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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Funding Application and Statement of Work** | | | | | | | | |
| **Document Control** | | | | | | | | |
| ASF Project Proposer  (box 1) |  | Project Proposer contact  (box 4) | | |  | | | |
| Proposal title  (box 2) |  | Date  (box 5) | | |  | | | |
| ASF Reference  (box 3) | CAA USE ONLY |  | | |
| **Overview** | | | | | | | | |
| Summary description  (box 6) |  | | | | | | | |
| Alignment with AMS Element  (box 7) |  | | | | | | | |
| Output/deliverable  (box 8) |  | | | | | | | |
| **Funding requirement** | | |  | | | |  | |
| Cost Elements Description  (box 9) |  | Total  (box 10) | |  | | Contingency  (box 11) | |  |
| **Benefits Description**   |  |  |  |  | | --- | --- | --- | --- | | Direct performance Improvements  (box 12) |  | Value  (box 13) |  | | AMS enabled benefits  (box 14) |  | Value  (box 15) |  | | Net Present Value to users paying Unit rate charge?  (box 16) |  | Value  (box 17) |  | | | | | | | | | |
| **Identified areas of risk** (box 18) | | | | | | | | |
| R1 |  | | | | | | | |
| R2 |  | | | | | | | |
| R3 |  | | | | | | | |
| R4 |  | | | | | | | |

**Planned Tasks and Payment Schedule (ALL COSTS ARE QUOTED EXCLUDING VAT)**

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| Task and Payment Schedule  (box 19) | |  |  |  |  | | --- | --- | --- | --- | | Phase | Milestone Task | Completion date | Payment amount (£) | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |

**Stakeholder Engagement**

|  |  |
| --- | --- |
| Examples of Relevant Stakeholder Feedback  (box 20) |  |

**CAA Support Resource Requirement**

|  |  |
| --- | --- |
| Rational for CAA Resource Support required by the Project  (box 21) |  |
| Are you currently involved in any projects with the CAA? Have you applied for CAA funding in the past? (box 22) |  |

**Appendix A: Delivery Schedule**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Work package** | **Deliverables** | **Date** | |  | | --- | |  | | | | | | | |  |  |  |  |  |
| *Month 1* | *Month 2* | *Month 3* | |  | | --- | | *Month*  *4* | | *Month 5*  PHASE 1 | *Month 6* | *Month 7* | *Month 8* | *Month 9* | *Month 10* | *Month 11* |  |
|  |  |  |  |  |  | EXAMPLE |  |  |  |  |  |  |  |  |
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| TOTAL |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Appendix 2A: Grant Funding Agreement Template**

**GRANT FUNDING AGREEMENT**

**REF. 3285-X**

This Agreement dated [DD] [Month] 20[YY] is made between:

1. **Civil Aviation Authority** of Aviation House, Beehive Ring Road, Crawley, West Sussex, RH6 0YR (hereinafter referred to as the “CAA”) and;
2. **[Name of Organisation undertaking the Project]** of **[address]** (hereinafter referred to as the “Grant Recipient”)

For the purpose of this document, the CAA and the Grant Recipient may also be referred to collectively as the “Parties” and each individually as a “Party”.

This Grant Funding Agreement (“GFA”) contains the terms and conditions on which a maximum of up to [£ ] grant funding for the Statement of Work set out in Appendix A (“SoW”), to be paid in the period between DDMMYYYY – DDMMYYYY 202X/202X (the “Grant Funding”), is being provided to the Grant Recipient.

1. **Purpose of Grant**
   1. The Government has tasked the CAA with a key role for airspace modernisation to prepare and maintain strategy for modernising airspace up to 2040. Subsequently, the latest version of the CAA’s Airspace Modernisation Strategy (“AMS”) was published in January 2023 (CAP 1711)[[1]](#footnote-2).
   2. The AMS describes initiatives that require aviation stakeholders to deploy operational and technology changes which provide wider industry or community benefits. Many of the initiatives require different aviation entities or stakeholder groups to undertake supporting delivery or engagement work. Similarly, some may require some level of financial support to make sure they can be delivered.

1.3 The AMS Support Fund (“ASF”) follows on from the Future Airspace Strategy (“FAS”) Facilitation Fund[[2]](#footnote-3) and exists to provide financial support to the UK aviation industry and stakeholders in modernising the UK airspace, in line with the initiatives of the AMS.

1.4 The ASF is intended to aid projects in support of the delivery of airspace modernisation. It provides the opportunity to seek financial support, to deliver against the AMS initiatives, where the required work cannot be funded by other means, for example, through the Future Airspace Strategy Implementation (“FASI”) Programme Funding Support Package, NERL or via CAA International who can be subcontracted by another organisation to provide services to the project.

1.5 The ASF is funded through the UK State En-route unit rate for air traffic services. The fund will be collected through the CAA element of the En-route unit rate and administered by the CAA. It was established as part of the UK RP3 performance plan, and the CAA expects provision to continue into a new UK performance plan for NR23.

1.6 The fund is allocated to projects that support the delivery of initiatives defined in the AMS (CAP 1711) and therefore investment proposals must align with the overall AMS objectives. The current set of initiatives in the AMS are broad in their description and will evolve with further iterations of the strategy. The initiatives may not cover every example of work related to airspace modernisation, but the proposals’ ambitions should support the ends (the outcomes) a modernised airspace must deliver, as described in the AMS. Detailed terms of reference can be found on the CAA website.[[3]](#footnote-4)

1.7 The CAA will commit funds only to projects based on the monies collected to date. On this basis, the process of allocating funds will be based on bi-annual calls for project proposals. If, for any reason, the ASF ceases operations, the CAA will not be liable for any forward commitments to projects.

1.8 The Grant Recipient accepts responsibility for the proper use and administration of all Grant Funding provided under this GFA and undertakes to use such Grant Funding only for the purpose of carrying out the activities and outputs described in the SoW.

1.9 The Grant Funding is made upon the understanding that the Grant Recipient will use the funds made available to deliver the activities and outputs described in Appendix A and is able to provide, to the satisfaction of the CAA, demonstrable evidence of progress, outputs, and deliverables on a regular basis.

1. **Grant Offer**
   1. The CAA offers to pay the Grant Funding as set out herein on condition that the Grant Recipient complies with the terms of this GFA.

2.2 No agreement comes into existence between the CAA and the Grant Recipient, and accordingly the CAA is not bound to make payment of the Grant Funding, unless and until the GFA and SoW has been signed by the CAA and the Grant Recipient and the completed agreement dated by the CAA.

2.3 The Grant Recipient acknowledges that the CAA agrees to provide funding only for the amount, period and purpose set out in this GFA.

2.4 It is a condition of this GFA that the Grant Recipient must obtain value for money when using the Grant Funding. In the event that external procurements for goods or services are required to be undertaken by the Grant Recipient using the Grant Funding, such processes shall be undertaken in a fair, open, and non-discriminatory manner.

2.5 It is a condition of this GFA that all generated Intellectual Property Rights (“IPR”) created hereunder shall be proprietary to and owned by the CAA, who shall reserve the right to use and share freely for internal CAA purposes and/or externally within the aviation industry. Save under this Clause, neither the CAA nor the Grant Recipient shall acquire any right, title or interest in either Party’s pre-existing IPR or third-party background IPR.

1. **Grant Amount**

3.1 The CAA will provide a maximum of up to [£ ] Grant Funding (excluding contingency funding paid in accordance with Clause 3.5 below) for the Statement of Work, of which will be paid in the period between DDMMYYYY – DDMMYYYY 202X/202X (the “Grant Funding Period”). Should the Grant Recipient request payment of the Grant Funding by phase, the SoW must reflect this in terms of a milestone payment plan, however the release of funds will be subject to the successful completion of the previous phase and is not guaranteed. The CAA will confirm in writing the formal release of future phases of Grant Funding and will not be liable for any costs incurred by the Grant Recipient related to future phase(s) if the Grant Recipient chooses to proceed without CAA approval.

3.2 If at any time the total expenditure for the Grant Recipient is found to exceed the amount stated in paragraph 3.1 there will be no corresponding increase in the Grant Funding. The Grant Recipient shall be entirely responsible for any spend over and above the Grant Funding allocated by CAA.

3.3 The CAA reserves the right to review on a periodic basis whether the payments approved in accordance with Clause 4 below are significantly less than the estimated amount of Grant Funding to be paid during that period as set out in the SoW (“the under-spend”), and if so where in its absolute discretion it considers it appropriate, to reduce the total amount of Grant Funding available. The amount of such reduction shall be determined by the CAA in its absolute discretion but shall not exceed the amount of the under-spend.

3.4 The CAA will not provide grant funding for subsequent periods after the original terms of this GFA have been met, nor within subsequent financial or calendar years/periods. Future funding may be considered as part of any future funding calls, upon receipt of a new application but such funding cannot be guaranteed.

3.5 Contingency funding shall only be authorised and released by the CAA in the event that the agreed SoW is adversely impacted by internal or external events which may result in non-delivery or should there be a mutually agreed change of scope between CAA and the Grant Recipient.

1. **Payment**

4.1 In accordance with the SoW, the Grant Recipient shall submit their fully detailed claim for payment of Grant Funding using the CAA’s claim form (Appendix B) (the “Claim Form”). This claim must include a breakdown of the work undertaken, specifying the supporting document(s) for which payment is being claimed. The submission must include a complete Progress Report confirming funding spent in reporting period and the project risk register (see clause 5.3). Project management costs must be a line item within the baseline (costs specified), and failure to report in two consecutive months will result in such costs being withheld.

4.2 All Claim Forms and supporting evidence shall be submitted via email to [airspace.modernisation@caa.co.uk](mailto:airspace.modernisation@caa.co.uk) by the document submission deadline (being 10 working days before the gateway date as set by the AMS Support Fund Programme Board). Gateway dates will be scheduled in line with the payment / delivery phase dates agreed and baselined at the initiation meeting.

4.3 Gateway dates for 2024/2025 have been provided in Appendix E – Calendar.

4.4 Subject to the proper performance of the GFA, valid Claim Forms shall be paid by the CAA within thirty (30) days of receipt.

4.5 In respect of any Claim Form or payment disputes, the parties shall use all reasonable endeavours to resolve such disputes within thirty (30) working days.

4.6 Any third party supplier invoices that are provided by the Grant Recipient to the CAA as evidence of external costs must clearly set out the number of working days attributable to each task in the SoW and the daily rate(s) applied (excluding VAT).

4.7 The CAA reserves the right to withhold all or any payments of the Grant Funding if it has reasonably requested information and/or other documentation from the Grant Recipient and this has not been provided to the CAA in a timely manner.

4.8 Without prejudice to the CAA’s other rights and remedies, the full amount of Grant Funding released to the Grant Recipient, or such lesser sum as the CAA may require, shall be repayable to the CAA on demand, and any future payments stopped where:

4.8.1 the Grant Recipient ceases to operate for any reason, or is declared bankrupt, or is placed into receivership or liquidation, or enters into any arrangement or composition for the benefit of its creditors;

4.8.2 in the reasonable opinion of the CAA the Grant Recipient fails to apply the Grant Funding or any part of it for the purpose for which it was made, or fails to deliver to a reasonable degree the outputs that the Grant Funding was allocated to produce in accordance with the SoW;

4.8.3 in the reasonable opinion of the CAA, any of the assurances given or the representations contained within the application or other documents submitted by the Grant Recipient to the CAA were fraudulent, materially incorrect or misleading;

4.8.4 the Grant Recipient or any of its employees, servants or agents has acted fraudulently or negligently at any time during the undertaking of its operations;

4.8.5 the Grant Recipient is required by law to repay any or all of the Grant Funding to the CAA; or

4.8.6 during the GFA term (including any extensions), the CAA at its sole discretion may elect to withdraw funding in part or full. CAA will provide 30 days’ notice of funding withdrawal and will be solely liable for any payments due under Claim Forms accepted by the CAA in the period up to the point of funding withdrawal.

**5. Grant Monitoring and Management**

5.1 This GFA will be closely monitored by the CAA’s Airspace Modernisation Oversight Team to ensure that the tasks and outputs specified in the SoW are being delivered.

5.2 To support the monitoring requirements, the Grant Recipient will provide a progress report and risk register along with each Claim Form using the Excel template format provided at Appendix C (the “Progress Report”).

5.3 Using the Excel template format provided (Appendix C), the Progress Report shall include a progress update including a description of activities undertaken and outputs / deliverables achieved covering the following:

* Delivery progress (showing % complete) by activity and output.
* Delivery schedule (Gantt chart or similar) with highlighted stage critical path and progress at activity level within the reporting period.
* Risk report explaining impact and mitigating action planned / taken. The contingency requested when applying for the grant funding should be split amongst the top 5 risks in the event of risk materialisation.
* Project dashboard showing progress complete (%) and highlighting any variances against agreed Key Performance Indicators baseline.

5.4 Reporting shall commence upon completion of each stage/gateway from the GFA start date, in support of the claims process.

5.5 Upon completion of the SoW, the Grant Recipient will prepare and send a final report (“Completion Report”) to the CAA. The Completion Report shall include a consolidated high-level summary of all phase/gateway monitoring reports, confirmation of SoW achievements and deliverables (outputs) produced with the use of the Grant Funding. The Completion Report shall be for CAA’s internal use and/or sharing with the wider industry. Any reports sent to the CAA for publication must meet CAA accessibility requirements, ensuring 100% accessibility when put through the Adobe pdf accessibility tool.

5.6 The CAA will monitor the Grant Recipient’s progress against the SoW throughout the funding period and reserves the right to request further information on specific activities or progress.

5.7 The Grant Recipient shall maintain full and proper accounts and records relating to the GFA. Any representative(s) or nominee(s) authorised by the CAA shall be given access, whenever the CAA so requests, to such accounts and records.

5.8 Either Party must notify the other of any event or matter which will prevent or delay or is likely to prevent or delay its ability to meet its responsibilities under this GFA. Such notification shall include any impact that is either directly or indirectly caused by such event or matter. In this situation, the Parties may agree to temporarily pause the GFA for a mutually agreed period that lasts no longer than three (3) months. Alternatively, the Parties may agree to revise SoW activities, deliverables and outcomes, in accordance with clause 6 below.

5.9 The Grant Recipient shall comply with all statutory requirements and other laws and regulations relating to its operations and the development thereof, including without limitation all relevant health, safety and employment laws and regulations.

5.10 To the Grant Recipient’s reasonable knowledge, no participating member of itself, its staff or subcontractors engaged in this GFA has a conflict of interest. The Grant Recipient shall take appropriate steps to ensure that neither itself, its staff or subcontractors are placed in a position where, in the reasonable opinion of CAA, there is or may be an actual conflict of interest or potential conflict in fulfilling its responsibilities hereunder. The Grant Recipient shall declare to the CAA all details of any such potential or actual conflict of interest that arise or may arise and shall set out and action a plan to remove such conflicts.

**6. Change**

6.1 No purported alteration or variation of the GFA or the SoW shall be effective unless it is in writing and is agreed and signed by both Parties. All requests to change the SoW established as part of this GFA must be made in writing using the Change Control Notice form provided in Appendix D. Accepted changes will be recorded in an updated version of the SoW that will be added to the GFA.

1. **Confidentiality**

7.1 Each Party will treat the other Party’s information as confidential, keep it safe and not disclose it to a third person without the original owner’s prior written consent. The Grant Recipient may disclose the CAA’s confidential information to its staff who are directly involved with this GFA and the SoW, on a need-to-know basis.

7.2 The Grant Recipient shall not disclose or use for any purpose other than the execution of the GFA and carrying out of the SoW(s) any information, documents, materials or specifications provided by the CAA or produced by the Grant Recipient specifically for the CAA without the prior written consent of the CAA. This clause shall not apply to any information that is already in the public domain or that it has acquired from a third party without in either case any breach of any obligation thereby or to information that has been acquired or developed independently by the Grant Recipient without breach of this clause.

7.3 Neither Party shall publicise the other’s name or disclose the contents of this GFA without the prior written consent of the other Party.

7.4 Clause 7.1-7.3 shall not apply to:

* members of the CAA AMS Assurance Group, AMS Support Fund Advisory Board, Decision Board and Programme;
* the extent any information or documents are already in, or come into, the public domain or have been acquired from a third party without in either case any breach of any obligation or confidence thereby;
* the extent any information or documents have been or are acquired or developed independently by the other party; or
* to the extent disclosure is required by law (including, to the extent that the CAA considers disclosure may be required under Chapter 3 of Part 2 of the Subsidy Control Act 2022 (and any subsequent amendments)).

**8. Information Laws**

8.1 The Grant Recipient acknowledges that the CAA is subject to obligations under the “Information Laws”, such defined term includes but is not limited to: the Freedom of Information Act 2000, the Environmental Information Regulations 2004 and any codes of practice and guidance made pursuant to the same as amended or replaced from time to time, and that it shall in all respects and at no additional cost to the CAA co-operate promptly with the CAA’s reasonable requests to assist the CAA in complying with its disclosure obligations under the Information Laws.

8.2 The Grant Recipient acknowledges that the CAA may, acting in accordance with the Information Laws, be obliged to disclose information without consulting or obtaining consent from the Grant Recipient, or despite having taken the Grant Recipient’s views into account.

8.3 The CAA shall use all reasonable endeavours to consult with the Grant Recipient before disclosing any confidential information pursuant to a request under the Information Laws.

**9. Subsidy Control**

9.1 The Grant Recipient shall provide all assistance to the CAA and any third party as reasonably required by the CAA to enable the CAA to comply with any obligations by or under the Subsidy Control Act 2022 or any other legal obligations of the CAA relating to subsidy control (‘subsidy control law’). The Grant Recipient shall further comply with any reasonable directions given to it by the CAA for the purpose of complying with subsidy control law.

**10.** **Liability**

10.1 Neither Party may limit its liability for personal injury or death caused by negligence, fraud or fraudulent representation.

10.2 The Grant Recipient agrees to indemnify the CAA for any costs, claims, damages or losses which arise as a result of negligence by the Grant Recipient or out of any breach by the Grant Recipient of any terms of this GFA.

10.3 The CAA, its employees or agents shall not at any time be liable to any person in relation to any matter arising in connection with the development, planning, operation, management and/or administration of the Grant Recipient and, in particular but without limitation, shall not be liable to the Grant Recipient for any loss or damage arising directly or indirectly as a result of the compliance by the Grant Recipient with the terms and conditions of this GFA.

**11. Dispute Resolution**

11.1 The Parties will attempt in good faith to resolve any disputes between them arising out of or in connection with this GFA using a process jointly agreed. In the event that the Parties are unable to resolve a dispute, the matter between the Parties can be referred to the Centre for Effective Dispute Resolution (CEDR). For the avoidance of doubt, during any dispute period, both Parties shall continue to carry out their responsibilities hereunder where practically and reasonably possible.

**12. Notices**

12.1 Any notice required to be given by one Party to the other Party under this GFA must be in writing.

**13. Force Majeure**

13.1 Neither Party shall be deemed to be in breach of contract for failing to perform any obligation owed to the other Party under this GFA if the failure to do so is caused by any cause, event or force beyond that party’s reasonable control.

13.2 If any such failure as is referred to in Clause 13.1 occurs the Party whose performance is thereby affected shall –

(a) promptly notify the other Party; and

(b) take all reasonable measures to try to remedy the failure.

**14. Termination**

* 1. The GFA will remain in force for the Grant Funding Period unless terminated by either Party giving at least 8 weeks’ notice in writing.

14.2 In the event of termination under 14.1, neither Party shall be liable to each other for any costs incurred or future financial commitments made in associated with this GFA.

14.3 Notwithstanding the provisions of Clause 14.1, the CAA reserves the right to terminate this GFA with immediate effect with no liability to make any further payment to the Grant Recipient if any of the following occurs:

* + 1. The Grant Recipient misuses the Grant Funding or uses the Grant Funding for purposes other than those for which it has been awarded;
    2. The Grant Recipient commits a material breach of this GFA, which being remediable, it fails to remedy within a reasonable period of receipt of a written notice of the breach or immediately if the breach is not remediable;
    3. The Grant Recipient fails to substantially meet its obligations in the SoW or fails to improve its performance against its obligations in the SoW in accordance with a mutually agreed action plan;
    4. The Grant Recipient goes into liquidation, receivership, administration or bankruptcy; or
    5. The Grant Recipient commits or has committed a Prohibited Act defined as any offence referred to in Regulation 57(1) of the Public Contract Regulation 2015.

14.4 Upon termination of this GFA, the Grant Recipient will provide all relevant documents and records, (including financial reports) within thirty (30) days of receiving written notification of termination.

**15**. **Entire Agreement and Law**

This GFA constitutes the entire agreement between the Parties and supersedes all negotiations, representations, or agreements either written or oral preceding it.

This GFA will be governed and constructed in accordance with English Law and all disputes or claims arising out of the GFA shall be subject to the exclusive jurisdiction of the courts of England and Wales to which the Parties irrevocably submit.

|  |  |
| --- | --- |
| Signed for and on behalf of the CAA | Signed for and on behalf of (the Grant Recipient) |
| Print Name | Print Name |
| Title | Title |
| Date | Date |

APPENDIX B – CLAIM FORM

Please see separate attachment

APPENDIX C – Progress Report and Dashboard

Please see separate attachment

Appendix D - CHANGE CONTROL NOTICE

|  |  |
| --- | --- |
| CHANGE CONTROL NOTICE NUMBER | **[Enter contract no]- Variation [X]** |
| **DETAILS OF CONTRACT (start date and expiration)** | |
|  | |
| **DETAILS FOR CLAUSES AMENDED (If applicable)** | |
|  | |
| **DETAILS OF CONTRACT VARIATION (including new expiration date if any)** | |
|  | |
| **DETAILS OF VARIATION (if applicable including original Contract value, new Contract value and difference in cost if any)** | |
|  | |
| **SUPPORTING DOCUMENTATION** | |
|  | |
| **On behalf of [ENTER NAME I hereby agree to provide the services as amended in this Variation Notice the terms and conditions of Grant Funding Agreement.** | |
| |  |  | | --- | --- | | Print Name:  Title:  Signature……………………………………………………  **Director or Duly Authorised Signatory** |  | | |
| **For and on behalf of the** CIVIL AVIATION AUTHORITY **Duly Authorised Signatory** | |
| Print Name:  Title:  Signature…………………………………………………… | |

**Appendix E – Calendar**

Please see separate attachment

1. [CAP 1711 Airspace Modernisation Strategy.pdf (caa.co.uk)](https://publicapps.caa.co.uk/docs/33/CAP%201711%20Airspace%20Modernisation%20Strategy.pdf) and its future iterations. [↑](#footnote-ref-2)
2. [CAP1249: FAS Deployment Facilitation Fund (caa.co.uk)](https://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=6599) [↑](#footnote-ref-3)
3. [CAP 2258: Airspace Modernisation Strategy Support Fund: Terms of Reference (caa.co.uk)](https://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=10877) [↑](#footnote-ref-4)