation required to repay any funding it has spent to date.
- 1.2 Neighbourhood Fund is approved on an annual basis as part of the full Council budget process in February or March each year and as such allocations will not be approved from future years budgets.
- 1.3 Neighbourhood Fund will not be paid and may not be used for:
 - 1.3.1 Activities of a political or exclusively religious nature
 - 1.3.2 Expenditure supported from other government sources, local authority grants, etc, to the extent that the combined Neighbourhood Fund, grant and other support total more than 100% of the Project or the scheme costs
 - 1.3.3 Payments for redundancy
 - 1.3.4 Expenditure incurred before the Project was approved
 - 1.3.5 Payments made in advance of need
 - 1.3.6 Payment to members of its board or governing body
- 1.4 Funding will only become available once the offer letter has been signed and returned along with bank account details.
- 1.5 Payments are in arrears and can only be paid on receipt of a claim certificate. Claims must be completed within the monitoring workbook on a quarterly basis, along with relevant performance information. A full transaction list, relevant evidence of expenditure and all necessary paperwork should be completed within the monitoring workbook with your Project update and Claim Report by the 14th of the month following the quarter end to ensure payment: final submission dates for each quarter are the 14th of January; 14th of April; 14th July and 14th October. Claims received after that date will not be considered or payments made until the following quarter. In cases where an organisation wishes the City Council to pay a supplier direct, a letter from the Lead Agent authorising the City Council to release funding on their behalf will be required. In special circumstances the organisation may be able to claim monthly, this should be negotiated between the Lead Agent and the relevant Partnership & Community Resilience Manager.
- 1.6 The organisation shall promptly repay to the Council any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where funding has been paid in error before all conditions attaching to the funding have been complied with by the organisation.

- 1.7 Should any part of the Funding remain unspent after the completion of the Project, the organisation shall ensure that any unspent Funding is returned to the Council unless otherwise agreed in writing by the Council.
- 1.8 Any liabilities arising at the end of the Project, including but not limited to redundancy liabilities for staff employed by or on behalf of the organisation for project delivery must be managed and paid for by the organisation using the funding or other resources of the organisation. There shall be no additional funding made available from the Council for this purpose.
- 1.9 The Council accepts no liability for any consequences, whether direct or indirect, that may come about from the organisation running the Project, the use of the funding or from suspension, withdrawal or repayment of the funding. The organisation shall indemnify and hold harmless the Council, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the organisation in relation to the Project, the non-fulfilment of obligations of the organisation under these terms and conditions or its obligations to third parties.
- 1.10 For the avoidance of doubt, the Council's total liability to the organisation is limited to payment of the funding only.

2.0 FINANCIAL MANAGEMENT

- 2.1 Funding can only be used for the purposes outlined in the application form and in accordance with Neighbourhood Fund criteria. It is the organisation's responsibility to keep the relevant Area Team informed of any changes to the initial proposal that may affect the terms and conditions of the original offer of Neighbourhood Fund support.
- 2.2 If an organisation for any reason wishes to use their allocation for purposes other than the ones originally proposed, it is required to return the unused allocation and submit a new proposal (if appropriate) to the Area Committee or make a formal request to the Area Committee to vary the original allocation.
- 2.3 Any income arising from the rent, hire, lease or use of any building or equipment as a result of the Neighbourhood Fund must be used for the benefit of the approved Project.
- 2.4 There is not the facility to overspend on specific allocations. It is the organisation's responsibility to have estimated the costs correctly, and the Council shall not have any liability should these estimates prove inaccurate or insufficient. Should the available funding prove inadequate to meet the Project's aims, it will be the organisation's responsibility to seek additional funding. If this is not possible, the Lead Agent should seek advice from the relevant Area Team regarding the current status of their Neighbourhood Fund allocation. Any project that exceeds the original allocation will be required to find the overspend from their own resources.
- 2.5 The organisation must claim Neighbourhood Fund in line with the spend profile submitted in the application form. Any underspend will be automatically returned to Neighbourhood Fund unless prior agreement has been reached.
- 2.6 Organisations must adhere to accounting requirements relevant to their organisation type, in accordance with the most recent Companies Act, Charities Act and the Charities Statement of Recommended Practice. Management accounts should be submitted to the Charities Commission or Companies House where appropriate. Further guidance can be obtained from the relevant Partnership & Community Resilience Manager.

3.0 PROJECT MANAGEMENT

- 3.1 Projects must be managed in accordance with all appropriate statutory requirements and employment legislation and must not be conducted in any way as to bring the City Council into disrepute.
- 3.2 Where Neighbourhood Fund is being used in part or in full to employ staff, details of the recruitment procedure (including any equal opportunities policy) should be provided. Please note that where the Neighbourhood Fund is funding a salary, the post should be a temporary post for the period that Neighbourhood Fund is awarded. The retention or redundancy of staff are the responsibility of the organisation and not of the City Council or the Neighbourhood Fund programme.
- 3.3 Organisations should take all necessary steps to secure the health, safety and welfare of all persons involved in the Project.
- 3.4 Organisations should ensure they have relevant insurance provision in place e.g. professional indemnity, public liability, employer liability (dependent on the nature of the Project).

4.0 CAPITAL WORKS AND PURCHASE OF EQUIPMENT AND OTHER ASSETS

4.1 Purchasing/Procurement Requirements

The Council has a statutory duty to ensure that, where it awards public monies to external organisations, value for money and probity is demonstrated as monies are expended. Where any such monies are used to procure goods, materials, services or works the following procurement requirements must be applied:

- 4.2 The Recipient shall comply with the provisions of this clause 4 in connection with the procurement and award (whether by itself or a delivery partner) of all contracts for the provision of services, supplies and/or works which are to be funded in whole or in part by the Grant ("**Procurement Activity**").
- 4.3 The Recipient shall ensure that all Procurement Activity complies with the following minimum requirements:

4.3.1 all Procurement Activity must be transparent and demonstrate value for money; and

4.3.2 all Procurement Activity must be undertaken in accordance with the following procedures:

| Contract Value | Minimum Procedure |
|-----------------------|--|
| Up to £9,999 | Direct award permitted (subject to compliance with clause 4.3.1). Project recipients will be required to retain a record of the direct award decision. Effectively a file note setting out the reason why the service/goods were purchased from a specific supplier. |

| | |
|-------------------|--|
| £10,000-£49,000 | 3 written quotes or prices sought from suitable suppliers of goods, works and / or services. |
| £50,000 and above | Formal tender process must be in place |

4.2 Retention of Records

Records of all of the above processes should be retained for a period of six years and must be available for inspection by representatives of the Council if required.

Failure to comply with any of the above conditions could result in claw back of monies and further claims or awards not being approved.

Please note: Organisations will be required to submit all relevant documentation with regard to the appointment of a contractor or supplier with the first performance report or the most appropriate.

Organisations are required to provide accurate and verifiable information for monitoring, evaluation and reporting purposes, and must adhere to the Neighbourhood Fund's monitoring requirements outlined in the offer letter. Additionally, organisations are subject to audit and monitoring throughout their duration by officers of the Sunderland City Council. Failure to adhere to those monitoring requirements or comply with any other financial requests made may result in the remainder of the allocation being withheld or future applications being refused

It is the organisation's responsibility to keep the relevant Area Team informed of any changes that may affect its Neighbourhood Fund allocation. In this respect it should be noted that:

4.2.1 The normal practice will be to make Neighbourhood Fund funding available for the period indicated in the funding profile in the application form. If funding is not claimed in accordance with the profile of projected costs, or once the projected completion date has been reached, any unused allocation may be reclaimed, unless the organisation has indicated a reason for the delay and requested an extension to their funding period.

4.2.2 Neighbourhood Fund can only be used for the purposes outlined in the application form. If an organisation for any reason wishes to use their allocation for purposes other than the ones originally proposed, they would need either to return the unused allocation and submit a new proposal to the Area Committee or make a formal request to the Area Committee to vary the allocation.

The organisation shall permit any person authorised by the Council such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the organisation's fulfilments of the funding terms and conditions and shall, if so required, provide appropriate oral or written explanations from them.

4.3 Potential Conflicts of Interest

Any potential conflicts of interest (e.g. the supplier is a friend or relative of the person procuring the service, goods or works) should be declared and those affected should not participate in the procurement process or decision.

4.4 **Asset Register**

Capital Assets include the purchase of any land or building, improvements to buildings, and purchase of equipment and other moveable and immoveable assets that have a useful life of more than one year and are above £500 in value.

Organisations that use Neighbourhood Fund allocations for capital assets must create and maintain a capital asset register. Entries to the register must be made at the time of purchase and an updated copy of the register must be submitted on completion of the Project. The register should show:

- 4.4.1 Date of purchase
- 4.4.2 Description of asset
- 4.4.3 Price paid net of recoverable VAT
- 4.4.4 Amount of Neighbourhood grant awarded
- 4.4.5 Serial or identification numbers
- 4.4.6 Location of the asset

Proposals to dispose of any asset purchased wholly or partly with Neighbourhood Fund support must receive prior approval from the Area Committee. Any organisation wishing to do so should seek advice from their relevant Area Team.

All capital assets should be adequately insured and maintained in good repair and condition. The organisation must inform the Council, in writing, within five working days about any loss or damage to the capital asset. In the event of any loss or damage of a capital asset which results in insurance proceeds being received by the organisation then the organisation shall apply the insurance proceeds to the repair or replacement of the capital asset only.

Unless the prior written consent of the Council has been obtained, the organisation must continue to own the capital asset and keep it under its exclusively control and must not sell, let or otherwise part with it or any interest in it, or give any rights over it to anyone else.

The organisation must use the capital asset, or allow it to be used, only for the approved purpose of the Project.

4.5 **Capital Works**

If an organisation requires capital works that have been put out to tender, the works must be carried out using one of the estimates of those contractors or suppliers identified in support of the application. Organisations must make the decision on the appointment of a contractor or supplier in accordance with the Procurement and Purchasing requirements.

It is the organisations responsibility to obtain the necessary landlord's approval where works involve alterations to a building of which the applicant is not the owner. The organisation must also obtain all other approvals necessary for the scheme including planning permission, listed buildings consent and building regulations approval. All approvals must be obtained before work starts. An award of grant assistance does not include or imply any other approval.

5.0 MONITORING AND EVALUATION

- 5.1 Sunderland City Council reserve the right to monitor all Neighbourhood Fund expenditure, including site visits where deemed necessary, in order to ensure that organisations are spending their allocation in accordance with the aims, timescales and funding profile as specified in the application form and that all grant conditions are being observed.
- 5.2 Organisations are required to provide accurate and verifiable accounting records for all Neighbourhood Fund expenditure. This information must be available on request at any time for inspection together with supporting invoices, receipts and other relevant documents. Records must be retained for a minimum of 6 years from the date of this letter.
- 5.3 Organisations are required to submit quarterly performance updates via the monitoring workbook, this requires the project to update on performance against outputs, milestones and expenditure, along with a claims certificate and associated evidence of expenditure based on the budget projections outlined in the application form. Information provided will be used to provide update reports on project delivery and performance to the Area Committee, Area Boards and to inform future funding opportunities, utilising lessons learnt to ensure we continue to maximise outcomes through Neighbourhood funded projects for our residents and communities.
- 5.5 Organisations, via the monitoring workbook, will provide an update on the Project providing examples of sessions delivered, case studies, positive news stories, photographs, etc. Information from this update will be shared with Councillors and the public to promote the good work being delivered. Where relevant, Lead Agents will need to submit a Claim Certificate for each financial quarter. Supplying evidence of expenditure against project delivery e.g. wage slips and timesheets for salary costs and invoices/receipts for goods and services.

6. PROJECT EVALUATION

- 6.1 Projects are required to complete the evaluation report section within the monitoring workbook with relevant evidence within 30 days of the project end date. Evaluations are a fundamental part of good project management; enabling an organisation to demonstrate the difference its activities are having on their communities and providing evidence to inform the continuous improvement of operations. It is essential that the evaluation process identifies examples of good practice and learning that can help to inform and shape future projects.
- 6.2 Failure to submit monitoring and evaluation information promptly, and within the timescales provided, or comply with any other requests made as part of the monitoring process, may result in the remainder of the allocation being withheld or applications for future funding being refused.

7.0 PUBLICITY

- 7.1 The organisation should ensure that all publicity generated by the Project acknowledges Sunderland City Council support. It is a condition of your Neighbourhood Fund funding that any press releases be made in conjunction with the Marketing and Communications team (information available from the Area Team). Please note that in cases where Neighbourhood Fund has provided support for the feasibility stage of a capital build project, Sunderland City Council support will need to be acknowledged on site billboards at the construction stage. The Sunderland City Council logo can be obtained from the Area Arrangements Team.

8.0 WORKING WITH CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS

- 8.1 When funding has been awarded to deliver a project that will encounter or work with children, young people and vulnerable adults during the lifetime of the funding programme, all staff and volunteers involved must apply and complete an enhanced Disclosure and Barring Service check
- 8.2 All staff and volunteers working indirectly or directly with children, young people and vulnerable adults, throughout the lifetime of the award, must have relevant qualifications.
- 8.3 Lead organisations must have an adopted Safeguarding Children, Young People and Vulnerable Adults Policy.

9.0 WITHHOLDING, SUSPENDING OR RE-COUPING FUNDING

- 9.1 If at any time during the lifetime of the award it is believed or evidenced that the organisation, employees, assistants or agents have brought the Council or funding programme into disrepute either directly or indirectly, Sunderland City Council declare the right to suspend or re-coup the funds.
- 9.2 Furthermore the Council retains the right to withhold, suspend or require repayment of the funding where the organisation does not provide the required information at the time requested, or provides false or inaccurate information. Funding will also be withheld, suspended or required to be repaid if the organisation is found to be, or suspected of being, involved in any criminal or disreputable activity.
- 9.3 The Council's intention is that the funding will be paid to the organisation in full. However, without prejudice to the Council's other rights and remedies, the Council may at its discretion withhold or suspend payment of the funding and/or require repayment of all or part of the Funding if:
 - 9.3.1 the organisation uses the funding for purposes other than those for which they have been awarded;
 - 9.3.2 the delivery of the Project does not start within 6 months of the funding approval date as stated in the funding offer letter and the organisation has failed to provide the Council with a reasonable explanation for the delay;
 - 9.3.3 the Council considers that the organisation has not made satisfactory progress with the delivery of the Project;
 - 9.3.4 the organisation is, in the reasonable opinion of the Council, delivering the Project in a negligent manner;
 - 9.3.5 the organisation obtains duplicate funding from a third party for the Project;
 - 9.3.6 the organisation obtains funding from a third party which, in the reasonable opinion of the Council, undertakes activities that are likely to bring the reputation of the Project or the Council into disrepute;
 - 9.3.7 the organisation provides the Council with any materially misleading or inaccurate information;
 - 9.3.8 any member of the governing body, employee or volunteer of the organisation has:
 - (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or
 - (b) taken any actions which, in the reasonable opinion of the Council, bring or are likely to bring the Council's name or reputation into disrepute;
 - 9.3.9 the organisation ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);

- 9.3.10 the organisation becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- 9.3.11 any of the warranties given or representations made by the organisation as set out in clause 12 prove to be untrue or incorrect; or
- 9.3.12 the organisation fails to comply with any of the funding terms and conditions and fails to rectify any such failure within 30 days of receiving written notice detailing the failure.

- 9.4 The organisation shall make any payments due to the Council without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.
- 9.5 Should the organisation be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with these terms and conditions it shall notify the Council as soon as possible so that, if possible, and without creating any legal obligation, the Council will have an opportunity to provide assistance in resolving the problem or to take action to protect the Council and the funding.

10.0 FREEDOM OF INFORMATION

- 10.1 The Council is subject to the Freedom of Information Act and the Environmental Information Regulations (“the Acts”). As part of the Council's duties under the Acts, it may be required to disclose information forming part of the Project to anyone who makes a reasonable request. The Council has absolute discretion to apply or not to apply any exemptions under the Acts.
- 10.2 The organisation shall assist and cooperate with the Council (at the organisation's expense) to enable the Council to comply with the information disclosure requirements under the Acts and in so doing will comply with any timescale notified to it by the Council.

11.0 SUNDERLAND VOLUNTARY AND COMMUNITY SECTOR AREA NETWORK

- 11.1 Your organisation agrees to join and receive regular updates from the Area VCS Area Network. Updates may include, information on local events, activities, funding opportunities and news. With the additional option of attending a Network meeting.

12.0 WARRANTIES

- 12.1 The organisation warrants, undertakes and agrees that:
 - 12.1.1 it has all necessary resources and expertise to deliver the Project (assuming due receipt of the funding);
 - 12.1.2 the execution of the Acceptance has been validly authorised and the obligations assumed by the organisation constitute valid, legal, binding and enforceable obligations;
 - 12.1.3 it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Council immediately of any significant departure from such legislation, codes or recommendations;
 - 12.1.4 it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
 - 12.1.5 it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

12.1.6 it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;

12.1.7 all financial and other information concerning the organisation which has been disclosed to the Council is to the best of its knowledge and belief, true and accurate;

12.1.8 it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the funding;

12.1.9 it is not aware of anything in its own affairs, which it has not disclosed to the Council, which might reasonably have influenced the decision of the Council to award the funding; and

12.1.10 since the date of its last accounts there has been no material change in its financial position or prospects.

13.0 GENERAL

13.1 The organisation may not, without the prior written consent of the Council, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or burden of this agreement or, except as contemplate as part of the Project, transfer or pay to any other person any part of the funding.

13.2 This agreement between the parties shall not create any partnership or joint venture between the Council and the organisation, not any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

13.3 This agreement between the parties does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

13.4 This agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

13.5 This agreement (together with all documents attached to or referred to within it) constitutes the entire agreement and understanding between the parties in relation to the funding and supersedes any previous agreement or understanding between them in relation to such subject matter.

14.0 ORGANISATION BANK DETAILS

14.1 Please complete your Organisations bank information in the section below, to enable funding claims to be paid directly into the Organisation's bank account.

| Bank Details | |
|-----------------------------|--|
| Name of Bank: | |
| Account Name: | |
| Bank Account Number: | |
| Bank Sort Code: | |

ACCEPTANCE

As Lead Agent for the Project, I accept the Neighbourhood Fund terms and conditions as outlined in this document.

| | |
|------------------------------|--|
| Organisation or Group | |
| Project Title | |
| Signed | |
| Printed Name | |
| Position | |
| Date | |

NB: Only one nominee is required, but Organisation can request more people in the Team have access. This section needs completing for your Acceptance of the Grant to be received. Thank you for your co-operation.

Return to Community Resilience Team community.resilience@sunderland.gov.uk within 14 days of receiving this grant offer.