

Swyddfa Cyllid Ewropeaidd Cymru
Welsh European Funding Office
Swyddfa'r Prif Weinidog
Office of the First Minister



Llywodraeth Cymru
Welsh Government

Jon Haswell
Pembrokeshire County Council
Economic Development Division
County Hall
Haverfordwest
Pembrokeshire
SA61 1TP

15 November 2018

Operational Programme: ESF West Wales and the Valleys European Social Fund 2014 - 2020

Operation Number (Case ID): 80833

Operation Name (Case Name): Cynnydd

Beneficiary's Company/ Charity Registration Number: n/a

WEFO Contact Name: Gareth Evans

Contact Tel: 0300 062 2317

Contact e-mail: GarethO.Evans@gov.wales

Dear Mr Haswell

1. Award of Financial Support

(a) We are pleased to inform you that your application for financial support (Financial Support) from the ESF has been successful. Financial Support up to the following amounts is awarded to you:

- (i) ESF Priority 3, £24,833,122 (twenty four million, eight hundred and thirty three thousand, one hundred and twenty two pounds).

Your application is approved only on the basis of the plans for the Operation set out in the Business Plan Version 3, dated 6 June 2018 and the Delivery Profile Version 1, dated 12 July 2018 agreed by us. We must also remind you of your commitments in respect of the Cross Cutting Themes; please see Condition 26.



Swyddfa Merthyr Tydfil - Merthyr
Tydfil Office
Rhydyar Business Park
Merthyr Tydfil
CF48 1UZ

Ffon/Tel: 0300 062 2317
E-Bost/E-Mail:
GarethO.Evans@gov.wales

- (b) If you have any queries in relation to this award of Financial Support or the Conditions, please liaise with the WEFO Contact who will be able to help you.
- (c) The Structural Funds Regulations require us to provide you with a document setting out the conditions for support for the Operation including the specific requirements concerning the products or services to be delivered, the financing plan, and the time-limit for execution. This letter sets out these requirements, together with the agreed Business Plan and Delivery Profile. If you are unsure of what we expect to be delivered, the approved financial support or the time period, you should speak to your WEFO Contact and should not sign this agreement until fully understood.

2. Statutory authority and State aid

- (a) This award of Financial Support is subject to the Conditions, and is made by an official in the administrative division of the Welsh Government known as Welsh European Funding Office ('WEFO') under the authority of the Welsh Ministers. The award of Financial Support is made pursuant to the Structural Funds (Welsh Ministers) Regulations 2014, 2014 No. 92(SI). The Welsh Ministers have designated WEFO to carry out the managing and certifying authority functions in relation to the Structural Funds programmes in Wales.
- (b) The award of Financial Support is subject to compliance with the European Commission's State Aid Rules by all undertakings that receive State Aid from the Operation. Further details of the specific State Aid Rules applicable to the Operation are contained in Schedule 4. You are responsible for ensuring that the Operation is delivered in line with the State Aid rules upon which the Financial Support is awarded.
- (c) You must comply with the Structural Funds Regulations. These Conditions have been prepared so that they reflect, so far as possible, your responsibilities under the Structural Funds Regulations. However, you are responsible for ensuring that the Operation is delivered in accordance with the Structural Funds Regulations. Links to the full texts of the Structural Funds Regulations are available on the following website:

http://ec.europa.eu/regional_policy/information/legislation/index_en.cfm

3. Interpreting these Conditions

The terms which are used in these Conditions are defined in Schedule 10. You must familiarise yourself with the terms prior to reading the content of this letter.

4. What you must use the Financial Support for:

- (a) You must use the Financial Support solely to manage and implement the Operation in accordance with the details described in your Business Plan, Delivery Profile and any Special Conditions (if applicable).
- (b) You must achieve the Targets set out in Schedule 1.
- (c) Any change to the nature and/ or use of the Operation, including any change:
 - (i) that alters the nature of the Operation;
 - (ii) to the Delivery Profile;
 - (iii) to the Operation's use, location, its financing or ownership inclusive of any proposed change to your constitution and
 - (iv) to the Mobilisation Phase and Milestone Dates of the Operationwill require our written consent, which must be obtained from us before implementing any change. Please note that we are not obliged to provide consent but we will consider all reasonable requests.
- (d) The amount of Financial Support payable is calculated as a proportion of the Eligible Expenditure up to the maximum level as set out below. The Financial Support shown below is the maximum payable regardless of any increase in total Eligible Expenditure which result from changes to the Operation:

Financial Support for REVENUE expenditure

Eligible Expenditure (revenue costs)- ESF:	£35,475,888
ESF maximum Financial Support (EU grant) payable:	£24,833,122
Rate of Financial Support (as a percentage of ESF Eligible Expenditure):	70.000002%
Flat rate financing for Indirect Costs (for selected beneficiaries – see Delivery Profile)	15%
Flat rate financing for Indirect Costs and Direct Costs other than eligible staff costs (for selected beneficiaries – see Delivery Profile)	40%
Total Cost of the Operation (Eligible and Ineligible Expenditure)	£35,481,786

- (e) The Delivery Profile contains full details of the Total Cost of the Operation and approved Eligible Expenditure for the Operation, the phasing of the income and expenditure of the Operation and the agreed funding arrangements for the Operation

- (f) Subject to the Conditions, the Financial Support will only be paid in respect of Eligible Expenditure incurred and Paid Out by a Beneficiary and/ or depreciation charges and contributions in-kind, (other than Simplified Costs approved by us and outlined at Schedule 8).
- (g) The award of Financial Support contained in this letter is conditional upon no expenditure having been incurred or Paid Out before the Start Date, unless specifically agreed and confirmed in writing by us and identified as Retrospective Expenditure or Preliminary Expenditure in the Delivery Profile.
- (h) The amount of Financial Support referred to above is stated as being a maximum, the total Financial Support payable will be reduced to reflect any underspend in relation to the Operation and/ or if there is a change in the overall financial package which reduces the need for Financial Support.

5. Financial Support pre-conditions

- (a) We will not pay any Financial Support to you until you have provided us with the following information/ documentation:
 - (i) a signed copy of this letter;
- (b) Where a Mobilisation Phase has been agreed for the Operation, you will have to attain agreed milestones, prior to undertaking any delivery of the Operation. The milestones will be specified in your Business Plan and/ or Delivery Profile and will be set against agreed timelines. We will pay Financial Support to you, during the Mobilisation Phase, where we are satisfied with the attainment of each individual milestone.

6. How to claim the Financial Support

- (a)
 - (i) You must follow the rules on how to claim the Financial Support as set out in '2014-2020 Claiming Arrangements – Instructions for lead beneficiaries'.
 - (ii) We will make reasonable efforts to pay claims promptly but we do not accept any liability in respect of loss attributable to any delay in the payment of claims or attributable to any suspension, reduction or cancellation of Financial Support. In accordance with Article 132 of Regulation EU 1303/2013, we will pay you the amounts due in full and no later than 90 days from the date of submission of the payment claim, subject to the specific exceptions set out in the same Article.
 - (iii) We will not make any payment until we receive a satisfactory Claim Form.

- (iv) We will retain 10% of the total amount of Financial Support (unless otherwise specified in the Delivery Profile) until the Operation has been completed to our satisfaction and we have received a satisfactory final Claim Form and, where applicable, an independent external evaluation report. The final Claim Form must be submitted to WEFO within 3 weeks following the Financial Completion Date or within 3 weeks of the date of acceptance of this award of Financial Support, whichever is later.
 - (v) In the event of a shortfall in match funding contributions to the Operation, you must provide additional funding from your own resources before we will make any payment of Financial Support.
- (b) Advance payments from WEFO
- (i) You must comply with the WEFO guidance document entitled '2014- 2020 Claiming Arrangements –Instructions for lead beneficiaries', when making a claim for payments of Financial Support in advance.
 - (ii) If you are entitled to claim payments of Financial Support (whether for yourself or on behalf of joint beneficiaries) in advance this will be reflected in the Delivery Profile. The need for advance payments will be reviewed by us at regular intervals.
 - (iii) If you are not a public sector organisation and if so requested by us, you must submit copies of annual audited accounts within 6 months of the end of each financial year. The notes of the accounts must specifically itemise Financial Support receipts.
 - (iv) If you are not a public sector organisation, you must submit your management accounts, profit and loss statement (or equivalent), for the previous six months, a balance sheet as at the date of submission, and cash-flow for the previous six months and projected six months) to us on a quarterly basis for the duration of the Operation. The management accounts may be submitted in your usual format. For the avoidance of doubt, we may, if necessary, request further information or explanation of the documents provided. The date for the first submission of management accounts may be chosen by you but shall be no later than 6 months from the date of this letter. If any Joint Beneficiary is in receipt of advance payments and is not a public sector organisation, you must obtain copies of the management accounts for all such Joint Beneficiaries and provide these to us on a quarterly basis as outlined above.

7. Your general obligations to us

You must:

- (a) safeguard the Financial Support against fraud generally and, in particular, fraud on the part of your Personnel and notify us immediately if you have reason to suspect that any fraud within your organisation whether or not it relates to the Financial Support has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time.
- (b) comply with all applicable domestic, EU or international laws or regulations or official directives;
- (c) maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Operation. We reserve the right to require you provide proof of your insurance. These arrangements must, at least, indemnify and keep indemnified us and our employees, servants, agents or sub-contractors from and against any and all actions, claims, costs, losses (including consequential loss, economic loss and loss of profit, revenue and goodwill), damages, demands, expenses (including legal costs and expenses on a solicitors own client basis) charges and other liabilities of whatsoever nature and howsoever arising as a result of or in connection with the Financial Support or the termination of the Financial Support for whatsoever reason including but not limited to:
 - i. death or personal injury; and/ or
 - ii. loss of or damage to any property; and/ or
 - iii. financial loss arising from any advice given or omitted to be given by you; and/ or
 - iv. any claim made against the Welsh Ministers by a third party arising out of or in connection with the Operation to the extent that such claim arises out of the breach, negligent performance or failure or delay in the performance of this letter by you; and/ or
 - v. any loss which is caused directly or indirectly by any act or omission by you in relation to the Operation
- (d) co-operate fully with any of our employees or the Welsh Government or consultants appointed by us to monitor, review or evaluate your use of the Financial Support and your compliance with these Conditions, including complying with any reasonable deadlines regarding requests for information concerning the Operation;
- (e) inform us immediately if any of the declarations made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect.

8. Declarations

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- (b) no Litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- (c) the information contained in the Business Plan is complete, true and accurate;
- (d) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing financial support to you;
- (e) you have discussed and agreed the Business Plan, Mobilisation Phase and Delivery Profile with us and you are confident that the financial and physical targets contained therein are realistic and achievable.
- (f) the Manager of the Operation is fully aware of the requirements, including but not limited to, technical and accounting requirements involved in implementing the Operation on your behalf.
- (g) you have the necessary systems, including but not limited to technical and accounting systems, in place to enable you to fully comply with the Conditions.
- (h) you shall take appropriate steps to ensure that neither you nor any of your Personnel are placed in a position where there is or may be an actual conflict, or a potential conflict, between you and/ or your Personnel's financial and/ or personal interests and your obligations set out in the Conditions. You will disclose to us in writing full particulars of any such conflict of interest which may arise as soon as possible after becoming aware of it.

9. Notification Events and their consequences

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will either (i) notify you that we consider that the Notification Event is not capable of remedy or (ii) if we consider that the Notification Event is capable of being remedied seek to discuss the Notification

Event with you with a view to agreeing a course of action to be taken to address the Notification Event.

(c) We will be entitled to take any of the actions listed in Condition 9(d) if:

- (i) despite our reasonable efforts we have been unable to discuss the Notification Event with you; or
- (ii) we notify you that the Notification Event is not capable of remedy; or
- (iii) a course of action to address the Notification Event is not agreed with you; or
- (iv) a course of action to address the Notification Event is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action); or
- (v) the course of action fails to remedy the Notification Event to our satisfaction.

(d) If any of the circumstances set out in Condition 9 (c) occurs we may by notice to you:

- (i) withdraw the award of Financial Support ; and/ or
- (ii) require you to repay all or part of the Financial Support immediately; and/ or
- (iii) suspend or cease all further payment of Financial Support and/ or
- (iv) make all further payments of Financial Support subject to such conditions as we may specify; and/ or
- (v) deduct all amounts owed to us under these Conditions from any other financial support that we have awarded or may award to you; and/ or
- (vi) exercise any other rights against you which we may have in respect of the Financial Support.

(e) All repayments of Financial Support must be made to us on demand.

(f) Where amounts are due to be repaid to the European Commission and late payment by you results in the European Commission applying interest on the overdue amounts in accordance with Article 147 of Regulation EU 1303/2013, we reserve the right to pass on this interest charge to you.

(g) If any part or all of the Financial Support paid to the you is unlawful State aid, we shall be entitled to recover such State aid in full on demand together with compound interest calculated in accordance with Commission Regulation (EC) No 794/2004 of 21 April 2004 from the you and/or any third party recipient of the Financial Support.

10. Operations Generating Net Revenue

Operations Generating Net Revenue must comply with the rules on the treatment of revenue set out in our document entitled, 'WEFO Eligibility

rules and conditions for support from the European Structural Funds 2014-2020'. The applicable rule that applies to your Operation is 'Revenue Rule D'

If your Operation is not a RGP but your Operation activities directly generate revenue during its implementation period, your Operation's eligible costs must be reduced/ offset by the amount of the net revenue received, this will reduce the amount to EU grant payable.

Any payment you receive arising from a contractual condition on a breach of contract between you and third parties (i.e. contractual penalties) or has occurred as a result of the withdrawal of an offer by a third party chosen in public procurement rules (i.e. deposit) is not considered as revenue and does therefore not need to be deducted from the your Eligible Expenditure (you keep all of such receipts).

You must inform us of such receipts as soon as possible and no later than in the final payment claim that you submit to us.

If only part of your total Operation costs are eligible costs, you only need to apply a proportion of the revenue. The net revenue should be allocated pro-rata to the eligible and non-eligible parts of the total Operation costs.

You only need to tell us about revenue generated during the Operation implementation period - you do not need to inform us of any revenue generated beyond the implementation of your Operation.

11. Principles of Sound Financial Management

You must apply the Principles of Sound Financial Management whilst delivering the Operation.

12. Monitoring

Schedule 7 contains a summary of the general monitoring responsibilities and responsibilities of the Welsh Ministers relating to the audit, verification and investigations of the Structural Funds.

(i) You must:

- (a) provide us, and/ or the Welsh Ministers, with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions [including without limit:
 - i) Participant Evidence folders
 - ii) Expenditure evidence

- (b) meet with the WEFO Contact and such other of our representatives as we may from time to time reasonably require; [including without limit:
 - i) Regular quarterly review meetings.
 - ii) Inception meeting within 3 months of the start date.

- iii) Ad-Hoc meetings to discuss issues or risks identified
 - iv) Meetings with WEFO teams, such as payments etc to provide clarification etc.
- (c) ensure that the Manager of the Operation (or such other person as we may agree) together with any other person we may require attends all meetings with the WEFO Contact.

13. Audit requirements

- (a) You must:
- (i) in accordance with Article 125(4)(b) of Regulation (EU) No 1303/ 2013 maintain either a separate accounting system or an adequate accounting code for all financial transactions relating to the Operation, in order to facilitate the verification of expenditure by the European Union and national authorities. All payments must be supported by appropriate documentation; appropriate documentation includes, but is not limited to, receipted invoices, bank statements and organisational ledgers. Our document entitled, 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020' sets out the full audit trail and documentation requirements.
 - (ii) ensure that your separate accounting system or your adequate accounting code is able to distinguish between ERDF and the ESF activity and its associated financial transactions, if the Operation has been approved to use Cross Fund Flexibility.
 - (iii) where you are managing or implement activities that contribute to more than one specific objective, you must ensure that you maintain separate audit trails and documentation for each specific objective.
 - (iv) without charge, permit any officer or officers of WEFO, the Welsh Government, Wales Audit Office, European Commission, the European Court of Auditors or European Anti Fraud Office at any reasonable time and on reasonable notice being given to you to visit your premises and/ or to inspect any of your activities and/ or to examine and take copies of your books of account and such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to your use of the Financial Support. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold documents to give any assistance, information and explanation that they may require and to require

those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

14. Inventory of Assets

- (a) You are responsible for establishing and maintaining an inventory of all Assets of the Operation with a cost greater than £5,000 irrespective of its location or ownership.
- (b) The inventory must contain, at least, the:
 - i) date that the Asset was purchased, acquired, constructed or enhanced
 - ii) brief description of the Asset;
 - iii) price paid, or attributable cost, net of any VAT;
 - iv) location of the title deeds (if applicable);
 - v) serial or identification number;
 - vi) location of the Asset;
 - vii) Depreciation charged to date (if applicable) and the resulting net book value of the Asset;
 - viii) date of sale, disposal or destruction; and
 - ix) sale proceeds (if applicable), net of any VAT.

15. Financial corrections

We are (1) responsible for investigating any Irregularity and (2) entitled to make financial corrections in accordance with Article 143 Regulation (EU) No 1303/ 2013 and any guidelines issued by the European Commission regarding Articles 143-147 inclusive of Regulation (EU) No 1303/ 2013. Where we make such corrections we reserve the right to apply either a flat-rate or extrapolated correction in the same way that the European Commission applies a flat-rate or extrapolated correction pursuant to Article 144 Regulation (EU) No 1303/ 2013. We also reserve the right to take into account the principles regarding financial corrections contained in the Commission Delegated Regulation (EU) No 480/ 2014.

16. Research and evaluation

- (a) You must follow the rules regarding the level of data to be collected during the management and the implementation of the Operation relating to:
 - (i) participants of an ESF Operation, and/ or

The rules are set out in our documents entitled:

- 'Monitoring and Evaluation plan - Guidance', and
- ESF: Priority 3: Youth Employment and Attainment

and comply with Regulation (EU) No 1301/ 2013 and Regulation (EU) No 1304/ 2013.

and comply with Regulation (EU) No 1301/ 2013 and Regulation (EU) No 1304/ 2013.

- (b) You must undertake an evaluation of the Operation as agreed in the Monitoring and Evaluation Plan and provide us with a copy of the evaluation by the date specified in the Delivery Profile.
- (c) Where you obtain an evaluation report from a third party in draft form, you must ensure that you immediately notify us in writing of the existence of that draft report. We have the right to obtain from you a copy of the draft report, and to discuss the draft report with the author of that report without further reference to you.
- (d) In accordance with the requirements of Condition 6 (a)(iv), in the case of an Operation where the Financial Support is over £2 million (or €2.3m if your Financial Support award is denominated in euros), we shall retain 10% of the Financial Support, pending receipt of an independent external evaluation report which is to our satisfaction. The final 10% of Financial Support will not be payable unless this Condition 16 (d) is fulfilled.
- (e) We, or independent contractors acting on our behalf, may ask you to co-operate with us in carrying out research and evaluation in respect of the Operation and/ or Operational Programme. You must comply with all such reasonable requests.
- (f) We will publish all Operation costs (forecast and actual) and indicators (forecast and achieved) at intervals which we consider appropriate.

17. Third party obligations

- (a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, any Joint Beneficiaries and/ or your Personnel).
- (b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly arising as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party, including Joint Beneficiaries.
- (c) You must ensure that:
 - (i) the relationship between all third parties, including Joint Beneficiaries, involved in the Operation is fully documented and sets out the role and functions each organisation will undertake in progressing the Operation;

- (ii) any third party, including Joint Beneficiaries, involved in the Operation complies with the requirements of Conditions 13 and 19.
 - (iii) any third party, including Joint Beneficiaries involved in the Operation puts in place adequate management and control arrangements to ensure the regularity, legality and propriety of Eligible Expenditure declared to you for inclusion in the claim for re-imbursement made to us.
 - (iv) Joint Beneficiaries confirm that they have been made aware of and fully understand the Conditions of this agreement within 20 Working Days of your receipt of this letter. Provision for this has been made at Schedule 3.
- (d) You must not delegate any of the responsibilities set out in this agreement to any third party.
- (e) If you intend to declare and claim the Eligible Expenditure of third parties, including Joint Beneficiaries, we will pay you the associated Financial Support and you must then distribute the payments due to the Joint Beneficiaries in full and without delay. Similarly, if we agree to provide advance payments in relation to the planned expenditure of a Joint Beneficiary, you must distribute the advance payments to a Joint Beneficiary without delay.
- (f) You must ensure that Conditions 9 (g) and 13(iv) are enforceable directly by the Welsh Ministers against third party recipients of the Financial Support under the Contracts (Rights of Third Parties) Act 1999 by inserting replicas of Conditions 9 (g) and 13(iv) (with appropriate modifications as the context so requires) in each arrangement of whatever nature with the third party recipients of the Financial Support.

18. Match funding (co-financing of Eligible Expenditure)

- (a) You must inform any public or private body providing match funding towards the Operation or to whom an application for match funding has been made, that the Operation has received Financial Support, or will receive support, from the Structural Funds.
- (b) You must inform us of any public or private entity providing match funding towards the Operation.
- (c) You must immediately inform any public or private entity providing match funding towards the Operation of any changes to the match funding requirements arising from changes and/ or virements within the Operation.

19. Retention of records

- (i) In accordance with Article 140 of Regulation 1303/2013, you must ensure that all supporting documentation and audit trails relating to activities and expenditure supported by the Financial Support is available to us, the European Commission and European Court of Auditors. This includes documentation held at third party locations such as Joint Beneficiaries, contractors or off-site storage facilities. The total Eligible Expenditure for the Operation will determine the retention period, (the "Retention Period") and we shall inform you in writing of the start date and expiry date of the Retention Period. The Retention Period is without prejudice to the State Aid Rules which may require a longer retention period. All supporting documentation may need to be maintained until at least 31 December 2026 but since it is unclear what Retention Period will apply to the Operation, you must retain all supporting documentation until we inform you of the applicable Retention Period.
- (ii) You must ensure that all supporting documentation is retained and maintained in an acceptable format and/ or held on commonly acceptable data carriers, until expiry of the Retention Period. Further guidance is provided in the WEFO document entitled, 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

20. Data protection

- (a) You must comply with the provisions of the Data Protection Act 2018 ("DPA 2018"). You must provide us with information, including personal data (as defined in the DPA 2018), about any third party participants assisted/ supported by the Operation.
- (b) You must inform all participants supported by the Operation in writing that their personal data will be passed to us or any contractor acting on our behalf for the purposes of research, evaluation and verification regarding Financial Support from the Structural Funds. You must explain that this may involve linking participants' personal data collected as part of the Operation with other personal data held on the participants by other organisations – this will only be done for research and evaluation purposes. You must also inform all participants that their personal data may be passed to any third party you appoint to undertake the evaluation referred to in Condition 16 (b). Details of the personal data that you must pass to us for all participants is set out in our Monitoring and Evaluation guidance. Participants have the right to refuse to provide special category data (as defined in the DPA 2018) to be collected. In these cases you must keep documentary evidence that you have attempted to collect special category data.
- (c) Any data you provide to us in relation to the Operation will be held by us and processed in accordance with the requirements of the DPA

2018. The Welsh Ministers are registered as a data controller on the Information Commissioner's public register of data controllers under the registration number Z7107446.

- (d) The data you provide to us will be held on a database and will be processed by us for the purposes of progressing applications and claims for Financial Support from the Structural Funds and for the purposes of research, evaluation and verification. The information provided may be shared with UK Government Departments, Welsh Government Sponsored Bodies, agencies (inclusive of fraud prevention agencies) for the purposes of audit, research, meeting statutory obligations and for the prevention and detection of fraud. Personal data will not be made public in any way that identifies individuals. Certain data will be passed to the European Commission in compliance with Structural Funds Regulations.
- (e) Data may also be passed to Welsh Government support contractors for the purpose of resolving system problems. These contractors will not be permitted to make any other use of these data.
- (f) If any person on whom data are held wishes to request details of their personal data being held on our central database they may contact our Helpline on 0845 010 3355.
- (g) Please refer to Schedule 12 which provides details of your obligations in respect of the General Data Protection Regulation (Regulation (EU) 2016/679) (the 'GDPR').

21. Information

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the "FOIA"), the Environmental Information Regulations 2004 (the "EIR") and the DPA 2018.
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
 - (i) to disclose any information which we have obtained under or in connection with the Financial Support to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/ or
 - (ii) any information is exempt from disclosure under the FOIA or the EIR.
- (c) You acknowledge that we may share any data you provide to us with fraud prevention agencies and third parties for the purposes of preventing and detecting fraud. Any personal data we collect will be managed in accordance with our Privacy Notice which is available to view at: <https://gov.wales/docs/caecd/publications/180518-privacy-notice-en.pdf>

22. Publicity

You must comply with the information and publicity requirements set out in Article 115 and Annex XII of Regulation 1303/2013, Commission Implementing Regulation (EU) No 821/ 2014 of 28 July 2014 and with the requirements set out in Condition 22 below. In particular you must:

- (a) consent (by signing this letter) to your name, the name of the Operation, the aim(s) and purpose(s) of the Operation, the outputs and results of the Operation, the location and, following the Financial Completion Date, the total amount of Financial Support paid in respect of the Operation, being published, electronically or otherwise, by us.
- (b) inform those taking part in the Operation, including participants, businesses/ organisations/ enterprises and contractors that they are benefitting from the Financial Support from the European Union e.g. written acknowledgement of Financial Support and use of logo for enrolment, attendance documents or certificates, documents awarding Financial Support or/ contracts to businesses and tenders.
- (c) display a permanent commemorative plaque (provided by us) and at least one poster (minimum size A3) at a location readily visible to the public e.g. site entrance/ reception area, where the Operation is being delivered.

The poster template will be provided by us and must highlight:

- the name of the Operation,
 - the main objective of the Operation,
 - the amount of Financial Support from the EU;
 - the Structural Fund from which Financial Support has been awarded i.e. European Social Fund or European Regional Development Fund;
 - the statement, 'EU Funds: Investing in Wales',
 - the emblems/ logo of the European Union and the Welsh Government (provided by us)
- (d) publish a short description of the Operation on your website (where such a website exists), including its aims and results, the Financial Support from the European Union, the name of the Structural Fund from which the Financial Support has been awarded and the emblem/ logo of the European Union and the Welsh Government. The logo (provided by us) must be in a prominent and accessible format on your website.
 - (e) where the total public contribution to the Operation exceeds EUR 500,000 and the Financial Support is being used to finance infrastructure or construction works, you must:

- (i) during the implementation of the Operation display a temporary billboard with the emblem/ logo of the European Union and the Welsh Government (provided by us), covering at least 25% of its area and containing:
 - the name of the Operation ,
 - the main objective of the Operation,
 - the fund from which Financial Support has been awarded;
 - the statement, 'EU Funds: Investing in Wales',
 - the emblem/ logo of the European Union and the Welsh Government (provided by us).

- (ii) within 3 months of the Completion Date of the Operation, display a permanent billboard in an external location readily visible to the public, using a design/ template provided by us. The billboard will include:
 - the name of the Operation,
 - the main objective of the Operation,
 - the fund from which Financial Support has been granted,
 - the statement, 'EU Funds: Investing in Wales'
 - the emblem/ logo of the European Union and the Welsh Government (supplied by us), which should cover at least 25% of the signage area

- (f) upon request by us, provide us with photographs (as defined in the Copyright, Designs and Patents Act 1988) (content, style and format to be specified by us) relating to the Operation to enable us to compile a library of photographs to be used in publicity material from time to time, the aim of which is to promote how the Structural Funds are creating benefits for the people and communities of Wales.

- (g) upon request from us, provide us with case studies which can be used in publicity material to promote the impact of the Operation and the achievements of European Union programmes.

- (h) refer to the European Regional Development Fund/ European Social Fund delivered through the Welsh Government prominently in the main body of press notices promoting the Operation.

- (i) ensure that all information and publicity materials are fully accessible and available to a wide and diverse audience in accordance with your duties under the Equality Act 2010 and that the standards outlined in the Welsh Language (Wales) Measure 2011 are adopted. This includes ensuring that all materials such as publications, websites and toolkits supported by the Structural Funds can be made available bilingually and in other accessible formats, where it is reasonable and not disproportionate to do so.

23. Buying goods and services

You must buy all goods and services required for the Operation in a competitive and sustainable way so as to demonstrate that you have achieved best value in the use of public funds. This includes in compliance, where applicable, with the Procurement Legislation, and in accordance with the European Union Principles set out in Schedule 5. Specific rules and procedures are set out in our document entitled, 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

24. Giving notice

- (a) Where notice is required to be given under these Conditions it must be in writing (this does not include email but may include a letter attached to an email) and must prominently display the following heading:

"Notice in relation to the c80833 Cynnydd WWV".

- (b) The address and contact details for the purposes of serving notice under these Conditions are as follows

You: Manager of the Operation at the address stated in Schedule 10.

Us: the WEFO Contact at the address stated in Schedule 10.

- (c) A notice will be deemed to have been properly given as follows:-

Prepaid first class post:	on the second Working Day after the date of posting.
By hand.	upon delivery to the address or the next Working Day if after 4pm or on a weekend or public holiday.
By email attachment:	upon transmission or the next Working Day if after 4pm or on a weekend or public holiday.

25. Welsh language

- (a) Subject to Condition 25(b), where the Operation requires you to deliver a service to another person, or where you are required to deal with another person in connection with the delivering of services to

that person (or a third party), you must ensure that you promote the use of the Welsh language in accordance with all service delivery and record keeping standards (the Welsh Language Standards) which may be set out from time to time by the Welsh Ministers in accordance with the Welsh Language (Wales) Measure 2011.

- (b) Notwithstanding Condition 25(a), we may, by providing you with notice in writing, inform you that any of the Welsh Language Standards relating to service delivery are not applicable to the Operation in such circumstances where we feel that it would be unreasonable or disproportionate for the particular Welsh Language Standard to apply.

26. Cross Cutting Themes

When carrying out the Operation, you must:

- (a) comply with our guidance relating to the Cross Cutting Themes, copies of which can either be obtained from WEFO's Website or by telephoning our Helpline on 0845 010 3355;
- (b) comply with the requirements regarding:
 - (i) Equal Opportunities and Gender Mainstreaming and non discrimination as set out in Article 7 of Regulation 1303/ 2013;
 - (ii) the Welsh Government's Strategic Equality Action Plan;
 - (iii) the Welsh Language (Wales) Measure 2011;
 - (iv) Sustainable Development set out in Article 8 of Regulation 1303/ 2013, and as a central organising principle for the Welsh Government;
 - (v) Tackling Poverty and Social Exclusion as set out in the EU Platform Against Poverty and Social Exclusion, Europe 2020 Flagship Initiative and the Welsh Government Tackling Poverty Action Plan.
 - (vi) the Well Being of Future Generations Act 2015, where applicable.
- (c) You must ensure that the requirements of the Cross Cutting Themes are passed onto anyone else contracted to deliver the Operation and that a lead person in your organisation is identified as being accountable for implementation of the Cross Cutting Themes.

27. Welsh Ministers' functions

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in, or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh

Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

28. General

- (a) If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to these Conditions must be in writing and signed by us and you in the same manner as this letter. We may unilaterally amend these Conditions at any time to reflect changes in any relevant legislation, the documents and guidelines referred to in these Conditions, our processes and/ or the Operational Programme.
- (d) You must follow our guidelines as updated from time to time. It is your responsibility to ensure the continued compliance of the Operation with these documents and guidelines by taking account of any amendments to these documents and guidelines.
- (e) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- (f) Conditions 7, 8(h), 9, 12, 21, and 28(f) and such other Conditions which by implication need to continue in force beyond the final payment of Financial Support will so continue in full force and effect.
- (g) The award of the Financial Support is to you alone and no one else is entitled to make any claim in respect of the Financial Support or seek to rely on or enforce any of these Conditions.
- (h) These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.
- (i) If any uncertainty or a dispute of any nature arises in connection with the intended meaning of any Condition, we shall determine the meaning to be given to that disputed provision and our decision shall be final.

- (j) You must notify all Joint Beneficiaries of any amendment or variation to these Conditions and obtain their confirmation that they have been made aware of and fully understand the changes.

29. How to accept this award of Financial Support

- (a) To accept this award of Financial Support you must sign and return a copy of this letter to us. None of the Financial Support will be paid to you until we have received your signed letter.
- (b) We must, unless otherwise agreed, receive your signed letter within 20 Working Days of the date of this letter, or this award of Financial Support will automatically be withdrawn.
- (c) If you become aware that you will not be able to comply with the Start Date, you must notify us immediately. In these circumstances we reserve the right to withdraw the offer of Financial Support even if you have accepted the offer of Financial Support in accordance with this Condition 29.

Yours sincerely,



Signed by Dean Langley

Priority Controller, ESF Employment and Young People

under authority of the Cabinet Secretary for Finance, one of the Welsh Ministers

Schedule 1

Targets

Output Indicators	Target
SO3.2 - Participants at Risk of becoming NEET (11-24 years of age)	7,717
- <i>female</i>	3,192
- <i>male</i>	4,525

Immediate Result Indicators	Target
Participants at risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	4602
Participants at risk of becoming NEET (11-24) gaining qualifications upon leaving	1159

If there is any conflict between the Conditions and the Delivery Profile, we shall determine which document shall take precedence and such determination shall be final.

Schedule 2

Notification Events

1. You or any of your Personnel fails to adhere to the Principles of Sound Financial Management;
2. You fail to notify us immediately when you became aware (or should reasonably have become aware) of any Litigation;
3. The Financial Support, in full or in part, has not been or is not being used for the purposes of the Operation;
4. There has been a material change in the match funding, nature, scale, costs, funding, ownership or timing of the Operation;
5. Where the Financial Support comprises an investment in infrastructure or productive investment, and at any point between the Start Date and the expiry of five years from the final payment to you (the time period of five years will be reduced to three years from the final payment of the Financial Support to you, where the Operation concerns investments and/ or jobs created by SMEs), or within any period of time set out in the State Aid Rules, the Operation is subject to:
 - (a) a cessation or relocation of a productive activity outside of the programme area; or
 - (b) a change in ownership of an item of infrastructure which gives to any person or any private or public body an undue advantage; or
 - (c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives;
6. Where the Financial Support does not constitute State Aid and the Operation comprises an investment in infrastructure or a productive investment, and at any point between the Start Date and the expiry of 10 years from the final payment of the Financial Support to you, the productive activity is subject to relocation outside the European Union. This provision shall not apply to SMEs;
7. You have entered into a contract with a third party in relation to the Operation before the Start Date unless specifically agreed and confirmed in writing by us. We may agree if the cost constitutes and is identified as Retrospective Expenditure or Preliminary Expenditure in the Delivery Profile and if it is Eligible Expenditure which has not been incurred before 1 January 2014;
8. At any point between the Start Date and the expiry of five years from the final payment of the Financial Support to you an Asset is used for purposes other than the purposes of the Operation and/ or you dispose of an Asset in any way;

9. If it becomes apparent that the Financial Support exceeds the relevant ceiling on contributions from the Structural Funds, as set out in Article 120 of Regulation 1303/ 2013;
10. There is unsatisfactory progress towards completing the Operation, including meeting the Targets and requirements of the Delivery Profile;
11. You have failed to take sufficient measures to investigate and resolve any Irregularity of which you are aware;
12. You fail to provide information about the Operation requested by the Welsh Ministers, us, the European Commission or the European Court of Auditors, or any of their auditors, agents or representatives;
13. Any part of the Operation has already been paid for out of funds originating from the European Commission (other than the Financial Support);
14. If the European Commission or any competent court decides that any part of or all of the Financial Support should be withheld, reduced, cancelled or recovered;
15. In the event that any audit check identifies circumstances whereby a full or partial de-commitment of Financial Support is due;
16. You owe money to us or any European Community institution in respect of any other operation;
17. We have reason to believe that you and/ or any of your Personnel are involved in fraudulent activity or have been involved in fraudulent activity during the lifetime of the Operation;
18. Repayment of any part of the Financial Support is required under European Law (whether under State Aid Rules or otherwise);
19. You fail to comply with any of the Conditions;
20. We have made an overpayment of Financial Support to you;
21. Any declaration made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
22. You fail to provide the data referred to in Condition 20.
23. Any petition is presented or resolution passed or other action taken for your bankruptcy or winding-up or a petition is presented for an administration order against you;
24. A receiver or an administrative receiver is appointed in respect of you or in respect of all or any part of your assets;

25. A moratorium in respect of all or any of your debts or a composition or an agreement with your creditors is agreed, applied for, ordered or declared;
26. You are unable, or admit in writing your inability, to pay your debts as they fall due;
27. Any distress, execution, attachment or other process affects any of your assets;
28. A statutory demand is issued against you;
29. You cease, or threaten to cease, to carry on all or a substantial part of your business;
30. Any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions.

Schedule 3

[Intentionally left blank]

Schedule 4

State Aid

No State Aid

Of the Financial Support £24,833,122 has been awarded on the basis that the Financial Support does not constitute State Aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union.

Schedule 5

Procurement Legislation and European Union Principles

1. The Procurement Legislation applies to contracts for works, supplies, services and utilities let by contracting authorities or subsidised contracts let by organisations who are not contracting authorities, as defined in the Procurement Legislation and explained in the rules issued by WEFO entitled, 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.
2. The Procurement Legislation requires contracts above certain thresholds to be advertised in the Official Journal of the European Communities. Bids for contracts must be assessed on an objective basis and contract awards must be published in the Official Journal of the European Union.
3. If you are a contracting authority and the contract is below the thresholds stipulated in the Procurement Legislation, you must comply with the European Union Principles.
4. If you are not a contracting authority, you must use fair and open practices, including competitive tendering, when entering into contracts of any kind for which you intend to claim funding from the Structural Funds.
5. You must use the Welsh Government's sell2wales (<http://www.sell2wales.gov.uk>) in respect of the Operation when appropriate. You must refer to the guidance issued by us regarding the use of this website.
6. In addition to the requirements outlined in Conditions 1, 2, 3, 4, and 5 of this Schedule 5, you must notify the WEFO Contact:
 - (a) as soon as you become aware of any likely procurement activities within the delivery of the Operation;
 - (b) before any tender opportunities are advertised on sell2wales;
 - (c) of the result of any procurement exercise as soon as it has been completed and provide:
 - (i) an explanation of the choice of the successful contractor(s);
 - (ii) details of the number of contractors whose service have been procured and the sectors to which those contractor(s) relate;

- (d) of any changes undertaken through procurement to the delivery arrangements or contractor base within the Operation; and
 - (e) of the sources of match funding of the Operation following the completion of any procurement exercise.
- 7. On our request, you must provide the WEFO Contact with:
 - (a) a copy of the tender report; and
 - (b) details of the tenderer(s).
- 8. Where it is not possible to comply with the requirements of Conditions 6 and 7 of this Schedule 5 due to the fact that the procurement process pre-dates the Business Plan, you must provide us with any information we require, which was not provided in the Business Plan, within 6 weeks of the date of the acceptance of the Conditions.
- 9. Further guidance regarding procurement is available on the following website: <http://prp.wales.gov.uk>

Schedule 6

Special Conditions

N/A

Schedule 7

Summary of monitoring requirements

(refer to Conditions 12 and 13 of this letter)

1. Regulation 1303/2013 sets out general provisions for financial control of the Structural Funds.
2. The general responsibilities of the managing, certifying, and audit authorities are set out in detail in the Structural Funds Regulations and the Operational Programme.
3. The following text is a **summary only** of the monitoring requirements of the Structural Funds Regulations and is not a substitute for Regulation 1303/2013, the Implementing Acts or the Operational Programme.
4. The general measures that we shall take in carrying out our responsibilities in accordance with the Principles of Sound Financial Management shall include but are not limited to or by the following:
 - (i) carrying out verifications to cover administrative, financial, technical and physical aspects of the Operation, as appropriate. Verifications will ensure that the expenditure declared by you is real, that the Operation has been delivered in accordance with the Conditions, that the applications for reimbursement by you are correct and that the Operation and expenditure comply with European Union and national rules. Verifications will include procedures to avoid double financing of expenditure with other European Union or national schemes, administrative checks in respect of each application for reimbursement by you and on-the-spot checks of the Operation;
 - (ii) ensuring that on-the-spot verifications are carried out on a sample basis. We will keep records which describe and justify the sampling method and identifying the Operations selected for verification. We will review the sampling method each year;
 - (iii) ensuring that you and third parties involved in the Operation maintain either a separate accounting system or an adequate accounting code for all transactions relating to the Operation;
 - (iv) ensuring that audit trails comply with the requirements of Article 25 of the Commission Delegated Regulation (EU) No 480/ 2014;
 - (v) drawing up and submitting to the Commission certified statements of expenditure and applications for payment of Financial Support;
 - (vi) certifying that the statement of expenditure is accurate, results from reliable accounting systems, is based on verifiable supporting documents, expenditure declared complies with the applicable European Union and national rules and has been Paid Out in respect

of the Operation in accordance with the criteria applicable to the Operational Programme;

(vii) ensuring audits are carried out on the Operation to verify expenditure declared, in accordance with Article 148 of the Common Provisions Regulation;

(viii) preventing, detecting and correcting Irregularities and recovering amounts unduly paid together with interest on late payments where appropriate; and

(ix) ensuring that you have adequate monitoring systems in place so that your Claim Forms in respect of the Operation only include Eligible Expenditure Paid Out in the periods to which the Claim Forms relate.

5. WEFO is responsible for providing assurance to the European Commission that Operations have been selected in accordance with the Operational Programme and implemented in accordance with the Conditions. All expenditure declared must be in compliance with European Union and national rules and correspond to the accounting records and supporting documents held by you. In order to verify that these requirements are being met the Welsh Ministers acting through the Welsh Government's Corporate Governance and Assurance Division will audit the documentation and records held by a sample of beneficiaries from across each of the operational programmes. This sample will be selected annually, using a sampling methodology that has been agreed with the European Commission.

Schedule 8

SIMPLIFIED COSTS

1. Eligible Expenditure must be declared on the basis of Simplified Costs for the costs listed below:

INDIRECT COSTS 15% of direct staff costs – for Pembrokeshire County Council, Carmarthenshire County Council and City and County of Swansea

2. You must calculate the Eligible Expenditure for Indirect Costs by applying a **flat-rate of 15% to applicable direct staff costs**.
3. The legal basis of the 15% flat-rate is set out in article 68.1(b) of Regulation (EU) 1303/ 2013.
4. The percentage rate is fixed and will not change during the implementation of the Operation.
5. The full terms and conditions for applying the flat-rate, including definitions of 'applicable direct staff costs' are explained in our document called 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'. You must familiarise yourself with these rules and if you are unable to accept the conditions, should notify your WEFO Contact so that Indirect Costs can be removed from your Delivery Profile.
6. Where we inform you that we are satisfied that the activities of any Joint Beneficiary also give rise to Indirect Costs, the flat-rate percentage also applies to the applicable direct staff costs of each Joint Beneficiary.
7. The flat-rate percentage is designed to cover all potential Indirect Costs and therefore you must not declare any additional Indirect Costs as Eligible Expenditure even if actual, paid out costs.
8. Audit, verifications and investigations may audit the accounting records of beneficiaries to obtain general information about actual costs for cost items that are reimbursed using Simplified Costs but this will only be for statistical purposes or to gather data to assess the adequacy of the Simplified Cost rates. Such audits will however have no direct consequences for beneficiaries that are audited, even if the actual costs turn out to be lower.

ALL INDIRECT and DIRECT COSTS 40% of eligible direct staff costs – for Ceredigion County Council, Neath Port Talbot County Borough Council, Coleg Ceredigion, Pembrokeshire College, Coleg Sir Gar, Gower College Swansea, Neath Port Talbot Group of Colleges and Career Choices Dewis Gyrfa LTD.

9. You must calculate the Eligible Expenditure for all Indirect Costs and direct costs, other than applicable direct staff costs, by applying a **flat-rate of 40% to eligible direct staff costs**.
10. The legal basis of the 40% flat-rate is set out in Article 67(1)(d) and 5(d) of Regulation (EU) 1303/ 2013 and Article 14(2) of Regulation (EU) 1304/ 2013.
11. The percentage rate is fixed and will not change during the implementation of the Operation.
12. The full terms and conditions for applying the flat-rate, including definitions of 'applicable direct staff costs' are explained in our document called 'WEFO Eligibility rules and Conditions for support from the European Structural Funds 2014-2020'. You must familiarise yourself with these rules and if unable to accept the conditions, should notify your WEFO Contact so that Indirect Costs and direct costs can be removed from your Delivery Profile.
13. Where we inform you that we are satisfied that the activities of any Joint Beneficiary also give rise to Indirect Costs, the flat-rate percentage also applies to the eligible direct staff costs of each Joint Beneficiary.
14. The conditions set out in this schedule apply to your Eligible Expenditure as well as Eligible Expenditure declared for Joint Beneficiaries.
15. Audit, verifications and investigations may audit the accounting records of beneficiaries to obtain general information about actual costs for cost items that are reimbursed using Simplified Costs but this will only be for statistical purposes or to gather data to assess the adequacy of the Simplified Cost rates. Such audits will however have no direct consequences for beneficiaries that are audited; even if the actual costs turn out to be lower.

Records and other documentation to support the flat-rate costs

You and any Joint Beneficiary applying the flat-rate must:

- keep detailed records and other supporting documents to prove that the costs to which the flat rate applies are eligible i.e. applicable direct staff costs fully comply with the applicable eligibility conditions set out in our 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

- keep a record of the 15% calculations together with a list, of any applicable direct staff costs that were excluded when performing the 15% calculation and the reasons why.

Schedule 9

DOCUMENTS AND GUIDELINES

Copies of the documents listed below can either be obtained from our Website or by telephoning our Helpline on 0845 010 3355

WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020

Delivery Models guidance

Detailed Guidance on using simplified costs

ERDF Cross Cutting Themes Key Guidance and Matrix 2014-2020

ESF Cross Cutting Themes Key Guidance and Matrix 2014-2020

Welsh Government State Aid Unit, How to use a GBER Regional Aid Scheme, Version 1, October 2014

Monitoring and Evaluation plan - Guidance

ERDF Indicator definitions: Priority Axis 1: Research and Innovation

ERDF Indicator definitions: Priority Axis 2: SME Competitiveness

ERDF Indicator definitions: Priority Axis 3: Energy

ERDF Indicator definitions: Priority Axis 4: Connectivity and Urban Development

ESF Indicator definitions: Priority Axis 1: Poverty indicator definitions

ESF Indicator definitions: Priority Axis 2: Skills for growth

ESF Indicator definitions: Priority Axis 3: Youth Employment & Attainment

Information and Publicity Guidelines 2014-2020

2014-2020 Claiming Arrangements – Instructions for Lead Beneficiaries

General Data Protection Regulation (GDPR) 2018 and Structural Funds

Schedule 10

Interpreting these Conditions (refer to Condition 3 of this letter)

you, your, Beneficiary – means Pembrokeshire County Council, County Hall, Haverfordwest, Pembrokeshire, SA61 1TP awarded Financial Support to initiate, or initiate and implement, the Operation.

we, us, our – means WEFO;

WEFO Contact means

Gareth Evans
Project Development Officer
WEFO
Welsh Government
Rhydycar Business Park
Merthyr Tydfil
CF48 1UZ

Tel: 0300 062 2317

Email: GarethO.Evans@gov.wales

Manager of the Operation means (the person appointed by you to implement the Operation)

Sarah Berry
Pembrokeshire County Council
Economic Development Division
County Hall
Haverfordwest
Pembrokeshire
SA61 1TP

Tel: 01437 776175

Email: sarahberry@pembrokeshire.gov.uk

Authorising Contact Officer means (means the person with the financial authority to approve your application for funding. If your application is successful they will be asked to sign this letter)

Jon Haswell
Pembrokeshire County Council
Economic Development Division
County Hall
Haverfordwest
Pembrokeshire
SA61 1TP

Tel: 01437 775839

Email: jon.haswell@pembrokeshire.gov.uk

You must inform us immediately if the person/s named above cease to be responsible for managing the Operation on your behalf, whether on a temporary or permanent basis.

Asset – means a tangible asset acquired, built or improved, financed in whole or in part by the Financial Support. Please refer to Condition 14 for further details regarding the inventory of assets.

Business Plan – means version 3, dated 6th June 2018 of your Business Plan relating to the Operation prepared by you and approved by us on 15th November 2018.

Claim Form – means a summary of costs at the level of sub-category of expenditure which is supported by a list of individual payments and receipts (transaction list), together with a progress report.

Completion Date of Operation – means the date specified in the Delivery Profile for the final completion of the Operation. The Operation must be physically completed or fully implemented and all related payments have been made by you and the Financial Support has been paid to you by this date.

Conditions – means the terms and conditions set out in:

(i) this letter;

(ii) the **Schedules 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13** attached to this letter;

(iii) the documents and guidance referred to in this letter and the **Schedules 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13** attached to this letter and any other documents or guidance published by WEFO and made known to you. (These documents and guidance may be amended by WEFO from time to time. For the avoidance of doubt, it is your responsibility to ensure the continued compliance of the Operation with these documents and guidance by taking account of any amendments to these documents and guidance);

(iv) the Business Plan;

(v) the Monitoring and Evaluation Plan; and

(vi) the Delivery Profile.

If there is any conflict between any of the documents referred to in (i) to (vi) above, we shall determine which document shall take precedence and such determination shall be final.

Cross Cutting Themes – means the themes of Equal Opportunities and Gender Mainstreaming, Sustainable Development, Tackling Poverty and Social Exclusion. Please refer to Condition 26 for further details.

Cross-Fund Flexibility – means that the ERDF and ESF may finance, in a complementary manner, activities falling within the scope of assistance from the other fund, provided that they are necessary for the satisfactory

implementation of the Operation and are directly linked to it. Details of any cross fund flexibility in relation to the Operation are contained in the Business Plan and Delivery Profile. The use of Cross-Fund Flexibility is subject to the eligibility criteria set out in the rules issued by WEFO entitled 'Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

Delivery Profile - means version 1 of a document agreed on 15th November 2018 between you and us which includes financial and physical targets relating to the Operation and other amendments and additions as may be required by us from time to time provided that we give you reasonable notice in writing of such changes.

Eligible Expenditure – means actual costs incurred and paid out by you or the Joint Beneficiaries listed in Schedule 3, that qualify for reimbursement from the Structural Funds together with, where applicable, Match Funding in-kind and depreciation. Eligible Expenditure will be determined in accordance with the document issued by us entitled 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020', as updated, amended or replaced at the relevant time. Alternatively, Simplified Costs (flat-rates, unit costs, lump sums) are also Eligible Expenditure, where approved by us in advance. Please refer to the defined term for 'Simplified Costs'.

Equal Opportunities and Gender Mainstreaming – means specific actions as defined in the Cross Cutting Themes Key Guidance document and Matrix 2014-2020 ESF and ERDF Structural Funds Programmes, to promote equal access for all to education, training and employment opportunities and the prevention of any discrimination on the grounds of gender, disability, racial or ethnic origin, religion or belief, age, sexual orientation and with regards to the bilingual nature of many of the communities in Wales. There is a requirement to take account of the needs of various target groups at risk of discrimination, in particular disabled people and those covered by the 2010 Equality Act as having 'protected characteristics' and in Wales the promotion of the Welsh language and support for Welsh speakers.

ERDF – means the European Regional Development Fund.

ESF – means the European Social Fund.

European Union Principles – means the European Union principles, upon which the Procurement Legislation is based, of transparency, non-discrimination, equality of treatment, proportionality, mutual recognition, free movement of goods, the right of establishment and the freedom to provide services contained in the EU Treaty. Please refer to Schedule 5 for further details.

Financial Completion Date – means the date specified in the Delivery Profile on which the final Operation expenditure is Paid Out and/ or Operation income received.

Indirect Costs – means all Eligible Expenditure that does not qualify as direct costs i.e. costs which cannot be linked directly to the implementation of the Operation and/ or where it is difficult to attribute the precise value of such costs. Where indirect costs are reimbursed on the basis of a flat-rate percentage (Simplified Costs), the percentage will be established in advance and cannot be changed during or after the implementation of the Operation.

Condition 4 and Schedule 8 contain details of the agreed flat rate percentage for Indirect Costs for the Operation.

Irregularity – means an act or omission which results in any breach of:

- (a) a provision of Union or national law: or
- (b) the 'Eligibility rules and conditions for support from the European Structural Funds 2014-2020' as updated, amended or replaced; or
- (c) the Conditions

and which would result in an unjustified item or amount of expenditure being charged to the European Structural and Investment Funds budget.

Joint Beneficiary/ ies – those organisations listed in Schedule 3, authorised by us to declare Eligible Expenditure on the same basis as the Beneficiary.

Key Milestone Dates – means the milestones to achieve the Operation outlined in the Delivery Profile.

Litigation – means any current, pending or threatened litigation or arbitration which has or could have an adverse effect on your ability to perform and comply with any of the obligations under the Conditions.

Match Funding in-kind – means the provision by third parties of works, goods, services, land and buildings for which no cash payment has been made by the Beneficiary, and which are to be calculated and declared in accordance with the rules issued by WEFO entitled 'Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

Mobilisation Phase – means the period of time which commences upon formal approval of the Operation and ends when the delivery phase of the Operation begins, as agreed in the Business Plan and/ or Delivery Profile. It will include agreed milestones to enable you to put in place appropriate delivery arrangements. Completion of all milestones is required before the start of the delivery phase of the Operation. Condition 5 contains details of the agreed mobilisation phase, together with the agreed milestones which you must adhere to.

Monitoring and Evaluation Plan – means the monitoring and evaluation plan prepared by you. A date for submission is to be agreed

Notification Event means any of the events listed in Schedule 2.

Operation - means the activity or activities for which you have applied for Financial Support as described in the Business Plan, and which will contribute to the specific objectives of programme priorities as set out in the Operational Programme.

Operation Generating Net Revenue – means an ERDF funded Operation expected to generate net revenue after its completion. Net revenue means cash in-flows directly paid by users for the goods or services provided by the Operation, such as charges borne directly by users for the use of

infrastructure, sale or rent of land or buildings, or payments for services less any operating costs and replacement costs of short life equipment incurred during the corresponding period. We will assess whether an Operation meets this definition at appraisal.

Operational Programme – means the document prepared by us and adopted by the European Commission which sets out the Welsh Government's strategy and priorities for growth, jobs and smart, sustainable and inclusive growth for West Wales and the Valleys and East Wales over the period 2014-2020 with the support of the Structural Funds. For the purposes of the Conditions, the relevant operational programme is European Social Fund in West Wales and the Valleys 2014-2020.

Our Helpline – means 0845 010 3355

Our Website – means the website of WEFO www.gov.wales/eu-funding

Paid Out – means disbursed by the Beneficiary. Further rules and guidance on the meaning of Paid Out is provided in the document issued by WEFO entitled 'WEFO Eligibility rules and conditions for support from the European Structural Funds 2014-2020'.

Personnel – means your management/ employees and/ suppliers or any other person appointed or engaged by you in relation to the Financial Support and/ or the Operation.

Preliminary Expenditure – means costs which you have incurred and Paid Out before the Start Date which enable you to obtain a realistic estimate of the Operation expenditure and, subject to our approval, may be declared as Eligible Expenditure. Preliminary Expenditure is distinct from Retrospective Expenditure.

Principles of Sound Financial Management – means ensuring that all activities and related Eligible Expenditure must demonstrate value-for-money by adhering to the principles of economy, efficiency and effectiveness.

Procurement Legislation – means all applicable legislation which governs the procurement of works, supplies and services by contracting authorities (as defined in the Procurement Legislation) including but not limited to the Public Contracts Regulations 2015 (SI 2015 No 102), and the Utilities Contracts Regulations 2006 (SI 2006/6), as amended. Please refer to **Schedule 5** for further details regarding procurement.

Public Expenditure - means any public contribution to the financing of the Operation the origin of which is the budget of national, regional or local public authorities, the budget of the Union related to the Structural Funds, the budget of public law bodies or the budget of associations of public authorities or public law bodies and for the purpose of determining the co-financing rate for ESF programmes or priorities, may include any financial resources collectively contributed by employers and workers.

Retrospective Expenditure – means costs which, subject to our approval may be declared as Eligible Expenditure, and which you have incurred and Paid Out before your acceptance of this letter, but on or after 1 January 2014. Retrospective Expenditure is distinct from Preliminary Expenditure.

Schedule means the schedules attached to this letter.

Simplified Costs – means Eligible Expenditure calculated using standard unit costs, flat-rates and/ or lump sums, and not therefore, calculated using the actual costs incurred and Paid Out by Beneficiaries. The use of Simplified Costs in this operation is only permitted if specifically referred to at Condition 4 with a full breakdown provided at Schedule 8.

SME – means an enterprise that falls within the criteria and parameters of the definition of micro, small and medium-sized enterprises contained in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005.

Special Conditions – means those Special Conditions listed in Schedule 6.

Start Date – means the date which, in accordance with the Delivery Profile, you will begin activities, and incur expenditure, to initiate or implement the Operation.

State Aid Rules – means the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109.

Structural Funds – means the ERDF and the ESF.

Structural Funds Regulations – means the Structural Funds regulations detailed at Schedule 11.

Sustainable Development – means the sustainable development of the environment, by promoting practices of environmental protection and improvement, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management.

Tackling Poverty and Social Exclusion – means taking measures to address a long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities, or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society.

Targets – means the targets listed in Schedule 1 which are the same as the targets set out in the Delivery Profile.

Total Cost of the Operation – means all actual eligible and ineligible costs incurred and paid out by you or the Joint Beneficiaries for the implementation/ delivery of the Operation. Details of the Total Cost of the Operation will be held within the Delivery Profile.

WEFO – means the Welsh European Funding Office, an administrative division of the Welsh Government serving the Welsh Ministers.

Welsh Government – means the Welsh Government established under section 45 of the Government of Wales Act 2006 as amended by section 4 of the Wales Act 2014 and is the executive branch of the devolved government in Wales.

Welsh Ministers – means the Welsh Ministers appointed under section 48 and the First Minister appointed under section 46 of the Government of Wales Act 2006

Working Days – means days from Monday to Friday (inclusive) but not Christmas Day, Good Friday or statutory bank holidays in England and Wales.

Any reference to any legislation whether domestic, EU or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

Schedule 11

Structural Funds Regulations

- Regulation (EU) No 1303/ 2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/ 2006 (Regulation 1303/ 2013);
- Regulation (EU) No 1304/ 2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions concerning the European Social Fund and repealing Council Regulation (EC) No 1081/ 2006 (Regulation 1304/ 2013);
- Regulation (EU) No 1301/ 2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions concerning the European Regional Development Fund and repealing Regulation (EC) No 1080/ 2006 (Regulation 1301/ 2013);
- Commission Delegated Regulation (EU) No 480/ 2014 of 3 March 2014 supplementing Regulation (EU) No 1303/ 2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (Regulation 480/ 2014).
- Commission Implementing Regulation (EU) No 288/ 2014 of 25 February 2014 laying down rules pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to the model for operational programmes under the Investment for growth and jobs goal and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal with regard to the model for cooperation programmes under the European territorial cooperation goal.
- Commission Implementing Regulation (EU) No 184/ 2014 of 25 February 2014 laying down pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development

and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, the terms and conditions applicable to the electronic data exchange system between the Member States and the Commission and adopting pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, the nomenclature of the categories of intervention for support from the European Regional Development Fund under the European territorial cooperation goal.

- Commission Implementing Regulation (EU) No 215/ 2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds.
- Commission Implementing Regulation (EU) No 1011/ 2014 of 22 September 2014 laying down detailed rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission and the detailed rules concerning the exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies.
- Commission Implementing Regulation (EU) No 821/ 2014 of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/ 2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data.
- Commission Implementing Regulation (EU) No 207/ 2015 of 14 February 2015 laying down detailed rules implementing Regulation (EU) No 1303/2013 of the European Parliament and of the council as regards the models for the progress report, submission of the information on a major project, the joint action plan, the implementation reports for the Investment for growth and jobs goal, the management declaration, the audit strategy, the audit opinion and the annual control report and the methodology for carrying out the cost-benefit analysis and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council as regards the model for the implementation reports for the European territorial cooperation goal.

- Commission Delegated Regulation (EU) No 240/ 2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds.
- Commission Delegated Regulation (EU) No 522/ 2014 of 11 March 2014 supplementing Regulation (EU) No 1301/2013 of the European Parliament and of the Council with regard to the detailed rules concerning the principles for the selection and management of innovative actions in the area of sustainable urban development to be supported by the European Regional Development Fund.
- 2014/190/EU: Commission Implementing Decision of 3 April 2014 setting out the annual breakdown by Member State of global resources for the European Regional Development Fund, the European Social Fund and the Cohesion Fund under the Investment for growth and jobs goal and the European territorial cooperation goal, the annual breakdown by Member State of resources from the specific allocation for the Youth Employment Initiative together with the list of eligible regions, and the amounts to be transferred from each Member State's Cohesion Fund and Structural Funds allocations to the Connecting Europe Facility and to aid for the most deprived for the period 2014-2020 (notified under document number C(2014) 2082).
- 2014/99/EU: Commission Implementing Decision of 18 February 2014 setting out the list of regions eligible for funding from the European Regional Development Fund and the European Social Fund and of Member States eligible for funding from the Cohesion Fund for the period 2014-2020 (notified under document C(2014) 974).
- COMMISSION DECISION of 19.12.2013 on the setting out and approval of the guidelines for determining financial corrections to be made by the Commission to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.
- COMMISSION DELEGATED REGULATION (EU) 2015/1970 of 8 July 2015 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council with specific provisions on the reporting of irregularities concerning the European Regional Development Fund, the European Social Fund, the Cohesion Fund, and the European Maritime and Fisheries Fund.
- Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/ 361/ EC) which took effect on 1 January 2005.
- Commission Implementing Regulation (EU) 2018/ 276 of 23 February 2018 amending Implementing Regulation (EU) No 215/ 2014 with regard to changes to the determination of milestones and targets for output indicators in the performance framework for the European Structural and Investment Funds
- Commission Implementing Regulation (EU) 2018/277 of 23 February 2018 amending Implementing Regulation (EU) 2015/207 with regard to changes

to the models for the implementation reports for the Investment for Growth and Jobs goal and for the European territorial cooperation goal, as well as for the models for the progress report and the annual control reports and correcting that Regulation with regard to the model for the implementation report for the Investment for Growth and Jobs goal and annual control report

Schedule 12

Requirements of the GDPR

Part 1

Carrying out the Operation will require the processing of personal data on our behalf. We will be the Data Controller and our document entitled 'Monitoring and Evaluation plan – Guidance' provides details of the permitted processing to be undertaken in carrying out the Operation.

You must comply with any further written instructions from us in respect of processing on our behalf. Any such further instructions shall be incorporated into our document entitled 'Monitoring and Evaluation plan – Guidance'.

Part 2

1. The definitions set out below for the following terms shall be used in this Schedule 12

Data Loss Event	means any event that results or may result in unauthorised access to Personal Data held by you under the Award of Financial Support, and/ or actual or potential loss and/ or destruction of Personal Data in breach of this Award of Financial Support including any Personal Data Breach (as defined in the GDPR);
Data Protection Impact Assessment	means an assessment by the Controller of the impact of the envisaged Processing on the protection of Personal Data;
Data Protection Legislation	the GDPR, the DPA, the LED, and any applicable national implementing Legislation as amended from time to time, the DPA 2018 to the extent that it relates to Processing of Personal Data and privacy and all applicable laws and regulations relating to Processing of Personal Data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner;
Data Subject Access Request	means a request made by or on behalf of a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data;
DPA 2018	means the Data Protection Act 2018;
GDPR	means the General Data Protection Regulation (Regulation (EU) 2016/679);

LED	means the Law Enforcement Directive (directive (EU) 2016/679);
Law	<p>means:</p> <ul style="list-style-type: none"> (a) any applicable statute or proclamation or any delegated or subordinate legislation; (b) any enforceable community right within the meaning of section 2(1) European Communities Act 1972; (c) any applicable guidance, code of practice, direction or determination with which we and/or you are bound to comply to the extent that the same are published and publicly available or the existence or contents of them have been notified to you by us; and (d) any applicable judgment or order of a relevant court of law which is a binding precedent in England and Wales, <p>in each case in force or applicable in both England and Wales, or in Wales only;</p>
Party	<p>means:</p> <p>you, your, Beneficiary – means Pembrokeshire County Council awarded Financial Support to initiate, or initiate and implement, the Operation</p> <p>we, us our means WEFO</p> <p>together ‘the Parties’;</p>
Protective Measures	means appropriate technical and organisational measures which may include pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely matter after an incident and regularly assessing and evaluating the effectiveness of the measures adopted by it;
Sub-Processor	means any third party appointed to Process Personal Data on your behalf in relation to the Award of Financial Support ;
Working Days	means days from Monday to Friday (inclusive) but

	not Christmas Day, Good Friday or statutory bank holidays in England and Wales .
--	--

2. PROTECTION OF PERSONAL DATA

- 2.1 In this Schedule 12 the following terms shall have the meaning given to them in the GDPR: Controller, Processor, Data Subject, Personal Data, Process/ Processing, Personal Data Breach, Data Protection Officer.
- 2.2 The Parties acknowledge that for the purposes of the Data Protection Legislation as they apply to this agreement WEFO is the Controller and you are the Processor.
- 2.3 The only Processing of Personal Data that WEFO authorises you to undertake in relation to this agreement is described in this Schedule or is the subject of prior written approval by us and may not be determined by you.
- 2.4 You must notify us immediately if you consider that any of our instructions infringe the Data Protection Legislation.
- 2.5 You must provide all reasonable assistance to us in any on-going Data Protection Impact Assessment prior to and after commencing any Processing. Such assistance may, at our discretion, include:
- 2.5.1 a systematic description of the envisaged Processing of Personal Data to be undertaken by the Operation and the purpose of the Processing;
 - 2.5.2 an assessment of the necessity and proportionality of the Processing to be undertaken in relation to the Operation;
 - 2.5.3 an assessment of the risks to the rights and freedoms of Data Subjects; and
 - 2.5.4 the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 2.6 You must in relation to any Personal Data Processed in connection with your obligations under the Award of Financial Support:
- 2.6.1 process that Personal Data only in accordance with Condition 2.3 of this Schedule , unless you are required to do otherwise by Law. If you are so required you must promptly notify us before Processing the Personal Data unless prohibited by Law;
 - 2.6.2 ensure that you have in place Protective Measures to protect against a Data Loss Event having taken account of the:

- (i) nature of the data to be protected;
- (ii) harm that might result from a Data Loss Event;
- (iii) state of technological development; and
- (iv) cost of implementing any measures;

2.6.3 you must, where you are required to notify Data Subjects of the purpose and detail of the Processing to be undertaken, cooperate with us to agree an appropriate notice which complies with the Data Protection Legislation.

2.6.4 ensure that your Personnel do not Process Personal Data except in accordance with the Award of Financial Support;

2.6.5 ensure that you take all reasonable steps to ensure the reliability and integrity of any of your Personnel who have access to the Personal Data and ensure that they:

- (i) are aware of and comply with your obligations under the Conditions;
- (ii) are subject to appropriate confidentiality undertakings with you or any Sub-Processor;
- (iii) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by us or as otherwise permitted by the Award of Financial Support; and
- (iv) have undergone adequate training in the use, care, protection and handling of Personal Data;

2.6.6 do not transfer Personal Data outside of the EU unless our prior written consent has been obtained and the following conditions are fulfilled:

- (i) we or you have provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by us;
- (ii) the Data Subject has enforceable rights and effective legal remedies;
- (iii) you comply with your obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if you are not so bound, you must assist us in meeting our obligations); and
- (iv) you comply with any reasonable instructions notified to you in advance by us with respect to the Processing of the Personal Data;

2.6.7 At our written direction, delete or return Personal Data (and any copies of it) to us on expiry of the Award of Financial Support unless you are required by Law to retain the Personal Data.

2.7 Subject to Condition 2.8, you must notify us immediately if in connection with the Award of Financial support you:

2.7.1 receive a Data Subject Access Request (or purported Data Subject Access Request);

2.7.2 receive a request to rectify, block processing or erase any Personal Data;

2.7.3 receive any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;

2.7.4 receive any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data Processed under the Award of Financial Support;

2.7.5 receive a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or

2.7.6 become aware of a Data Loss Event.

2.8 Your obligation to notify under Condition 2.7 of this Schedule 12 includes the provision of further information to us in phases, as details become available.

2.9 Taking into account the nature of the Processing, you must provide us with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Condition 2.7 of this Schedule 12 (and insofar as possible within the timescales reasonably required by us) including by promptly providing us with:

2.9.1 full details and copies of the complaint, communication or request;

2.9.2 such assistance as we may reasonably request to enable us to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;

2.9.3 at our request, any Personal Data you hold in relation to a Data Subject;

2.9.4 assistance as we may reasonably request following any Data Loss Event;

2.9.5 assistance as we may reasonably request with respect to any request from the Information Commissioner's Office or any consultation by us with the Information Commissioner's Office.

- 2.10 You must maintain complete and accurate records and information to demonstrate your compliance with this Condition 2 of this Schedule 12. This requirement does not apply where you employ fewer than 250 staff unless:
- 2.10.1 we determine that the Processing is not occasional;
 - 2.10.2 we determine the Processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Articles 10 of the GDPR; and
 - 2.10.3 we determine that the Processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 2.11 You must allow for audits of your Data Processing activity by us or our designated auditor.
- 2.12 You must designate a data protection officer if required by the Data Protection legislation.
- 2.13 Before allowing any Sub-Processor to Process any Personal Data related to the Award of Financial Support you must:
- 2.13.1 notify us in writing of the intended Sub-Processor and Processing;
 - 2.13.2 enter into a written agreement with the Sub-Processor which gives effect to the terms set out in this Condition 2 of this Schedule 12 such that they apply to the Sub-Processor; and
 - 2.13.3 provide us with such information regarding the Sub-Processor as we may reasonably require.
- 2.14 You shall remain fully liable for all acts or omissions of any Sub-Processor.
- 2.15 We may at any time on not less than 20 Working Days notice revise this Condition 2 of this Schedule 12 by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to the Award of Financial Support).
- 2.16 The Parties agree to take account of any guidance issued by the Information Commissioner's Office. We may on not less than 20 Working Days' notice to you amend the Award of Financial Support to ensure that it complies with any guidance issued by the Information Commissioner's Office.
- 2.17 For the avoidance of doubt, nothing in the Award of Financial Support shall relieve you of your own direct responsibilities and liabilities under the Data Protection Legislation.

2.18 You agree to indemnify and keep us indemnified against all claims and proceedings and all liability, loss, costs and expenses incurred in connection therewith by us as a result of any claim made or brought by any individual or other legal person in respect of any loss, damage or distress caused to that individual or other legal person as a result of your unauthorised processing, unlawful processing, destruction of and/or damage to any Personal Data process by you, your employees or agents in your performance of the Award of Financial Support or as otherwise agreed between the Parties.

2.19 The provisions of this Condition 2 of this Schedule 12 shall apply during the continuance of the Award of Financial Support and indefinitely after its expiry.

ACCEPTANCE OF THE FUNDING

Operation Number (Case ID): 80833

You confirm that you wish to accept the award of Financial Support contained in this letter dated 15th November 2018 in respect of the Operation upon the Conditions, the entirety of which you confirm you have read and understood.

Where the Beneficiary is a local authority

The Beneficiary's Authorising Contact Officer must be advised of the receipt of this letter and a copy of this letter must be passed to the Beneficiary's designated section 151 officer. (Section 151 officers have their derivation from section 151 of the Local Government Act 1972).

The common seal of _____

Was affixed to this

letter in the presence of _____ *a duly*

authorised officer


(please print)

OR

Name

JONATHAN HASWELL
(please print)

Signed


(a duly authorised officer of

PCC)

Date

14-12-2018