

APPENDIX 1

Dated this _____ day of _____ 2009

710-950-1-CC

BELFAST CITY COUNCIL

with

QUEEN'S UNIVERSITY BELFAST
(NORTHERN IRELAND TECHNOLOGY CENTRE)

INTERREG FUNDING AGREEMENT

Comet Multi Annual Plan project

funded through

Interreg IVA

**(The European Union Territorial Co-operation Programme for Northern Ireland, the Border
Region of Ireland and Western Scotland 2007-2013)**

Project name:

NITC Competitiveness Transfer

Ciaran Quigley
Director of Legal Services
City Hall
BELFAST
BT1 5GS

ARTICLES OF AGREEMENT made the _____ day of _____ 2009
BETWEEN BELFAST CITY COUNCIL of Adelaide Exchange, 24-26 Adelaide Street, Belfast, BT2
8GD (hereinafter called 'the Lead Partner') of the one part and **QUEENS UNIVERSITY BELFAST**
(hereinafter called 'the Project Partner') of University Road, Belfast of the other part.

1. Definitions

In these Articles of Agreement, the under noted expressions shall have the meanings ascribed to them as follows:-

- 1.1 'this Agreement' these Articles of Agreement and including the Project Document incorporated herewith.
- 1.2 'the Lead Partner' Belfast City Council, party hereto.
- 1.3 'the Project Partner' Queen's University Belfast, party hereto.
- 1.4 'the Project' the project as described in the Project Document.
- 1.5 'the Project Document' the document setting out the provisions of the Project and which is annexed to and incorporated with this Agreement.
- 1.6 'the SEUPB' the Special EU Programmes Body
- 1.7 'the Other Project Partner' Sligo Regional Technology College

2. Proposal

This agreement relates to a project that forms one component of the Comet Multi Annual Plan which was submitted to SEUPB for funding by Interreg IVA. COMET is an unincorporated partnership of six Belfast metropolitan area local authorities – Belfast, Carrickfergus, Castlereagh, Lisburn, Newtownabbey and North Down. Belfast City Council acts as lead partner on behalf of Comet under a Service Level Agreement.

Comet's Multi Annual Plan was prepared following an extensive period of consultation with the social partners of all the local authorities that are partners in Comet. Ultimately 18 projects were included in the plan, although a smaller number is being funded by Interreg IVA. This agreement relates to one of those projects that is being funded.

IT IS HEREBY AGREED:-

3. Project

Subject to the following provisions of this Agreement, the Lead Partner agrees to act as contributor to the extent of commitment on its part as further set out in the Project Document.

4. Funding Payments

4.1 The Council shall contribute up to a maximum of £459,000 through ERDF/Interreg IVA towards the total cost of the Project as set out in the Project budget in the Project Document. Payment shall be made retrospectively for eligible expenditure as agreed by SEUPB.

4.2 Before any work to be funded under this Agreement can commence, the Project Partner must provide the Lead Partner with the following:-

- (a) This Funding Agreement sealed on behalf of the Project Partner.
- (b) Documentary evidence to the satisfaction of the Lead Partner, of the availability of any match funding of the project as detailed in Project Partner's proposal.
- (c) Evidence of the legal status of the Project Partner

4.3 The Project Partner shall use the funding provided by the Lead Partner under this Agreement solely for the purposes of the implementation of the Project.

4.4 The amount of Value Added Tax (VAT) or other taxes which may be recovered by the Project Partner are not grant aidable and should be excluded from the eligible expenditure submitted in the claim. If the Project Partner states that they do not recover VAT, specific confirmation must be provided to explain the relevant legal basis.

4.5 Retrospective funding of any work or activities prior to the date of this Agreement by the Project Partner to the Lead Partner cannot be considered. The Project Partner should therefore not carry out any works until after this Funding Agreement has been executed.

4.6 The Project Partner must declare all other sources of funding for the Project.

4.7 Payment will be made in accordance with SEUPB Payment Procedure Guidelines. Claim forms with actual expenditure incurred should be submitted four times per year (at the end of March, June, September and December). All claims must be submitted within 4 months of the expenditure being incurred. The final claim must be submitted within 2 months of the Project end date.

- 4.8 A prepayment check on all claims will be carried out by SEUPB, and, should they be authorised, will be passed for payment by SEUPB to BCC. No monies will be paid to the Project Partner unless they are approved by SEUPB and until they have been received by BCC from SEUPB.
- 4.9 Funding amounts will only be paid in respect of net eligible project costs, and provided that all progress reports demonstrate that the outcome stated in the Project Document have been achieved, or if not that the Project Partner can demonstrate to the Lead Partner's satisfaction and also to the satisfaction of SEUPB that every effort has been made to achieve the stated outcomes.
- 4.10 All payment requests can only be made when the Lead Partner's monitoring officer has advised the Project Partner that payment can be sought. Invoices must be submitted on original headed paper.
- 4.11 Payments made by the Lead Partner will be based upon project costs paid and will be dependent upon full acceptable supporting documentation being in place to support the claim and upon acceptance as eligible costs by SEUPB and prior re-imbusement to the Lead Partner from SEUPB.
- 4.12 Funding will only be payable on expenditure incurred during and in respect of the Eligibility Period specified in the Project Document. There shall be no obligation on the Lead Partner to make payment in respect of claims which are received after the final date of that period.
- 4.13 It is the responsibility of the Project Partner to ensure that all claims are accurate and that they relate to activities and expenditures in accordance with the Project Document.

Budget and Annual Expenditure

4.14 Payment should only be made in respect of claims which are received in line with the Budget and annual expenditure profile in the Project Document.

5. Eligible Expenditure

5.1 Claims which include apportioned expenditure such as an overhead charge, management fee or a recharge through a Service Level Agreement, must be able to demonstrate the additional expenditure as being incurred for the purpose of the Project. Percentage overhead recharges, mark up percentages and other notional or opportunity costs are not eligible for funding.

5.2 The Project Partner shall maintain a full audit trail and all necessary associated accounting records to enable verification of expenditure. All expenditure must comply with Public Sector Regulatory and Legal requirements.

5.3 The claimed expenditure must not have been grant aided from other public funds, must not be recoverable from other bodies or organisations and any project receipts or income must be fully offset against expenditure before grant aid becomes payable.

5.4 Eligible expenditure must be based on real costs, be proportionate, represent value for money and be directly related to the project activity.

6. Dedicated Bank Account

6.1 The Project Partner shall open and maintain a separate bank account for the receipt and disbursement of funding, to ensure a clear audit trail, all monies received for the Project must be lodged into this bank account. This bank account shall be a non interest bearing account and shall identify that it is a funded account for the Project.

6.2 A Project Partner which is involved in the delivery of multiple projects may wish to utilise a financial system using cost centres rather than separate bank accounts. In such cases the Project Partner may request permission from the Lead Partner to retain this system for the purposes of managing the Project, and subject to the Project Partner being able to satisfy the Lead Partner and the SEUPB that its systems guarantee a clear audit trail with regard to all aspects of the Project's finances, the SEUPB may (but shall not be obliged to) grant the permission sought. This permission may be revoked by the Lead Partner in writing at any time.

7. Project Management

7.1 shall act as Project Manager for the implementation of the Project on behalf of the Project Partner, on behalf of the Lead Partner. The Project Managers should make themselves reasonably available for discussion on the progress of the Project to the Lead Partner.

7.2 The Project shall be implemented by the Project Partner in full accordance with the position of the Project Document, and any application or other documentation supplied by the Project Partner to the Lead Partner, the Project Partner shall be responsible for the day to day management of the Project.

8. Changes to Approved Project

8.1 Any proposed or anticipated changes to the Project as approved by this Funding Agreement must be notified in writing at an early stage to the Lead Partner, together with the Project Partner's reasons as to why the Project should still be financed by the Lead Partner, and demonstrate how the Project continues to meet its aims and objectives. Continuation of funding will be subject to the written approval of the Lead Partner and on the Lead Partner getting approval for same from SEUPB. Any claims submitted that differs significantly from the original approved application without the Lead Partner's prior approval may result in the funding given under this Agreement being deemed invalid and require any assistance given to date to be repaid partially or in full.

9. Monitoring

The Lead Partner shall receive four quarterly reports per annum from the Project Partner, and these should coincide with each time that the Project Partner makes a claim. The reports will include the following information:-

- 9.1 project activities undertaken since last report;
- 9.2 progress made towards achieving project outputs;
- 9.3 progress made towards achieving project outcomes
- 9.4 summary of project actual expenditure and any variance from budget;
- 9.5 any management issues relating to the administration of the project; and
- 9.6 any other issues that might impact of the successful delivery of the project.
- 9.7 any proposed changes in the nature or scale of the Project;
- 9.8 all other information which may be relevant to the progress of the Project and to the Lead Partner's continued commitment to the Project.

The Project Partner will facilitate mid-project and end of project evaluations which may involve the reproduction of additional and more detailed reporting information.

10.1 the Lead Partner, through its authorised officers and agents, and the DETI, the NI Audit Office, the SEUPB, the Department of Finance and Personnel shall have uninhibited right to:-

- (a) inspect the premises and equipment used for the purposes of the Project;
- (b) interview all participating staff and trainees;
- (c) discuss all aspects of the Project with the project managers;
- (d) inspect all financial and other relevant documents relating to expenditure incurred in connection with the Project;
- (e) initiate independent reviews to assess the performances of the Project against stated performance standards.

10.2 the Project Partner shall comply promptly with any request for information on behalf of the Lead Partner for information concerning the progress, administration, monitoring and evaluation of the Project.

11. The Project Partner shall forthwith give notice to Lead Partner in the event that it should become aware of:-

11.1 any threat to the future participation in the Project of the other contributors;

11.2 any doubt as to the ability of those contributors to continue with their commitment to the Project;

11.3 any substantial deterioration in the financial position of the Project Partner;

11.4 any likelihood of the Project Partner not being able to spend the funding in the time scale set out in the Project Document;

11.5 the happening or substantial likelihood of the happening of any of the circumstances set out in Clause 13.2.

12. Withdrawal

The Lead Partner reserves the right to cease any further or continued commitment to the Project if it should decide at its entire discretion that any of the circumstances described in clause 11 shall have arisen or have become likely to arise.

13. Repayment of Funding

13.1 In the event that any of the circumstances described in Clause 13.2 should arise, the Lead Partner shall be under no obligation to pay further funding to the Project Partner under this Agreement and the Project Partner shall forthwith, upon the written demand of the Lead Partner, refund to the Lead Partner so much of the funding advanced pursuant to Clause 4 as the Lead Partner may reasonably require.

13.2 The circumstances referred to in Clause 13.1 are the following:-

13.2.1 that the Project for whatever reason has been jeopardised as to its future continuance;

13.2.2 that the progress of the Project has become unsatisfactory;

13.2.3 that there has been a substantial change in the nature, scale or timing of the Project to an unacceptable degree;

13.2.4 that there has been an increase in costs which no other contributor has agreed to meet;

13.2.5 that any of the information contained in the Project Document or in the reports to be furnished by the Project Partner under this Agreement transpires to have been materially incomplete, incorrect or misleading;

13.2.6 that any of the monies provided by the various contributors is not entirely applied for the purposes of the Project;

13.2.7 the Project Partner become insolvent or go into a position of potential insolvency (including any actual or threatened liquidation, creditors' arrangement, receivership or creditors' judgement); or pass a resolution to go into Members voluntary winding up.

13.2.8 that the Project Partner fail to comply with any of its obligations contained in this Agreement.

13.2.9 that the Project Partner system for control of its resources is considered by Lead Partner or its representatives to be inadequate.

13.3 It will be a matter for the discretion of the Lead Partner, reasonably exercised and acting by its Director of Development, to determine whether any of the circumstances referred to in clause 13.2 have, at any time, come about.

13.4 The obligations of the Project Partner to refund unspent monies under Clause 13.1 is without prejudice to the right of the Lead Partner to recover from the Project Partner all the funding advanced by it pursuant to Clause 4 by way of action for breach of the Project Partner's contractual obligation (which Project Partner hereby acknowledges) to apply the funding for the purposes of the completed Project.

14. Publicity

14.1 The Lead Partner reserves the right to publicly announce its participation in the Project and the extent of its commitment thereto, but otherwise all information passing between the Lead Partner and the Project Partner in connection with the Project shall be treated as confidential unless otherwise agreed. All publicity undertaken by the Project Partner to recognise contribution of COMET, SEUPB and other funders. The Project Partner must use appropriate Logos in all publicity material as communicated to it by the Lead Partner.

14.2 The Special EU Project's Body will publish information about all beneficiaries, including the Project Partner, on its website. Acknowledgement of the financial contribution from the European Regional Development Fund should be included in any brochures, leaflets, job/recruiting advertisements or any other publicity material produced by the Project Partner in connection with the project. The Project Partner shall ensure that due prominence is given to the assistance received from the Interreg IVA Programme on all materials produced and distributions relating to the Project. Logos as specified in the EU Regulations and the Interreg Guidance note on publicity and information should be used in all publicity material. A Guidance Note on publicity and information requirements and on how to create a communication plan is appended .

15. Records

The Project Partner shall retain all accounting and other records relating to the Project in a secure place until 31st December 2018 or such other date as the Lead Partner may specify.

16. Not Used

17. Procurement of Goods and Services

17.1 Where the Project includes a purchase of items of equipment, supplies, and day to day running expenditure, as well as the fees for service of trainers, specialist advisors, consultants and other specialist suppliers, public procurement requires that all such purchases must be opened to fair competition with competent suppliers and that a record is maintained of how the decision to award any contract was reached. The requirement to comply with public procurement applies to all expenditure for which funding is sought. The use of open competitions by inviting quotes or tenders is an acceptable method of

procurement and can demonstrate best value has been achieved in the use of public funds. Where the appropriate public procurement method is not followed then the associated expenditure will not be eligible for funding.

17.2 When reviewing claims for reimbursement involving the supply of goods and services to the project, the Lead Partner will require sight of the original documents including, where appropriate copies of public advertisements, tender specifications, selection criteria, tender submissions or quotations, records of the evaluation and scoring of bids, the decision to award the contract and notice to the unsuccessful bidders.

17.3 Goods and services purchased with funding under this agreement must be procured on the basis of written quotations as set out in the guidance note on public procurement appended to the Agreement.

18. Fraud

As per the Lead Partner's commitment to eliminating fraud, the information provided in the Project Partner's application and on invoices and monitoring documentation may be made available to other departments/agencies for the following purposes:

- (a) Determining, preventing or detecting crime
- (b) Ensuring no organisation is receiving double funding
- (c) As part of Lead Partner's external audit requirements

Any information supplied to the Lead Partner that is deliberately false and misleading may result in prosecution.

In completing any monitoring form if required by the Lead Partner Project Partner will be required to sign a declaration stating that "all statements made and expenditure claimed for on this monitoring form are true and accurate".

19. Transparency

19.1 All communications with the Lead Partner, including claims for payment, must be made on behalf of the Project Partner by duly authorised persons.

19.2 No employee of the Project Partner may enter into any arrangement in respect of the project in addition to their roles as employee or board member of the Project Partner, to supply goods, facilities or services to the project for payment.

19.3 No employee of the Project Partner shall play any part in the conduct of the recruitment or exercise to fill an employee post if he or she is a candidate for that post.

20. Asset Register

The Project Partner must establish and maintain a proper Asset Register (if appropriate) in relation to the project.

21. Political Activities

Funding under this Project Agreement must not be used for any purposes which are party political in intention and, use or presentation.

22. Employment Legislation

The Project Partner will be the employer of all personnel directly employed for the purposes of the project and must meet all the national legal obligations placed on any employer. In addition, the Project Partner must comply with any EU policies and directives relating to programmes part financed by the ERDF.

23. Retention/Disposal of Assets

The Project Partner shall not, without the prior approval of the Lead Partner, appropriate or dispose of assets acquired with assistance under this Agreement for any other purpose than that for which funding has been given.

24. Insurance and Indemnity

The Project Partner shall ensure that adequate insurance cover in the form of employees' liability insurance, public liability insurance and asset insurance is in place before the commencement of any work of funding under this Agreement and shall indemnify the Lead Partner against any injury, loss or damage arising as a result of the Project Partner's activities in relation to the project.

25. Environmental Impact

The Project Partner undertakes to address all aspects of the Project which have an impact on the environment and to use its best endeavours to adopt and implement an appropriate environmental policy which can demonstrate a positive environmental impact. The Project Partner undertakes to provide the Lead Partner with its environmental policy within three months of signing this Agreement.

26. Assignment

The Project Partner shall not without the prior written consent of the Lead Partner assign or in any way encumber any rights to receive funding or other benefit or entitlement under this Agreement.

27. Limitation

Funding provided under this Agreement does not imply any further commitment to the project when the terms of this Agreement are completed.

28. Freedom of Information

28.1 The Freedom of Information (FOI) Act 2000 applies to the Lead Partner and establishes the rights of access to information held by public authorities including the Lead Partner. Any information submitted to the Lead Partner, whether in the future or prior to the date of this Agreement, may need to be disclosed by the Lead Partner in a response for a request for information under the FOI Act.

28.2 The Project Partner should indicate to Belfast City Council if it feels that any information which it has supplied to the Lead Partner is commercially sensitive. The Project Partner should identify the information and explain why it is commercially sensitive.

28.3 The Lead Partner will consult with the Project Partner in respect of any request for information made, however the Lead Partner shall have the final decision on whether material is commercially sensitive or otherwise and may disclose information which the Project Partner has termed as commercially sensitive.

29. Liability

The Lead Partner accepts no responsibility, financial or otherwise for any expenditure or liabilities arising out of the Project Partner's work or activities.

30. Standard Conditions of Grant

The Lead Partner's funding is funded through EDRF through the European Union Interreg IVA Programme. The Lead Partner is subject to Standard Conditions of Grant. The Standard Conditions of Grant are annexed hereto at Annex A. The Project Partner must ensure that it does nothing to put the Lead Partner in breach of its obligations under the said Standard Conditions of Grant.

31. Partnership Agreements

The Project Partner shall procure that the Other Project Partner enters into a Partnership Agreement with it, such agreement being in such terms as to protect the position of the Lead Partner and the Project Partner in relation to the project, and in respect of the Lead Partner's obligations under the Letter of Offer and the Standard Conditions of Grant.

32. New Sources of Funding

The Project Partner must inform the Lead Partner of any new sources of funding which may arise after the date of this Agreement. The Lead Partner reserves the right to adjust the funding to be paid by it under this Agreement following notification of any new source of funding.

33. Alterations of Project Document

It shall be the Project Partner's responsibility to ensure that the Project Document attached hereto is accurate in all respects. Should the Project Partner require an amendment to the Project Document, then it should approach the Lead Partner to discuss same. The Project Document may only be altered or amended with the prior consent of the Lead Partner.

34. Licences and Statutory Consents

The Project Partner shall obtain all licences and statutory consents necessary for the carrying out of the Project.

35. Non Assignment

The Project Partner shall not assign any of its rights, benefits or obligations under this Agreement to any other person or body without the prior written consent of the Lead Partner.

36. Law

This Agreement shall be construed and applied in accordance with the laws of Northern Ireland and the parties submit to the exclusive jurisdiction of the Courts of Northern Ireland.

37. No Partnership

Nothing in this Agreement is intended to create any legal partnership or agency between the parties

38. No Waiver

Failure to enforce any provision of this Agreement, or any delay or omission exercising any right under this Agreement, will not constitute a waiver of that provision or right, or of any future enforcement of that provision or right, or of any other term of this Agreement.

39. Project Document

The Project Document is incorporated with this Agreement to the extent that nothing therein contained is inconsistent with the provisions hereof.

IN WITNESS whereof Lead Partner and Project Partner have executed this Agreement in the manner hereunder appearing the day and year first herein **WRITTEN**

PRESENT when the Corporate Seal
of **BELFAST CITY COUNCIL**
affixed hereto:-

LORD MAYOR

CHIEF EXECUTIVE

PRESENT when the Common Seal of
QUEEN'S UNIVERSITY BELFAST
was affixed hereto:-