DATED

(1) NECA

(2) [*GRANT RECIPIENT*]

GRANT FUNDING AGREEMENT
relating to [*Project*]

THIS AGREEMENT is made on 2016

BETWEEN

(1) **The Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority** of Quadrant, Cobalt Business Park, the Silverlink North, North Tyneside, NE27 0BY ("NECA"); and

(2) [*GRANT RECIPIENT*] of XXX ("Recipient").

referred to singly as a "Party" and together as the "Parties"

RECITALS

(A) NECA has been appointed by the North East Local Enterprise Partnership ("NELEP") to act as an Accountable Body for NELEP in relation to Central Government funding.

(B) The Department for Communities and Local Government awarded a payment to NECA under the Local Growth Fund Payment Determination (April 2015) (2015/16): No [31/2546] Capital ("the Local Growth Fund").

(C) NECA as accountable body for NELEP is responsible for overseeing the management of the Local Growth Fund and ensuring that grant payments are applied in accordance with the relevant objectives and criteria for the fund i.e. the economic growth and regeneration of the NELEP region.

(D) The Recipient has submitted a business case to the NELEP for [XXXX] ("the Project"). Having considered the Project the NELEP has approved grant funding in the sum of [£XXX] ("the Funding") on XXX.

(E) The Funding shall be applied wholly and exclusively for the purposes of the Project.

(F) In executing this Agreement, the Recipient shall be deemed to accept the Funding on the terms and conditions of this Agreement.

OPERATIVE PROVISIONS

PART I - PRELIMINARY

1. DEFINITIONS

1.1. In this Agreement, the following words and expressions shall have the meanings set opposite them unless inconsistent with the context:

'Accountable Body' Means the party appointed to be responsible for Central Government funding;

'Affiliate(s)' Means any legal entity that:-

(a) is controlled directly or indirectly by; or

(b) controls directly; or

(c) is under the common control of

a Party;

'Agreement' Means this agreement and the attached appendices. In the event of ambiguity, conflict or contradictions between the grant funding agreement terms and conditions and the appendices the ambiguity, conflict or contradiction shall be resolved according to the following order of priority;

1. The grant funding agreement terms and conditions
2. Appendix 5 – Project Approval Details
3. Appendix 4 – Key Performance Indicators & Milestones
4. Appendix 1 – Business Case
5. Appendix 2 – Claim Form
6. Appendix 3 – Quarterly Monitoring Return
7. Appendix 6 – Performance Monitoring

Requirements

'Annual Monitoring Period'	Means the period from 1st April 2020 to the end of the SEP Monitoring Period;
'Anticipated Practical Completion Date'	Means the date specified in Appendix 4 or such other date as the Parties agree in writing;
'Business Case'	Means the case developed by the Recipient which forms the basis for the payment of the Funding, a copy of which appears at Appendix 1 as updated from time to time with the agreement of NELEP;
'**Capital Asset**'	Means any item of equipment or other moveable asset costing in excess of £2,500 which on the date of its purchase by the Recipient has a useful life of more than one Financial Year, and is purchased wholly or partly out of the Funding provided under this Agreement;
'Claim Form'	Means the form attached to this Agreement as Appendix 2;
'**Confidential Information'**	Means all information received or obtained as a result of or in connection with this Agreement, the Funding or the Project, or supplied by or on behalf of a Party in the negotiations leading to the Funding and which: i. is commercially sensitive information relating to either Party; or ii. is commercially sensitive information relating to any aspect of the Project or the activities of either Party; and any other information clearly designated as being confidential or which ought reasonably be

	considered to be confidential.
'Contingency Budget'	Means Funding set aside to cover unexpected project development costs - as specified in the Business Case.
'DCLG'	Means the Department for Communities and Local Government
'Data Controller'	shall have the same meaning as set out in the Data Protection Act 1998;
'Data Processor'	shall have the same meaning as set out in the Data Protection Act 1998;
'Data Protection Legislation'	means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 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'	Shall have the same meaning as set out in the Data Protection Act 1998;
'Developments'	Means any and all materials, products, processes, ideas, inventions, discoveries and information created during the Project, including without limitation learning and training materials, website design and source codes, software and

	data and whether wholly or partly funded by the NELEP;
'Eligible Expenditure'	Means expenditure as approved in the Business Case;
'**Event of Default**'	Means any of the events described in Clause 14.3;
'**Financial Year**'	Means the financial year commencing 1 April and ending on 31 March;
'Financial Completion'	Means the date by which the final Funding contribution is paid by NECA to the Recipient
'Funding'	Means the Local Growth Fund of XXX (£XXX) received from NECA;
'GBER'	Means EU Commission Regulation (EU) No 651/2014 (General block exemption)
'ICT'	Means information and communications technology;
'ICT Environment'	Means the NECA System and the Recipient System;
'Information'	Has the meaning given under section 84 of the Freedom of Information Act 2000;
'Information Commissioner'	Has the meaning given under section 18 of the Freedom of Information Act 2000;
'**Intellectual Property Rights / IPRs**'	Means all intellectual and industrial property, rights including patents, utility models, trade and service marks, trade names, domain names, right in designs, copyrights, moral rights, topography

rights, rights in databases, rights to prevent passing off, trade secrets, know-how, and any other rights in any invention discovery or process and in all cases whether or not registered or registerable and including registrations and applications for registration of any of these and rights to apply for the same, rights to receive equitable remuneration in respect of any of these and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world;

'**Key Performance Indicators**'	Means the key performance indicators detailed in Business Case and/or Appendix 4, in consideration of the definitions at Appendix 6**;**
'Milestones'	Means the key investment milestone dates set out in Appendix 4 of this Agreement;
'NECA Data'	Means: **a** the data, text, drawings, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: **i** supplied to the Recipient by the NECA or NELEP, or **ii** which the Recipient is required to generate process store or transmit pursuant to this Agreement; or **b** any Personal Data for which the NECA or NELEP is the Data Controller;
'NECA Logo'	Means the logo for NECA made available to the Recipient in accordance with Clause 16.1.3;

'NECA System'	Means the NECA's (or its representative's) computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the NECA or Recipient in connection with this Agreement which is owned by or licensed to the NECA by a third party and which interfaces with the Recipient System or which is necessary for the NECA to comply with the terms of this Agreement;
'NELEP Logo'	Means the logo for NELEP made available to the Recipient in accordance with Clause 16.1.3;
'NACE'	Means the nomenclature of territorial units for statistics
'NUTS'	Means the nomenclature of economic activity
'Payment Profile'	Means the detailed expenditure profile for the Project which is contained in the Business Case and/or Appendix 5 of this Agreement;
'Personal Data'	Shall have the same meaning as set out in the Data Protection Act 1998;
'Personnel'	Means all employees, agents, consultants and contractors of a party and/or of any sub-contractors;
'Practical Completion Date'	Means that date on which the practical completion of the Works for the Project (as defined in the relevant Works Contract) takes place;
Project Approval Details	Means the Funding and Eligible Expenditure details as set out at Schedule 5 of this agreement

'Quantified Risk Assessment'	Means the budget allowance specified in respect to each risk as set out it the approved Business Case.
'Quarterly Monitoring Period'	Means the period from 1st April 2015 to 31st March 2020;
'Quarterly Monitoring Return'	Means the template attached to this Agreement as Appendix 3;
'Reference Rate'	Means the base rate as calculated in accordance with the Communication from the EU Commission on the revision of the method for setting the reference and discount rates (OJ C 14, 19.01.2008, p.6.) and published by the EU Commission in the Official Journal of the European Union.
'Request for Information'	Means any request for Information or an apparent request under the 'Code of Practice on Access to Government Information', FOIA or the Environmental Information Regulations, as appropriate;
'Risk Register'	Means the risk register included in the Recipient's Business Case
'SEP Monitoring Period'	Means the period to 31st March 2024. Projects are expected to provide annual monitoring reports for a period of up to10 years from the date of project approval;
'Significant Change'	Means 10% or greater change to the contracted eligible costs as set out in Appendix 5;
'SME'	Means a small or medium sized enterprise as defined in Annex 1 of the GBER II;

'State Aid Rules'	Means the European Community state aid laws set out in Article 107(1) TFEU;
'Term'	Means the period from XX to XX
'Working Day'	Means Monday to Friday excluding bank or public holidays;
'Works'	Means the design, construction, operation and maintenance works for the Project;
'Works Contract"	Means the contract(s) to be entered into between Recipient and the Works Contractor for the Works;
'Works Contractor'	Means the contractor(s) selected by Recipient to enter into the Works Contract;
'**Writing**' or '**Written**'	Shall include any modes of reproducing words in a legible and non-transitory form.

2. **INTERPRETATION**

2.1. In this Agreement, except where the context otherwise requires:

2.1.1. the masculine includes the feminine and the neuter and vice versa;

2.1.2. the singular includes the plural and vice versa;

2.1.3. a reference in this Agreement to any clause, paragraph, Schedule or Annex is except where it is expressly stated to the contrary, a reference to such clause, paragraph, Schedule or Annex of this Agreement;

2.1.4. any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;

2.1.5. a reference to a person includes firms and corporations and their successors;

2.1.6. headings are for convenience of reference only;

2.1.7. references to any statute or statutory provisions shall, unless the context otherwise requires, be construed as including references to any subsequent statute directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments, or other subordinate legislation made under the relevant statute or statutory provisions;

2.1.8. words preceding “include”, “includes”, “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context;

2.1.9. the list of contents and the headings to the clauses and parts of this Agreement and to the paragraphs of the Appendices are for the ease of reference only and shall not affect the construction of this Agreement; and

2.1.10. the Appendices form part of this Agreement and will have the same force and effect as if expressly set out in the body of this Agreement.

3. COMMENCEMENT AND DURATION OF AGREEMENT

3.1. This Agreement shall commence on the date of its execution by the Parties and shall continue in effect for the Term unless terminated in accordance with Clause 15.2.

4. RECIPIENT’S OBLIGATIONS

4.1. The Recipient shall:

4.1.1. procure that all statutory consents required for the purposes of delivering the Works Contract are obtained, where required, prior to the commencement of the Works;

4.1.2. provide the NECA with a copy of the executed Works Contract prior to works commencing on site;

4.1.3. comply with its obligations under the Works Contract;

4.1.4. use reasonable endeavours to ensure that the Works Contractor achieves the Practical Completion Date in accordance with the timescale set out in the Works Contract;

4.1.5. not agree to any material amendment or variation to the Works Contract without the prior written agreement of the NECA;

4.1.6. not terminate the Works Contract without the prior written agreement of the NECA;

4.1.7. Only claim against eligible capital expenditure as approved in the funding application ('Business Case');

4.1.8. Ensure that the Project does not breach any State Aid rules;

4.1.9. Appoint an individual to act as project manager in relation to the Project ('Project Manager');

4.1.10. Not knowingly use any of the Funding to meet the cost of any transaction, arrangement or contract with a related party without the prior agreement in writing from NECA. For the purpose of this paragraph:

a) A 'related party' means a board member of the partnership, or a trustee, a director, a partner, an employee, or a 'connected person';

b) A 'connected person' means, in relation to any of the other persons mentioned in sub-paragraph a), someone who is defined as a connected person in section 839 of the Income and Corporation Taxes Act 1988 or superseding legislation; or

c) A member of the same household as any of the persons mentioned in sub-paragraph a)

5. RECIPIENT'S WARRANTIES

5.1. The Recipient warrants to the NECA that:-

5.1.1. it shall secure all necessary internal and statutory consents and authorisations required for completion of the Project;

5.1.2. any and all information, documents and accounts provided to the NECA in relation to the Project shall be accurate in all material respect at the time provided; and

5.1.3. it is not aware after due enquiry of anything which materially threatens the success or successful completion of the Project.

6. NECA'S OBLIGATIONS

6.1. It is hereby agreed by the Parties that, subject to the NECA receiving funding from Central Government, the NECA's maximum liability to the Recipient under this Agreement in any Financial Year shall not exceed the proportion of Funding allocated to the Recipient for the Financial Year in question.

6.2. Providing that the Recipient complies with the requirements of Clause 10 (How to Claim), and subject to the other provisions of this Agreement, the NECA shall pay the Funding to the Recipient in full within ten (10) Working Days of receipt of a properly completed Claim Form.

6.3. Where a claim is not fully documented, the NECA may need to seek further information to support the claim. Payment in relation to the amount of the claim in dispute may be withheld until such information is provided to the satisfaction of the NECA.

6.4. The NECA understands that the payment of the Funding in accordance with this Agreement is outside the scope of Value Added Tax but if Value Added Tax is chargeable, all payments of Funding shall be deemed to be inclusive of all Value Added Tax and the NECA shall not be obliged to pay any Value Added Tax over and above the amount of the Funding.

7. ACCURACY OF INFORMATION

7.1. The Funding has been offered to the Recipient on the basis that the information provided by the Recipient to the NECA and NELEP was accurate in all material respects at the time provided. The NECA has relied upon information provided by the Recipient to produce this Agreement. It is a material condition of the Funding that all of the information provided by the Recipient was true, complete and accurate in all material respects at the time provided. Inaccuracy of this information is an Event of Default except in circumstances in which the Recipient had informed the NECA, in Writing, that any of the information was inaccurate prior to the date of this Agreement.

7.2. During the Term the Recipient shall provide all information as agreed and in particular inform the NECA immediately if there is a material change in any of the information it has provided. Failure to do so will constitute an Event of Default in accordance with Clause 14 (Clawback, Withholding and Repayment of Funding).

7.3. NECA may require the Recipient to amend the Project to reflect non-material changes that the NELEP have determined will improve delivery of the Project and/or will improve the delivery of the overall programme. The parties will meet in good faith to discuss any reasonable steps the Recipient may take to accommodate such changes requested by the NELEP.

7.4. The Recipient must seek the approval of NECA (who will liaise with NELEP) in advance of any Significant Change to the Project as outlined in the Business Case, and of any change in the use of a capital asset listed in the asset inventory.

Notification of a Significant Change could result in re-assessment of the Project to determine value for money of the LGF investment.

8. STATE AID

8.1 Provision of State funds to the Recipient is made in accordance with

8.1.1 the Commission Regulation (EU) No 651/2014 of 17 June 2014 (General Block Exemption Regulation (GBER)) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; and

8.1.2 the European Guidelines on regional State aid for 2014-2020; and

8.1.3 any other relevant and applicable State aid instrument.

8.2 In compliance with the requirement of the Commission for providers of aid under GBER to notify the Commission via the State aid Interactive System (SANI), NECA has registered the 'North East Growth and Infrastructure Scheme', case reference SA.44053 with the European Commission. Projects in receipt of State aid under GBER will be recorded under this scheme. Details can be found on the NELEP website http://nelep.co.uk/funding/north-east-growth-deal/.

Or

Provision of State Funds to the Recipient is made in a non-aid basis based on the statement provided within the approved Business Case that XX.

OR

[Other State aid compliant route as advised following State aid assessment]

8.3 The Recipient and NECA shall comply with all applicable European Union Regulations and Guidance in relation to State aid and shall ensure that all requirements for the application of GBER are met including those relating to monitoring, aid intensities and maximum aid thresholds.

8.4 No payments shall be made to the Recipient if it becomes subject to a recovery order following a previous EU Commission decision declaring any aid illegal and incompatible with the internal market.

8.5 The Recipient confirms that it is not a company in difficulty as defined in Article 2 (18) of GBER and commits to informing NECA as soon as reasonably practicable of any change in this status. NECA reserves the right to terminate this Agreement if the Recipient's status changes.

8.6 NECA confirms that, prior to the start of the Project, an application was submitted by the Recipient which confirmed the Recipient's name and size; description of the Project, including its start and end dates; location of the Project; list of Project costs; type of aid and amount of public funding required.

8.7 The Recipient has informed NECA of any other public funding applied for or awarded against the Eligible Expenditure covered by this Agreement. NECA has ensured that the total public funding for the Project is within the amounts permitted by GBER.

8.8 In accordance with Clause 8.2 above NECA is responsible for informing the EU Commission of aid awards to the Recipient, including summary notification of the aid to the Commission via the electronic notification system and publication of details of the aid as required from 1st July 2016.

8.9 [for award in excess of €500,000: The Recipient consents to the publication of the following information: Name of the Recipient, Recipient's identifier, type of enterprise (SME/large) at the time of granting, region in which the Recipient is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency, aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure. For schemes under Articles 16 and 21, name of the entrusted entity, and the names of the selected financial intermediaries.]

8.10 NECA and the Recipient are jointly and individually responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Agreement and the GBER are fulfilled. Such records shall be maintained for 10 (ten) years following the granting of the aid and shall be made available to the EU Commission within a period of 20 working days if requested.

8.11 NECA may monitor the Recipient's compliance with the requirements of clause 8.9 and for the avoidance of doubt any failure to comply with such requirements (where applicable) shall be deemed an Event of Default for the purposes of clause 14.3.1.

8.12 Further to clause 14.3.4, NECA may vary or withhold any or all of the Funding and/or require repayment of the funding already paid, together with interest from the date of payment of the funding, if NECA is required to do so as a result of a decision by the EU Commission or as a result of any obligation arising under European Union law. The interest rate payable will be at least 100 basis points above the Reference Rate in force on the date of payment.

9 FUNDING AND CLAIM ELIGIBILITY

9.1 The Funding is offered only towards Eligible Expenditure as set out at Appendix 5 and is confirmed for the duration of the project subject to terms and conditions in this agreement. The Recipient will not be paid for expenses relating to preparation and submission of the claim.

9.2 The Recipient is able to carry forward grant underspend into the following year subject to satisfactory progress and prior written agreement from NECA..

9.3 The Recipient shall confirm the Payment Profile to the NECA within 21 Working Days of the date of this Agreement and before any claim is made for payment of Funding.

9.4 The Business Case may not be materially altered except with the prior written consent of the NECA (such consent not to be unreasonably withheld or delayed).

9.5 The use of the approved Contingency Budget should be limited to action identified where the project has an approved Quantified Risk Assessment (QRA). Action to address emerging urgent risk events should be approved at the discretion of the project manager or contract manager, as appropriate, and subsequently reported in the next Quarterly Monitoring Return. Where cumulative compensatory risk action may require a significant change (10% or greater) of the approved budget, prior notification in writing and agreement from NECA is required. NECA will not unreasonably withhold its consent and will endeavour to reply to any requests within 2 working days of written receipt.

9.6 For projects without a QRA the use of the Contingency Budget as set out at Appendix 5 of this Agreement should be limited to action identified in the project's Risk Register, as included in the project business case. Action to address emerging urgent risk events should be approved at the discretion of the project manager or contract manager, as appropriate, and subsequently reported in the next Quarterly Monitoring Return. Where cumulative compensatory risk action may require a significant change (greater than 10%) of the approved Contingency Budget, prior notification in writing and agreement from NECA is required. NECA will not unreasonably withhold its consent and will endeavour to reply to any requests within 2 working days of written receipt.

9.7 The Funding is made on an arrears basis and will not be made until:

9.7.1 A fully completed Claim Form has been approved by NECA together with supporting information (including a detailed transaction list from which invoices will be sampled and evidence back to defrayment required); and

9.7.2 documentary evidence of any surveys or reports has been provided.

9.8 The NECA shall not be obliged to pay claims in full if, in its reasonable opinion, it considers them to be excessive. The NECA shall only pay so much of any claim as it considers to have been reasonably incurred and a certificate by the NECA as to any sum payable shall be conclusive save in the case of manifest mathematical error. No more than 1 claim per month can be submitted. Reimbursement of eligible expenditure will be made to the Recipient by NECA within 10 working days of receipt of the claim by NECA subject to satisfaction with the drawdown evidence provided.

9.9 A final claim for accrued expenditure in the current financial year may be made. Projects will be advised of the date by which this claim should be submitted.

9.10 As set out at Appendix 5, the NECA has agreed to fund XX% of the total eligible expenditure however the grant funding can represent up to a maximum of XX% of the total eligible expenditure. In the event that grant funding exceeds XX% of the actual expenditure, the Recipient shall reimburse NECA the amounts overpaid.

9.11 In the event that actual total eligible expenditure exceeds approved total eligible expenditure the Recipient is wholly responsible for funding this additional expenditure save in exceptional circumstances where Local Growth Fund funding may be considered. .

9.12 The Recipient must satisfy the following project specific conditions before a claim for Funding can be paid by NECA: -

9.13 Where phased Funding has been approved to allow Funding to be claimed in respect of development/ feasibility costs pending full Business Case approval, in the event that the Recipient does not proceed to submit a full Business Case to NELEP and does not proceed, for any reason, to let its main works contract within 12 months of receiving grant under this Agreement, NECA has the right to clawback 50% of its contribution paid in respect to eligible costs.

10 HOW TO CLAIM

10.1 The Recipient's first claim for the Funding:

10.1.1 shall be submitted by XXX and by the 15th April, 15th July, 15th October and 15th January thereafter, unless the NECA agrees otherwise;

10.1.2 shall be made using the Claim Form duly signed and shall contain the information requested in it supported by the evidence required by it; and

10.1.3 shall confirm that the Funding represents the total amount paid or payable by NECA for the Project.

11 PROVISION OF INFORMATION AND DOCUMENTATION

11.1 The Recipient shall during the Term:

11.1.1 advise the NECA in Writing of any material changes to the Project or its phasing at the earliest possible opportunity;

11.1.2 comply within a reasonable period with any requests from the NECA for information concerning the progress of the Project in whatever form;

11.1.3 retain documentary evidence of all Capital Assets in connection with the Project. This shall include an invoice register of suppliers' and sub-contractors' invoices and all other documents relating to the purchase of all Capital Assets funded by the NECA;

11.1.4 keep and provide on request appropriate documentation supporting or evidencing the achievement of the Milestone and Key Performance Indicators;

11.1.5 maintain full and accurate accounts for the Project on an open book basis and make the same available to the NECA, NELEP and DCLG for inspection at any time on reasonable request. Different sources and amounts of funding shall be identified and input and output VAT shall be included as separate items in such accounts. Such accounts shall be retained for at least 10 years from the date of the award where State funds to the Recipient are made in accordance with GBER II or following assessment of another State aid compliant route OR Such accounts shall be retained in accordance with standard accounting practice and be for at least 6 years from the end of the last company financial year they relate to;

11.1.6 maintain records, including but not limited to invoices and purchase orders required for State Aid purposes;

11.1.7 send a report produced by a suitably qualified professional (Architect/Quantity Surveyor/Project Director) to NECA with the Claim Form. The report should provide an opinion that:

11.1.7.1 the financial information and level of Funding claimed are fairly stated;

11.1.7.2 to the extent that the Funding has been provided in relation to defrayed expenditure, that such expenditure has been properly defrayed in accordance with this Agreement, including compliance with any specific conditions; and

11.1.7.3 satisfactory explanations have been received for any queries raised.

Where an opinion cannot be given or is qualified, this should be explained in a supporting report;

11.1.8 Within 1 (One) calendar month following Financial Completion the Recipient shall submit a report from their head of internal audit service, or equivalent, verifying that the Funding which has been claimed has been defrayed on capital costs only and that all project costs for which Funding has been claimed was Eligible Expenditure. The cost of preparing the report is not an eligible project cost.

11.2 Provision must be made when collecting beneficiary data e.g. from businesses on employees or turnover etc. that personal and commercial data will be shared for programme monitoring and evaluation purposes with NECA, NELEP and appointed evaluation consultants.

11.3 Quarterly Monitoring Returns ('QMR's') must be submitted to NECA on the template by 15th January, 15th April, 15th July and 15th October during the lifetime of the project until financial completion of the project. Annual Monitoring Returns (AMR's), should accompany the QMR for quarter 4 and be submitted to NECA by 15th April. The AMR should include plans for the year ahead. In the event that Returns are not returned by specified deadlines NECA reserves the right to review systems used by the Recipient for collecting monitoring information and preparing Returns and can make recommendations for improvement which must be adopted.

11.4 Projects will be required to participate in Programme led Process and Impact Evaluations, providing qualitative information in the form of surveys projects, subject to both parties having agreed the design of such surveys.

11.5 Projects are encouraged to design and implement a project evaluation plan and where they do so, should consult NECA / NELEP in the design and share the final evaluation report.

11.6 The Project Manager should keep an asset inventory of all Capital Assets acquired, built, or improved wholly or partly using LGF grant, whether owned by the Recipient or third parties.

The inventory should show the:

i) date of purchase;
ii) description of asset;
iii) price paid net recoverable VAT;
iv) amount of LGF grant paid;

v) location of the title deeds;
vi) serial or identification numbers;
vii) location of the asset;
viii) date of disposal; and
ix) Sale of proceeds net of VAT.

11.7 All assets purchased or developed with LGF grant, including land and buildings, should be retained and used for the purpose for which grant was provided for a minimum of 10 years from the date of financial completion of the Project ('the Clawback Period'). Permission for any change in use within the Clawback Period must be sought from and approved in writing first by the NECA.

11.8 Assets purchased or developed with LGF grant must be notified to NECA on the Quarterly Monitoring Return. Prior to the proposed disposal of any asset funded either wholly or partly by the LGF grant, the Project Manager should notify NECA.

12 MONITORING AND INVOICING ARRANGEMENTS

12.1 In addition to the requirements set out in Clause 11 (Provision of Information and Documentation) the Recipient shall additionally comply with the following monitoring arrangements during the Term:

12.1.1 The NECA or NELEP or such other person as may be authorised by the NECA or NELEP shall have the right at any reasonable time to inspect the Project and to require such further information as they think appropriate, and to be provided with copies of such documents, accounts and statements or other items as they request; and

12.1.2 The Recipient shall permit the NECA or NELEP or other staff member or agent of the NECA or NELEP, the National Audit Office or DCLG to examine the accounts relating to the Project at any reasonable time and shall furnish oral or written explanations of the accounts if required. The NECA reserves the right to have such staff or agents carry out examinations into the economy, efficiency and effectiveness of use of resources in delivery of the Project.

13 AUDIT AND INSPECTIONS

13.1 The Recipient shall during the Term allow access to its business premises to the NECA's or NELEP's internal auditors or its other duly authorised staff or agents:

13.1.1 immediately (without prior notice) and at all reasonable times in the event that the NECA indicates that it wishes to investigate any allegation of fraud, theft, maladministration or other misuse of Funding; and

13.1.2 on 2 (two) Working Days' notice between 9.00 a.m. and 5.00 p.m. for the purposes of a routine and scheduled audit or investigation work examining the probity, economy, efficiency and effectiveness with which the Recipient has used the Funding.

13.2 The NECA and NELEP shall during the Term be entitled to interview employees of the Recipient in order to obtain oral and/or written explanations of documents related to the Project and the Recipient shall provide access to the relevant employees at such times as may be reasonably required to enable the NECA or NELEP to do so.

14 CLAWBACK WITHHOLDING AND REPAYMENT OF FUNDING

14.1 The NECA shall be under no obligation to pay the Funding unless the Recipient complies with the terms and conditions of this Agreement.

14.2 The NECA may at its absolute discretion reduce, suspend or withhold the Funding, require all or part of the Funding to be repaid or require Capital Assets to be transferred to NECA (where the purchase of such Capital Assets was wholly funded by the Funding) if:

14.2.1 the NECA (acting reasonably) adjudges the performance of the Project to be unsatisfactory, or

14.2.2 Recipient fails to comply with any of the terms and conditions set out in this Agreement; or

14.2.3 there is a substantial or material change in the nature, scale, costs, ownership or timing of the Project which the NECA has not approved, or

14.2.4 any attempt is made to transfer or assign any rights, interests or obligations created under this Agreement or substitute any person in respect of any such rights, interests or obligations, without the agreement in advance of the NECA; or

14.2.5 any information provided in the preparation of the Business Case by the Recipient or in a claim for payment or in subsequent or supporting correspondence is found to be incorrect, misleading or incomplete to an extent which the NECA (acting reasonably) considers to be material; or

14.2.6 there is a failure to keep and maintain the records specified in this Agreement; or

14.2.7 the Project is not completed by the Practical Completion Date, but before any such reduction or suspension of payments is made, the NECA will seek an explanation for any delay and will act reasonably in the circumstances; or

14.2.8 there is unsatisfactory progress towards meeting the Key Performance Indicators; or

14.2.9 insufficient measures are being taken to investigate and resolve any reported material irregularity; or

14.2.10 an Event of Default occurs and subject to the provisions of clause 14.4, any corrective action requested by NECA is not taken within the timescale agreed with the Recipient; or

14.2.11 any other circumstance or event occurs which in the opinion of the NECA (acting reasonably) is likely to affect the Recipient's ability to successfully deliver the Project.

14.3 The following are Events of Default:

14.3.1 Those events detailed in clause 7 of this Agreement;

14.3.2 The Recipient or any person employed by him on his behalf;

(a) has offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for:-

(1) doing, or for refraining from doing, anything in relation to either the obtaining of, or the execution of, the contract or any other contract with the NECA.

(2) showing, or refraining from showing, favour or disfavour to any person in relation to the contract or any other contract with the NECA or;

(b) has committed any offence under the Bribery Act 2010.

14.3.3 A charge is taken on a Capital Asset without the prior agreement of NECA

14.3.4 Repayment of all or part of the Funding is required under State Aid Rules.

14.4 If the NECA determines that an Event of Default has or may have occurred, the NECA shall give Written notice to the Recipient specifying the relevant Event of Default and give the Recipient an opportunity to rectify the relevant Event of Default within such period as is agreed with the Recipient.

14.5 In the event that the purchased or developed asset is sold within the Clawback Period the Recipient shall, at the discretion of the NECA, be subject to claw back of LGF grant paid to the Recipient on the following basis:

Period after Financial Completion when asset sold Claw back of grant paid to purchase or develop the asset

Period after financial completion when asset sold	Claw back of grant paid to purchase or develop the asset
0 – 2 years	100%
3 – 5 years	75%
6 – 10 years	50%

Any asset with a useful economic life of less than 10 years will not be subject to claw back of the funding paid to purchase or develop the asset.

15 CONSEQUENCES IF FUNDING BECOMES REPAYABLE

15.1 If the Funding becomes repayable in whole or in part the following procedure will be used:

15.1.1 NECA will give Written notice to the Recipient of the amount of Funding that it requires to be repaid. The amount of Funding shall be repaid to the NECA within 15 Working Days of receipt of the Written notice or as soon as the Recipient becomes aware that Funding has been overpaid; and

15.1.2 Interest will be charged on the sum to be repaid at the State Aid Reference Rate from the earlier of the date of demand and the date upon which the sums were incorrectly paid to the date of actual repayment.

15.2 Where the Funding becomes repayable in whole, this Agreement will determine on receipt of the Funding plus any interest which has accrued pursuant to Clause 15.1.2 by the NECA.

15.3 At any point up to execution of the Grant Funding Agreement approval of the Funding may be withdrawn by NECA subject to giving at least one month's notice in writing to the Recipient. In the event that such notice is given NECA will determine the extent of the liability of either party and will take steps to ensure that such liability is discharged at the expiry of the notice period.

16 PUBLICITY AND REPUTATION

16.1 The Recipient shall take the following steps in respect of publicity:

16.1.1 To comply with the Growth Deals Brand Guidelines;

16.1.2 Projects should positively publicise the support provided by the NELEP and Growth Deal. The Project and NELEP will jointly agree beforehand press releases or blogs specifically in connection with the project and the LGF grant award. The contact for all communication enquiries at NELEP is email : Katie.coward@nelep.co.uk. Where applicable, e.g. on site hoardings, publicity materials, websites etc., LGF funding should be acknowledged with the appropriate brand guidelines both for the NELEP and Growth Deal adhered to, as found at http://nelep.co.uk/funding/north-east-growth-deal/;

16.1.3 The NECA and NELEP have the right to publicise the Project and to require that the Recipient acknowledge funding provided by the NECA and NELEP in support of the Project in any publicity that it produces and in any documentation or reports produced by it. Any publicity referring to the NECA or NELEP shall be approved by the NECA or NELEP prior to its publication. The Recipient shall not publish or display any item bearing the NECA Logo or the NELEP Logo or name of the NECA or NELEP unless, and until, such approval has been given;

16.1.4 Where the NECA specifies the use of the NELEP Logos in accordance with this Clause 16, the NECA shall procure the grant of a non-exclusive licence to use the NELEP Logos to the Recipient for the purposes of this Agreement;

16.1.5 The Recipient shall use its best endeavours to procure that its sub-contractors shall not, knowingly do or omit to do, anything in relation to this Agreement or in the course of their other activities, which may bring the standing of the NECA or NELEP into disrepute or attract adverse publicity for the NECA or NELEP.

17 VALUE FOR MONEY AND PROCUREMENT

17.1 The Recipient shall have regard to the need for economy and value for money in all expenditure in relation to the Project. The Recipient agrees to undertake a competitive, fair, transparent and non-discriminatory procurement process in order to select any works or service contractor.

17.2 The Recipient's decision making progress shall be documented and set out how these requirements should be met, taking account of procurement best practice and of public sector accountability and probity.

17.3 Value for Money ('VfM') shall be considered prior to the placement of an order. A record that describes how VfM has been considered shall be retained for inspection by the NECA.

18 FREEDOM OF INFORMATION

18.1 Each party acknowledges that the other is subject to the requirements of the 'Code of Practice on Access to Government Information', the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 require either party to make available to the public information that it holds. This will include any information either party provides to the other party in accordance with the terms of or in relation to this Agreement. If a third party requests access to either party's information the other party will be obliged to disclose it unless it is exempt from disclosure in accordance with the legislation. Accordingly, neither party can offer assurances that the other party's information will be maintained in confidence and each party should obtain independent legal advice before submitting any proprietary or sensitive information.

18.2 Each party shall assist and cooperate with the other party to enable it to comply with its Information disclosure obligations.

18.3 Each party shall and shall procure that its sub-contractors shall:

18.3.1 transfer to the other all Requests for Information that it receives as soon as practicable and in any event within two Working Days of receiving a Request for Information;

18.3.2 provide the party in receipt of a Request for Information with a copy of all Information in its possession, or power in the form that it requires within five Working Days (or such other period as may reasonably be specified) of the request; and

18.3.3 provide all necessary assistance as reasonably requested by the party in receipt of a Request for Information to enable it to respond within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations**.**

18.4 Each party in receipt of a Request for Information shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this Agreement or any other agreement whether any Information is exempt from disclosure in accordance with the provisions of the Code of Practice on Government Information, FOIA or the Environmental Information Regulations.

18.5 Both parties acknowledge that (notwithstanding the provisions of this Clause 18) either may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of FOIA ("the Code"), be obliged under the FOIA, or the Environmental Information

Regulations to disclose information concerning the Recipient or the Project activities**:**

18.5.1 in certain circumstances without consulting the other party; or

18.5.2 following consultation with the other party and having taken their views into account;

provided always that where 18.5.1 applies the disclosing party shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give advanced notice, or failing that, to draw the disclosure to the other party's attention after any such disclosure.

19 NECA DATA

19.1 The Recipient shall not delete or remove any proprietary notices contained within or relating to the NECA Data.

19.2 The Recipient shall not store, copy, disclose, or use the NECA Data except as set out in this Agreement, as required by law or as otherwise expressly authorised in writing by the NECA.

19.3 The Recipient shall take responsibility for preserving the integrity of NECA Data and preventing the corruption or loss of NECA Data.

19.4 If at any time the Recipient suspects or has reason to believe that NECA Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then Recipient shall notify the NECA immediately and inform the NECA of the remedial action the Recipient proposes to take.

20 DATA PROTECTION

20.1 With respect to the parties' rights and obligations under this Agreement the parties agree that the NECA and the Recipient are Data Controllers in common.

20.2 Each Party shall:

20.2.1 process Personal Data only in accordance with instructions from the other Party (which may be specific instructions or instructions of a general nature as set out in this Agreement or as otherwise notified during the Term);

20.2.2 process Personal Data only to the extent, and in such manner, as is necessary for the provision of the Project or as is required by Law or any Regulatory Body;

20.2.3 implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;

20.2.4 take reasonable steps to ensure the reliability of any Personnel who have access to the Personal Data;

20.2.5 obtain prior written consent from the other Party in order to transfer Personal Data to any contractors or affiliates for the purposes of the Project;

20.2.6 ensure that all Personnel required to access Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this Clause 20;

20.2.7 ensure that none of the Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so;

20.2.8 notify the other Party (within five Working Days) if it receives:

20.2.8.1 a request from a Data Subject to have access to that person's Personal Data; or

20.2.8.2 a complaint or request relating to the NECA's or the Recipient's obligations under the Data Protection Legislation;

20.2.9 provide full cooperation and assistance in relation to any complaint or request made, including by:

20.2.9.1 providing full details of the complaint or request;

20.2.9.2 complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with the other Party's instructions;

20.2.9.3 providing the other Party with any personal data it holds in relation to a Data Subject (within the timescales required by the NECA); and

20.2.9.4 providing the other Party with any information it reasonably requests;

20.2.10 permit the other party or a representative (including, but not limited to, the Audit Commission), to inspect and audit (subject to reasonable and appropriate confidentiality undertakings), the other Party's data processing activities (and/or those of its agents, subsidiaries and contractors) and comply with all reasonable requests or directions to enable the auditor to verify and/or procure that the other Party is in full compliance with its obligations under this Agreement;

20.2.11 provide a written description of the technical and organisational methods employed for processing Personal Data (within the timescales required by the NECA); and

20.2.12 not Process Personal Data outside the European Economic Area without the prior written consent of the other Party and, where the other Party consents to a transfer, to comply with:

20.2.12.1 the obligations of a Data Controller under the Eighth Data Protection Principle set out in Schedule 1 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred; and

20.2.12.2 any reasonable instructions notified to it by the other party.

20.3 The Parties shall comply at all times with the Data Protection Legislation and shall not perform their obligations under this Agreement in such a way as to cause the other Party to breach any of its applicable obligations under the Data Protection Legislation.

20.4 For the purposes of the Data Protection Act the contact for the Recipient is the Information Governance Officer, The Council of the City of Sunderland, Civic Centre, Burdon Road, SR2 7DN. Telephone (0191) 561 1941;

21 FRAUD AND FRAUD POLICY

21.1 The Recipient will ensure that it has adequate anti-fraud policies in place and has ensured fraud awareness with the Recipient's staff and that controls are in place to prevent and or detect fraud, including money laundering. The Recipient should also have measures in place to ensure that its contractors have similar provisions.

22 EQUALITY ACT, GUIDANCE NOTES AND POLICIES

22.1 The Recipient must at all times comply with the Equality Act 2010.

22.2 Details of the Recipient's recruitment and selection procedures must be provided to NECA if requested

22.3 The Recipient must comply with all employment legislation, take all necessary steps to secure the health, safety and welfare of all persons involved in the Project and must in all other circumstances comply with relevant statutory provisions.

22.4 The Recipient shall take account of and comply with all guidance notes and policies issued from time to time by the NECA on funding issues.

23 PERFORMANCE MANAGEMENT

23.1 The Recipient will, upon reasonable request by the NECA enter into a performance management framework containing additional reporting requirements on Key Performance Indicators relating to the Project.

24 CONFIDENTIALITY

24.1 Except to the extent set out in this Clause 24 or where disclosure is expressly permitted elsewhere in this Agreement, each Party shall:

24.1.1 treat the other Party's Confidential Information as confidential and safeguard it accordingly; and

24.1.2 not disclose the other Party's Confidential Information to any other person without the owner's prior written consent.

24.2 Clause 24.1 shall not apply to the extent that:

24.2.1 such disclosure is a requirement of Law placed upon the Party making the disclosure, including any requirements for disclosure under the FOIA, ‘Code of Practice on Access to Government Information’ or the Environmental Information Regulations pursuant to Clause 18 (Freedom of Information);

24.2.2 such information was in the possession of the Party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;

24.2.3 such information was obtained from a third party without obligation of confidentiality;

24.2.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of this Agreement; or

24.2.5 it is independently developed without access to the other Party's Confidential Information.

24.3 The Parties may only disclose the other Party's Confidential Information as permitted by law or under the terms of this Agreement to their Personnel or Affiliates who are directly involved in the Project and/or who need to know the information, and shall ensure that such Personnel and Affiliates are aware of and shall comply with these obligations as to confidentiality.

24.4 The Parties shall not, and shall procure that their Personnel and Affiliates do not, use any of the other Party's Confidential Information received otherwise than under the terms of this Agreement or providing such disclosure is permitted by law.

24.5 Nothing in this Agreement shall prevent either party from disclosing the other Party's Confidential Information:

24.5.1 to any public body. All public bodies receiving such Confidential Information shall be entitled to further disclose the Confidential Information to other public bodies on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any public body;

24.5.2 to any consultant, contractor or other person engaged by the NECA or any person conducting an audit or review;

24.5.3 to enable the NECA or UK Government to meet its reporting obligations and other obligations under State Aid Rules;

24.5.4 for the purpose of any audit pursuant to this Agreement;

24.5.5 for the purpose of the examination and certification of the NECA's accounts.

24.6 The NECA shall use all reasonable endeavours to ensure that any government department, external auditor, employee, third party or sub-contractor to whom the Recipient's Confidential Information is disclosed is made aware of its obligations of confidentiality.

24.7 Nothing in this Clause 24 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of the Project and/or the Agreement in the course of its normal business to the extent that this use does not result in a disclosure of the other Party's Confidential Information or an infringement of IPR.

25 COUNTERPARTS

25.1 This Agreement may be executed in any number of counterparts, each of which will be an original and all of which will together constitute a single agreement.

IN WITNESS whereof this Agreement has been duly executed as a deed and delivered on the date first before written

THE SEAL of **THE DURHAM, GATESHEAD, NEWCASTLE UPON TYNE, NORTH TYNESIDE, NORTHUMBERLAND, SOUTH TYNESIDE and SUNDERLAND COMBINED AUTHORITY** as hereunto affixed in the presence of:-	**)**

Authorised Signatory

EXECUTED AS A DEED by	)
	)
acting by	)

……..
Director

……
Director/ Company Secretary

APPENDIX 1

Business Case

APPENDIX 2

Local Growth Fund Claim Form

To: The Council of the City of Sunderland on behalf of the North East Combined Authority

From: [*insert full name of Beneficiary*]

Date: [ ]

Funding Agreement dated [ ] 2016 (the Funding Agreement)

1 We refer to the Funding Agreement. This is a Grant Claim. Terms defined in the Funding Agreement have the same meaning in this Grant Claim.

2 We wish to claim Funding as follows:

2.1 Amount: [ ]

INTERIM/FINAL CLAIM*(state)*

PERIOD OF CLAIM **From:** **To:**

SUMMARY OF EXPENDITURE

	2015/16 Budget	**Claim for this period**	Claimed to date in 2015/16 *(Including current claim)*
	£	**£**	£
23. **LGF - Capital**			
Other Public			
Private Sector funding (specify)			
TOTAL EXPENDITURE			

3 Payment Instructions

3.1.1 Bank name: [ ];

3.1.2 Bank branch/address: [ ];

3.1.3 Bank sort code: [ ];

3.1.4 Bank account number: [ ]; and

3.1.5 Bank account name: [ ].

4 CERTIFICATE BY CLAIMANT:

I certify to the best of my knowledge and belief:

4.1 That each condition specified in Clause 9.12 of the Funding Agreement required to be satisfied on the date of this Claim request is so satisfied and we know of no reason why any condition specified in Clause 9.12 to be satisfied on or before the date of drawdown will not be so satisfied.

4.2 The expenditure has been defrayed on projects implementing an agreed LGF Grant Offer Letter and supporting evidence is available for inspection; and

4.3 The grant claimed is within the expenditure limit for LGF grant in respect of 2015/16 and complies with the conditions of grant approval.

By: .....

Beneficiary Senior Officer
For and on behalf of
[insert full name of Beneficiary]

Scanned copy of the claim form and supporting documentation should be emailed to Alison.Clark@sunderland.gov.uk with the original signed form being posted to Alison Clark, Senior Funding and Commercial Officer, Financial Resources Service, Sunderland City Council, Room 2.75 Civic Centre, Sunderland, SR2 7DN

APPENDIX 3

Quarterly Monitoring Returns

APPENDIX 4 (Transport)

KEY PERFORMANCE INDICATORS (KPIs) The Recipient shall achieve the following milestones and key performance indicators:

KPIs Outputs (Measured Quarterly)	**2015/16**	**2016/17**	**2017/18**	**Total**

KPI Outcomes (Measured Annually)

MILESTONES

Key investment milestone dates	**Date specific to this approved project**

APPENDIX 4 (Non-transport)

KEY PERFORMANCE INDICATORS (KPIs) The Recipient shall achieve the following milestones and key performance indicators:

KPIs	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	Total

MILESTONES

Key investment milestone dates	Date specific to this approved project

APPENDIX 5

Project Approval Details

EXPENDITURE PROFILE

TOTAL ELIGIBLE EXPENDITURE BY FUNDING SOURCE				
	2015/16	**2016/17**	**2017/18**	**Total**
	£	**£**	**£**	**£**
LGF Capital				
Total LGF				
Recipients Funds				
Total Other				
Grand Total				
Grant Rate %				

LGF Capital funding is allocated for the duration of the project on the approved annual profile shown.

ELIGIBLE EXPENDITURE

TOTAL ELIGIBLE EXPENDITURE BY BUDGET HEADING				
	2015/16	**2016/17**	**2017/18**	**Total**
Land acquisition				
Building acquisition				
Site investigation				
Studies / Design				
Site preparation				
Building / Construction costs				
Plant & Machinery				
Fees				
Contingencies				
Other				
Grand Total				

APPENDIX 6

Performance Monitoring Requirements

All projects receiving investment through the North East Growth Deal Local Growth Fund are required to monitor and report progress on a regular basis to enable NECA and NELEP to demonstrate progress against our objective to generate economic growth and to re-balance the economy by creating 'more and better' private sector jobs. Our main KPIs are therefore related to tracking the impact on jobs, the number of businesses assisted to grow and GVA.

NECA and NELEP will develop a detailed programme monitoring and evaluation approach working with delivery partners. We will:

- Develop common systems for projects and overall programme reporting
- Involve partners in the final design of our evaluation framework
- Encourage and support partners to undertake project level evaluation and to share experiences with others in the region and through NELEPs thematic Delivery Boards.

The Growth Deal LGF monitoring period runs until 2023/24. Data on performance will be collected over this period. What is collected and how frequently will change over time.

Data on Jobs

All projects have set out in their **business case** forecast economic impacts on the NELEP economy and will be performance managed against these targets. Where projects have included **'indirect jobs'** and **'net new jobs'** in their business case these will be assessed through Programme level impact surveys which will be designed in conjunction with each project and Growth Deal LGF Technical Steering Group. These indicators are not subject to regular quarterly / annual reporting.

The **gross number of direct jobs** connected to the investment and number of businesses attracted to locate on either 'direct employment' or 'impact' employment sites do need to be reported robustly and regularly.

In the **first five years** from approval of a jobs target we require high level quarterly information on jobs and annually more detailed information on the nature of the direct jobs. Job details in relation to skill levels, wage rates, occupations etc. are critical to being able to understand the extent to which LGF investment is supporting 'better' jobs.

In the following 5 years project reporting will be annual only and on limited KPIs along with programme level surveys.

Key Performance measures

KPIs relevant to the project are set out in section 1.3. In reporting on these, projects should follow the definitions and evidence guidelines set out below.
TRANSPORT OR NON-TRANSPORT (non transport table below this – delete as appropriate)

Ref	Performance Indicator	Measure	Description
1	A) Gross Jobs connected to the intervention **a) on direct employment sites**	FTEs	Permanent paid full time equivalent jobs that locate on an employment site or building that has been created or improved with LGF investment. Includes: - Employment in new incubation hubs or managed workspace (both operational management posts and posts in occupying businesses) - Employment in bespoke developments by companies developing serviced plots on employment sites - Employment in FE space - additional to that which

			previously existed.
	B) Gross Jobs connected to the intervention **b) on 'Impact Sites** '	FTEs	These are sites that have not directly benefitted from LGF investment but where LGF investment has demonstrably helped unlock development sites and improved their competiveness. Includes : - Off-site utility infrastructure investment - Off- site transport improvements that can plausibly improve the competitiveness of the site - Packaged land deals that enable associated sites to be developed.
2	A) Direct Jobs Safeguarded	FTEs	An existing permanent job which is at risk of being lost at the time of the LGF intervention. At risk is defined as being forecast to be lost within 1 year had it not been for the intervention
	B) Indirect jobs safeguarded.	FTEs	This is often not easy to define and difficult to evidence. Where an LGF intervention has removed risks / barriers to the performance of existing businesses that otherwise would potentially have lost jobs then this may be considered.
3	Number of construction jobs	13.3 jobs per £1m	Construction jobs will be estimated by the NELEP Programme Team based upon reported capital project spend on infrastructure projects. The formula used is 13.3 jobs per £1m. This calculation excludes plant and equipment. Included: - Highways works - New buildings construction - Site remediation - Building refurbishment
7	Follow on investment at site	£, by source	For both direct employment and impact sites. Capture the amount of public, private or third sector investment following financial completion of the LGF project. Does not include in-kind contributions.
9	Commercial floorspace occupied	sq m, by class	For commercial buildings constructed/refurbished identify the amount net lettable area that is currently occupied by commercial tenants.
23	Total length of resurfaced roads (km)	km	Length of road for which maintenance works have been completed
24	Total length of newly built roads (km)	km	Length of road for which works have been completed and now open for public use
25	Total length of new cycle ways (km)	km	Length of cycle way for which works have been completed and now open for public use
26	Type of infrastructure	New road Resurfaced road New lane Roundabout Other junction Bus station Cycle lane	Identify what has been constructed as a result of the project - utilise units where appropriate e.g. length of cycle path

27	Type of service improvement		Identify the nature of service improvement as a result of the intervention e.g. improved bus service
KPI's below to be collected for all Transport projects involving more than £5m public funding and where these metrics and the collection points are relevant to the intervention:			
28	Average daily traffic and by peak/non peak periods	No. of vehicles	Average daily traffic by direction; AM, Inter- and PM peak hour traffic flows by direction
29	Average AM and PM peak journey time per mile on focus corridors (journey time measurement)	hr/mile	Average AM and PM peak journey time per mile on focus corridors
30	Average AM and PM peak journey time on focus corridors (journey time measurement)	minutes	Average AM and PM peak journey time on focus corridors
31	Day-to-day travel time variability	minutes	Standard deviation of AM and PM peak hour journey time
32	Average annual CO2 emissions	tonnes	Average annual CO2 emissions
33	Accident rate	No. by severity	Number of accidents and accident rate by severity and class of road
34	Casualty rate	No. by severity	Number of casualties and casualty rate by severity and class of road user
35	Nitrogen Oxide and particulate emissions	NOX (tonnes); PM10 ($\mu g/m^3$)	NO_X emissions in tonnes per year; PM10 concentrations per year
36	Traffic noise levels at receptor locations	$LA_{10,\ 18hr}$ (dB)	Traffic noise levels at receptor locations
37	Annual average daily and peak hour passenger boardings	No.	Annual average daily passenger boardings; AM, inter- and PM peak hour passenger boardings
38	Bus/light rail travel time by peak period	Minutes	AM and PM peak bus/light rail travel time
39	Mode share	%	AM and PM peak proporion of trips for different travel modes
40	Pedestrians counts on new/existing routes	No.	Pedestrians counts on new/existing routes
41	Cycle journeys on new/existing routes	No.	Cycle journeys on new/existing routes
42	Households with access to specific sites by mode within threshold times	No.	Households with access to specific sites within 20/40 minutes using public transport/walking, car and cycle

OR

Local Growth Fund - Draft Performance Measures Guidance Note				
Ref	**Performance indictor**	**measure**	**Description**	**Verified by**

1	A) Gross Jobs connected to the intervention **a) on direct employment sites**	FTEs	Permanent paid full time equivalent jobs that locate on an employment site or building that has been created or improved with LGF investment. Includes: - Employment in new incubation hubs or managed workspace (both operational management posts and posts in occupying businesses) - Employment in bespoke developments by companies developing serviced plots on employment sites - Employment in FE space - additional to that which previously existed.	Quarterly Data capture form signed by businesses confirming number of jobs in situ. Detailed Job information to be reported **annually** i.e. type of jobs, skill and wage levels.
	B) Gross Jobs connected to the intervention **b) on 'Impact Sites '**	FTEs	These are sites that have not directly benefitted from LGF investment but where LGF investment has demonstrably helped unlock development sites and improved their competiveness. Includes : - Off-site utility infrastructure investment - Off- site transport improvements that can plausibly improve the competitiveness of the site - Packaged land deals that enable associated sites to be developed.	As above but annual only. These sites may not be in direct control of the applicant. The applicant may need to seek voluntary co-operation of businesses / developers to collect information.
2	a) Direct Jobs Safeguarded	FTEs	An existing permanent job which is at risk of being lost at the time of the LGF intervention. At risk is defined as being forecast to be lost within 1 year had it not been for the intervention	Data capture from signed by business confirming number of jobs that would have been at risk of redundancy within 12 months.
	b) Indirect jobs safeguarded.	FTEs	This is often not easy to define and difficult to evidence. Where an LGF intervention has removed risks / barriers to the performance of existing businesses that otherwise would potentially have lost jobs then this may be considered.	Projects are invited to make the case as appropriate. It is likely that this output will be evidenced by surveys.
3	Number of construction jobs	13.3 jobs per £1m	Construction jobs will be estimated by the NELEP Programme Team based upon	Projects required to show a breakdown of

			reported capital project spend on infrastructure projects. The formula used is 13.3 jobs per £1m. This calculation excludes plant and equipment. Included: - Highways works - New buildings construction - Site remediation - Building refurbishment	infrastructure capital expenditure in claims separate from plant and equipment.
4	Commercial floorspace constructed	sq m, by class	For both direct employment sites and "impact" sites, the area and class of commercial floorspace completed. "Impact" sites are defined as for jobs created above. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.	Floor plans and site inspection.
5	a) Number of established businesses accommodated		Count of the number of businesses (all sizes) that are attracted to and locate on a direct employment site or an impact site. Information should be collected from the business on establishment / entry.	**Quarterly** reporting from Direct employment sites, **annually** from impact sites. Data capture form from incoming business. Record type of business, main trading activity (SIC), number of employees, date of formation, turnover, and previous address
	b) Number of new businesses trading from the NELEP area accommodated		Record those businesses that are new to the NELEP area either / or those : - Moving in to the NELEP area from outside – a relocation or new branch. - New businesses - trading for under 3 years from date of entry.	From the above data capture forms.
6	Area of site reclaimed, (re)developed or assembled	ha	Area of land directly improved by the project that is now suitable for commercial development where previously it was unattractive to commercial developers. Reclaimed: making the land fit for use by removing physical constraints to	Site plan. Visual inspection of the site before and after completion.

			development or improving the land for hard end use; providing services to open it up for development, e.g. provision of utilities or service roads.	
7	Follow on investment at site	£, by source	For both direct employment and impact sites. Capture the amount of public, private or third sector investment following financial completion of the LGF project. Does not include in-kind contributions.	Annual reporting for both employment and impact sites. Use data capture sheet signed by developers / businesses / public authorities confirming how much has been invested in the previous 12 months
8	Commercial floorspace refurbished	sq m, by class	For project sites, the area and class of refurbished commercial floorspace. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007.	Floor plan and visual inspection
9	Commercial floorspace occupied	sq m, by class	For commercial buildings constructed/refurbished identify the amount net lettable area that is currently occupied by commercial tenants.	**Provide quarterly on employment sites**. **Annually on impact sites.** Provide list of all commercial units in sqm2 and sqm from this total occupied
	Business Support			
10	Number of enterprises receiving non financial support		Number of SMEs receiving support (inc advice and training) with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Value of the support shoud be a minimum of £1,000, calculated at Gross Grant Equivalent (see ERDF guidance) or a minumum of 2 days of consulting advice.	Quarterly - Data capture form completed by business.

11	Number of enterprises receiving grant support		Number of SMEs receiving grant funding support with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). To be counted where the support is at least £1,000.	Quarterly- Count from quarter when first grant claim is paid. Evidence of grant payment.
12	Number of enterprises assisted to cooperate with research entities/institutions		The number of treated SMEs working jointly with research entities after assistance has been given. Should be counted up to 3 years following support. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed	Data capture form
13	Number of enterprises supported to introduce new to the market products		The number of treated SMEs that successfully introduce a new-to-market product after assistance has been given. Product should be available for commercial purchase. Should be counted up to 3 years following support.	Data capture form
14	Number of enterprises supported to introduce new to the firm products		The number of treated SMEs that successfully introduce a new-to-firm product after assistance has been given. Product should be available for commercial purchase Should be counted up to 3 years following support.	Data capture form
Ref	**Skills Capital**			
15	New build training/learning floorspace	sq m	The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.	Site visit
16	Refurbished training/learning facilities	sq m (where FE colleges are involved, by estate grading)	The amount of new training/learning floorspace refurbished to improve building condition and/or fitness for purpose. For FE colleges, this should be by estate grading. Figures to be provided following completion.	Site visit
17	Floorspace rationalised	sq m	The amount of overall floorspace reduced following completion of the project through, for example, demolition or disposal. Figures to be provided following completion.	Annual reporting. Show difference (reduction) against baseline floorspace position at 1st April 2015. Site

				inspection / records of disposal.
18	Follow on investment at site, including revenue funding	£, by source	For the project site, the volume of public, private or third sector investment undertaken at the site (including revenue funding, for example for training courses) over and above that for the Growth Deals project, where there is a demonstrable link with the Growth Deals project. Exclude in-kind contributions.	Annual reporting. Record funding to run new / additional training courses. Count annually. Statement from auditor
19	Post code for new build sites		Post code for new build sites, for matching with SFA database	Annual.
20	Number of apprenticeship/traineeship opportunities created		Provide details on the level and number of opportunities created by course/subject	Annual Count in quarter when the position is filled.
21	Number of level 3 qualifications created		List or qualification title	Count when qualification has first student intake.
22	Number of higher education opportunities created		Record expansion in places in existing courses, number of new places on new courses delivered from sites that have benefitted from LGF.	Count when new places are filled. List of student courses. Count place once i.e. not

Qualitative information:

Surveys will be required as part of both process and impact evaluation of the LGF expenditure and Recipients of LGF funding must participate in surveys required the NECA as these will provide essential information regarding the LGF processes, additionality and wider economic impacts of funding provision.

Process evaluation will require a nominated person to respond to a short survey covering issues of programme delivery, administrative burdens and quality of guidance. The process evaluation will be conducted in the 1st year of delivery of the project, mid-delivery (depending upon the length of the project) and the final year of delivery of the project.

Impact evaluation will be undertaken at the mid-point of the NELEP LGF programme period (approx. 2019/2020) and in the final year of the programme (2023/2024). Survey responses will be used alongside other sources of evidence to provide an assessment of programme additionality and impact.