Department for Business, Energy & Industrial Strategy

Guidance

Contract Scheme Grant Funding Agreement: terms and conditions for employers

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Participants), clients, suppliers and partners involved in the Funded Activities to exercise DWP's rights under this Grant Agreement and / or to administer the Grant or associated activities. Furthermore, DWP agrees that the Grant Recipient and its Representatives may use Personal Data which DWP provides about (i) DWP staff involved in the Funded Activities to manage its relationship and communicate with DWP, and (ii) candidates for Kickstart Scheme vacancies with the Grant Recipient for the purpose of reviewing applications and contacting them for interviews or further information.

14.5. DWP and the Grant Recipient shall each ensure that:

(a) the provision of Personal Data to the other Party is in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
(b) it only shares Personal Data with the other Party to the extent required in connection with the Funded Activities and this Grant Agreement

14.6. Where a Party (the Data Receiving Party) receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Grant Agreement:

14.6.1. the other Party shall provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
14.6.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's processing of Personal Data, the Data Receiving Party will:

(a) promptly, and in any event within 3 Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and shall forward such request or correspondence to the other Party; and
(b) provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation

14.7. Each Party shall notify the other Party within 24 hours of becoming aware of any Personal Data Breach (as defined in the GDPR) relating to Personal Data provided by the other Party pursuant to this Grant Agreement and shall:

14.7.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Personal Data Breach
14.7.2. implement any measures necessary to restore the security of any compromised Personal Data
14.7.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
14.7.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law

14.8. Without limiting any other provision of this clause 14, each Party shall, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data.

14.9. DWP and the Grant Recipient shall not retain or process Personal Data for longer than is necessary to perform the respective obligations under this Grant Agreement.

15. Intellectual property rights

15.1. Intellectual Property Rights (IPR) in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

15.2. The Grant Recipient grants to DWP a non-exclusive, perpetual, irrevocable, royalty-free, sub-licensable and worldwide licence to use all the IPR Material for the purpose of supporting the Kickstart Scheme and other projects.

16. Insurance

16.1. The Grant Recipient will during the term of the Funding Period, and for 7 years after termination or expiry of this Grant Agreement, ensure that it has and maintains at all times adequate insurance with an insurer of good repute to cover claims under this Grant Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury, damage or loss in connection with the Funded Activities or this Grant Agreement.

16.2. The Grant Recipient will upon request produce to DWP its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.

17. Assignment

The Grant Recipient will not transfer, assign, novate or otherwise dispose of the whole or any part of this Grant Agreement or any rights under it to another organisation or individual without DWP's prior approval.

18. Losses, gifts and special payments

18.1. The Grant Recipient must obtain prior written consent from DWP before:

18.1.1. writing off any debts or liabilities
18.1.2. offering to make any Special Payments; and
18.1.3. giving any gifts,

in connection with this Grant Agreement

18.2. The Grant Recipient will keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activities.

19. Publicity

19.1. The Grant Recipient gives consent to DWP to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application or any information or reports submitted to DWP under this Grant Agreement.

19.2. The Grant Recipient will comply with all reasonable requests from DWP to facilitate visits, provide reports, statistics, photographs and case studies that will assist DWP in its promotional and fundraising activities relating to the Funded Activities.

19.3. DWP consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.

19.4. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature DWP's logo. If a Third Party wishes to use DWP's logo, the Grant Recipient must first seek permission from DWP.

19.5. The Grant Recipient will acknowledge the support of DWP in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by DWP) will include DWP's name and logo (or any future name or logo adopted by DWP) using the templates provided by DWP from time to time.

19.6. In using DWP's name and logo, the Grant Recipient will comply with all reasonable branding guidelines issued by DWP from time to time.

20. Evaluation

DWP may itself or through a Third Party undertake research and evaluation exercises of the Funded Activities and the Kickstart Scheme generally. The Grant Recipient shall, during and after the Funding Period, cooperate with DWP and/or any Third Party by responding to requests for information, surveys and questionnaires and by providing access to its employees, customers and contractors as may be required by DWP and/or the selected Third Party. The results of any research and evaluation will be handled in such a way that they do not identify individual respondents, unless permitted by Data Protection Legislation.

21. Changes to DWP's requirements

21.1. DWP will notify the Grant Recipient of any changes to the Funded Activities supported by the Grant.

21.2. The Grant Recipient will endeavour to accommodate any changes to DWP's needs and requirements under this Grant Agreement. Where the Grant Recipient fails to implement the required changes, DWP reserves the right to withhold or suspend Grant payments or terminate this Grant Agreement.

22. Clawback, Events of Default and Termination

Events of Default

22.1. DWP may exercise its rights set out in clause 22.3 if any of the following events occur:

22.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities
22.1.2. the Grant Recipient fails to comply with any of its obligations under this Grant Agreement and the failure is material in the opinion of DWP
22.1.3. the Grant Recipient uses the Grant for Ineligible Expenditure
22.1.4. the Grant Recipient fails, in DWP's opinion, to make satisfactory progress with the Funded Activities and, in particular, with meeting the agreed outputs set out in Annex 4
22.1.5. the Grant Recipient fails to (i) submit an adequate remedial action plan to DWP after being requested to do so under clause 6.2.4 or (ii) improve delivery of the Funded Activities in accordance with the remedial action plan approved by DWP
22.1.6. the Grant Recipient is, in the opinion of DWP, delivering the Funded Activities in a negligent manner (in this context negligence includes failing to prevent or report actual or anticipated fraud or corruption)
22.1.7. the Grant Recipient fails to declare Duplicate Funding
22.1.8. the Grant Recipient receives funding from a Third Party which, in the opinion of DWP, undertakes activities that are likely to bring the reputation of the Funded Activities or DWP into disrepute
22.1.9. the Grant Recipient provides DWP with any materially misleading or inaccurate information and/or any of the information provided in its grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which DWP considers to be significant
22.1.10. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to DWP, whether committed by the Grant Recipient, any of its Representatives or a Third Party, as soon as it becomes aware of it
22.1.11. DWP determines that the Grant Recipient or any of its Representatives has:

(i) acted dishonestly or negligently at any time during the term of this Grant Agreement and to the detriment of DWP
(ii) taken any actions which unfairly bring or are likely to unfairly bring DWP's name or reputation and/or DWP into disrepute. Actions include omissions in this context
(iii) transferred, assigned or novated the Grant to any Third Party without DWP's consent; or
(iv) failed to act in accordance with the Law, howsoever arising, including incurring expenditure on unlawful activities

22.1.12. the Grant Recipient 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) 22.1.13. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt or 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
22.1.14. the European Commission (or a Domestic Successor) or the Court of Justice of the European Union (or Domestic Successor) requires any Grant paid to be recovered by reason of a breach of State Aid Law
22.1.15. The Grant Recipient breaches the Code of Conduct and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or any of its Representatives in accordance with clause 26.2
22.1.16. The Grant Recipient undergoes a Change of Control which DWP, acting reasonably, considers:

22.1.16.1. will be materially detrimental to the Funded Activities; or
22.1.16.2. will result in the new body corporate being unable to receive the Grant because it does not meet the Eligibility Criteria used to award the Grant to the Grant Recipient

22.2. Where DWP determines that an Event of Default has or may have occurred, DWP shall notify the Grant Recipient to that effect in writing, setting out any relevant details of the failure to comply with this Grant Agreement or pertaining to the Event of Default and details of any action that DWP intends to take or has taken.

Rights reserved for DWP in relation to an Event of Default

22.3. Where DWP determines that an Event of Default has or may have occurred, DWP may take any one or more of the following actions:

22.3.1. suspend or terminate the payment of the Grant for such period as DWP shall determine
22.3.2. reduce the amount of Grant funding in which case the payment of the Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient
22.3.3. require the Grant Recipient to repay to DWP the whole or any part of the amount of the Grant previously paid to the Grant Recipient. Such sums may be recovered as a debt
22.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if DWP considers it remediable) in accordance with the procedure set out in clause 22.5
22.3.5. terminate this Grant Agreement; and/or
22.3.6. exclude the Grant Recipient from any future participation in the Kickstart Scheme

22.4. If the Grant Recipient fails to perform any of its obligations under this Grant Agreement (other than a material failure), DWP may serve a notice on the Grant Recipient requiring remedial action to be taken within a period as specified by DWP (such period not more than 20 Working Days). If the failure is not remedied within the period specified by DWP, the failure to remedy will amount to a material failure for the purposes of clause 22.1.2.

Opportunity for the Grant Recipient to remedy an Event of Default

22.5. Where the Grant Recipient is provided with an opportunity to remedy an Event of Default in accordance with clause 22.3.4, DWP will notify the Grant Recipient of the Event of Default, how it must be resolved and the timescales for its resolution. If the Event of Default has not been resolved after the Grant Recipient has been given an opportunity to remedy it to the reasonable satisfaction of DWP, DWP may immediately exercise any other right(s) in clause 22.3.

22.6. DWP shall not by reason of the occurrence of an Event of Default which is, in the opinion of DWP, capable of remedy, exercise its rights under either clause 22.3.3 or 22.3.5 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of DWP.

General Termination rights

22.7. Notwithstanding DWP's right to terminate this Grant Agreement pursuant to clause 22.3 above, either Party may terminate this Grant Agreement at any time by giving written notice to the other Party. The notice period will end when all existing Kickstart Scheme engagements of Participants at the time notice is given have finished. No further new Kickstart Scheme jobs will begin once notice has been served.

22.8. In the event of a change of government or in policy direction, this Grant Agreement may be terminated by DWP with immediate effect by notice in writing (such notice period as DWP determines will be reasonable in all the circumstances).

General Termination provisions

22.9. DWP will not be liable to pay any of the Grant Recipient's costs or those of any supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

22.10. The Grant Recipient shall, upon written request by DWP and in any event on termination of this Grant Agreement, return to DWP all of its data, documents and other materials in the possession or control of the Grant Recipient.

22.11. Termination or expiry of this Grant Agreement shall be without prejudice to any rights or remedies accrued under it prior to termination or expiry and nothing in this Grant Agreement shall prejudice the right of either Party to recover any amount outstanding at termination or expiry.

22.12. Any provision of this Grant Agreement that expressly or by implication is intended to come into or continue in force on or after the expiry or termination of this Grant Agreement shall survive such expiry or termination and continue in full force and effect.

Change of Control

22.13. The Grant Recipient shall notify DWP immediately in writing as soon as the Grant Recipient is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.

22.14. The Grant Recipient shall ensure that any notification made pursuant to clause 22.13 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

22.15. Following notification of a Change of Control, DWP shall be entitled to exercise its rights under clauses 22.1.16 and 22.3 providing the Grant Recipient with notification of its proposed action in writing within three (3) months of:

(i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
(i) where no notification has been made, the date that DWP becomes aware that a Change of Control is anticipated or is in contemplation or has occurred

22.16. DWP shall not be entitled to terminate where an approval was granted prior to the Change of Control.

23. Dispute resolution

23.1. The Parties will use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the term of this Grant Agreement.

23.2. All disputes and complaints (except for those which relate to DWP's right to withhold funds or terminate this Grant Agreement) shall be referred in the first instance to DWP's Grant Manager and the Grant Recipient's Kickstart Representative.

23.3. If the dispute cannot be resolved between the Grant Manager and the Kickstart Representative within a maximum of 14 days of the referral, the matter will be escalated to a formal meeting between a senior officer of each Party.

24. Limitation of liability

24.1. DWP accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient delivering/running the Funded Activities, the use of the Grant or from withdrawal, withholding or suspension of the Grant.

24.2. The Grant Recipient shall indemnify and hold harmless DWP and its Representatives against all actions, claims, charges, demands, proceedings and Losses suffered or incurred by DWP or any of its Representatives arising out of or in connection with (i) any act(s) or omission(s) of the Grant Recipient in relation to the Funded Activities; (ii) the non-fulfilment of any obligations of the Grant Recipient under this Grant Agreement, or (iii) the performance or non-performance of any obligation of the Grant Recipient to any Third Party.

24.3. Save in respect of any liabilities that cannot be lawfully limited, DWP's liability under this Grant Agreement is limited to the amount of the Grant outstanding.

25. VAT

25.1. The Grant is not consideration for any taxable supply for VAT purposes.

25.2. If VAT is held to be chargeable in respect of this Grant Agreement, all payments shall be deemed to be inclusive of VAT and DWP shall not be obliged to pay any additional amount by way of VAT.

26. Code of conduct for grant recipients

26.1. The Grant Recipient shall comply with the Code of Conduct, which includes ensuring that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.

26.2. The Grant Recipient shall immediately notify DWP if it becomes aware of any actual or suspected breach(es) of the principles outlined in the Code of Conduct.

26.3. The Grant Recipient acknowledges that a failure to notify DWP of an actual or suspected breach of the Code of Conduct may result in DWP immediately suspending the Grant funding, terminating the Grant Agreement and taking action to recover some or all of the funds paid to the Grant Recipient in accordance with clause 22.1.15.

27. Notices

All notices and other communications in relation to this Grant Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant Party as stated in the Grant Offer Letter or otherwise notified in writing. All notices and other communications must be marked for the attention of the Grant Manager (for notices to DWP) or the Kickstart Representative (for notices to the Grant Recipient). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-Working Day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

28. Governing law

This Grant Agreement will be governed by and construed in accordance with the laws of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.

Annex 1: Definitions

The following expressions have the meanings set out below:

Annex means the annexes attached to these Conditions which form part of this Grant Agreement;

Bribery Act means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

Change of Control means the sale of all or substantially all of the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transactions;

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available in the Code of Conduct for Recipients of Government General Grants, including any subsequent updates from time to time;

Commencement Date means the date on which this Grant Agreement comes into effect, which shall be the date on which DWP receives a signed copy of the Grant Offer Letter completed to its satisfaction;

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the date of this Grant Agreement, including:

(a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:

(i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party; or
(ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party

(b) any information developed by a Party in the course of delivering the Funded Activities
(c) DWP Personal Data; and
(d) any information derived from any of the above

Confidential Information shall not include information which:

(a) was public knowledge at the time of disclosure (otherwise than by breach of clause 11 of these Conditions)
(b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party
(c) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
(d) is independently developed without access to the disclosing Party's Confidential Information;

Controller and Data Subject take the meanings given in the GDPR;

Crown Body or Crown means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

Data Protection Legislation means (i) the GDPR and any applicable implementing Law as amended from time to time; (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy; and (iii) all applicable Law relating to the processing of Personal Data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner, in each case as amended, supplemented or substituted from time to time;

Domestic Law means an applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directive or requirement of any regulatory body, or delegated or subordinate legislation which replaces EU law as a consequence of the UK leaving the European Union;

Domestic Successor means, as the context requires, either:

(a) a body that takes over the functions of the European Commission in the United Kingdom after its withdrawal from the European Union; or
(b) the relevant court in England, Wales or Scotland which takes over the functions of the Court of Justice of the European Union in England, Wales or Scotland (as applicable) after the United Kingdom's withdrawal from the European Union;

Duplicate Funding means funding provided by a Third Party to the Grant Recipient, which is for the same purpose for which the Grant was made but has not been declared to DWP;

DWP means the Secretary of State for Work and Pensions;

DWP Personal Data means any Personal Data supplied for the purposes of, or in connection with, this Grant Agreement by DWP to the Grant Recipient;

Eligibility Criteria mean DWP's criteria, available on Kickstart Scheme, to determine who should be grant recipients and which vacancies are appropriate for Kickstart Scheme funding;

Eligible Expenditure means the expenditure incurred by the Grant Recipient during the Funding Period for the purposes of delivering the Funded Activities which comply in all respects with the eligibility rules set out in clause 5 of these Conditions;

Event of Default means an event or circumstance set out in clause 22.1;

FOIA means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Funded Activities means the activities set out in the Grant Offer Letter and Annex 2 of these Conditions;

Funding Period has the meaning given in the Grant Offer Letter;

General Data Protection Regulation and GDPR means the General Data Protection Regulation ((EU) 2016/679);

Grant means the sum or sums that DWP will pay to the Grant Recipient in accordance with clause 4 and subject to the provisions set out at clause 22;

Grant Agreement means these terms and conditions including the Annexes (the Conditions), together with the Grant Offer Letter;

Grant Offer Letter means the letter from DWP to the Grant Recipient confirming the details of the Grant;

Grant Manager means the individual who has been nominated by DWP to be the main point of contact for the Grant;

Grant Recipient means the party specified in the Grant Offer Letter as the Grant Recipient;

HRA means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Ineligible Expenditure means expenditure incurred by the Grant Recipient which is not Eligible Expenditure, including the non-exhaustive lists of Ineligible Expenditure as set out in clause 5 of these Conditions;

Information Acts means the Data Protection Legislation, FOIA and the Environmental Information Regulations 2004, as amended from time to time;

Intellectual Property Rights or IPRs means copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade names, designs, know-how, trade secrets and Confidential Information, and any modifications, amendments, updates and new releases of the same and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

IPR Material means all materials produced by the Grant Recipient or its Representatives in relation to the Funded Activities and that this Grant Agreement during the Funding Period (including materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

Kickstart Representative means the representative appointed by the Grant Recipient, which at the Commencement Date shall be the individual listed as such in the Grant Offer Letter;

Law means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgement of a relevant court of law, or directive or requirement of any regulatory body, or delegated or subordinate legislation;

Losses means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgement, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise, and Loss will be interpreted accordingly;

Maximum Sum means the maximum amount stated in the Grant Offer Letter that DWP will provide to the Grant Recipient for the Funded Activities in relation to each Participant, subject to clause 22;

Participants means the persons engaged by the Grant Recipient through the support of the Kickstart Scheme. Participants will be young people, aged 16 – 24, who are claiming Universal Credit and are referred to the Grant Recipient by DWP for employment opportunities;

Party means DWP or the Grant Recipient and Parties shall be each Party together;

Personal Data has the meaning given to it in the GDPR;

Prohibited Act means:

(a) directly or indirectly offering, giving or agreeing to give to any servant of DWP or the Crown any gift or consideration of any kind as an inducement or reward for:

(i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Grant Agreement; or
(ii) showing or not showing favour or disfavour to any person in relation to this Grant Agreement;

(b) committing any offence:

(iii) under the Bribery Act
(iv) under legislation creating offences in respect of fraudulent acts; or
(v) at common law in respect of fraudulent acts in relation to this Grant Agreement; or

(c) defrauding or attempting to defraud or conspiring to defraud DWP or the Crown;

Representatives means a Party's duly authorised directors, employees, officers, agents, professional advisors and consultants;

Special Payments means ex gratia expenditure by the Grant Recipient to a Third Party where no legal obligation exists for the payment and/or other extra-contractual expenditure. Special Payments may include out-of-court settlements, compensation or additional severance payments to the Grant Recipient's employees;

State Aid Law means the law embodied in Articles 107 -109 of section 2, Title VII of the Common Rules on Competition, Taxation and Approximation of Laws – Consolidated Versions of the Treaty on European Union and the Treaty for the Functioning of the European Union or any Domestic Law which replaces such State Aid Law following the UK's exit from the European Union;

Third Party means any person or organisation other than the Grant Recipient or DWP;

VAT means value added tax chargeable in the UK; and

Working Day means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday in England.

Annex 2: The funded activities

1. Background/purpose of the Grant

The Kickstart Scheme is designed to improve employability and the chances of sustained employment for those at risk of long term unemployment in the 16-24-year-old age group. It provides grant funding to employers to support the creation of new jobs that would not otherwise exist.

The Kickstart Scheme funding will support employers to provide 6 months of work for young people. It will be regular, paid work which will help young people to develop transferrable skills (such as team work) and demonstrate to future employers that they have a track record of being a reliable employee with an up-to-date reference.

2. Aims and objectives of the Funded Activities

The Grant funding will support the Employer to provide a quality work experience to individuals at risk of long term unemployment in the 16-24-year-old age group. The work should incentivise potential employers from these individuals to make them more attractive to future employers and maximise their readiness to make a successful transition into long term employment, giving them the confidence and competence to succeed. As such, the Kickstart Scheme aims to reduce the scarring effect of unemployment.

3. Funded Activities

The Grant Recipient will use the Grant funding to provide 6 months of employment for Participants, including support to Participants in developing work skills and finding future employment. The activities funded with the Grant are described more fully below:

a. The employment opportunities created with the funding will be equivalent to jobs not funded by the Kickstart Scheme. The jobs will have the same expectation on the employee to improve and develop. The jobs should enable the employee to build up skills that will lead to sustainable employment and should be paid at the normal rate for similar jobs and with the same frequency.

b. The Grant funding will be used by the Grant Recipient to provide new jobs. The jobs must not:

- replace existing or planned vacancies; or
- cause existing employees, apprentices or contractors to lose work or reduce their working hours

c. All Kickstart Scheme jobs must be accompanied by a written job description, setting out the purpose, start date and responsibilities of the position

d. All employment opportunities supported by the Grant funding must:

- be for a minimum of 25 hours per week, for 6 months; and
- pay at least the National Minimum Wage/National Living Wage (as applicable) for the Participant's age group, national insurance and minimum automatic enrolment contributions.

The Grant Recipient must make the required employer national insurance contributions for Participants and comply with its employer automatic enrolment duties with respect to Kickstart Scheme Participants. The Grant Recipient must ensure it meets the required statutory duties covering health, safety and welfare for all Kickstart Scheme Participants.

e. Employment opportunities offered by the Grant Recipient should not require Participants to undertake extensive training before they begin the job.

f. The Grant Recipient will use the Grant to provide employability support to Participants and help Participants to develop work skills.

- employability support includes on-the-job training, work search support, transferrable skills development, mentoring, careers advice and other related support to help the Participants find sustained employment after they have completed their Kickstart Scheme jobs
- helping participants to develop and build work skills includes developing attendance management, timekeeping, teamwork and communication skills as appropriate

g. The Grant Recipient will ensure it has regular (at least monthly) reviews with Participants to discuss performance in the role and areas for improvement.

Please note:

A Kickstart job is not an apprenticeship but a Participant may move to an apprenticeship whilst taking part in the Kickstart Scheme. Grant funding will cease once a Participant ceases to be involved in the Kickstart Scheme (for example, because the Participant has moved from a Kickstart Scheme job to an apprenticeship).

Once a Kickstart Scheme job is created, it can be taken up by a new Participant once the previous Participant has ceased to be employed as part of the Kickstart Scheme.

Annex 3: Payment schedule

Subject to the Grant Recipient's compliance with the terms of this Grant Agreement, DWP will make Grant payments in accordance with the following payment schedule for each Participant employed by the Grant Recipient as part of the Kickstart Scheme. The Grant funding per Participant will be paid in the following instalments:

Instalments	Grant sum payable	Payment date/milestone
1st payment	One £1500 payment per Participant for set-up and support costs	On confirmation to DWP's satisfaction that the Participant has started employment with the Grant Recipient.
2nd payment	100% of the Relevant Wage for 25 hours a week of work by the Participant during the first month of the job, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions. [1]	Paid in arrears - on confirmation that Participant has completed one month in employment (the first 28 to the first month). [1] This payment is expected to be in or around the 6th week of the placement.
3rd to 7th payments	100% of the Relevant Wage for 25 hours a week of work by the Participant during the subsequent second, third, fourth, fifth and sixth months of the job, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions. [1]	Paid in arrears – approximately every month after the 2nd payment on confirmation that Participant has completed PAYE for the previous month. [1]

Relevant Wage means the National Minimum Wage or the National Living Wage applicable to the Participant based on their age at the end of the 6 months of employment funded by the Kickstart Scheme.

If, prior to the expiry of the intended 6-month period, a Participant ceases to be employed by the Grant Recipient as part of the Kickstart Scheme during any month (either because the Participant leaves their job or has their employment terminated), the payment for that month will be reduced on a pro rata basis. The amount of the payment for that month will depend on when the Participant ceased to be employed by the Grant Recipient as part of the Kickstart Scheme during that month. For example, if the Participant works for three weeks during a month and then ceases employment with the Grant Recipient, the payment for that month will cover 100% of the Relevant Wage for 75 hours of work (25 hours per week x 3) by the Participant, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions. The payment for that month will still be paid in the following month on confirmation that the Participant has been paid through PAYE. No further payments will then be payable in respect of the relevant Participant.

Annex 4: Agreed outputs

The Grant Recipient is required to achieve the following outputs and performance measures in connection with the Grant:

Agreed Outputs

- provide full details of the Kickstart Scheme vacancies to DWP and evidence that these jobs are new jobs promptly following signing of the Grant Offer Letter
- make available the number of Kickstart Scheme vacancies stated in the Grant Offer Letter and use reasonable endeavours to fill the vacancies as quickly as possible
- provide support to help each Participant with finding future employment. This can include on-the-job training, work search support, transferable skills development, mentoring and careers advice, and support with CV and interview preparation
- help to build each Participant's work skills which can include developing attendance management, timekeeping, team work and communication skills. This will help the Participant's employment prospects after the Kickstart Scheme job ends

1. Employers will be paid a fixed amount to contribute to the costs of IT equipment and software licences, administration and management time, and providing support to Participants to develop the skills and experience to find work after completing the scheme. [1]
2. Confirmation is collected by DWP from Real Time Information (RTI) submissions. No payment will be made without this confirmation that the Participant has been paid. [1] [2]

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