

Mr John Lauder
Director
Sustrans Scotland
Glenorchy House
20 Union Street
Edinburgh
EH1 3LR

30 March 2009

Dear John,

OFFER OF GRANT TO SUSTRANS SCOTLAND FOR EXPENDITURE ON ACTIVE TRAVEL PROJECTS AND NCN INFRASTRUCTURE IN 2009-2010

The Scottish Ministers in exercise of their powers under Section 70 of the Transport (Scotland) Act 2001 hereby offer to give to Sustrans Scotland ("the Grantee") a grant of up to £3,555,000 STERLING, payable over financial year 2009/10, in connection with work undertaken on the National Cycle Network and on active travel projects including the school run ("the Project"). The Grant will split into capital funding of £2,540,000 and resource funding of £1,015,000.

I am aware that you are working on Sustrans Scotland's National Strategic Plan and a specific project workplan for 2009/10 will be with the Scottish Government following that process. I am content in the meantime for you to progress with projects on the basis that the grant is spent on maintaining and extending the National Cycle Network and the promotion of active travel, particularly in schools.

1. Definitions and Interpretation

1.1 In these Conditions, the words and expressions set out in **Schedule 4** shall have the meanings ascribed to them in that Schedule.

1.2 In these Conditions unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

1.3 The headings in these Conditions are for convenience only and shall not be read as forming part of the Conditions or taken into account in their interpretation.

1.4 Except as otherwise provided in these Conditions, any reference to a clause, paragraph, sub-paragraph or schedule shall be a reference to a clause, paragraph, subparagraph or schedule of these Conditions.

2. Purposes of the Grant

2.1 The Grant is made to enable the Grantee to carry out the Project.

2.2 The Grant shall only be used for the purposes of the Project and for no other purpose whatsoever.

2.3 No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.

2.4 The main objectives / expected outcomes of the Grant are (to 2011):

- Reducing carbon emissions, particularly those associated with short car trips;
- Tackling the on-road congestion associated with peak time commuting, school trips and shopping; and
- Improving public health by encouraging Scots of all ages and abilities to make shorter journeys under their own steam.

2.5 The targets / milestones against which progress in achieving objectives / expected outcomes shall be monitored are:

- Monitoring of numbers using the NCN and other links to schools to achieve a 15% increase in trips by 2011
- Building up to an additional 45kms of high quality NCN paths and links to schools/community amenities
- Cycle parking installed at 200 locations
- Provide training and resources for up to 400 professionals and local communities on active travel, cycle training and planning

2.6 The eligible costs for which the Grant can be claimed are:

- Capital works for infrastructure
- Resource costs for training materials and soft measures for schools

2.7 The eligible costs exclude reclaimable Value Added Tax

3. Payment of Grant

3.1 The Grant shall be paid by the Scottish Ministers to the Grantee in accordance with the terms of **Schedule 1** attached.

3.2 The Grantee shall by end of July following the end of each financial year in respect of which the Grant has been paid submit to the Scottish Ministers a statement of compliance with the Conditions of the Grant using the form of words provided in **Schedule 3**. The statement shall be signed by the Grantee's appointed Auditor.

3.3 In the event that the amount of the Grant paid by the Scottish Ministers to the Grantee at any point in time is found to exceed the amount of the expenses reasonably and properly incurred by the Grantee in connection with the Project, the Grantee shall repay to the Scottish Ministers the amount of such excess within 14 days of receiving a written demand for it from or on behalf of the Scottish Ministers. In the event that the Grantee fails to pay such amount within the 14 day period,

the Scottish Ministers shall be entitled to interest on the sum at the rate of 2 per cent per annum above the Bank of England base lending rate prevailing at the time of the written demand from the date of the written demand until payment in full of both the sum and the interest

3.4 The Scottish Ministers shall not be bound to pay to the Grantee, and the Grantee shall have no claim against the Scottish Ministers in respect of, any instalment of the Grant which has not been claimed by the Grantee by 31 March of the applicable financial year as set out in Schedule 1, unless otherwise agreed in writing by the Scottish Ministers.

4. Inspection and Information

4.1 The Grantee shall keep the Scottish Ministers fully informed of the progress of the Project in the form of quarterly reports. Details shall include actual expenditure to date compared with profiled expenditure and any change to estimated expenditure for the financial year and/or the Project as a whole, the reasons for any such changes and progress in achieving objectives / outcomes.

4.2 Revisions to targets / milestones against which progress in achieving objectives / outcomes are monitored shall be subject to the written agreement of the Scottish Ministers.

4.3 The Grantee shall, on completion of the Project, submit a report to the Scottish Ministers summarising the outcomes and performance of the Project. Such a report shall include such statistical and other information relating to the impact of the Project as shall be required by the Scottish Ministers.

4.4 The Grantee shall also provide any other information that the Scottish Ministers may reasonably require to satisfy themselves that the Project is consistent with the Agreement. The Grantee shall provide the Scottish Ministers with prompt access to any information they reasonably require to ensure compliance with these Conditions.

4.5 The Grantee shall keep and maintain for a period of 6 years after the expenditure occurs, adequate and proper records and books of account recording all receipts and expenditure of monies paid to it by the Scottish Ministers by way of the Grant. The Grantee shall afford the Scottish Ministers, their representatives, the Auditor General for Scotland, his/her representatives and such other persons as the Scottish Ministers may reasonably specify from time to time, such access to those records and books of account as may be required by them at any reasonable time in response to a written request for such access from the person seeking it. The Grantee shall provide such reasonable assistance and explanation as the person carrying out the inspection may from time to time require.

5. Confidentiality and Data Protection

5.1 The Grantee will respect the confidentiality of any commercially sensitive information that they have access to as a result of the Project.

5.2 Notwithstanding the above, the Grantee may disclose any information as required by law or judicial order. All information submitted to the Scottish Ministers may need to be disclosed and/or published by the Scottish Ministers. Without prejudice to the foregoing generality, the Scottish Ministers may disclose information in compliance with the Freedom of Information (Scotland) Act 2002, any other law, or, as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure. Further, the Scottish Ministers may also disclose all information submitted to them to the Scottish or United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in Scotland, in right of the Scottish

9.2 The Scottish Ministers may withhold the payment of the Grant if at any time within the duration of the Agreement:

9.2.1 The Grantee passes a resolution that it be wound up, or a court makes an order that the Grantee be wound up, in either case otherwise than for the purposes of reconstruction or amalgamation, or circumstances arise which would enable a court to make such an order or the Grantee is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

9.2.2 Where the Grantee is an individual, if a petition is presented for the Grantee's bankruptcy or the sequestration of his estate or a criminal bankruptcy order is made against the Grantee; or the Grantee makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignment for the benefit of creditors, or if an administrator or trustee is appointed to manage his affairs; or

9.2.3 A receiver, manager, administrator or administrative receiver is appointed to the Grantee, or over all or any part of the Grantee's property, or circumstances arise which would entitle a court or a creditor to appoint such a receiver, manager, administrator or administrative receiver.

9.3 In the event that the Grantee becomes bound to pay any sum to the Scottish Ministers in terms of clause 9.1, the Grantee shall pay the Scottish Ministers the appropriate sum within 14 days of a written demand for it being given by or on behalf of the Scottish Ministers to the Grantee. In the event that the Grantee fails to pay the sum within the 14 day period, the Scottish Ministers shall be entitled to interest on the sum at the rate of 2 per cent per annum above the Bank of England base lending rate prevailing at the time of the written demand, from the date of the written demand until payment in full of both the sum and interest.

9.4 Notwithstanding the provisions of this clause 9, in the event that the Grantee is in breach of any of the Conditions, the Scottish Ministers may, provided that the breach is capable of a remedy, postpone the exercise of their rights to recover any sum from the Grantee in terms of clause 9 for such period as they see fit, and may give written notice to the Grantee requiring it to remedy the breach within such period as may be specified in the notice. In the event of the Grantee failing to remedy the breach within the period specified, the Grantee shall be bound to pay the sum to the Scottish Ministers in accordance with the foregoing provisions.

9.5 Any failure, omission or delay by the Scottish Ministers in exercising any right or remedy to which they are entitled by virtue of clauses 9.1 to 9.3 shall not be construed as a waiver of such right or remedy.

10. Assignment

The Grantee shall not be entitled to assign, sub-contract or otherwise transfer its rights or obligations under the Agreement without the prior written consent of the Scottish Ministers.

11. Termination

The Agreement may be terminated by the Scottish Ministers giving not less than 3 months' notice in writing from the date of the notice being sent.

12. Corrupt Gifts and Payments of Commission

The Grantee shall not offer or give or agree to give any person any gift or consideration of any kind as an inducement or reward in relation to this Grant. The Grantee shall ensure that its

employees shall not breach the terms of the Prevention of Corruption Acts, 1889 to 1916 in relation to this or any other grant.

13. Continuation of Conditions

These Conditions shall continue to apply for a period of 5 years after the end of the financial year in which the final instalment of the Grant was paid.

14. Compliance with the Law

The Grantee shall ensure that in relation to the Project, they and anyone acting on their behalf shall comply with the relevant law, for the time being in force in Scotland.

If you wish to accept the offer of this Grant on the whole terms and conditions as set out in the letter and annexed Schedules, you should sign and date both copies of the Grant Acceptance below and return one copy of the offer of Grant and Schedules to me at the address on this letterhead. You should retain the second copy of the offer of Grant and Schedules for your own records.

Yours sincerely

KAREN FUREY
Sustainable Transport Team

GRANT ACCEPTANCE

On behalf of Sustrans Scotland I accept the foregoing offer of Grant by the Scottish Ministers dated 30 March 2009 on the whole terms and conditions as set out in the letter and annexed Schedules. I confirm that I hold the relevant signing authority.

Signed:
[Director/Company Secretary/Authorised Signatory]

Print Name:

Position in Organisation of Person Signing:

Date:

Place of Signing:

Signed:
[Witness]

Witness Name:

Address:

Date:

Place of Signing:

SCHEDULE 1

PAYMENT OF GRANT

1. The total Grant of £3,555,000 shall be payable by the Scottish Ministers to the Grantee in instalments as expenditure is incurred by the Grantee and on receipt of a completed claim for Grant in the form set out in **Schedule 2** together with the associated monitoring information set out in paragraph 4.1 of the Offer of Grant.
2. The total Grant shall be payable over the financial year 2009 to 2010. The Scottish Ministers shall not be bound to pay any instalment of the Grant which has not been claimed by the Grantee by 31 March of the applicable financial year, unless otherwise agreed in writing by the Scottish Ministers.
3. The Grantee shall provide a quarterly profile of expenditure of the Grant before the first grant payment. Any change to the profile or to the overall costs of the Project shall be notified to the Scottish Ministers at the earliest opportunity via the claims for Grant and monitoring reports.
4. Each claim shall be for an amount equal to the estimated amount of the Grant required to meet the reasonable and proper costs and expenses of the Grantee in connection with the Project until the next claim is due to be submitted.
5. Each claim shall be submitted together with such explanatory or supplementary material as the Scottish Ministers may from time to time require whether before or after submission of the claim.
6. On receipt of each claim and any required documentation and information, the Scottish Ministers shall determine the amount of expenditure which they consider the Grantee shall reasonably and properly incur in connection with the Project having regard to that claim. The determination shall be based on the information provided by the Grantee in accordance with this Schedule. The Scottish Ministers shall use their best endeavours but shall be under no obligation or duty to pay the amount determined to the Grantee within 4 weeks of receiving a claim and any required documentation and information relevant to the claim.
7. In order to facilitate the accrual of expenditure of the Grant for the financial year the Grantee shall, where appropriate, advise the Scottish Ministers in writing by 15 April of the following financial year the amount of the Grant actually expended up to and including 31 March.

SCHEDULE 2
GRANT CLAIM FORM

Organisation: *[Name and address]*

Bank details: *[Name and address, sort code, account number]*

Project: *[Name / Description]*

Total agreed grant for 2008-09 - £5,015,000

Grant claimed to date: *[Amount]*

Unexpended grant: *where grant is paid in advance* *[Amount]*

Estimate of grant required for the period [from xxxx to xxxx] or [to xxxx]: *[Amount]*

We hereby claim [total] grant of [£] in respect of the above period in accordance with the terms and conditions of the offer of Grant dated [] and the Schedules attached thereto.

Completed by:

Position:

Contact Details:

Date:

Items of Expenditure

Please list in the table below all discrete items of expenditure relevant to the above period and the type of documentary evidence that will be made available on request to substantiate each amount.

A Item	B Amount (£)	C Paid Invoice [Y/N]	D Other (please specify, e.g. certificate of payment in kind)
TOTAL*			

* Note the total should add up to the total expenditure claimed for the period.

SCHEDULE 3

STATEMENT OF COMPLIANCE WITH CONDITIONS OF GRANT

NCN AND ACTIVE TRAVEL PROJECT

This is to confirm that the grant claimed by Sustrans Scotland in relation to the above Project during the financial year ended 31 March 2010 was properly due and was used for its intended purpose(s) in accordance with the terms and conditions of the Grant. This statement is supported by the records of Sustrans Scotland.

Signed:

Name in block capitals:

Position:

Date:

SCHEDULE 4

DEFINITIONS

“Agreement” means the agreement constituted by the Scottish Ministers’ invitation to apply for a grant, the Grantee’s Application, these Conditions and the Grantee’s acceptance of these Conditions;

“Conditions” means these grant conditions;

“Default” means:

(a) Any breach of the obligations of either party under this Agreement (including, but not limited to, any breach of the obligations of either party under this Agreement);

(b) Any failure to perform or the negligent performance of any obligation under this Agreement;

(c) Any breach of any legislation; or

(d) Any negligence or negligent or fraudulent mis-statement or misappropriation of Grant, or any other default,

In all cases by either party, its employees, agents or representatives;

“Financial Year” means a period from 1 April in one year until 31 March in the next;

“Grant” means the grant offered by the Scottish Ministers to the Grantee as specified in the Award Letter, as varied from time to time in accordance with these Conditions;

“Grantee” means the person, organisation or body to which the Grant will be payable as specified in these Conditions. Where two or more persons, organisations or bodies are the Grantee, references to the “Grantee” are to those persons, organisations or bodies collectively and their obligations under the Agreement are undertaken jointly and severally;

“Intellectual Property Rights” means all rights of ownership, including all copyrights and other intellectual property rights in books, leaflets and other printed and published materials in whatever form produced as part of the Project by or on behalf of the Grantee including all reports and any such published materials stored in or made available by means of an information technology system and the computer software relating thereto and all patents, trademarks, registered designs and other rights in the nature of intellectual property;

“Project” means the purpose for which the Grant has been awarded as described in the Offer of Grant;

“Payment” means each of the payments specified in Schedule 1 hereto.