Local Innovation Partnerships Fund ("LIPF") Specific Terms and Conditions – to be read in conjunction with UKRI terms and conditions of FEC grants

These terms and conditions of grant apply to LIPF research and innovation projects funded and delivered by UKRI through its funding systems. These LIPF terms and conditions of grant apply to all organisations awarded LIPF grant funding.

LIPFSGC 1: Variation to terms and conditions

For the purposes of these terms and conditions, the term "research" is hereby replaced with "research and innovation activities."

LIPFSGC 2: Accountability and responsibilities of the grant awardee

LIPFSGC 2.1 (replacement of RGC 2.1)

You are responsible for ensuring that when undertaking the project, the grant awardee, any Grant Drawing Organisation (s) or Third Parties comply with the LIPF terms and conditions of grant and any additional specific terms and conditions of grant and follow the UKRI agreed expenditure plan for business-related costs. You are required to have agreed a formal collaboration agreement with Your Grant Drawing Organisation (s) or project partner organisation(s) at the point of acceptance of a formal grant agreement and must provide Us with a signed copy at this point.

LIPFSGC 2.3.6.1

Prior to you entering into any legal agreement to fund with any Grant Drawing Organisation(s) or Third Parties in connection with the LIPF funded activities, the 'Subsidy Rules for Secondary Funding of Organisations that are not "Research Organisations Eligible for UKRI Funding"' must be followed. Failure to comply with the requirements outlined in this document will result in suspension, termination or recovery of grant payments.

LIPFSGC 2.13 (replacement of RGC 2.13)

By accepting this grant You are confirming that the Grant Awardee and Grant Drawing Organisation(s) have not already received research, innovation or support funding from any source, for the same activities that this grant has been awarded by Us to support. We reserve the right to terminate the grant should We find that the grant awardee has been or is in receipt of the aforementioned duplicate funding, either before or during the grant period.

LIPFSGC 2.6.2

In addition to the requirement set out in RGC 2.6.1, the Grant Awardee must: (1) appoint a dedicated Trusted Research and Innovation (TR&I) project lead, (2) record TR&I on the project risk register, and (3) include TR&I as a standing agenda item at advisory or board meetings.

LIPFSGC 4: Use of grant

LIPFSCG 4.4 (replacement of RCG 4.4)

Transfers of funds between categories of expenditure may be permitted only after consultation with and approval from the UKRI LIPF Delivery Team. LIPF funds must not be used to meet costs on any other grant or activity.

Funds can only be transferred and used to meet the cost of activity or activities that meet the agreed aims and objectives of the project. We reserve the right to query and remove any expenditure, outlined in the Final Expenditure Statement and supporting attachments including a breakdown of expenditure or other documents, which has not been incurred in line with the LIPF terms and conditions of grant and any specific terms and conditions of grant.

LIPFSGC 4.5 (replacement of RCG 4.5)

Studentships may only be funded where they are demonstrably linked to business or cluster growth. You must undertake appropriate due diligence before any Student is recruited, any Student research activity starts and on Your collaborative partner(s) in advance of any collaboration between parties beginning, including where changes occur after the Studentship start date to individuals or organisations involved in the Studentship or where any material change occurs in the nature of the collaboration or external factors which might alter the level of risk to the research activity and its potential usages. Where due diligence checks identify a potential risk, You must ensure that appropriate mitigations are in place to manage that risk before any Student research activity and/or collaboration affected by the risk begins/is continued.

LIPFSGC 4.5.1

The studentship must meet at least one of the following conditions:

- the student is employed by a local business for the duration of the studentship;
- the studentship is directly connected to cluster development or growth; or
- the studentship has an identified industry partner.

LIPFSGC 4.5.2

You are responsible for selecting, administering and supervising Students throughout their period of training, in accordance with current good practice as detailed in the Quality Assurance Agency publication [UK Quality Code for Higher Education: Advice and Guidance – Research Degrees]

LIPFGC 4.5.3

To draw any amount of funding from the grant in relation to a studentship, the studentship must:

- support training towards a doctoral level, research degree qualification. Where the Student ceases to continue to study toward a doctoral award, but instead continues to work towards a master's qualification, You are permitted to fund the Student up to the date that their dissertation is first submitted. Otherwise,

the award must be terminated from the date that the Student's registration ceases;
- meet the requirements outlined in the Statement of expectations for doctoral training; and
- provide the student with a level of support at least equal to that described in TGC 2.10, TGC 6 and TGC 8 of UKRI training grants: standard terms and conditions of training grant. You must provide this support even where You consider a conflict or tension arises with the grant conditions, even if this comes at additional cost to You. It is not dependent upon funding or authorisation by Us. You must notify us of any and all such instances.

Where these conditions are met, 100% of eligible costs (as defined in UKRI training grants: standard terms and conditions of training grant) may be drawn.

You must also meet any statuary obligations You hold irrespective of them being described in the grant conditions and these are not dependent upon funding or authorisation by Us.

LIPFSGC 4.5.4

A studentship must commence in FY26-27 – this means no later than 31 March 2027.

LIPFSCG 4.5.5

- Student eligibility is defined by TGC 5.2 of UKRI training grants: standard terms and conditions of training grant. No more than 30% or 1 student (whichever is higher) may have international fee status.

LIPFSGC 4.5.6

You must offer the option of studying on both a part-time and full-time basis with a minimum of 50% of full-time equivalent required, unless You have determined that a lower full-time equivalent is a reasonable adjustment to a Disabled person.

You should consider requests made by the student to make permanent changes to their study arrangements, including studying compressed hours, from home and flexitime.

LIPFSGC 4.5.7

You must provide Us with standard information on Students and their training programmes through UKRI's web-based Studentship Data System for inclusion in Our management information system. Failure to provide this information within one month of the Student's registration may result in financial and non-financial sanctions being imposed.

LIPFSGC 4.5.3

You must meet all the requirements as described in TGC 7.2 of UKRI training grants: standard terms and conditions of training grant.

LIPFSGC 5: Starting procedures

LIPFSGC 5.2 (replacement of RGC 5.2)

You must submit the start confirmation within 42 calendar days of the project starting. The date entered on the start confirmation will be the official start date of the grant.

The official start date may be delayed by up to six months from the date shown in the grant agreement, but the overall grant duration ("grant period") will be reduced due to the fixed end date of 31 March 2031. The grant may lapse if the project is not started within six months of the start date in the grant agreement.

LIPFSGC 6: Extensions

LIPFSCG 6.1 – (replacement of RCG 6.1)

All grants must end no later than the end of the LIPF programme, which is scheduled to end on 31 March 2031**,** and therefore the duration of the Grant ("Grant Period") cannot be extended beyond 31 March 2031.

LIPFSGC 7: Monitoring

LIPFSGC 7.3.1 (replacement of RGC 7.3.1)

You must submit any proposed changes of the grant holder to UKRI for approval via the appropriate funding system. All such proposals will be reviewed and considered by the LIPF Delivery Team.

LIPFSCG 7.4.1 (replacement of RCG 7.4.1)

We will set out a monitoring and evaluation framework that You must follow to enable Us to demonstrate the outcomes and impact of Your funding. This will include requirements for quarterly progress reporting through the lifetime of Your project. It will also include annual reporting of outcomes and impact using Our nominated online system(s) and contributing towards regional and programme level evaluation activities during and for some years after the expiry of the grant period. You must also comply with any additional monitoring and evaluation requests. Failure to comply with the reporting requirements will result in suspension of grant payments and no further proposals will be considered by UKRI where the grant holder is named as the project lead or co-lead.

LIPFSGC 7.4.4

Outputs achieved as part of the LIPF funding and activity must be assigned to the LIPF Programme only.

LIPFSGC 7.4.5

The Grant Awardee, Grant Drawing Organisation(s) or other third parties, may each be required to provide project related data and suggestions for case studies to support the productions of reports. Further information on reporting requirements will be provided separately to award holders. Failure to comply with the reporting requirements will result in suspension or termination of grant payments. We will use the information provided in your project proposals to identify targets for your project. Progress towards these targets will be tracked through quarterly and annual reporting.

LIPFSGC 7.4.6

The overall LIPF Programme will also be subject to an evaluation by UKRI. Information you provide through quarterly and annual reporting to UKRI and evidence generated through cluster or regional level evaluations will be used to inform the programme level evaluation, to ensure efficient reuse of data.

LIPFSGC 7.4.7

Each LIPF grant is expected to support cluster or regional level evaluation activity to assess how effectively projects, clusters and regions have collectively met their objectives and the effectiveness of LIPF processes and delivery mechanisms in order to achieve this. You will be required to contribute up to 1% of your project budget towards this activity. Information you provide through quarterly and annual reporting to UKRI will be shared for the purposes of these evaluations, including with evaluators and regional leads, to ensure efficient reuse of data. Full details of how the regional evaluation process will work and your role in supporting it will be set out in UKRI's LIPF evaluation framework, which will be developed as part of the programme evaluation.

LIPFSGC 7.4.8

Unless agreed with UKRI by exception, all information and data provided to UKRI by Grant Awardee and Grant Drawing Organisation(s) and any relevant third parties through reporting, may be used by UKRI, including being made public through our website, or shared with relevant third parties such as evaluators, regional authorities, and government. This enables us to efficiently demonstrate the impact of your funding, be transparent in our use of public funds, and facilitate active learning to maximise the delivery of impacts. The data will be handled in accordance with current UK data protection legislation and the EU General Data Protection Regulation where appropriate.

LIPFSGC 7.5.2 (replacement of RGC 7.5.2)

You must provide a statement of account for the grant, independently examined by an auditor who is a member of a recognised professional body, certifying that the expenditure has been incurred in accordance with the LIPF Terms and Conditions of Grant. We reserve the right to appoint an auditor to ensure compliance with the terms and conditions of the LIPF grant ("auditor") and You shall agree to co-operate with the auditor and grant the auditor access within two (2) weeks of notice of their appointment to such information, and as is reasonably requested by the auditor. In the event that the auditor determines that You should repay in whole or in part the LIPF grant to UKRI, We reserve the right to recover the cost of the auditor's work as well as the relevant portion of the grant.

LIPFSGC 7.5.5

You must meet your statutory financial accounting obligations and provide access to both statutory and management accounts to UKRI or its nominated representatives, including the UKRI Counter Fraud and Investigations Service, at all reasonable times. The UKRI Counter Fraud and Investigations Service retains the right to carry out a visit to the registered UK office without prior notice when conducting an investigation into any grants you have received from UKRI. All reasonable efforts must be made to comply with any requests before, during or after the time of the visit.

LIPFSGC 7.5.6

You must provide access to all supporting project documentation to UKRI and any of its nominated representatives (including member(s) of the UKRI Counter Fraud Investigation Service) who reserve the right to request and access additional information to facilitate our due diligence checks as part of the grant assurance process. This includes but is not limited to, the company directors, shareholders and employees who either undertook work or supported the project.

LIPFSGC 7.5.7

You must allow the appointed auditor or member of UKRI to access all documentation they deem necessary for the purpose of their audit or investigation. Where appropriate the original version should be provided.

LIPFSGC 7.5.8

Businesses may be subject to an independent audit to seek assurance that grants are managed in accordance with the terms and conditions. You agree to give the auditor access to your project records within 2 weeks of notice of their appointment.

LIPFSGC 9: Equipment

LIPFSGC 9.2 Ownership of Equipment

You must inform us if the need for the equipment diminishes substantially or it is not used for the purpose for which it was funded during the grant period. We reserve the right to determine the disposal of any grant funded equipment, which shall include whether such equipment should be sold and to claim the proceeds of the sale. Any proposal to transfer ownership of the equipment during the period of the grant requires the prior approval by UKRI. Businesses should consider how equipment ownership relates to compliance with State Aid regulations and/or the Subsidy Control Act 2022.

LIPFSGC 9.2.1

Equipment purchased with the LIPF grant should be for the primary use of the LIPF project.

LIPFSGC 10: Financial reporting

LIPFSGC 10.1 (replacement of RGC 10.1)

You are accountable for funds dispersed and are responsible for the timely and accurate submission of all expenditure reports required under these terms and conditions of grant.

LIPF grants will be subject to quarterly monitoring and expenditure claims will be scrutinised and, if necessary, adjustments made to future payments. Award administration in UKRI may evolve but grant awardees are required to submit a final expenditure statement within 3 months of the end of the grant period in confirmation that You have incurred and defrayed the eligible costs in respect of which claims have been made. The final payment will be withheld until the final expenditure statement has been received and approved. For this purpose, a report in the form set out in (the “Accountant’s Report”) must be provided by a qualified independent accountant instructed by You (the “Independent Accountant”) annually.

The annual Independent Accountant’s Report should be provided to UKRI within 90 days of year end. The next payment may be withheld if the Independent Accountant’s Report is not received within this period. The Independent Accountant must be appointed in accordance with the UKRI standard terms of engagement available to You upon request. All costs must be supported by an Accountant’s Report, and any uncertified costs will be ineligible for grant. We are entitled to require You to provide supplementary information in support of an interim or final expenditure statement. Once an expenditure statement has been received and the expenditure incurred has been reconciled against payments made, it will be considered as final and any unclaimed funds will be retained by UKRI.

LIPFSGC 10.4

At the end of the project, the grant awardee will be required to supply UKRI with the following, as applicable:

(i) the final report;
(ii) confirmation that the Accountant’s Report has been submitted; and
(iii) confirmation that the final claim has been submitted.

LIPFSGC 10.5

You may be required to submit an additional independent accountant’s report if any of the following occur:

(i) you withdraw from the project;
(ii) the project is terminated;
(iii) you submit a claim disclosing expenditure substantially greater than forecast, in the opinion of your Monitoring Officer; or
(iv) you are suspected of breaching the terms and conditions of this grant agreement.

LIPFSGC 11: Sanctions, suspension, withdrawal, repayment or grant and termination

LIPFSGC 11.1 (replacement of RCG 11.1)

We reserve the right to impose financial sanctions and additional measures if You do not comply with Your obligations as set out in these standard terms and conditions of Grant and any specific terms and conditions of grant.

If, in the discretion of UKRI, a Grant Drawing Organisation(s) is not delivering activities and targets as expected, they shall be obliged to repay directly to UKRI when requested to do so.

LIPFSGC 11.2 (replacement of RGC 11.2)

If the end of award report (if required) or the financial expenditure statement is not received within three months of the end of the Grant period, UKRI will recover 20% of expenditure incurred on the Grant. All payments will be recovered if the report or statement is not received within six months of the end of the Grant. You may appeal against a sanction but must do so within 60 days of the pay run in which the sanction was imposed. In addition, you are required to submit either an Annual Statement of Return or an Independent Accountant's Report.

LIPFSGC 11.4

Grounds under which We may suspend payment of the Grant, withdraw any future grant payments and/or terminate any grant agreement with You with immediate effect and/or require repayment of the grant (irrespective of whether monies have been expended by the grant awardee) from the grant awardee include without limitation the event of any of the following:

a) the failure of the project to provide any of the information required and to adhere to the LIPF evaluation framework, as set out in LIPFSGC 7.4 (monitoring, reporting and evaluation) and LIPFSGC 10 (financial reporting respectively) respectively;
b) the reasonable suspicion of fraud involving the grant awardee; or the Grant drawing Organisation(s);
c) the claiming against grant of ineligible costs or costs not actually incurred and paid;
d) the use of grant funds for purposes unconnected with the project;
e) there is a failure to maintain satisfactory progress on the project;
f) any material changes to the proposed outcomes of the project;
g) the grant awardee either withheld information or provided UKRI with materially inaccurate or misleading information, in its grant application or claim(s) which results in an overpayment of the grant;
h) there is a fundamental change to the grant awardee's articles of association that has not been agreed by any third party funder(s) and/or UKRI, where the articles of association require such agreement to have been obtained;
i) the grant awardee becomes insolvent, or is declared bankrupt, or is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit

of its creditors, or it is unable to pay its debts as they fall due, or the grant awardee does or suffers anything substantially equivalent to any of the foregoing;

j) there is a change in the legal status or the actual or effective ownership or control of the grant;
k) where UKRI has decided in their absolute discretion, they have reasonable grounds for believing that a grant funded project presents a risk to the UK national interests or breaches the national security legislation;
l) the grant awardee transfers, assigns or novates to any third party, or encumbers in any way, the grant without UKRI's written consent;
m) the grant awardee is in breach of these terms and conditions and the breach is not considered in the sole discretion of UKRI to be remediable, or where it is considered remediable by UKRI, the breach is not in the opinion of UKRI remedied within 30 days of UKRI's notice to the grant awardee;
n) the grant awardee receives any funding from any other source or person towards the project which duplicates the grant;
o) the Collaboration Agreement terminates or the grand awardee's participation in the project is terminated;
p) UKRI has reasonable grounds to believe that the payment of the grant breaches Subsidy Control Act/State Aid Rules;
q) His Majesty's Treasury or other governmental department requires UKRI to suspend, withdraw or terminate payments under the programme;
r) the grant awardee fails to notify UKRI of any transfer of ownership or exclusive licensing of Intellectual Property Rights developed under the project;
s) the project is insufficiently resourced or managed to achieve delivery;
t) the material failure of the grant awardee to use reasonable efforts to progress the project or perform the work it agreed to perform under the project application/plan submitted to UKRI;
u) the grant awardee does not comply with, or observe, a condition of the grant Terms and Conditions and, following notice by or on behalf of UKRI, the breach is not in the opinion of UKRI remedied within 30 days;
v) the grant awardee generates a profit from the project; or
w) the grant awardee or any of its related organisation is found to have committed a prohibited act prior to, during or after the term of the grant.

LIPFSGC 12: Exploitation, impact and acknowledgement

LIPFGC 12.1.1

You shall be required to submit to Us an exploitation plan detailing the forecast and ways to market of the funded project results in ensuring benefits of the project to the UK economy. You shall be required to complete exploitation monitoring annually in accordance with UKRI's project monitoring guidelines. The exploitation plan can be requested by the LIPF team at any point in time after the grant start date.

LIPFSGC 12.4

Condition RGC 12.4 applies to all Grant Drawing Organisations.

LIPFSGC 12.6

Condition RGC 12.6 applies to all Grant Drawing Organisations.

LIPFSGC 15 Collaborative working

LIPFSGC 15.1

You should work collaboratively with your local innovation partnership board to support all communication and engagement activities for your project. Details of how UKRI can support this activity will be set out in the LIPF communication and engagement guidance.

LIPFSGC 15.2

In addition to RGC 12.4 Publication and Acknowledgement of Support, the grant holder must display the UKRI corporate logo on all promotional and corporate material, including any outputs (publications, reports, presentations, websites, and stationery) in line with UKRI's identity guidelines.

LIPFSGC 15.3

The grant must acknowledge UKRI’s support in any publication, announcement and press coverage, and provide the LIPF engagement team with advance notice and sight of communications and press releases and to notify the LIPF engagement team of publicity or coverage in the media. In the case of the printed media, the grant holder may be asked to supply UKRI with a copy of the coverage.

Annex D: Additional Definitions

Grant Drawing Organisation(s): A Research Organisation or Business that draws grant funding from the grant.