

GRANT AGREEMENT FOR

SHEFFIELD CITY REGION [FUND NAME]

BETWEEN

BARNSELEY, DONCASTER, ROTHERHAM AND SHEFFIELD COMBINED AUTHORITY

AND

SHEFFIELD CITY COUNCIL

TABLE OF CONTENTS

1	DEFINITIONS AND INTERPRETATION
2	RECIPIENT'S OBLIGATIONS
3	AUTHORITY'S OBLIGATIONS
4	FUNDING SOURCES
5	PROJECT FINANCIAL RECORDS
6	FINANCIAL CLAIMS TO THE AUTHORITY
7	BREACH OF CONDITIONS AND RECOVERY OF GRANT
8	STATE AID
9	MANAGEMENT
10	REPORTING AND MONITORING
11	PROJECT OUTCOMES AND CLAWBACK
12	ACKNOWLEDGEMENT AND PUBLICITY
13	INTELLECTUAL PROPERTY
14	WARRANTIES AND INDEMNITIES
15	TERMINATION
16	CONFIDENTIALITY
17	FREEDOM OF INFORMATION
18	EQUALITY AND DIVERSITY
19	DISPUTE RESOLUTION
20	NO RECOVERY OF SUMS DUE AND INTEREST
21	PARTNERSHIP OR AGENCY
22	ENTIRE AGREEMENT
23	FREEDOM TO CONTRACT
24	SEVERABILITY

- 25 AMENDMENTS
- 26 ASSIGNMENT
- 27 VAT
- 28 WAIVERS
- 29 NOTICE
- 30 PUBLICITY
- 31 THIRD PARTY RIGHTS
- 32 GOVERNING LAW AND JURISDICTION

SCHEDULE 1

Agreed Payment Schedule

SCHEDULE 2

Full Business Case

SCHEDULE 3

Monitoring Return and Claim Forms

SCHEDULE 4

Eligible costs

The Agreement Date: [DATE]

PARTIES

BARNSELEY, DONCASTER, ROTHERHAM AND SHEFFIELD COMBINED AUTHORITY, whose principal office is at 18 Regent Street, Barnsley, South Yorkshire S70 2HG (**"Authority"**)

Sheffield City Council, whose principal office is at Sheffield Town Hall, Pinstone Street, Sheffield, S1 2HH (**"Recipient"**)

Commencement Date: The 12/04/2016, being the date on which funding for the Project will commence

Completion Date: The 29/07/2019, being the date on which the investment period for the Project will cease (or such earlier date as this Agreement shall terminate in accordance with Clause 14 below)

BACKGROUND

- (1) The Authority has agreed to pay the Grant to the Recipient to assist it in carrying out the Project.
- (2) This Agreement sets out the terms and conditions on which the Grant is made by the Authority to the Recipient.
- (3) These terms and conditions are intended to ensure that the Grant is used for the Project and that the Project achieves the Project Outputs and the Project Outcomes.

The Grant: A grant of up to a maximum amount of £150,000 **made up of [Name of Fund]**, to be paid by the Combined Authority to the Recipient in accordance with the terms of this Agreement

The Project Manager: Diana Buckley (Economic Strategy Manager, Sheffield City Council)

on behalf of the Recipient, or his or her replacement as notified to the Authority from time to time

The Project Officer: Andrew Gates (Head of Policy, Sheffield City Region Executive Team)

The Authority officer acting on behalf of the Combined Authority, or his or her replacement as notified to the Recipient from time to time

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement unless the context otherwise requires the following words and expressions shall have the following meanings:

"Agreement" means this agreement, comprising these clauses and the schedules thereto.

"Approved Claim Form" means the standard claim form specified at Schedule 3.

"Base Interest Rate" means the base rate of Barclays Bank plc (or the base rate of such other bank as the Authority may from time to time stipulate).

Bribery Act: the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

"Claim Period" means the period commencing on the date of Commencement and ending on the last day of the next Quarter thereafter and each subsequent period of one quarter until 31 March.

"Clawback" means the repayment part of the Grant as a result of the Project not achieving the Project Outcomes, as provided for by clause 10 (Project Outcomes and Clawback).

"Commencement date" means the date from which expenditure and job creation may be attributed to the project.

"Completion Date" means the date by when the expenditure and job creation targets must be achieved.

"Consents" means any approval consent exemption licence permission or consent by or from any governmental or other authority or other person including (but not limited to) consents from the Recipient's landlord and any adjoining owner and any consents required from any local planning authority including planning permission and (where required) listed building consent, building regulation approval and fire officer approval and any other consents required in relation to the Works and/or the Project or otherwise required to enable the Recipient to complete the Works, maintain and use the Site and to comply with its obligations contained in this Agreement.

"Date of Practical Completion" means the date when the Works are practically complete as evidenced by the Recipient's architect's certificate of practical completion issued under the relevant building contract or building contracts in respect of such works or (if later) the date when the Authority notifies the Recipient that it is satisfied that such Works are practically complete in accordance with the Consents and this Agreement and **"Practical Completion"** shall in each case be construed accordingly.

"Diversity" means the promotion of a culture that recognises individual difference by providing a working and social environment where everyone has the opportunity to develop their full potential.

"EIR" means the Environmental information Regulations 2004 together with any guidance and/or codes of practice issued by the Information commissioner in relation thereto.

["Eligible Costs" means the specific costs set out at schedule 4;]

"Environmental Information" has the meaning ascribed to it in Regulation 2(1) of the EIR.

"EU Rules" means [the EU Structural and Investment Funds Regulations,] the State aid Rules and any other applicable EU Regulations, Directives and Guidelines.

"EU Structural and Investment Funds Regulations" means all or any of Regulations 1299/2013, 1300/2013, 1301/2013, 1302/2013, 1303/2013, 1304/2013, 1305/2013 and 1082/2006 and any supplementary, amending or updated legislation in connection with the same.

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued by the Information commissioner in relation thereto.

"Financial Year" means the Authority's financial year which runs from 1 April to 31 March.

"GBER" means Commission Regulation 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

"Good Reason" means a supervening event or set of circumstances short of (but not excluding) force majeure which are or were outside of the reasonable contemplation and or control of the Recipient.

"Grant" means the amount provided by the Authority as reimbursement of Qualifying Expenditure defrayed by the Recipient in relation to the Project in accordance with Clause 3 up to the Maximum Amount.

"Grant Manager" means the person appointed by the Authority from time to time to manage the Grant in relation to this Agreement and notified any time to the Recipient or his or her replacement from time to time.

"ICT" means information and communications technology.

"Information" means the information recorded in any form.

"Held on Behalf of" has the meaning, in relation to information held for the purposes of FOIA, in the definition at Section 3(2) of FOIA; and in relation to environmental information held for the purposes of the EIR, in the definition at Regulation 2(1) of the EIR.

"Intellectual Property" means any or all of the following: patents, trade marks, service marks, drawings, designs, registered designs, utility models, design right, copyright (including copyright in computer software), database right, inventions, trade secrets and other confidential information, technical information, know-how, business or trade names, rights to prevent passing off, and all other intellectual property rights and rights of a similar or corresponding nature in any part of the world, whether registered or not or capable of registration or not and including all applications and the right to apply for any of the foregoing rights.

"Know-How" means information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

"Large Company" means a company which has a headcount of more than 250 employees; annual turnover greater than €50million; and/or a balance sheet value of more than €43million.

"Law" means any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Recipient is bound to comply.

"Maximum Amount" means (subject to the provisions of clause 2) the maximum amount of Grant available to be claimed by the Recipient being £150,000 (one hundred and fifty thousand pounds) including non-recoverable VAT (if any) which is to be allocated to the following Financial Years: 2015-2019.

"Maximum Yearly Sum" for any Financial Year has the meaning given to it in sub-clause 3.5.

"NUTS 3 Region" means a level 3 region as defined in the Nomenclature of Territorial Units for Statistics codes of the United Kingdom.

Prohibited Act: means:

- (i) offering, giving or agreeing to give to any servant of the Authority any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Authority; or
 - (ii) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Authority;
- (ii) entering into this Agreement or any other contract with the Authority where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Authority;
- (iii) committing any offence:
 - (i) under the Bribery Act;
 - (ii) under legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Authority; or
- (iv) defrauding or attempting to defraud or conspiring to defraud the Authority.

"Project" means the project described in schedule 1.

"Project Accounts" has the meaning given to it in sub-clause 5.2.

"Project Intellectual Property" means all Intellectual Property arising from or which comes into existence as a result of carrying out the Project to the extent that it is owned or acquired or is otherwise under the control of the Recipient.

"Project Manager" means the Recipient's manager of the Project identified in schedule 1 and any replacement from time to time as agreed by the Authority.

"Project Outputs" means the product of the Works, as set out in schedule 2.

"Project Monitoring Period" means a maximum period of 5 years from the Completion Date.

"Qualifying Expenditure" means the amount which the Authority is satisfied has been reasonably and properly incurred and paid by the Recipient in executing the Works (excluding financial costs interest charges and VAT which is recoverable from HM Customs & Excise or any other person).

“Quarter” means a three calendar month period in the Financial Year, the first Quarter commencing on the same date as the Financial Year.

"Request for Information" shall have the meaning set out in FOIA or any apparent request for Information under the FOIA, the EIR or the Code of Practice on the discharge of public authorities' functions under part 1 of the FOIA.

"Site" means the Project site, as set out in schedule 1.

“SME” - means enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50m, and/or an annual balance sheet total not exceeding €43m.

“State Aid Rules” means those rules embodied in Articles 107 - 109 of Section 2, Title VII, of the 'Common Rules on Competition, Taxation and Approximation of Laws - Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union ("TFEU") (2008/C115/01) (previously embodied in Articles 87 to 89 of the EC Treaty) including any secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission, case law of the European Courts and relevant decisions of the courts of England and Wales and decisions of the European Commission regarding the application of Articles 107 to 109 TFEU.

"Sustainable Development" means social progress which recognises the needs of everyone, effective protection of the environment, prudent use of natural resources and economic development that is inclusive, efficient and stable.

"VAT" means value added tax and any tax or duty of a similar nature levied in addition to or in substitution for the same.

"Works" means the works necessary to deliver the Outputs.

- 1.2 References to Clauses, sub-clauses, Schedules and Annexes are to the clauses, sub-clauses, schedules and annexes of this Agreement unless otherwise stated.
- 1.3 Headings are for convenience only and shall not affect the interpretation of this Agreement.
- 1.4 In this Agreement references to the masculine include the feminine and the neuter, and the singular shall include the plural, and vice versa as the context admits or requires.
- 1.5 In this Agreement references to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute or statutory provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

2 RECIPIENT'S OBLIGATIONS

2.1 The Recipient shall use the Grant only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Authority.

2.2 The Recipient shall not make any change to the Project:

- (a) which is significant; or
- (b) which has the potential to result in the provision of the Grant breaching any EU Rules

without the Authority's prior written agreement.

For the avoidance of doubt but not as an exhaustive list, significant changes include those changes affecting the log stop date; outputs; outcomes and maximum funding.

2.3 The control of change under this Agreement shall be in accordance with any change control procedure that may be agreed between the parties. The Recipient shall promptly and efficiently procure the carrying out and completion of the Project and comply with all the accounting, payment, information and other requirements and obligations contained in this Agreement.

2.4 Without limitation to the generality of Clauses 2.1 to 2.3 the Recipient shall, where relevant:

- (a) procure the Commencement of the Works (unless the same have already been commenced by the date of this Agreement) within [30] days from the date of this Agreement and procure Practical Completion of the same by the Project Longstop Date;
- (b) procure that all the Project Outputs are achieved by the Project Longstop Date; [and
- (c) procure that all the Project Outcomes are fulfilled by the Final Review Date.]

2.5 Where relevant, the Recipient shall notify the Authority in writing within 7 days of Practical Completion of the Works.

2.6 The Recipient shall comply with all relevant requirements contained in or having effect under Law relating to health, safety and welfare at work.

2.7 The Recipient shall promptly notify the Authority in writing:-

- (a) as soon as it becomes aware that it does not intend to claim the Maximum Amount of the Grant available under this Agreement; and

- (b) by no later than 31 December in any Financial Year if it does not intend to claim the Maximum Yearly Sum for that Financial Year, without prejudice to the provisions of clause 3.5.

2.8 The Recipient shall:-

- (a) promote equal opportunities;
- (b) subject to Law, promote the sourcing of local skills and resources and the ethical purchasing of goods and materials;
- (c) co-operate fully with the Authority on activity in relation to this project it and in relation to any of the matters referred to in this sub-clause.

3 AUTHORITY'S OBLIGATIONS

- 3.1 Subject to this clause and Clauses 6.7 and 15 (Termination), the Authority shall comply with the payment provisions of this Clause provided that the Authority has received from the Recipient full and accurate information and documentation as required by this Agreement.
- 3.2 Provided that the Authority is satisfied that the conditions set out at clause 3.3 below are met, the Authority shall (subject to all the terms and provisions of this Agreement including this clause) pay the Qualifying Expenditure to the Recipient in advance
- 3.3 The Authority will not be required to make any payment under clause 3.2 unless and to the extent that it is satisfied that:
 - (a) any such payment will not result in a breach of the EU Rules
 - (b) the Recipient is not in breach of any obligation under this Agreement; and
 - (c) the warranties provided by the Recipient at clauses 13.4 and 14 remain true.
- 3.4 The Authority is under no obligation to make any payments other than those provided under this clause including (without limitation) in the event of any increase in the cost to the Recipient of delivering the Project.
- 3.5 The Recipient acknowledges that where in the definition of Maximum Amount any part of the Grant is allocated to a particular Financial Year ("the Maximum Yearly Sum") then such part or parts of the Grant shall be available for that Financial Year only provided that the Authority may in its absolute discretion allow any unclaimed amount from any particular Maximum Yearly Sum for one Financial Year to be carried over and included in the Maximum Yearly Sum for the next Financial Year.
- 3.6 Notwithstanding anything contained in this clause 3, the Authority may at any time in its absolute discretion (but without any obligation on the Authority to do so) pay any part or

parts of the Grant to the Recipient in advance of the date or dates when such payments would otherwise be due ("Advance Payments") and in such event:-

- (a) such Advance Payments shall form part of the Grant and shall be deducted from any further payment or payments which would otherwise be due under this Agreement;
 - (b) where in any Financial Year the Authority makes any Advance Payments which individually or together exceed the Maximum Yearly Sum for that Financial Year then the Maximum Yearly Sum for any future Financial Year or Financial Years shall be reduced by an amount equal to the overpayment.
- 3.7 If at any time (and whether or not following notification by the Recipient under clause 2.8 or report in support of a financial claim under clause 6.1) it appears to the Authority that the Recipient is not likely to claim Grant in accordance with the profile in schedule 1, then the Authority may, subject to clause 3.9, by notice to the Recipient re-profile the Grant (by reference to schedule 1).
- 3.8 If at any time (and whether or not following notification by the Recipient under clause 2.8 or report in support of a financial claim under clause 6.1) it appears to the Authority that the Recipient is not likely to claim the Maximum Amount, then the Authority may, subject to clause 3.9, by notice to the Recipient reduce the Maximum Amount.
- 3.9 Prior to re-profiling the Grant under clause 3.7 or reducing the Maximum Amount under clause 3.8, the Authority shall consult the Recipient regarding the consequences for the Recipient and the Project of the proposed re-profiling or reduction (as the case may be) and invite the Recipient to make representations in relation thereto within such reasonable period as the Authority may specify. The Authority shall consider any representations made by the Recipient and shall not re-profile the Grant or reduce the Maximum Amount (as the case may be) where it appears to the Authority (acting reasonably) that the proposed re-profiling or reduction would be likely to cause material prejudice to the Recipient or the Project.
- 3.10 [The Recipient acknowledges that the Recipient shall not attempt to recover by way of Qualifying Expenditure its own internal costs for administration of the Project.] **[DN – this can be deleted if agreed at Full Approval]**
- 3.11 Upon the cumulative total of all claims from the Recipient reaching an amount that is equal to or in excess of 95% of the Maximum Amount, the Authority shall be entitled to withhold reimbursement of any Grant in excess of 95% of the Maximum Amount until the later of the Date of Practical Completion and the date of the Authority being satisfied that the Project Outputs have been fully achieved.

4 FUNDING SOURCES

- 4.1 Where the Recipient intends to apply to a third party for other funding for the Project, it

will notify the Authority in advance of its intention to do so and, where such funding is obtained, it will provide the Authority with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall neither apply for nor accept:

- (a) duplicate funding in respect of any part of the Project or any related administration costs that the Authority is funding in full under this Agreement;
- (b) any funding to be applied to the Eligible Costs which would result in a breach of any threshold for funding the Eligible Costs set out in the EU Rules, including GBER.

5 PROJECT FINANCIAL RECORDS

- 5.1 The Recipient shall retain documentary evidence of all capital and revenue purchases to support the amounts claimed from the Authority. This shall include an invoice register of suppliers' and contractors' invoices and all other documents relating to the purchase of all capital and revenue items funded by the Authority.
- 5.2 The Recipient shall maintain full and accurate accounts for the Works (the "Project Accounts"). At the end of each Financial Year a 'statement of grant expenditure' must be completed. This must be approved by the Oversight Board for the Project. Such Project Accounts shall be retained for at least ten years after the end of the Financial Year in which the last payment is made under this Agreement. The Recipient shall allow access to its business premises on 2 days notice during 9.00 a.m. – 5.00 p.m. to the Authority's internal auditors or its other duly authorised staff or agents, Government Office, European Commission or the National Audit Office to inspect such documents as the Authority considers necessary in connection with this Agreement and shall co-operate with, and provide such assistance as is required by, any such parties. The Authority shall be entitled to interview employees of the Recipient in order to obtain oral and/or written explanations of documents and the Recipient shall provide access to the relevant employees at such times as may be reasonably required to enable the Authority to do so. The Authority reserves the right to have such staff or agents carry out examinations into the probity, economy, efficiency and effectiveness with which the Recipient has used the Authority's resources in the performance of this Agreement.

6 FINANCIAL CLAIMS TO THE AUTHORITY

- 6.1 Financial claims to the Authority shall be prepared by the Recipient quarterly in arrears during each Claim Period using the Approved Claim Form provided by the Authority. Without prejudice to the generality of this or to the right of the Authority to specify a different claim form from time to time, each quarterly claim shall be supported by a report setting out the amount of the claim, any actual or expected variance against the profile of the Grant in schedule 1, and any proposed re-profiling of the Grant (by reference to schedule 1) by the Recipient. If specific evidence is required by the Authority at any time to support a claim it shall be detailed against the Qualifying Expenditure and the Recipient shall provide such receipted invoices and other reasonable evidence that the Qualifying Expenditure has been paid and incurred as

shall be required by the Authority.

- 6.2 The Recipient or his or her nominated representative or accountant shall certify on the claim form that the amount claimed is in accordance with the Agreement and represents goods or services received and paid for and that the claim does not include any costs being claimed from any other body or individual or from the Authority within the terms of another contract.
- 6.3 Financial claims shall be sent, more than thirty days ahead of the relevant Claim Period, to [...]. The Authority aims to pay all duly completed claims in accordance with the Agreement within 30 days of receipt. The Authority shall not be responsible for any delay in payment caused by incomplete or illegible claims. Time of payment shall not be of the essence.
- 6.4 The Recipient shall have regard to the need for economy in all Qualifying Expenditure. Where any Qualifying Expenditure in a claim, in the Authority's reasonable opinion, is excessive having due regard to the purpose for which it was incurred, the Authority shall only be liable to reimburse so much (if any) of the Qualifying Expenditure which, in the Authority's reasonable opinion after consultation with the Recipient, would reasonably have been required for that purpose.
- 6.5 The 'Finance Schedule' at Schedule 1 of this Agreement sets out the agreed quarterly financial claim profile for the Project. The Recipient hereby agrees (subject to any changes to the profile of the Grant made in accordance with this Agreement) to adhere to this claims profile and make claims only for the amount specified in the claims profile for the relevant Claim Period.
- 6.6 The Recipient shall promptly draw-up an end of Financial Year claim during each Financial Year, which shall cover all Qualifying Expenditure incurred and defrayed on the Project to date plus a prudent estimate of all outstanding Qualifying Expenditure to be incurred and defrayed on the Project to 31 March. The end of Financial Year claim shall be submitted to the Authority not later than 12 March of each of the relevant Financial Years.
- 6.7 Immediately after the end of each Financial Year, the Recipient shall submit to the Authority a final Qualifying Expenditure confirmation statement, or alternatively a final expenditure reconciling statement for each Financial Year to adjust for any minor overpayment made by the Authority during the previous Financial Year. The confirmation statement or reconciling statement shall be submitted to the Authority by no later than 30 days following expiry of that Financial Year.
- 6.8 It shall be the responsibility of the Recipient to ensure that the final reconciling statement covers all outstanding expenditure for which reimbursement may be claimed. Provided that all previous claims have been duly paid, on due payment of the final claim by the Authority all amounts due to be reimbursed under this Agreement shall be

deemed to have been paid and the Authority shall have no further liability to make reimbursement of any kind.

- 6.9 Payment of funding for any Financial Year after the first is subject to the Authority (acting reasonably) being satisfied with the Project performance for the previous Financial Year or Financial Years and to the Recipient performing the terms of this Agreement.
- 6.10 Notwithstanding the provisions of this clause 6, the parties may by agreement vary the provisions for making financial claims (and the payment of such claims).

7 BREACH OF CONDITIONS AND RECOVERY OF GRANT

- 7.1 The Authority may in its absolute discretion reduce, suspend or withhold the Grant or require the Grant to be repaid if:-
- (a) there is a change to the Project as set out in clause 2.2 which the Authority has not approved, or 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 Authority;
 - (b) any information provided by the Recipient to the Authority (including without limitation information contained in the application for funding or in a claim for payment or in subsequent or supporting correspondence) is found to be incorrect or incomplete to an extent which the Authority considers to be material;
 - (c) there is a failure to keep and maintain the records specified in this Agreement;
 - (d) the Grant has not been used for, or in the reasonable opinion of the Authority will not be used for, the purpose for which it was or will be given or applied to costs other than Eligible Costs;
 - (e) insufficient measures are being taken to investigate and resolve any reported irregularity;
 - (f) the Recipient has acted negligently or dishonestly;
 - (g) the Authority reasonably demonstrates that the Recipient has not made satisfactory progress with the delivery of the Project;
 - (h) the Recipient obtains any form of duplicate funding in relation to the Project;
 - (i) the Recipient is required to repay to a third party any funds provided to the Authority by that third party to be utilised to pay the Grant;

- (j) any other circumstances or events that are likely to affect the Recipient's ability to materially achieve the Project Outputs or result in a risk that the Project as approved will not be substantially completed;
- (k) the Recipient is, or becomes an undertaking in difficulty as defined in Article 2.18 of GBER;
- (l) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- (m) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or
- (n) the Recipient breaches any provision of clause 8;
- (o) the parties are unable to resolve a Dispute between them in accordance with clause 19; or
- (p) the Recipient fails to observe and perform any other obligation on its part contained in or implied by this Agreement and after receiving notice from the Authority requiring the relevant breach to be remedied within such period (as shall be specified in such notice) as the Authority shall determine to be reasonable the Recipient fails to remedy such breach to the satisfaction of the Authority within the said period.

7.2 In the event of any breaches described above, the Authority will by notice inform the Recipient if in its absolute discretion it exercises any of the rights and remedies set out in sub-clause 7.1.

7.3 The provisions of sub-clause 7.1 are without prejudice to the Authority's rights in Clause 15 (Termination).

8 STATE AID

8.1 The Recipient shall comply with all EU Rules and shall ensure that all requirements for the application of GBER are met.

8.2 The Recipient shall not take any action or fail to take any action, or (insofar as it is reasonably within its power) permit anything to occur that will cause the Authority to be in breach of its obligations under the EU Rules.

8.3 The Recipient shall provide such reasonable assistance as is requested by the Authority to enable the Authority to comply with its obligations under the EU Rules. No payments shall be made to the Recipient if it becomes subject to a recovery order

following a decision of the European Commission or any competent court decision declaring any aid illegal and/or incompatible with the internal market.

- 8.4 The Recipient confirms that it is not a company in difficulty as defined in Article 2.18 of GBER and commits to informing the Authority as soon as reasonably practicable of a change in this status.
- 8.5 Prior to the start of the project, an application was submitted by the Recipient which confirmed the undertaking's name and size; description of the project, including its start and end dates; location of the project; list of project costs and type of aid and amount of public funding required [and an analysis of the viability of the project with and without the Grant]. The Recipient shall inform the Authority immediately upon becoming aware of any change or likely change in the information submitted as part of this application.
- 8.6 The Recipient has informed the Authority of any other public funding applied for or awarded against the Eligible Costs covered by this Agreement. The Authority has relied on this information when ensuring that the total public funding for the project is within the amounts permitted by GBER.
- 8.7 The Authority is responsible for informing EU Commission of aid awards to the Company, including summary notification of the aid to the Commission via the SANI electronic notification system and the Recipient shall provide such reasonable assistance as is requested by the Authority to enable it to do so.
- 8.8 The Recipient consents to the publication of the information set out at Article 11 and Annex II of GBER and, if the Maximum Amount exceeds €500,000, the publication of the information set out at Annex III of GBER.
- 8.9 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 grant offer letter and the GBER are fulfilled. Such records shall be maintained for 10 years following the granting of the aid and without prejudice to any other provision of this Agreement the Recipient shall make such information available to the Commission or the Authority within a period of 20 working days if requested.
- 8.10 The Authority may monitor the Recipient's compliance with the requirements of its obligations under this Agreement and for the avoidance of doubt any failure by the Recipient to comply with this clause 8 shall be deemed a breach of a term or condition of this Agreement for the purposes of clause 7.1.
- 8.11 Further to clause 11 the Authority may vary or withhold any or all of the payments and/or require repayment of grant already paid, together with interest from the date of payment, if the Authority is required to do so as a result of a decision by the European Commission or as a result of any obligation arising under European Union law. The interest rate payable will be set by the Authority at a level sufficient for the Authority to comply with any such requirement or obligation and shall be at least 100 basis points above the reference rate in force on the date of payment.

- 8.12 The Recipient are jointly and individually responsible for checking the award for compliance and application of the EU Rules.

9 MANAGEMENT

- 9.1 The Recipient shall manage the Project in accordance with the terms of this Agreement and shall appoint a Project Manager. The Project Manager shall be the Authority's main contact point for the Project. The Recipient shall be responsible to the Authority for ensuring that the Project Manager delivers the Project and provides all monitoring information required by the Authority. Any change in Project Manager must be notified to the Authority promptly.
- 9.2 The Project Manager shall immediately notify in writing the Grant Manager of any circumstances which may result in a possible breach of any of the terms of this Agreement including, without limitation, any concerns relating to the financial stability of the Recipient, the management of the Project and probity issues.
- 9.3 The Authority shall be entitled at any time to specify a replacement for the Grant Manager and shall promptly notify the Recipient of the identity and contact details of the Grant Manager.
- 9.4 The Recipient shall promptly comply with all reasonable requests or directions of the Grant Manager in respect of the Project.
- 9.5 The Recipient shall address any enquiries about procedural or contractual matters in writing to the Grant Manager. The Recipient shall quote the Project Reference Number in any correspondence with the Grant Manager.

10 REPORTING AND MONITORING

- 10.1 The Recipient shall during and throughout the Project Monitoring Period:-
- (a) properly evaluate the progress of the Project as may be reasonably required by the Authority from time to time; and
 - (b) co-operate with the Authority and its agents on the evaluation by providing such other information as may at any time be reasonably requested by the Authority.
- 10.2 For the avoidance of any doubt, in the event that Job Targets Outputs or Outcomes are not reached for any part of the Project then the Authority shall be entitled to request repayment from the Recipient to the proportionate value of the Job Targets that have not been met.
- 10.3 The Recipient shall not, and shall use its best reasonable endeavours to procure that its employees, agents and/or sub-contractors shall not, knowingly do or omit to do, anything in relation to this Agreement or in the course of their other activities, that may bring the standing of the Authority into disrepute or attract adverse publicity for the

Authority.

- 10.4 The Recipient shall at all times perform all its obligations under this Agreement with due regard to the need for those in a public service environment to observe the highest standards of efficiency, economy, probity, courtesy, consideration and hygiene.

11 PROJECT OUTCOMES AND CLAWBACK

- 11.1 The Authority is providing the Grant with a view to the Project Outcomes being achieved and the Recipient acknowledges that the Grant is subject to Clawback in accordance with this clause 11 to the extent that the Project Outcomes are not achieved as demonstrated by the Project Monitoring Report.

- 11.2 At the end of the Monitoring Period:

- (a) The Authority shall consider, taking account of any representations which the Recipient may make on the subjects, the extent to which the Project Outcomes have been achieved and, with regard to any Project Outcomes which have not been achieved, whether those Project Outcomes have not been achieved for reasons beyond the reasonable control of the Recipient ("**Good Reasons**").
- (b) In the event that the Authority (acting reasonably) considers that the Project Outcomes have all either been achieved or, where not achieved, not been achieved for Good Reasons, the Authority shall, by notice to the Recipient, so confirm and the Grant shall no longer be subject to Clawback.
- (c) In the event that the Authority (acting reasonably) considers that the Project Outcomes have not either been achieved in full or, where not achieved, have not been achieved for Good Reasons:
 - (i) the Authority shall retain the ability to, by notice to the Recipient:
 - (A) state as a percentage the extent to which (as a whole, as a result of the Project) the Project Outcomes have either been achieved or, where not achieved, have not been achieved for Good Reasons (the "**Released Percentage**"), and such an amount (if any) of the Grant shall be released from Clawback;
 - (B) state as a percentage the extent to which (as a whole, as a result of the Project) the Project Outcomes have not been achieved otherwise than for Good Reasons (the "**Clawback Percentage**"), and the Clawback Percentage of the Grant shall be subject to Clawback under clause 11.

- 11.3 Subject to clause 11.4, the Authority may (at its discretion) within one month of the notice under clause 11.2, by further notice ("**Clawback Notice**") require the Recipient to repay the Clawback Percentage of the Grant (the "**Clawback Sum**") to the

Authority, in which event the Recipient shall pay the Clawback Sum to the Authority within one month of the Clawback Notice.

- 11.4 Notwithstanding any other provision of this Agreement, Clawback is the sole remedy for the Authority in relation to any failure by the Recipient to achieve the Project Outcomes.

12 ACKNOWLEDGEMENT AND PUBLICITY

- 12.1 The Recipient shall acknowledge the support of the Authority in any materials that refer to the Project and in any written or spoken public presentations about the Project. Such acknowledgements (where appropriate or as requested by the Authority) shall include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.
- 12.2 In using the Authority's name and logo, the Recipient shall comply with all reasonable branding guidelines and conditions of use issued by the Authority from time to time.
- 12.3 The Recipient agrees to participate in and co-operate with reasonable promotional activities relating to the Project that may be instigated and/or organised by the Authority.
- 12.4 The Authority may acknowledge the Recipient's involvement in the Project as appropriate without prior notice and will ensure that the other funders of this Project are also referenced and acknowledged.
- 12.5 The Recipient shall comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Project. Likewise, the Authority will take reasonable steps to support the Project by sharing information and statistics, photographs and case studies (where appropriate and relevant), in a timely fashion and supporting the Recipient in its promotional and fundraising activities in relation to the Project.

13 INTELLECTUAL PROPERTY

- 13.1 All Project Intellectual Property shall be proprietary to and owned by the Recipient immediately on its coming into existence and to the extent that it subcontracts performance of the Works, the Recipient shall ensure that any Project Intellectual Property emanating from the work of its sub-contractor(s) shall be assigned to it absolutely.
- 13.2 The Recipient hereby grants to the Authority an irrevocable, world-wide, royalty-free transferable non-exclusive right and licence (with freedom to sub-licence) under the Project Intellectual Property to use and exploit all the Project Intellectual Property.
- 13.3 Notwithstanding termination of this Agreement for any reason whatsoever the Recipient shall at its reasonable expense do and execute, and shall procure that its employees

and any subcontractor engaged in the performance of the Works do and execute any reasonable further thing or document as may be required by the Authority to give effect to Clause 13.2.

13.4 The Recipient warrants:

- (a) that it shall use its reasonable endeavours to ensure that the Project Intellectual Property will not infringe the rights of any third party and that no third party has threatened or so far as it is aware is currently threatening proceedings in respect of such infringement; and
- (b) that it is able to conduct the Works without breaching any obligations it may owe to any third party now or, as far as it is at present aware, in the future and hereby undertakes to carry out the Works without breaching any such obligations and further undertakes not to assume any obligations to any third party which would be inconsistent with such undertaking. Without limitation, it warrants that it shall acquire all rights in any Project Intellectual Property obtained or developed by any third party contractors in the course of or in connection with the Works or shall be duly allowed to licence the same as contemplated under this Agreement.

13.5 The Recipient shall indemnify and hold the Authority harmless (and keep indemnified and hold harmless notwithstanding termination of this Agreement) against any and all loss or damage (including without limitation any economic loss or other loss of profits, business or goodwill or any consequential loss) suffered by the Authority as a result of the Recipient's breach of any or all the warranties in clause 14.

14 WARRANTIES AND INDEMNITIES

14.1 The Recipient warrants to the Authority that:

- (a) it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Grant);
- (b) it has not committed, nor shall it commit, any Prohibited Act;
- (c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Authority immediately of any significant departure from such legislation, codes or recommendations;
- (d) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;

- (e) all financial and other information concerning the Recipient which has been disclosed to the Authority is to the best of its knowledge and belief, true and accurate;
- (f) it is not aware of anything in its own affairs, which it has not disclosed to the Authority, which might reasonably have influenced the decision of the Authority to make the Grant on the terms contained in this Agreement;
- (g) the execution of this Agreement by the Recipient has been validly authorised and the obligations by or expressed as being assumed by the Recipient under this Agreement constitute valid legal and binding obligations enforceable against the Recipient;
- (h) neither the execution of this Agreement nor the performance or observance of any of its obligations will conflict with or result in any breach of any law or any legal obligation on the Recipient or cause any limitation on the powers of the Recipient or on the right or ability of the officers of the Recipient to exercise such powers to be exceeded;
- (i) all approvals required in connection with delivery validity and enforceability of this Agreement have been obtained and have not been withdrawn;
- (j) all the Consents have been obtained and have not been withdrawn; and
- (k) the obligations of the Recipient under this Agreement shall be performed by appropriately qualified and trained personnel with reasonable skill care and diligence and to such high standards of quality as is reasonable for the Authority to expect in normal circumstances.

14.2 The warranties in clause 14.1 will be deemed to be repeated by the Recipient when each claim for funding is submitted pursuant to clause 6 as if made with reference to the facts and circumstances existing at such date. The Recipient acknowledges that the Authority will be relying on the Recipient's skill, expertise and experience in the performance of the Works and upon the accuracy of all representations and warranties made and the advice given by the Recipient in connection with the performance of the Project and the accuracy of any documents conceived, originated, made or developed by the Recipient as part of this Agreement.

14.3 The Authority shall not be liable to the Recipient for any informal advice given. In addition, the Authority gives no assurance as to:

- (a) the suitability or viability of the Project or the bid and no endorsement of the same; or
 - (b) the compliance of the Project with the EU Rules.
- 14.4 Without prejudice to any other remedy, if any part of the Works is not performed in accordance with this Agreement then the Authority shall be entitled, where appropriate, to:
 - (a) require the Recipient promptly to re-perform or replace the relevant part of the Works without additional cost to the Authority; or
 - (b) assess the cost of remedying the failure (the "Assessed Cost") and to deduct from any sums due to the Recipient the Assessed Cost for the period that such failure continues.
- 14.5 The Recipient shall be liable for and shall indemnify the Authority in full against any expense, liability, loss, claim or proceedings arising under statute or at common law in respect of personal injury to or death of any person whomsoever or loss of or damage to property whether belonging to the Authority or otherwise arising out of or in the course of or caused by the performance of the Project.
- 14.6 The Recipient shall be liable for and shall indemnify the Authority against any expense, liability, loss, claim or proceedings arising as a result of or in connection with any breach of the terms of this Agreement or otherwise through the default of the Recipient.
- 14.7 The Recipient shall ensure that it has adequate insurance cover with an insurer of good repute to cover claims under this Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Project. The Recipient shall upon request produce to the Authority, its policy or policies of insurance, together with the receipt for the payment of the last premium in respect of each policy or produce documentary evidence that the policy or policies are properly maintained.

15 TERMINATION

- 15.1 Without prejudice to any other rights to which it may be entitled, the Authority may give notice in writing to the Recipient terminating this Agreement with immediate effect if the other party commits a material breach of any of the terms of this Agreement and (if such a breach is remediable) fails to remedy that breach within 30 days of that party being notified of the breach.
- 15.2 Without limitation to clause 15.1 the Authority may further give notice in writing to the Recipient terminating this Agreement with immediate effect at any time during the Relevant Period if:

- (a) the Recipient purports to assign its rights or obligations under this Agreement.
- (b) the Authority invokes any of the provisions described in Clause 7;
- (c) the Recipient for whatever reasons fails to achieve the Required Outputs by the Project Longstop Date;
- (d) the Recipient shall for whatever reason fail to procure the Practical Completion of all the Works by the Project Longstop Date;
- (e) the Recipient ceases to carry on business; and/or
- (f) any of the warranties or representations contained herein are untrue in any material respect or the Recipient or any of the officers or representatives of the Recipient fail to disclose any serious misrepresentation in supplying information required by the Authority in, pursuant to or prior to this Agreement.

15.3 On the termination of this Agreement the Authority shall cease to be under any obligation to provide any further funding to the Recipient under this Agreement and the Authority may further require the Recipient at any time to repay the Grant* and the Recipient agrees and undertakes upon receipt of notice requiring repayment it shall forthwith on demand repay to the Authority an amount equal to the total amount of the Grant paid by the Authority under this Agreement together with any sum in respect of interest required by the Authority to ensure compliance with the EU Rules.

15.4 Termination of this Agreement however caused shall be without prejudice to any rights or liabilities accrued at the date of termination.

15.5 Nothing in this Clause 15 shall affect the coming into, or continuance in force of any provision of this Agreement which is expressly or by implication intended to come into force or continue in force upon termination of this Agreement.

16 CONFIDENTIALITY

16.1 Subject to clause 17 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it by the other party in connection with this Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.

16.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
- (b) it is reasonably necessary for either party to disclose to those of its employees and sub-contractors as may be reasonably necessary or desirable in order to implement the provisions of this Agreement, provided that before any such disclosure the receiving party shall make those employees and sub-contractors aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance by those employees and sub-contractors with them;
- (c) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
- (d) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

17 FREEDOM OF INFORMATION

17.1 Provisions Common to FOI and EIR

- (a) Each party acknowledges that the other party is subject to the statutory duties imposed upon public authorities under the FOIA and the EIR and each party shall assist and cooperate with the other party to enable that party to comply with these Information disclosure requirements.
- (b) The parties shall ensure that all Information produced in the course of the Agreement or relating to the Agreement is retained for disclosure under the FOI and the EIR and shall permit the other party to inspect such records as requested from time to time.
- (c) Where a party receives a Request for Information under the FOIA or the EIR which relates to the Agreement, it shall inform the other party of the Request for Information as soon as practicable after receipt and in any event within two Working Days of receiving a Request for Information.
- (d) if either party determines that Information (including Confidential Information) must be disclosed pursuant to clause 17.2(c)(ii), it shall notify the other party of that decision at least two Working Days before disclosure

17.2 Freedom of Information Requests

- (a) Where one party deposits with the other party information which is intended to be information held on behalf of the other party it shall clearly indicate at the time of the deposit that this information is Held on Behalf of the other party.
- (b) Each party shall and shall procure that its sub-contractors, agents and employees shall where they receive a request for information under FOI:
 - (i) transfer any Request for Information under the FOIA in respect of the information held on behalf of the other party to the depositing party as soon as practicable after receipt and in any event within two Working Days of receiving the Request for Information;
 - (ii) provide upon written request of the other party a copy of all information Held on Behalf of the other party in the form that the depositing party requires within five Working Days (or such other period as the depositing party may specify) of the depositing party requesting that Information; and
 - (iii) provide all necessary assistance as reasonably requested by the depositing party to enable the depositing party to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA.
- (c) The depositing party shall be responsible for determining at its absolute discretion whether the Information held on its behalf:
 - (i) is exempt from disclosure in accordance with the provisions of the FOIA;
 - (ii) is to be disclosed in response to a Request for Information, andin no event shall the other party respond directly to a Request for Information unless expressly authorised to do so by the depositing party.

17.3 Requests for Environmental Information

- (a) The parties acknowledge that the party holding information which is Environmental Information Held on Behalf of the other party may, acting in accordance with the EIR be obliged to disclose Information:-
 - (i) without consulting with the depositing party, or
 - (ii) following consultation with the depositing party and having taken its views into account.

18 EQUALITY AND DIVERSITY

The Recipient shall:

- (a) perform its obligations under this Agreement in accordance with all applicable equality Law (whether in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation or otherwise); and
- (b) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and
- (c) take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

19 DISPUTE RESOLUTION

- 19.1 In the event of any complaint or dispute (which does not relate to the Authority's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Grant Manager or any other individual nominated by the Authority from time to time.
- 19.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Grant Manager or other nominated individual, as the case may be, either party may refer the matter to the Chief Executive of the Authority and the Chief Executive of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Authority and the Recipient.
- 19.3 In the absence of agreement under clause 19.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

20 RECOVERY OF SUMS DUE AND INTEREST

- 20.1 Wherever any sum of money shall be recoverable from or payable by the Recipient to the Authority, the Authority may deduct the same from any sum then due to the Recipient or which at any time thereafter may become due to the Recipient either under this Agreement or under any other contract with the Authority.
- 20.2 Without prejudice to clause 20.1 where any sum of money is due to be paid by the Recipient to the Authority under this Agreement the Recipient shall pay to the Authority interest thereon at the greater of:

20.3

- (a) a rate determined by the Commission or any competent court to be required in order to ensure compliance with the EU Rules.

21 NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

22 ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations and discussions between the parties relating to it.

23 FREEDOM TO CONTRACT

The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver, and to exercise their rights and perform their obligations under this Agreement.

24 SEVERABILITY

If any part of this Agreement becomes invalid, illegal or unenforceable the parties shall in such an event negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the invalid, illegal or unenforceable provision which as nearly as possible validly gives effect to their intentions as expressed in this Agreement. Failure to agree on such a provision within six months of commencement of those negotiations shall result in automatic termination of this Agreement. The obligations of the parties under any invalid, illegal or unenforceable provision of this Agreement shall be suspended during such a negotiation.

25 AMENDMENTS

Save as expressly provided in this Agreement, no amendment or variation of this Agreement shall be effective unless in writing and signed by a duly authorised representative of each of the parties to it.

26 ASSIGNMENT

The Recipient shall not without the prior written consent of the Authority assign, transfer, charge or deal in any other manner with this Agreement or its rights under it or part of it, or purport to do any of the same, or sub-contract any or all of its obligations

under this Agreement. Such consent when given, may be made subject to any conditions which the Authority considers necessary.

27 VAT

- 27.1 The payment of the Grant by the Authority under this Agreement is believed to be outside the scope of VAT but if any VAT shall become chargeable the payment of the Grant (including the Maximum Amount) shall be deemed to be inclusive of all VAT and the Authority shall not be obliged to pay any VAT over and above the Grant.
- 27.2 All sums or other consideration payable to the Authority or provided by the Recipient to the Authority at any time shall be deemed to be exclusive of all VAT payable and where any such sum shall become payable or due or other consideration provided the Recipient shall at the same time or (as the case may be) on demand by the Authority in addition to such sums or other consideration pay to the Authority all the VAT so payable upon receipt of a valid VAT invoice.

28 WAIVER

No delay or omission by either party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not bar the exercise or enforcement of it at any time or times thereafter.

29 NOTICES

- 29.1 All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or mailed (first class postage prepaid) to the address given below of the party to whom the notice is to be given (or such other address as the recipient may have notified the sending party in writing). If personally delivered all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

Notices to the Authority

Notices to the Recipient

Attention:

Attention:

Address:

Address:

- 29.2 All notices to be given by the Recipient to the Authority shall quote the Project Reference Number and shall be copied at the same time to such other officer and such other address or addresses as the Authority may at any time notify to the Recipient.

30 THIRD PARTY RIGHTS

Save as expressly provided in this Agreement, no term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party (being any person other than the parties and their permitted successors and assignees).

31 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED (but not delivered until the date)
hereof) by affixing the common seal of)
BARNSELY, DONCASTER, ROTHERHAM)
AND SHEFFIELD COMBINED)
AUTHORITY)

in the presence of:

Authorised Signatory

EXECUTED (but not delivered until the date)
hereof) by affixing the common seal of)
[RECIPIENT])
)
)

in the presence of:

Authorised Signatory

**SCR Combined Authority – 1st February minute number 17 – Business Growth Board
Summary Report**

Schedule 1 – Agreed Payment Schedule

Financial Year	Amount	Invoice to be submitted
2015-16	£50,000	30 March 2016
2016-17	£50,000	27 February 2017
2017-18	£50,000	26 February 2018
Total	£150,000	

Schedule 2 – Approved Full Business Case

SCHEME DETAILS	
Scheme name:	RISE
Scheme number:	TBC
Scheme location:	SCR wide
Lead delivery organisation:	Sheffield City Council
Other delivery partners & roles:	University of Sheffield, Sheffield Hallam University (both principal funders and partners). Contractor to be confirmed once procurement process has been completed.
PROMOTER'S INFORMATION	
Applicant Organisation:	Creative Sheffield
Contact name and role:	Diana Buckley, Economic Strategy Manager
Address:	Second Floor, 11 Broad Street West, Sheffield, S1 2BQ
Email:	Diana.buckley@sheffield.gov.uk
Telephone:	0114 223 2378
SCR ACCOUNTABILITY INFORMATION	
SCR Executive Board	Business Growth Executive Board
SCR Director / Head of Service	Andrew Gates (Head of Policy)
SCR Project / Performance Manager	As above.

Other SCR Executive Boards	Skills, Employment and Education Executive Board									
SUMMARY SCHEME										
Type of Scheme:	SCR-wide SME growth and graduate scheme									
Programme / Project / Scheme Timescales										
Gateway / Stage	Date Planned at OBC		Date Achieved / Planned		Reasons for Variance					
Mandate										
Outline Business Case										
Full Business Case	January 2016									
Approval to Proceed	January 2016									
Start on Site / Begin Delivery	February 2016									
Project End / Evaluation	June 2018									
Project Funding Summary Table										
<i>Include the total costs for the scheme. Note confirmation of other and private funding status will be required prior to contracting</i>										
Funding Source (Add additional Columns if multiple funds from same organisation)	SCR		Other Public		Other European [Specify the actual funding stream]		Private [Specify the actual funding stream]		Total £'000	
Funding Status 1 confirmed in writing 2 applied for 3 to be determined 4 conditions apply										
	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
2015/16		£50k						£160k		£210k
2016/17		£50k						£160k		£210k

2017/18		£50k						£160k		£210k
2018/19										
2019/20										
Total		£150k						£480k		£630k
SCR funding source TBC			The University of Sheffield and Sheffield Hallam University are providing (in equal parts) the private funding (<u>up to</u> £80k per annum for three years each).							
% of SCR funding by total cost			The £150k contribution by SCR represents 24% of the overall maximum cost.							

SCHEME SUMMARY cont.

Please provide a summary description of your scheme append any supporting graphics where relevant. (approx. 300 words).

RISE is a business growth project, focused on helping SMEs grow by supporting them to access graduate talent as a way to upskill the workforce and increase productivity. RISE has to date been a partnership between Sheffield City Council, the University of Sheffield, Sheffield Hallam University and the private sector. The project was established in order to address key market failures in SMEs being able to access (or wanting to access) graduate talent.

The current delivery model focuses on businesses and their needs. It centres around four key activity areas:

- Attraction (of SMEs and graduates)
- Application and Assessment
- Matching
- Bespoke offer to graduates and continued professional development

This Business Case proposes that the scheme is continued for a further three years (supporting 9 new cohorts of graduates) and that it is expanded to also offer this service to businesses across the City Region. This will deliver:

- 250 Internships
- 150 new businesses taking on graduates
- 3,000 graduates attracted (and supported at each stage)
- £6.9m net GVA over three years
- Return on Investment of £9.95 per £1 spent
- 150 permanent jobs created (60% conversion rate; permanent jobs being a contract offered of one

year. The team will also monitor and measure the number of graduates who go on to take other jobs within SCR following RISE.)

- Private sector wage match of a minimum of £1.6m.

The benefits of this scheme will be that:

- Businesses feel supported and confident
- Business growth is proactively supported across the region
- Skills base developed
- Graduate talent attracted and retained
- Raise SCR's profile as destination for talent
- Referral of businesses to the Growth Hub and Skills Bank

This document will also refresh the RISE governance, to include SCR and local authority representation and suggest that a new management information system is embedded as part of the scheme, to ensure business referrals are connected into the Growth Hub.

It is proposed that this scheme will bring economic benefits for the whole city region, proven from the past experience and independent research on the success of RISE, which since it was launched in 2013 has so far supported over 100 SMEs to offer over 200 paid employment opportunities. These opportunities have a 70% conversion rate to permanent employment (based on the first 100) and have supported businesses to maintain market position and to grow as a result of taking on graduates.

Please provide an update on any key changes and developments since the submission of the OBC.

A discussion paper was presented to the Business Growth Board on 17 November 2015, where it was agreed that a full business case would be presented directly. There have been no substantive changes to the proposed delivery model since this paper was agreed by the Economic Development Officer Group and Business Growth Executive Board, though the detail of the financial model, procurement process and governance arrangements have been developed further.

1. STRATEGIC CASE

How will your scheme contribute to the achievement of the City Region's strategic vision and ambitions for growth? (approx. 300 words)

The RISE scheme speaks to two of the SCR's overarching strategic objectives: ensuring SCR businesses have the support they need to realise their full growth potential; and, providing the conditions that businesses need to prosper and become more resilient. The scheme's core purpose is about enabling SMEs to access graduate talent and grow. The by-product of this is to strengthen the skills base of the city region.

RISE is first and foremost a business support programme, rather than a graduate employment programme and exists to address key market failures by connecting businesses to talent.

Principles that underpin this innovative and successful model are:

- City region-wide collaboration
- Focussed and responsive to business needs
- A focus on excellence

An additional benefit of the scheme is enhancing the city-region's profile as a destination for graduate talent. The scheme does not specify that graduates should be from one of the two Sheffield universities – the scheme is open to any graduates who want to work in the region. Though the majority of those placed will be alumni of Sheffield universities, the city-region should also aim to import talent from elsewhere, not just retain graduates who are already here.

How does the scheme contribute to delivering to the outcomes of the SCR Strategic Economic Plan?

This project spans three of the SCR's action areas: ensuring businesses receive the support they need; facilitate and proactively support growth; and, develop the SCR skills base.

This project will contribute to SCR's aims to create 70,000 new jobs to be created by 2024, with 30,000 of these in highly skilled occupations. The innovative and proven nature of RISE will add value to the Growth Hub approach and form part of the city region's support offer to SMEs. Ultimately, this will impact on GVA, which is assessed at £6.9m over three years.

This Business Case will achieve the following:

- 250 Internships
- 150 new businesses taking on graduates

- 3,000 graduates attracted (and supported at each stage)
- £6.9 net GVA over three years (rough, conservative estimate and excluding future projections)
- Return on Investment of £9.95 per £1 spent
- 150 permanent jobs created (60% conversion rate; permanent jobs being a contract offered of one year. The team will also monitor and measure the number of graduates who go on to take other jobs within SCR following RISE.)
- Private sector wage match of a minimum of £1.6m.

The benefits of this scheme will be that:

- Businesses feel supported and confident
- Business growth is proactively supported across the region
- Skills base developed
- Graduate talent attracted and retained
- Raise SCR's profile as destination for talent
- Referral of businesses to the Growth Hub and Skills Bank

Provide the key activities for the programme, project or scheme.

There are currently four core components to the RISE delivery model. A short description of each element is provided below. Cutting through all of these core components is SME brokerage, to ensure that SMEs are engaged and supported throughout the process.

1. **Attraction** – Because of the disconnect between graduates and SMEs, clear communications and targeted mechanisms to target graduates and businesses are needed. RISE effectively agglomerates SME demand to a level where it can penetrate the graduate recruitment market. RISE aims to:
 - a) Attract SMEs which are serious about growth and genuinely looking to invest in future talent.
 - b) Attract SMEs which have not used graduates before or are creating new positions for RISE due to the service we offer (demonstrating additionally).
 - c) Attract the best graduates for the SME jobs identified (from across the UK).
 - d) Ensure hard to fill job roles have a good field of applicants.
 - e) Work with Sheffield Universities to take advantage of the graduate talent within our local universities.
 - f) Ensure that businesses are referred, via a management information system, between RISE and the Growth Hub, so that companies are aware of and can access the range of services they may be eligible for, including services offered by both Universities. We will work with the Growth Hub team and the Universities as we develop the Invitation to Tender and throughout the RISE 2016-18 scheme, to ensure the right processes are in place to get maximum value from this scheme.

2. **Application and Assessment** – The RISE assessment process is modelled on a large corporate graduate scheme. It has so far handled over 2,500 applications in an efficient and cost effective way to identify the best talent for the SME job roles. RISE essentially delivers support for the SME in scoping and writing the graduate job description, ongoing communication and support throughout the application stages, including screening, video interviews and assessment centres. This level of excellence and efficiency will be retained in the expanded scheme.
3. **Matching** - Securing the best match of graduate and company is one of the most important steps. As this increases the likelihood of the internship converting to sustainable employment. We prepare graduates for the workplace through an assessment process (including application, video interviewing and assessment centres), before sending the best candidates to SMEs for final interview.
4. **Bespoke internship structure** - RISE puts in place for both the SMEs and successful graduates an individual internship structure. A business induction will be a mandatory process for each business/graduate, to ensure expectations are clear for each partner and that the graduate has a formal and managed entry into the business. For 6 months, RISE provides contact and support for any issues businesses have with the graduates.

With the introduction of the Skills Bank in 2016 the CPD element of the scheme is to be delivered via this route, rather than being delivered as part of the contract by the supplier. This will ensure that there is no unnecessary duplication across the system. Early discussions will be had with the right people in SCR (including the Skills, Employment and Education Executive Board) to get this link right from the beginning of the new scheme.

What opportunity or barrier will this SCR programme / project / scheme unlock? (approx. 500 words)

It is widely accepted that SMEs underutilise graduate talent and do not employ graduates at a level commensurate to the numbers within the local economy (nearly 75% of Sheffield SMEs do not currently employ, nor intend to employ, a graduate in their business, despite there being over 45,000 undergraduates in the city alone). Barriers to SMEs employing graduates include:

- SMEs do not recognise the potential benefits that employing graduates can bring.
- SMEs find it difficult to recruit graduates (for example, in writing appropriate and appealing job specifications and adequately marketing their vacancies)
- SMEs often do not have access internally to HR expertise to support them in recruiting graduates (and it is costly to pay for recruiters to take this on at market rates)

RISE has demonstrated that by tailoring an internship programme to meet SME needs we can overcome the key barriers experienced by SMEs in recruiting and employing graduates. It has successfully increased the number of SMEs employing graduates as well as improving the quality of the experience for both the business and graduate. The conversion rate from internships to full time

employment is high, with 70% of interns being offered permanent jobs: this proves that the model works and has real impact in the economy.

Is the programme / project / scheme dependent upon any other project or investment? If so, provide details of these interdependencies and associated risk and mitigation proposals (approx. 500 words) eg for skills capital – explain revenue resource secured.

Funding from partners has already been committed (totalling up to £480k over three years). The outstanding risk is the need to secure SCR funding for the balance required (£150k over three years) to deliver this project, as neither University will invest if there is no match funding from the Region. It should be noted that the £630k funding envelope is a maximum figure and is subject to variability during the course of contract delivery. This is because of the financial model used (see Appendix 1) and the principles of: universities paying only for their own students and payment of the contractor by results.

The RISE project is in delivery terms a stand-alone project, so there are no direct interdependencies. The project should, however, interface strongly with the Growth Hub and Skills Bank. This will be written into the new contract following discussions with the Growth Hub and Skills Bank teams (as noted above).

The scheme is part of the business support offer that the Growth Hub can provide, and should be seen as a quick win for the region, given that this enhances what businesses can access immediately from the Hub. RISE offers the region's SMEs something truly unique amongst its competitors, as the only business focused, city region-wide programme in the UK.

How will this programme/project/scheme align and impact other Executive Board programmes, projects or schemes. Identify which Executive Board, the programme/project or scheme are impacted and detail the extent of the impact and the engagement made with those Boards.

Executive Boards:

Infrastructure		Transport		Housing		Business Growth	X	Skills	X
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It is suggested that the Business Growth Executive Board will take the lead on this project and

manage its progress, delivery and monitor outcomes, on behalf of the region (being the accountable body for the SCR funding contribution). This is because the core *raison d'être* of RISE is SME business growth. However, there is a clear link with the work of the Skills, Employment and Education Executive Board, as the by-product of this project is to strengthen the SCR skills base. Update reports will therefore also be sent to the Skills, Employment and Education Executive Board for information.

How does the programme/project/scheme fits with national, sub-regional and local policies? Outline whether there are any conflicts and if so highlight any planned mitigation. (approx. 600 words)

We see no conflict with national, regional and local policy. For all of these levels of governance, the growth agenda is the key driver for activity. For central Government this is largely around rebalancing the UK's economic growth and focusing on the economic development North, with the view that it needs to catch up with the South. For city regions and local authorities a key driver is retaining talent and stemming the 'brain drain' to London and the South East.

The recent Growth Deal with Government has committed the SCR to developing an SCR Growth Hub which will act as the core of future business-related support across the SCR. The Growth Hub is designed to help simplify the business support landscape for businesses across the SCR, helping to identify and support the needs of growth potential businesses across the city region.

The focus on business growth has also been a core part of the city region and Sheffield's economic planning, with which this scheme fully aligns (as per the earlier sections). The RISE model is proven in this regard. An independent evaluation of RISE has shown a real impact on business productivity, with 4 out of 5 SMEs reporting they had saved time and money through RISE (which equates to £1,000 and 20 hours of staff time). SMEs also reported they observed commercial benefits and safeguarded or increased sales as a result, as well as a number creating or retaining jobs (excluding the internships) that they otherwise would not have.

It should also be noted that a key focus of many cities and city regions is also now placed on talent attraction and retention (for example, KPMG's Magnet Cities approach). Sheffield City Region needs to compete not only nationally in this regard, but globally, as talented wealth creators can increasingly choose where they live and work based on the experiences they offer. While the focus of RISE is firmly placed on SME business growth, the scheme also enhances SCR's already strong reputation as a 'graduate friendly' place.

What if any key assumptions have been made in developing the business case for the programme / project scheme? (approx. 300 words)

A number of assumptions have been made in the development of this business case. These

assumptions are based on the experience of delivering 8 previous cohorts of the scheme and via discussions with the two Universities. Assumptions include:

- The market failures experience in Sheffield (around SMEs accessing graduate talent) are replicated across the city region. There is demonstrable demand for graduates across the city region and not just the city as 33% of RISE businesses in the most recent cohort are from areas in SCR outside of Sheffield.
- For the purposes of financial modelling it is assumed that most businesses will take on one graduate each (though we know from previous cohorts that some companies take on more than one).
- It has been assumed in the financial modelling that the £1,000 subsidy for businesses that are new to RISE will be kept.
- It is assumed that graduates will take up positions outside of Sheffield and are willing to travel for good opportunities in the city region.
- It is assumed that the conversion rate (from internships to permanent jobs) will remain high with contractors expected to reach at least 60%.
- Both Universities will have a minimum of 30% of their students represented on the scheme, so that in total a minimum of 60% of RISE graduate interns will be from the two Sheffield universities, with the remaining maximum 40% (funded by SCR) being from any other university.
- Cost per graduate for the Universities will be a maximum of £1,275 or £2,275 (depending on whether the £1,000 subsidy for businesses new to RISE is payable), though this will decrease if a higher proportion of University graduates is achieved (see table 1 in Appendix 1 for further detail).

What are the implications if the scheme does not secure SCR investment? (approx. 300 words)

If SCR investment is not secured the project risks not being taken forward. As noted, the Universities will not invest if there is no contribution from the City Region.

If less money were to be secured than has been requested, the Universities would have to be consulted as to the funds they have currently committed to providing, in order to ensure they are willing to maintain this level of investment. This would inevitably delay the delivery of the new project and create a gap in provision. This would impact the City Region's reputation and the interest of businesses looking to take advantage of this scheme.

The universities have suggested that they would initiate their own graduate employment schemes. However, these would necessarily have a different focus than that of RISE, which is strongly around business growth (with graduate attraction and retention as a by-product of this endeavour). Running individual employment schemes would have the detrimental effect of: Universities focusing on their graduates only, thus losing the principle of placing the 'best graduate for the job' wherever they have graduated from. In addition, the Universities would lose the economy of scale that is gained by pooling resources and investing in a larger, city region-wide scheme.

Finally, not having an SCR wide RISE graduate scheme would weaken links with the Growth Hub and Skills Bank with potential business referrals that can be made between the three schemes.

2. COMMERCIAL CASE

2.1 DEMAND CASE

What is the demand justification for SCR investment in this programme/project/scheme? Detail the evidence that you have to support this. (approx. 500 words)

A survey in 2013 by the LEP showed that only 18% of Small and Medium Sized Enterprises (SMEs) % employ graduates. This falls to 17% for businesses who employ less than 50 people.

In 2012/2013 SCC carried out a range of research to understand why this is the case. Research concluded that there are real market failures that need to be addressed to create new opportunities for SME to take on graduates. These included:

- Articulate to SMEs the value a graduate can bring to their business
- Communicate to graduates the benefits of working for a SME
- Agglomerating SME demand
- Broker the recruitment mismatch between SMEs and graduates through selection procedures
- Support SMEs to provide structure for graduate jobs
- Tackle work readiness and support graduates through the transition from university to work

The previous 8 cohorts of the RISE project, and the level of interest from SMEs and graduates has uncovered a latent demand for SME graduate paid employment. Over 100 companies have successfully been recruited to the project, and over 5,000 graduate applications have so far been received for the 200 opportunities offered.

This success strongly demonstrates the latent demand for this scheme. As noted it is a key assumption is that Sheffield SMEs are not alone in facing barriers to employing graduates and that this market failure and the same challenge for supporting businesses is faced across the city region.

It should be noted that the scheme already operates at an SCR level in practice, as businesses from across the city region are welcome to apply. Demand for formally expanding this scheme has arisen from all SCR local authorities, who have demonstrated interest in and desire to see RISE operate across the region. With additional effort and resource leveraged across a wider area, we expect demand from business will increase.

Outline any market testing which has been undertaken to evidence demand, and provide evidence that demonstrates that the private sector will respond to this opportunity. (approx. 300 words).

See the above section.

If this programme/project/scheme is reliant on private partners / stakeholders to deliver outputs, provide details of any discussions, procurement, /negotiations or processes undertaken? (approx 500 words).

There are a number of partners involved in both developing the new scheme and putting this out to tender and delivering the new scheme:

- A three year contract will be procured, in order to secure a contractor to deliver RISE 2016-18 across SCR.
- In order to ensure there is no break in delivery, a contract extension is required for the current delivery partner, which (it is suggested) should cover the first two cohorts of 2016 and run from February to August, to allow a full procurement process to be undertaken. SCC will manage this process.
- A full OJEU procurement process will be undertaken in early 2016, so that a contractor is ready to deliver the third cohort for 2016, as well as the full scheme in 2017-18. SCC will manage this process.
- The scheme is also reliant on partners in supporting this scheme during delivery. Both universities have an active and significant role in delivering RISE both internally through their networks and processes and externally through their connections with businesses. Universities work with their Employment Teams and, importantly, advertise all RISE posts through their websites.
- SCR will need to ensure the Growth Hub and Skills Bank are both fully informed and are utilising RISE in their day to day contact with businesses. We expect cross referral between these three SCR schemes to happen immediately and, therefore, necessarily enhance the quality of business support that is provided.

If this programme/project/scheme comprises a procurement process, provide an overview of the procurement process or bid appraisal process undertaken or to be undertaken. Please include the date procurement is planned to complete in the milestone table in section 4.1. If procurement has been undertaken please provide details of the preferred bid(s) (contact details, commercial and financial aspects of the bid) and include value for money statements for each bid. Enclose the full evaluation matrix in appendix 4.

Delivering this project will require:

- An extension of the current contract, to ensure there is no break in provision. The length of this extension is to be agreed, but is expected to cover the first two cohorts.
- A full procurement process to award a contract for 2016-18, to be started in January 2016. This will follow the usual public sector Contract Procedure Rules and be carried out by Sheffield City Council on behalf of partners. A Procurement professional will be engaged to ensure this process

<p>is carried out correctly.</p> <p>For an indicative procurement timescales, please see Appendix 4.</p>
<p><i>If costs increase during the procurement process how will additional costs be covered?</i></p> <p>No additional costs will be covered, the £630k is a maximum available budget for this scheme. If all submitted tenders exceed this amount, the scope of the scheme will be examined and where appropriate reduced.</p> <p>The cost of specialist procurement advice and support is included in the overall budget and has been agreed as being a maximum of £6.5k, which will be covered by SCC.</p>
<p><i>Provide a time table for any proposed final negotiations and award of contract(s).</i></p> <p>Please see Appendix 4.</p>

3. ECONOMIC CASE

3.1 PREFERRED OPTIONS ANALYSIS

Detail the options that were considered for this programme/project/scheme, eg do nothing, smaller scale programme/project/scheme, greater scale programme/project/scheme. Provide the rationale for the selected and rejected options. (approx. 300 words)

Options that were considered for this project by the RISE Management Board were:

- 1. Allow the scheme to come to an end** at the close of the current contract (December 2015).
 Given the scheme's success in addressing market failure (as demonstrated by an independent evaluation report), it was felt that the model should be sustained and built upon. This option was dismissed, with the rationale that:

 - It would entail intolerable reputational risk for the city amongst SMEs, the wider private sector and graduate community given the scheme's success to date and strong reputation and brand
 - Closing the scheme fails to meet the needs and demands of our SMEs. RISE has demonstrated a clear demand amongst SMEs for accessing graduate talent and has helped to bridge a gap in the market
 - SMEs may disengage from employing graduates in the future, with the mismatch between SMEs and graduate employment failing to be addressed with knock-on implications for business growth and graduate attraction/retention rates in the city
- 2. Continue the scheme in its current form** (covering only Sheffield SMEs).
 While there were advantages to this option, it was dismissed as no match funding could be found from

the public sector to match the Universities' contribution. In addition, it was felt that the scheme's success demonstrated its benefits could be accrued more widely if the scheme was expanded to cover SMEs from across SCR.

3. Expand the scheme to accommodate demand from across the City-Region.

This was the preferred option as it allowed the revitalisation of the scheme, consolidation of its successes and opportunities for growth and development. In particular, the strength of this option was seen as being the increased scale and economic impact RISE could have (through the ability to place more graduates into more jobs across a wider SME base). This in turn could have a greater impact on the destination figures for both University of Sheffield and Sheffield Hallam University as they would remain the only significant local university partners with greater volumes of students applying for more SME graduate positions across the SCR. The increase in the number of roles across the SCR would also help to raise the profile of RISE even further and would inevitably attract even more applicants to the scheme, making it more attractive to SMEs to participate and have access to a wider choice of graduates.

4. Expand the scheme across Yorkshire and the Humber and or northern cities.

This option was considered to be too ambitious and was thought to be unachievable in the timescale available. number of significant challenges to overcome with such a model. These include:

- The danger of RISE losing both its distinctiveness and competitive advantage for Sheffield at this scale, and feeling as relevant to local SMEs
- Potential competition for graduates with other RISE areas, and losing Sheffield's competitive advantage on graduate attraction and retention
- A recent YH Heads of Careers Service meeting suggested a lack of appetite for a regional scheme
- The complexities involved in engaging with towns/cities, LEPs/Councils and universities across YH/core cities with different economies and challenges, along with the complexities of administering such a programme. This would require leadership and resources from the Council, SHU and UoS
- Potential dilution and loss of control of the RISE brand
- A lack of existing infrastructure or capability to coordinate and deliver such a regional/national scheme
- Less clear funding structures

5. Create University level employment schemes.

As noted earlier in this paper, one option considered was to close down RISE in favour of both universities developing their own employment schemes. This was dismissed because: both universities are bought into the raison d'être of this scheme – which centres on business growth (rather than graduate employment). It is understood that any university scheme would necessarily revert to a 'graduate employment' function, rather than being about wider economic growth and value. An additional reason for not pursuing this option is that currently RISE works on the principle of the 'best graduate' getting the right job, regardless of the university they attended; this principle would also be lost if individual university schemes were to be run instead of RISE, which is open to all graduates.

The full options paper is available if required.

Detail the outputs, outcomes and benefits that this scheme will deliver in total (add in additional lines if required). For programmes with multiple funders what proportion of these will be apportioned to the SCR.

Definitions for outputs, outcomes and benefits (results) should be those referenced in the SEP or the relevant SCR Exec Board Business Plan.

PLEASE NOTE: See Appendix 7 for the principles and workings of the economic impact figures included in this report.

<i>Deliverable</i>	<i>Total for scheme (All years)</i>	<i>Total to be claimed by SCR</i>	<i>Rationale for any apportionment</i>
<i>Direct Outputs</i>	250 Graduate internships created	As for total, i.e. 100%	This is a city region-wide scheme that is a partnership between several funders and stakeholders, as such it is felt there should be one set of outputs/benefits that all stakeholders can use to talk about the progress and success of RISE. Any apportionment would be arbitrary and not consistent with previous economic impact assessment.
	150 businesses supported to grow (new to RISE)		
	3,000 graduates attracted (and supported at each stage)		
<i>Direct Outcomes</i>	£6.9m net GVA		
	ROI of £9.95 per £1 SCR money spent		
	150 permanent jobs created (60% conversion rate)		
	Private sector wage match (minimum of £1.6m)		
<i>Estimated Benefits</i>	Businesses feel supported and confident		
	Business growth proactively supported		
	Skills base developed		
	Graduate talent attracted and retained		
	Raise SCR's profile as		

	<i>destination for talent</i>		
	<i>Referrals to the Growth Hub and Skills Bank</i>		

Set out the direct outputs that the selected option will deliver, detail the total for the scheme and in brackets the figure to be apportioned to SCR if not 100%.

	Total Outputs	Forecast by year			
Direct Outputs <i>(taken from Exec Board list of outputs)</i>	All years	2015/16¹ <i>(reflecting 1 cohort)</i>	2016/17 <i>(reflecting 2 cohorts)</i>	2017/18 <i>(3 cohorts)</i>	2018/19 <i>(3 cohorts)</i>
Graduate internships created	250	20	60	85	85
New businesses supported to grow	150	12	36	55	55
Graduates attracted	3,000	200	600	1,100	1,100
Private sector wage match	£1.6m	£125,000	£375,000	£531,250	£531,250

It should be emphasised that this is a profile that may vary throughout the delivery period. However, the contractor will be held to the total number of graduate opportunities that need to be delivered.

Set out the outcomes and benefits to be achieved from this programme, project or scheme, detail the total for the scheme and in brackets the figure to be apportioned to SCR if not 100%.

Along with the outputs table above this will form the basis for future progress reporting and should relate to the evaluation strategy you are proposing.

¹ **To note:** the cohorts follow the academic, rather than financial year, therefore, one cohort will be delivered in 2015/16 under an extended contract with the current holder. They will also deliver the first cohort of 2016/17 to ensure no break in delivery while the new contract is tendered. The new contract holder will then deliver the next 7 cohorts from 2016-19.

	Programme, project, scheme targets by year				
Outcome measures <i>This must relate to the outcomes outlined in the SEP / business plan for the programme area</i>					
	2015/16	2016/17	2017/18	2018/19	2019/20
Net GVA estimate	£575,000	£1.725m	£2.3m	£2.3m	N/A
ROI per £1 SCR money spent	£9.95	£9.95	£9.95	£9.95	N/A
Graduates retained in SCR SMEs (measured by 1 year contracts offered)	12	38	50	50	N/A
Benefits (results)* <i>This must relate to the benefits outlined in the SEP / business plan for particular work area</i>					
	2015/16	2016/17	2017/18	2018/19	2019/20
Businesses feel supported and confident					N/A
Business growth proactively supported					N/A
Skills base developed					N/A
Graduate talent attracted and retained					N/A
Raise SCR's profile as destination for talent					N/A
*The above benefits will be measured via the scheme's evaluation.					
3.2 ENVIRONMENTAL IMPACT					
Please detail any environmental impacts this scheme may have (approx. 300 words).					
Has an Environmental Impact Assessment or Environmental Scoping Study been undertaken? – If not please confirm why this is not necessary for this scheme.					

This scheme does not involve any build or infrastructure and therefore has minimal environmental impact. Any impacts are limited to standard travel and office (energy and paper usage) based activity. Council policies will be included as part of the procurement process and contract, in order to stipulate that these should be minimised as far as possible. No EIA is required.

Please confirm the expected Benefit to Cost Ratio of the scheme **BCR = £10.95**

Please confirm the expected GVA Ratio of the scheme per £ invested **GVA / £ = £9.95²**

4. MANAGEMENT CASE

4.1 DELIVERABILITY

Provide your anticipated timetable for delivery including the key milestones you anticipate. Please complete all Mandatory Milestones and add scheme specific milestones as appropriate. This will form the basis for future progress reporting.

Key Milestones	Any dependencies	Date
Mandatory Milestones		
<i>All Funding Secured</i>	<i>SCR approval</i>	<i>January 2016</i>
<i>Statutory Processes Complete</i>	<i>Procurement (timescale is dependent on the type of decision required)</i>	<i>February-May 2016</i>
<i>Land Acquisition Complete</i>	<i>N/A</i>	
<i>Award of Contract</i>	<i>Procurement (timescale is dependent on the type of decision required)</i>	<i>May-June 2016</i>
<i>Start on Site / Go Live / Project Delivery</i>	<i>Contract extension to ensure no break in delivery – new contract should follow seamlessly on</i>	<i>February 2016 onwards</i>
<i>Evaluation Report – Mid Term review</i>		<i>June 2017 (in house)</i>
<i>Contract / Practical Completion</i>		<i>June 2019</i>
<i>Scheme Opening</i>		
<i>Evaluation Report – Process evaluation</i>		<i>June 2019 (independent)</i>
<i>Evaluation Report – Outcome</i>		<i>June 2019</i>

² Please see Appendix 6 for the principles and workings of all of our economic impact calculations.

<i>evaluation</i>		

Give a realistic indication of when the scheme would commence. Justify your response taking into account factors such as the time required to secure statutory powers, secure match funding, procure contracts etc. Highlight any key dependencies needed to achieve these milestones.

The contract timescales for this scheme are entirely dependent on how quickly the procurement can commence and award of contract can take place. However, as noted, there should be no break in delivery to allow for the delivery of outputs to commence in February 2016. The new contract to begin between June-August 2016.

Indicate whether the following have been secured, agreed fully or agreed in part, or provide an estimation of when they are likely to be secured. Provide detail which will support your business case. Insert N/A if not applicable to the programme/project/scheme.

Delivery Constraint/Risk	Scheme position and indicative date
Planning consents	N/A
CPOs	N/A
Public consultation	N/A
Public Inquiry	N/A
Traffic Regulation Orders	N/A
Transport and Works Act	N/A
Public sector match funding	SCR approval required (January 2016), via decision by the Business Growth Executive Board.
Private sector match funding	Secured as of December 2015.

Procurement contracts	To be undertaken from February 2016
Revenue Funds	Secured in principle – SCR approval to be obtained by January 2016.
Partnership Agreement	N/A
Other Statutory Processes (please specify)	N/A

Provide details of any appraisal or scheme modelling undertaken between the approval of the OBC and submission of this FBC.

A full business case has been requested directly because this is an existing scheme that is proven, been fully evaluated and where the RISE Management Board have fully investigated financial models and delivery options.

What is the programme/project/scheme delivery model? Has the lead partner the resource/expertise and structures in place to manage and deliver this? If not, outline what needs to be undertaken to be 'delivery ready' (e.g. project management arrangements, recruitment, governance structures etc).

The delivery model has been set out in other sections of this form.

The procurement process will identify whether the contractor has the requisite experience to successfully deliver against outputs. In addition, the SCC, University of Sheffield and Sheffield Hallam University teams are all experienced in managing this scheme and supporting it day to day, having overseen 8 RISE cohorts.

A refreshed governance structure will be put in place to ensure the scheme continues to be proactively and effectively managed (please see section 4.5 for the proposed governance arrangements).

4.2 STATE AID

Does State Aid apply to this scheme?

Yes	No
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X	
<p>Scheme Promoters are recommended to obtain their own legal advice or seek further guidance on the subject of State Aid</p>	
<p><i>If Yes detail the amount of state aid that will be provided and under what scheme. Provide the notification number, date of notification and approval date. Provide any issues and anticipated mitigation plans (if applicable). Any mitigation must also be included in the project risk assessment.</i></p> <p>Any company receiving financial support from the RISE Programme will be required to confirm that they are eligible to receive State Aid under the De Minimus regulation (1407/2013). As such prior to receiving any financial support from RISE the company will need to declare any De Minimus State Aid it has received in the past 3 financial years, including the current one, and, in addition, the Creative Sheffield Accountable Body team will confirm whether the company falls within an eligible sector.</p> <p>The maximum amount of Aid the company can receive will be capped at €200,000, including the RISE payment within this period. Where this cap is not reached the company will be able to receive a payment from the RISE Programme and will be advised, in their Funding Agreement, that they are in benefit of De Minimus aid of a value calculated in £GBP and €Euros.</p> <p>Should the total amount of State Aid that a company has received (within the past three year period) exceed €200,000, the company in question will not be eligible for De Minimus aid and will not be able to benefit from a financial contribution from the RISE Programme.</p>	
<p><i>If No Provide an explanation as to why no State Aid is provided for this scheme making specific reference to the State Aid tests.</i></p>	
<p>4.3 RISK MANAGEMENT</p>	
<p><i>Key Risk and Mitigations – What are the key risks that are likely to affect the implementation of this programme/project/scheme and what measures are planned to mitigate these risks? Enclose the current Scheme Risk Log in appendix 2. If available provide a copy of the current Quantified Risk Assessment.</i></p>	

Confirm the total value of contingency included in the cost plan and the % of total cost

Total Risk	£10,000	% of total cost	1.6%
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Top 5 risks on Risk Log

<i>Risk</i>	<i>Mitigation</i>	<i>Owner</i>
SD01 – Low business demand across SCR.	To form part of the method statement during the procurement, to ensure the contractors consider business attraction as a requirement and set out how they will deliver.	RISE Board Oversight
SD02 – Low graduate uptake across SCR	As above.	RISE Board Oversight
P01 – Costs increase during procurement	Early conversation with the Management Board will take place and if necessary the scheme will be re-scoped to accommodate the maximum budget available.	RISE Board Operations
P02 - None of the bidders can demonstrate they could deliver (no contractor is secured)	SCC to ensure that current players in the market are advised when the tender is released and to ensure that the ITT is clear in setting out what contractors are to deliver.	RISE Board Operations

4.4 STAKEHOLDER MANAGEMENT

Detail your stakeholder management plan and list the key stakeholders that will have known involvement and what their involvement will be. Enclose the full Scheme Stakeholder map in appendix 3.

See Appendix 3 for the Stakeholder Management Plan.

4.5 MONITORING & EVALUATION

Detail in full how the programme/project/scheme will be monitored and performance managed in order to assess whether objectives, milestones and targets are being met.

Does the *programme/project/scheme* have any monitoring obligations for other Funders? If yes please outline these obligations?

Performance of the contractors will be managed via monthly meetings, where they will be required to submit progress reports using the current (or a refreshed) standard reporting format (attached at appendix 5 for information).

A scheme evaluation will also be carried out, for consistency we plan to use the methodology previously employed by the independent research organisation that carried out the evaluation of RISE1 and 2.

The results of these evaluations will be used when considering options for the further extension or closedown of RISE.

Detail your approach to taking corrective action if the programme/project/scheme deviates from plan.

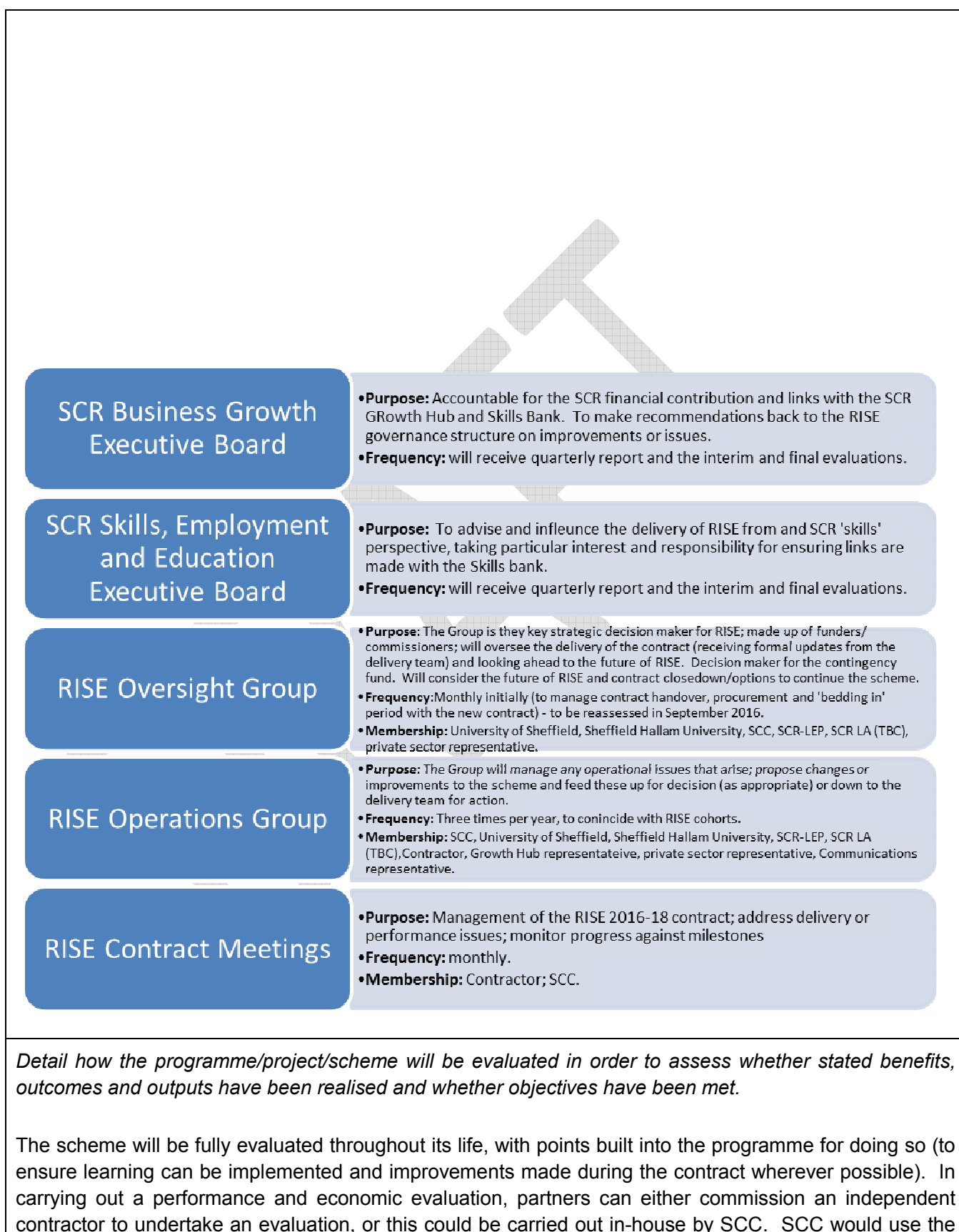
Where corrective action is needed due to poor performance of the contractor, this will be managed via monthly contract meetings (with all issues and actions reported to the Operations Board and where escalation is necessary, to the Oversight Board for resolution). Progress updates will also be provided to the SCR Business Growth Executive Board and Skills, Employment and Education Board.

Proposed RISE Governance Structure 2016-18 is as follows:

The proposed elements of the governance structure are suggested below and will be finalised and agreed as the Invitation to Tender is developed, in consultation with all relevant parties.

Key principles:

- All share a commitment to transparency, good communication and oversight at a level appropriate to the scale of RISE and its ambition to be business focused.
- Each element of the governance arrangements will have a Terms of Reference setting out clearly the purpose, membership, meeting frequency and role.
- From all RISE related meetings an 'action and decision note' will be produced and circulated to attendees, for both clarity and evaluation/audit trail.
- Where issues or risks are raised these will be escalated, as appropriate, for action or decision. The agreed position will then be communicated back to the relevant people to take note/take forward.



approach already used in the first evaluation of RISE by Ekosgen, as noted above.

These evaluations will feed into considerations about the continuation of RISE and closedown of the contract. These discussions will be scheduled in to the forward plan of meetings in the Governance structure.

Document Sign off.

This document constitutes the Full Business Case for a project/programme/scheme with SCR. The document has four key purposes;

- Fully define what is being delivered, when and how.
- To provide the information required to enable the SCR CA and its Boards to make evidence based decisions.
- Ensure the identified outputs, outcomes, benefits and milestones targets can be managed and met.
- Act as the basis for contracting, progress and performance management.

The Document must be sign off by each of the required signatories prior to submission.

SIGNATURE 1: LEAD APPLICANT (BEING THE AUTHORISED SIGNATORY REPRESENTATIVE)

Signature:	
Print Name:	
Date:	

SIGNATURE 2: SCR PROJECT MANAGER

Signature:	
Print Name:	
Date :	

SIGNATURE 3: SCR DIRECTOR / HEAD OF SERVICE

Signature:	
Print Name:	
Date :	

APPENDIX 1 – FINANCIAL SUMMARY
See pages 22-28
APPENDIX 2 – RISK REGISTER
See pages 29-30
APPENDIX 3 – STAKEHOLDER MANAGEMENT PLAN
See page 31
APPENDIX 4 – PROCUREMENT PROCESS (INDICATIVE TIMESCALE)
See pages 32-34
APPENDIX 5 – PROGRESS REPORTING FORMAT (EXAMPLE)
See pages 35-38
APPENDIX 6 – ECONOMIC IMPACT (PRINCIPLES AND WORKINGS)
See pages 39-40

Appendix 1 - Financial Summary

Overview

Overall funding is set out in the scheme summary at the beginning of this document. In brief, there is a maximum total income of £630k over three years (2016-18) sourced from the University of Sheffield, Sheffield Hallam University and Sheffield City Region. This Business Case requests £50k from SCR per year for three years (£150k in total). It is important to note that this is a maximum possible contribution from all partners. Any underspend on expenditure will be refunded back to each partner (proportionally, based on the number of graduates placed).

The financial model for the scheme is based on a number of factors (that will be written into the delivery contract):

1. There will be 250 graduates recruited (85 per year).
2. Of all businesses who take part in RISE, 60% will be new to the scheme and will be eligible for a £1,000 subsidy per graduate they take on. This subsidy is payable by the relevant institution – the Universities will pay for their own students; SCR will pay this for any non-Sheffield students.
3. Universities will have a minimum of 30% students each who are part of the programme. The contractor will be obliged to aim for this to be a 35% share, with an aspiration of 40% each.
4. Partners will pay a flat fee each year (£23,000 for SCR and £30,000 for each University).
5. Partners will pay a £500 brokerage fee for each graduate placed (Universities paying for their own students and SCR paying for non-Sheffield graduates).
6. University funding is ring-fenced to pay only for their own students.
7. Universities would not be willing to pay a cost of more than £2,300 per graduate (see table 1, below).
8. The contract will be tendered with a maximum cost of £125,000 per year.
9. Sheffield City Council (Creative Sheffield) will cover the £6,500 cost for the OJEU procurement.
10. A small contingency will be set aside (£10k each year) to cover any pressures.

TABLE 1			
Total grads per year (% and no.)	85		
		Cost per cohort per university	Cost per grad
10%	9	£ 39,500.00	£ 4,647.06
20%	17	£ 48,500.00	£ 2,852.94
MINIMUM: 30%	26	£ 58,000.00	£ 2,274.51
AIM: 35%	30	£ 63,000.00	£ 2,117.65

ASPIRATION: 40%	34	£ 67,000.00	£ 1,970.59
50%	43	£ 77,500.00	£ 1,823.53
60%	51	£ 80,000.00	£ 1,568.63

Risk and Variance

The scheme has and will continue to maintain an up to date risk register (and issues log) for the course of the scheme's life. These are also discussed further in this business case, and the first register is provided in Appendix 2. Although we have made educated assumptions based on experience of the previous 8 RISE cohorts, the performance of the new contract across the city region could change. It is, for example, possible that a large proportion of companies for new RISE cohorts may be repeat business (thus reducing the call for subsidy payments). However, the contractor will have a remit to proactively engage with SMEs across the city region, thus it is also possible that more companies than expected are new to RISE, therefore increasing the number of subsidies that need to be provided.

The rate of graduate uptake for city region jobs is also unknown. It may be that some graduates are willing to travel to jobs elsewhere in the city region, or that the scheme attracts graduates from other universities who want to return to parental homes. Equally, some opportunities may prove difficult to fill if travel is difficult.

In order to test the flexibility of the overall budget against possible risk and variance (given the actual costs per cohort and per year are likely to vary) three different scenarios have been modelled. These are a 1) 'minimum' share of graduates per university 2) a graduate share within the likely/expected range and 3) an 'aspirational' position, regarding graduate share. These are set out below.

This financial model does therefore entail some financial risk and this is borne theoretically by Sheffield City Council (Creative Sheffield). The probability of this scenario occurring is considered to be sufficiently low and will be proactively managed on an ongoing basis via the monthly Contract Meetings.

Contingency

In recognition of this small risk, the Universities have both agreed to set aside £5,000 each from the flat fee in Year 1 to create a small pot of contingency. This will be called on as and when (and if) needed, to fund any pressures on the LEP budget. However, this will be agreed on a case by case basis by the RISE Oversight Group (via email or special meeting if necessary). At the end of each financial year, any contingency left will either be recycled back into the RISE budget or refunded proportionally to the Universities. The process for the use of contingency will be specifically written into the RISE Oversight Group Terms of Reference.

Scenario 1: Minimum 30% share of graduates for each university

INCOME

	Assumed %	No. grads	Per year	Total over 3 years	At risk	
SCC Project Mgmt (in-kind)			£ -	£ -		
SCC Subtotal			£ -	£ -		
LEP Flat Fee			£ 23,000.00	£ 69,000.00		
LEP Brokerage	40%	34	£ 17,000.00	£ 51,000.00		
LEP Subsidy	60%	20	£ 20,000.00	£ 60,000.00		
LEP subtotal			£ 60,000.00	£ 180,000.00	-£ 10,000.00	-£ 30,000.00
SHU Flat Fee			£ 30,000.00	£ 90,000.00		
SHU Brokerage	30%	26	£ 13,000.00	£ 39,000.00		
SHU Subsidy	60%	15	£ 15,000.00	£ 45,000.00		
SHU subtotal			£ 58,000.00	£ 174,000.00	£ 22,000.00	£ 66,000.00
UoS Flat Fee			£ 30,000.00	£ 90,000.00		
UoS Brokerage	30%	26	£ 13,000.00	£ 39,000.00		
UoS Subidy	60%	15	£ 15,000.00	£ 45,000.00		
UoS subtotal			£ 58,000.00	£ 174,000.00	£ 22,000.00	£ 66,000.00
TOTAL INCOME			£ 166,000.00	£ 498,000.00		
TOTAL INCOME AVAILABLE			£ 210,000	£ 630,000		
<u>EXPENDITURE</u>						
Contract delivery cost			£ 125,000.00	£ 375,000.00		
Subsidies (60% of 85 companies)			£ 51,000.00	£ 153,000.00		
Procurement				£ -		
SCC Project management			£ -	£ -		
TOTAL EXPENDITURE			£ 176,000.00	£ 528,000.00		
Contract cost difference					£ 44,000.00	
Financial Risk			£ 10,000.00	£ 30,000.00		

Scenario 2: Expected share per university (based on previous cohorts)

INCOME

	Assumed %	No. grads	Per year	Total over 3 years	At risk
CS Project Mgmt (in-kind)			£ -	£ -	
CS Subtotal			£ -	£ -	
LEP Flat Fee			£ 23,000.00	£ 69,000.00	
LEP Brokerage	30%	26	£ 13,000.00	£ 39,000.00	
LEP Subsidy	60%	15	£ 15,000.00	£ 45,000.00	
LEP subtotal			£ 51,000.00	£ 153,000.00	-£ 1,000.00 -£ 3,000.00
SHU Flat Fee			£ 30,000.00	£ 90,000.00	
SHU Brokerage	35%	30	£ 15,000.00	£ 45,000.00	
SHU Subsidy	60%	18	£ 18,000.00	£ 54,000.00	
SHU subtotal			£ 63,000.00	£ 189,000.00	£ 17,000.00 £ 51,000.00
UoS Flat Fee			£ 30,000.00	£ 90,000.00	
UoS Brokerage	35%	30	£ 15,000.00	£ 45,000.00	
UoS Subidy	60%	18	£ 18,000.00	£ 54,000.00	
UoS subtotal			£ 63,000.00	£ 189,000.00	£ 17,000.00 £ 51,000.00
TOTAL INCOME			£ 176,000.00	£ 528,000.00	
TOTAL INCOME AVAILABLE			£ 210,000	£ 630,000	

EXPENDITURE

Contract delivery cost	£ 125,000.00	£ 375,000.00
Subsidies (60% of 85 companies)	£ 51,000.00	£ 153,000.00
Procurement		£ -
SCC Project management	£ -	£ -
TOTAL EXPENDITURE	£ 176,000.00	£ 528,000.00

Contract cost difference - cont

£ 33,000.00

Financial Risk £ - £ -

Scenario 3: Aspirational share of graduates for the universities

INCOME

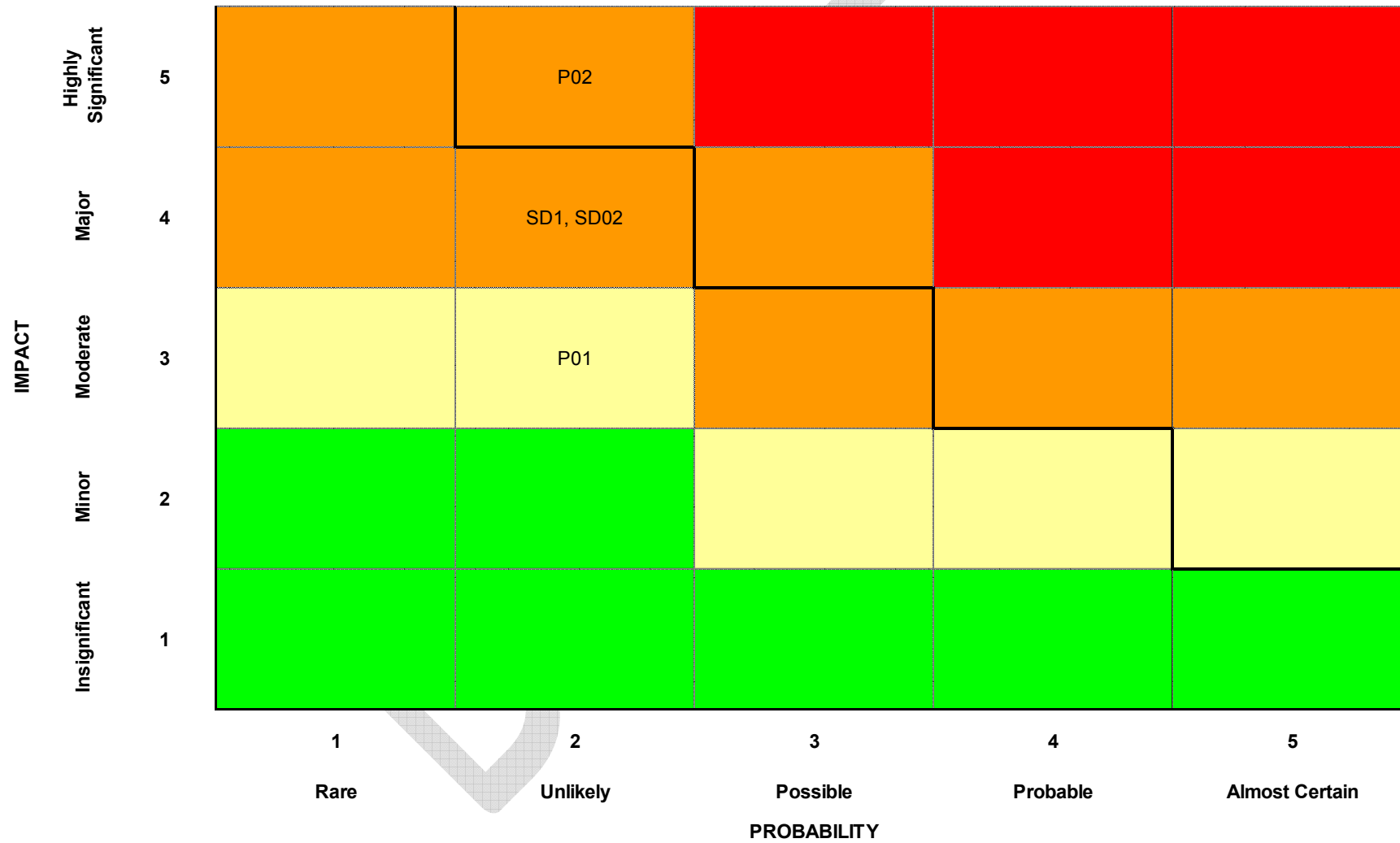
	Assumed %	No. grads	Per year	Total over 3 years	At risk	
CS Project Mgmt (in-kind)			£ -	£ -		
CS Subtotal						
LEP Flat Fee			£ 23,000.00	£ 69,000.00		
LEP Brokerage	10%	9	£ 4,500.00	£ 13,500.00		
LEP Subsidy	60%	5	£ 5,000.00	£ 15,000.00		
LEP subtotal			£ 32,500.00	£ 97,500.00	£ 17,500.00	£ 52,500.00
SHU Flat Fee			£ 30,000.00	£ 90,000.00		
SHU Brokerage	40%	34	£ 17,000.00	£ 51,000.00		
SHU Subsidy	60%	20	£ 20,000.00	£ 60,000.00		
SHU subtotal			£ 67,000.00	£ 201,000.00	£ 13,000.00	£ 39,000.00
UoS Flat Fee			£ 30,000.00	£ 90,000.00		
UoS Brokerage	50%	43	£ 21,500.00	£ 64,500.00		
UoS Subsidy	60%	26	£ 26,000.00	£ 78,000.00		
UoS subtotal			£ 77,500.00	£ 232,500.00	£ 2,500.00	£ 7,500.00
TOTAL INCOME			£ 177,000.00	£ 531,000.00		
TOTAL INCOME AVAILABLE			£ 210,000	£ 630,000		
<u>EXPENDITURE</u>						
Contract delivery cost			£ 125,000.00	£ 375,000.00		
Subsidies (60% of 85 companies)			£ 51,000.00	£ 153,000.00		
Procurement				£ -		
Project management			£ -	£ -		
TOTAL EXPENDITURE			£ 176,000.00	£ 528,000.00		
Contract cost difference					£ 33,000.00	
Financial Risk			£ -	£ -		

Appendix 2 – Risk Register

Strategic Risk Register

Author:		Sarah Lowi Jones		Revision Notes:		Amendments highlighted in blue									
Version:		0.1													
Date:		21/12/2015													
										Managed Response					
Ref.	Date Raised	Risk Type	Risk Description, Sources & Consequences	Existing Controls	Probability (P)	Impact (I)	Risk Rating	Risk Rating Last Board meeting	Risk Owner	Action Countermeasures	Residual Risk Rating	Risk Action Owner	Action Required by Date	Actual Reviewed Date	Status
SD01	18/12/2015	Service Delivery/ Service User Risk	Low business demand across SCR. <u>Source</u> 1. Attraction work does not elicit interest from SCR companies, or the wrong type of companies. <u>Consequences</u> 1. RISE fails to meet performance measures on businesses recruited/graduate opportunities secured. 2. RISE fails to deliver wider outcomes and benefits (GVA, private sector wage match etc).	To form part of the method statement during the procurement, to ensure the contractors consider business attraction as a requirement and set out how they will deliver. Bidders will be asked to set out their Business Attraction plan as part of the tender process.	2	4	High	N/A	RISE Oversight Board		N/A	Contractor (TBC)	RISE Operations Board(TBC)	TBC	Open
SD02	18/12/2015	Service Delivery/ Service User Risk	Low graduate uptake across SCR <u>Source</u> 1. Attraction work does not result in sufficient, or sufficiently high quality applications from graduates. <u>Consequences</u> 1. RISE fails to meet performance measures on graduates placed or opportunities that convert into permanent jobs.	To form part of the method statement during the procurement, to ensure the contractors consider business attraction as a requirement and set out how they will deliver. Bidders will be asked to set out their Graduate Attraction plan as part of the tender process.	2	4	High	N/A	RISE Oversight Board		N/A	Contractor (TBC)	RISE Operations Board(TBC)	TBC	Open
P01	18/12/2015	Procurement	Costs increase during procurement <u>Source</u> 1. ITT document inadequately sets out the requirements or is unrealistic about what can be delivered within the funding envelope. <u>Consequences</u> 1. Decision will need to be taken regarding de-scoping the tender, finding further budget (which is extremely unlikely), which will add delay to the process. This may impact on what contractors can deliver in their first RISE cohort.	Early conversation with the Management Board will take place and if necessary the scheme will be re-scoped to accommodate the maximum budget available. Existing agreement as to there being no further funding, so in the event this transpires, de-scoping will be initiated immediately. All partners will be consulted in the development of the tender document, including the current contractors, so that a realistic and deliverable ITT is produced.	2	3	Medium	N/A	RISE Operations Board		N/A	SCC - Diana Buckley and Sarah Lowi Jones	Management Group meeting (TBC)	TBC	Open
P02	18/12/2015	Procurement	None of the bidders can demonstrate they can deliver (no contractor is secured) <u>Source</u> 1. The market cannot deliver an expanded RISE scheme. 2. The ITT is unrealistic about what can be delivered within the funding envelope. <u>Consequences</u> 1. The RISE ITT has to be redrafted and retendered, adding a significant delay. 2. Should no contract be awarded, RISE could not be delivered.	SCC to ensure that current players in the market are advised when the tender is released and to ensure that the ITT is clear in setting out what contractors are to deliver. All partners will be consulted in the development of the tender document, including the current contractors, so that a realistic and deliverable ITT is produced.	2	5	High	N/A	RISE Operations Board		N/A	SCC - Diana Buckley and Sarah Lowi Jones	RISE Operations Board(TBC)	TBC	Open

RISK MAP



Appendix 3 – Stakeholder Management Plan

Organisation/Individual	Scheme Role	Engagement Plan and Responsibilities
Sheffield City Council (Economic Strategy Team, Creative Sheffield)	Project management, contract management, secretariat to governance groups	Actively manages the project and communications between partners. Ensures internal communication and briefings with relevant SCC officers/Members. Coordination role. Member of all governance groups.
Sheffield Hallam University	Funder/Commissioner	Member of the Oversight and Operations Groups. Ensures internal communications within the University; will provide strategic comms support.
University of Sheffield	Funder/Commissioner	Member of the Oversight and Operations Groups. Ensures internal communications within the University; will provide strategic comms support.
SCR Business Growth Executive Board	Funder/Commissioner (accountable body for SCR funding)	To be kept up to date via regular progress reports that flow from the Oversight Group; will sit on the Operations Group. To make recommendations on delivery as appropriate and ensure strong links with the Growth Hub are developed and embedded.
SCR Skills, Education and Employment Executive Board	Influencer/ adviser	To be kept informed via regular updates from the Oversight Group; to report in any issues officers are aware of; to advise on links with the Skills Bank and how any improvements can be made.
SCR Economic Development Officers Group	Influencer/ adviser	Sit on the Operations Group. To be kept informed via regular updates; to report into RISE any issues officers are aware of with delivery.
Growth Hub	Partner/influencer/ adviser	To sit on the Operations Group and ensure links between RISE and the Growth Hub are developed and embedded. To communicate with Growth Hub team on issues and improvements.
Skills Bank	Partner/influencer/ adviser	Ensure links between RISE and the Growth Hub are developed and embedded. To communicate with Skills Banks team on issues and improvements. Receive updates from the Operations Group.
Contractor	Delivery body/contract holder	To be managed via monthly contract management meetings. Other issues to be raised with SCC whenever they arise. Sit on the Operations Group and Contract meetings.
SCR Lead Officer (Andy Gates)	Oversight of the SCR funding and progress of the scheme	Member of the Oversight and Operations Groups.
RISE businesses	Service user	Relationship to be held by the contractor – with oversight from governance groups.
RISE graduates	Service user	Relationship to be held by the contractor – with oversight from governance groups.

Appendix 4 – Indicative Procurement Timescale

NB: Red boxes indicate where a delay will impact on the overall procurement timescale.

Day	Date	Week	OJEU Procurement milestones/activity
Mon	11/01/2016		
Tue	12/01/2016		Formal decision from Business Growth Board re funding
Wed	13/01/2016	1	
Thu	14/01/2016		Final negotiations and agreement on the detail of what is being procured
Fri	15/01/2016		
Mon	18/01/2016		Start writing ITT
Tue	19/01/2016		
Wed	20/01/2016	2	
Thu	21/01/2016		
Fri	22/01/2016		
Mon	25/01/2016		
Tue	26/01/2016		
Wed	27/01/2016	3	
Thu	28/01/2016		
Fri	29/01/2016		
Mon	01/02/2016		
Tue	02/02/2016		
Wed	03/02/2016	4	
Thu	04/02/2016		
Fri	05/02/2016		
Mon	08/02/2016		
Tue	09/02/2016		
Wed	10/02/2016	5	
Thu	11/02/2016		
Fri	12/02/2016		
Mon	15/02/2016		
Tue	16/02/2016		
Wed	17/02/2016	6	
Thu	18/02/2016		
Fri	19/02/2016		
Mon	22/02/2016		
Tue	23/02/2016		
Wed	24/02/2016	7	
Thu	25/02/2016		
Fri	26/02/2016		Final ITT Agreed
Mon	29/02/2016		Create and approve procurement Strategy (10 days)
Tue	01/03/2016		
Wed	02/03/2016	8	
Thu	03/03/2016		
Fri	04/03/2016		
Mon	07/03/2016		
Tue	08/03/2016		
Wed	09/03/2016	9	
Thu	10/03/2016		
Fri	11/03/2016		
Mon	14/03/2016	<u>10</u>	Approval of procurement strategy received

Tue	15/03/2016	Advertised on OJEU and YorTender (30 days)	
Wed	16/03/2016		
Thu	17/03/2016		
Fri	18/03/2016		
Mon	21/03/2016	11	
Tue	22/03/2016		
Wed	23/03/2016		
Thu	24/03/2016		
Fri	25/03/2016		
Mon	28/03/2016	12	
Tue	29/03/2016		
Wed	30/03/2016		
Thu	31/03/2016		
Fri	01/04/2016		
Mon	04/04/2016	13	
Tue	05/04/2016		
Wed	06/04/2016		
Thu	07/04/2016		
Fri	08/04/2016		
Mon	11/04/2016	14	
Tue	12/04/2016		
Wed	13/04/2016		
Thu	14/04/2016		
Fri	15/04/2016		Last day of OJEU
Mon	18/04/2016	15	Online tenders downloaded and shared
Tue	19/04/2016		
Wed	20/04/2016		
Thu	21/04/2016		
Fri	22/04/2016		
Mon	25/04/2016	16	First meeting of evaluation panel - initial evaluation of tenders. (This will decide which, if any, tenderers will be invited to clarification meetings)
Tue	26/04/2016		
Wed	27/04/2016		
Thu	28/04/2016		
Fri	29/04/2016		Invitations to clarification meetings sent
Mon	02/05/2016	17	
Tue	03/05/2016		
Wed	04/05/2016		
Thu	05/05/2016		
Fri	06/05/2016		
Mon	09/05/2016	18	
Tue	10/05/2016		Clarification meetings held
Wed	11/05/2016		
Thu	12/05/2016		
Fri	13/05/2016		Second meeting of evaluation panel - winning tender identified
Mon	16/05/2016	19	Upload decision to OJEU for 10 day standstill period
Tue	17/05/2016		
Wed	18/05/2016		
Thu	19/05/2016		
Fri	20/05/2016		
Mon	23/05/2016	20	

Tue	24/05/2016		
Wed	25/05/2016		
Thu	26/05/2016		
Fri	27/05/2016		
Mon	30/05/2016		Award Contract and sign contract
Tue	31/05/2016		
Wed	01/06/2016	21	
Thu	02/06/2016		
Fri	03/06/2016		
Mon	06/06/2016		
Tue	07/06/2016		
Wed	08/06/2016	22	
Thu	09/06/2016		
Fri	10/06/2016		
Mon	13/06/2016		
Tue	14/06/2016		
Wed	15/06/2016	23	Commence delivery of new contract
Thu	16/06/2016		
Fri	17/06/2016		

Appendix 5 – Progress Reporting Format (example)

RISE Steering Group Meeting – 9th December 2015

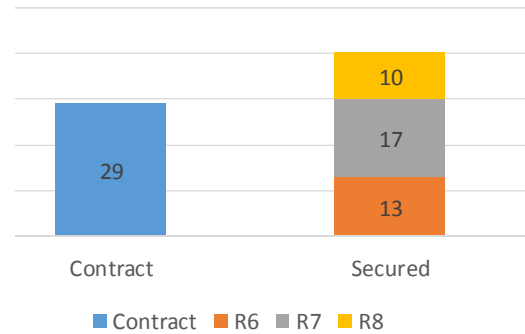
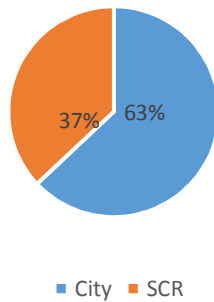
Key achievements / headlines since the last meeting																				
<ul style="list-style-type: none">RISE 8: 27 appts across 22 SMEs Positive feedback from R8 BI 402 apps received, 222 invites VI, 121 attended AC, 97 attended FIRISE 7: 30 appts, 25 past 3 month point 3-month visits started – lots of positive feedback. Expecting good conversion rates from this cohortRISE 6: All grads past 3 months, 3-month visits completed, generally positive feedback																				
Number of Internships Advertised by SMEs																				
<p>RISE 6</p> <table><tr><th>Category</th><th>Value</th></tr><tr><td>SMEs</td><td>15</td></tr><tr><td>Internships</td><td>17</td></tr></table>	Category	Value	SMEs	15	Internships	17	<p>RISE 7</p> <table><tr><th>Category</th><th>Value</th></tr><tr><td>SMEs</td><td>26</td></tr><tr><td>Internships</td><td>30</td></tr></table>	Category	Value	SMEs	26	Internships	30	<p>RISE 8</p> <table><tr><th>Category</th><th>Value</th></tr><tr><td>SMEs</td><td>22</td></tr><tr><td>Internships</td><td>27</td></tr></table>	Category	Value	SMEs	22	Internships	27
Category	Value																			
SMEs	15																			
Internships	17																			
Category	Value																			
SMEs	26																			
Internships	30																			
Category	Value																			
SMEs	22																			
Internships	27																			
<ul style="list-style-type: none">17 roles appointed across 15 SMEs	<ul style="list-style-type: none">30 roles appointed across 26 SMEs	<ul style="list-style-type: none">27 roles appointed across 22 SMEs4 potential BORs4 potential BORs from networking event3 potential OOCs																		

Section A: SME KPIs

SME Engagement																							
<p>RISE Contract Requirements</p> <table border="1"> <thead> <tr> <th></th><th>Contract requires</th><th colspan="3">Secured</th><th>Total</th></tr> <tr> <th>Cohort</th><th>R6, 7 & 8</th><th>R6</th><th>R7</th><th>R8</th><th>R6, 7 & 8</th></tr> </thead> <tbody> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>							Contract requires	Secured			Total	Cohort	R6, 7 & 8	R6	R7	R8	R6, 7 & 8						
	Contract requires	Secured			Total																		
Cohort	R6, 7 & 8	R6	R7	R8	R6, 7 & 8																		

Internships in total	80	17	30	27	74
SMEs secured in total	40	15	26	22	63
SMEs new to RISE	29	13	17	10	40

Location of internships (R6, 7 & 8)



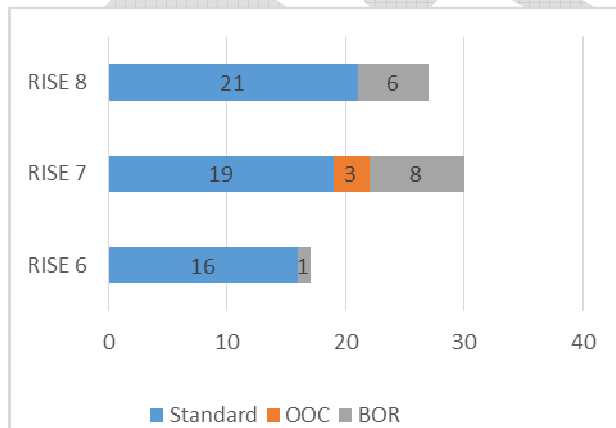
Number of SMEs new to RISE

Notes:

Notes:

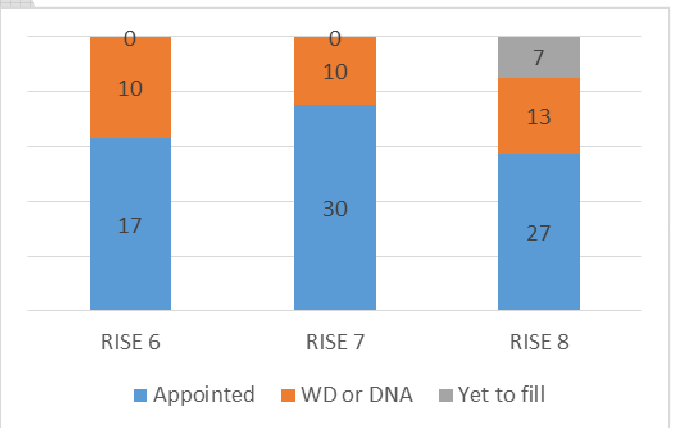
Section B: Application KPIs

Recruitment Routes



Notes:

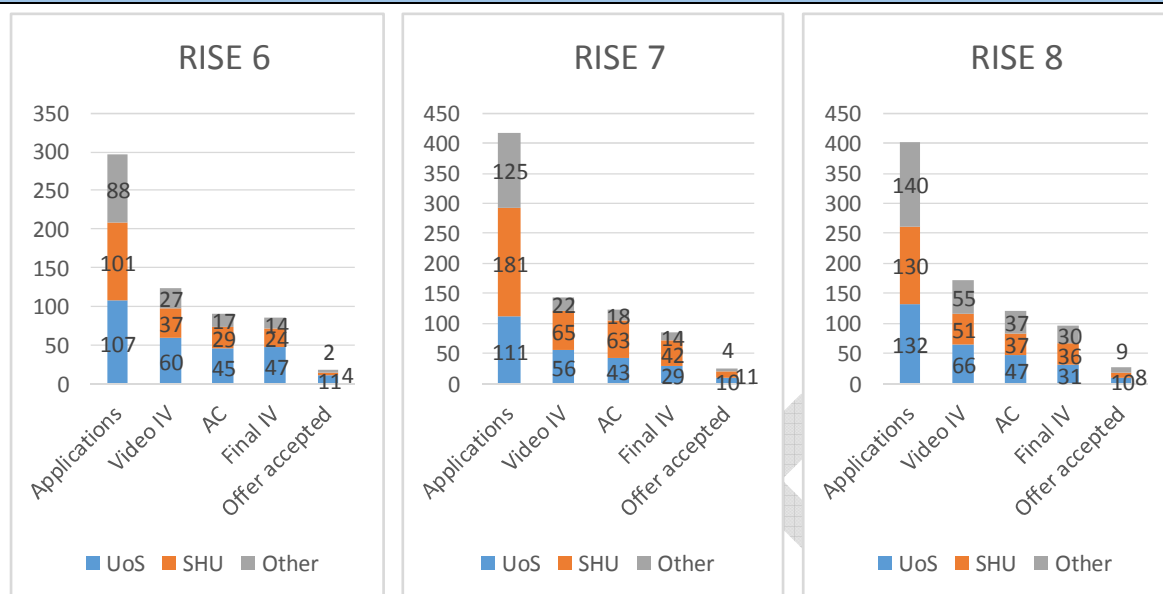
Number of Internships Secured vs Filled



Notes:

- 1) R8 yet to fill: should be 6, but there has been 1 pre 3-month failure

Application Pipeline by Source



Applicants by source	Apps	VI – completed	AC – attended	FI – attended	Offers accepted
UoS	R6: 107	R6: 60	R6: 45	R6:47	R6: 11
	R7: 111	R7: 56	R7: 43	R7:29	R7: 10
	R8: 132	R8: 66	R8: 47	R8: 31	R8: 10
SHU	R6: 101	R6: 37	R6: 29	R6:24	R6: 4
	R7: 181	R7: 65	R7: 63	R7:42	R7: 15
	R8: 130	R8: 51	R8: 37	R8: 36	R8: 8
Other	R6: 88	R6: 27	R6: 17	R6:14	R6: 2
	R7: 125	R7: 22	R7: 18	R7:14	R7: 5
	R8: 140	R8: 55	R8: 37	R8: 30	R8: 9

Notes:

1) BOR and OOC interviews are managed manually rather than through the database, so FI – attended only reflects the main cohort interviews

Section C: Other KPIs

Subsidy pipeline	RISE6: £9k UoS, £4k SHU, £1k SSC RISE7: £6k UoS, £7k SHU, £3k SSC RISE8: £4k UoS, £4k SHU, £2k SCC
Interns reaching 3 months (R6 and R7)	Successfully reached: 36/47 Failed before 3-months: 1/47 Not yet reached 3-months: 10/47 (all late starters)
Interns continuing employment	R6: 4/17 (offered perm or extended post internship) R7: 2/30 NB. 3-month visits have been very positive, with many employers seeing no reason not to convert. There should be a big shift in these figures in January.

Risks, issues and mitigating steps taken

[OMITTED - DATA PROTECTION AND CONFIDENTIALITY CONCERNS]

Service Additions

[OMITTED - DATA PROTECTION AND CONFIDENTIALITY CONCERNS]

Appendix 6: Economic Impact – principles and workings

Economic Impact (net additional GVA)

Ekosgen were commissioned to carry out an independent economic impact analysis of the first two RISE cohorts. They found the net impact to be £1.43m GVA (per annum) and 30 jobs. These principles were applied to this RISE proposal, to ensure a level of comparability between cohorts and rigour. We are more than happy to provide the Ekosgen report and any other information required to illustrate how these figures have been calculated.

The net GVA economic impact was therefore worked out using these principles as follows:

1. Ekosgen employed a wages-based approach to calculating GVA and used Office of National Statistics GVA to wage cost ratios (from the 2012 Business Survey) to apply these to the wages of interns. They in fact used sector specific ratios, but we (for simplicity and to allow for generalisation) have used the ONS's conversion rate of 1.2 (provided in their tender document, rather than the full report). We then applied this to an assumed average wage of £17,000 (based on the profile of previous cohorts):

$$\text{£17,000} \times 1.2 = \text{£20,740}$$

2. We then discounted to the total number of new jobs (150) deadweight at 39%, displacement at 20%, leakage at 0% and used Ekosgen's multiplier of 1.5 to calculate the net number of additional new jobs:

$$\begin{aligned} &150 \text{ new jobs (60\% of the total 250 internships)} \\ &150 - 39\% = 91.5 \text{ (deadweight)} \\ &91.5 - 20\% = 73.2 \text{ (displacement)} \\ &0\% \text{ leakage} \\ &73.2 \times 1.5 = 109.8 \text{ (rounded to } \mathbf{110}) \end{aligned}$$

3. The number of additional new jobs was multiplied by the converted average wage to get the GVA per annum, which was then multiplied to calculate the total GVA impact of the RISE programme (2016-18):

$$\begin{aligned} &110 \times \text{£20,740} = \text{£2.3m} \\ &\text{£2.3m} \times 3 = \text{£6.9m} \end{aligned}$$

Cost Benefit (per £1)

The cost benefit per £1 spent was calculated by dividing the total benefit (£6.9m) by the total maximum amount of funding available:

$$\text{£6.9m} / \text{£630,000} = \text{£10.95}$$

Return on Investment (per £1)

The Return on Investment was calculated by subtracting the cost from the benefit, then dividing this number by the cost:

$$\text{£6.9m} - \text{£630,000} / \text{£630,000} = \text{£9.95}$$

Private sector wage match

The contract will specify that graduates should be employed for a minimum of 6 months with a minimum salary of £14,500 per annum. We know that graduates may be employed for longer, and at a higher salary, but to work out the private sector wage match we have worked the minimum impact that would be contracted for (though we expect the output to be higher in reality).

The minimum wage per annum was divided by two, to get a minimum average wage per 6 month contract. £1,000 was then subtracted, to account for any new businesses who receive a subsidy from RISE, then multiplied by the total number of internships that will be contracted for:

$$\begin{aligned} \text{£14,500} / 2 &= \text{£7,250} \\ \text{£7,250} - \text{£1,000} &= \text{£6,250} \\ \text{£6,250} \times 250 &= \text{£1.56m (rounded to} \\ &\text{£1.6m)} \end{aligned}$$