

ANNEXE 1

South Yorkshire Mayoral Combined Authority (“SYMCA”) – Attercliffe Waterside and West Bar Brownfield Schemes (the “Grants”)

SYMCA has not made available to Sheffield City Council (“SCC”) any draft agreements for the Grants (the “Grant Agreements”). However, as SYMCA grant agreements are often substantially in the same form across various schemes, we would expect the terms and conditions summarised below to feature in the Grant Agreements with SYMCA.

The Project Manager will need to read, understand, and comply with all of the terms and conditions of the Grants once received and the Code of Conduct for Grant Recipients and develop an exit strategy to ensure that there are no ongoing unfunded costs when the Grants end.

The below implications are prepared on the basis of previous SYMCA-SCC grant agreements and are to provide an indication to the Committee on the financial implications of accepting the Grants. This summary should not be relied upon as a finalised report on the terms and conditions of the Grants. The External Funding review of the Grants will not be finalised until a final version of the Grant Agreements have been reviewed and these implications updated.

Project Details

The Grants will be used to undertake regeneration schemes at two Sheffield sites, West Bar and Attercliffe Waterside (the “Project”). The Grant Agreements will most likely provide a detailed operational breakdown of activities and costs that are eligible to be funded by the Grants.

Potential Financial Terms and Conditions

- We expect funding to be around £7,000,000 split across the two sites of the Project. The Grant Agreements will most likely provide a detailed allocation of the Grants between the two sites.
- The Grant will be probably be a Capital Grant. SYMCA grant agreements may allow for SCC to recover a prescribed percentage of overhead, staffing or other revenue costs.
- The Grant will most likely be subject up to 100% total Clawback to the extent that the Project Outputs/Outcomes are not achieved in full by the completion dates specified in the Grant Agreements, or if SCC does not comply with the terms and conditions of the Grant Agreements.
- The Grant Agreements may specify that a certain amount of the Grants is spent during a specific financial year and/or on specific activities, as specified in the Grant Agreements. Total claims in any financial year cannot exceed the amount of grant allocated to that financial year or that specific activity.
- SYMCA may make grant payments to SCC in advance, at SYMCA's absolute discretion.
- SCC may have to notify SYMCA in writing by 31st December of each financial year, if the relevant annual grant allocation will not be spent in full.
- SYMCA Grants are often subject to 5% retention, to be retained by SYMCA and paid to SCC on satisfactory completion of Project Outputs/Outcomes.
- SCC may have to notify SYMCA in advance of intention to apply for third party funding,
- SCC may have to inform SYMCA if grant claims profile changes.
- Grant payment may be conditional upon match funding letters provided to SYMCA and match funding will most likely need to be eligible, available to use and evidenced.
- SCC may have to inform SYMCA of other public funding used against the any eligible costs.
- SCC will most likely be responsible for any match funding shortfalls.
- SCC may be restricted in applying for/ accepting duplicate funding for any part of the Project/related administration costs funded by SYMCA.

Potential Claims Conditions

- SYMCA grants will be subject to a prescribed claim procedure.
- Claims should only be made using the approved claim/accrual form and made within the relevant claims period specified in the Grant Agreements.

- SYMCA grants often state release of grant funding is subject to closure of special conditions specified in the Grant Agreements. Often, failure to provide evidence of Special Conditions closure may result in Default/termination of agreement.
- The Grants will most likely be for Qualifying Expenditure defrayed for the Project only. SCC will probably only claim Qualifying Expenditure defrayed from the commencement to the completion date of the Grants. Qualifying Expenditure outside these dates will most likely be ineligible.
- SCC may have to certify the full Project costs defrayed (by s.151 Officer).
- SCC may have to submit a full project reconciliation at Practical Completion of the Project signed by the s.151 Officer (see details).

Potential General Terms and Conditions

- The Grant may have to be used to achieve Project Outputs/Outcomes, which may include Social Value Outcomes.
- The Grant Agreements will most likely contain specific commencement/completion and closure/funding cessation dates in Schedule 2.
- The Grant Agreements will be subject to acceptable subsidies Article 3.4 of UK-EU TCA Rules / WTO-ASCM Rules together.
- Most likely, the Grants cannot not be used for any other purpose without SYMCA permission.
- It is unlikely that SCC will be able to change the Project without SYMCA approval. This includes changes to key Project dates, milestones and budget profiling. The Grant Agreements will most likely specify the procedure for making changes to the Project, and this may be through a subsequent variation to the Grant Agreements.
- SCC will have to ensure VFM in procurement of goods/services funded by the Grants.
- SCC may have to ensure that the Project planning and operation reflects sustainable development principles.
- Project Outputs/Project Outcomes will have to be achieved by the relevant completion dates.
- Grant will be subject to Subsidy Rules and SCC may have to warrant/represent that Grants are not prohibited by the subsidy control rules.
- SCC will be required to not breach subsidy control rules.
- SCC may have to comply with the accounting audit, monitoring and reporting requirements specified in the Grant Agreements.
- SCC may have to commence the Project within a certain time period after accepting the Grants.
- SCC may have to comply publicity requirements contained in the Grant Agreements.
- SCC may have to comply with detailed performance management, project evaluation and key performance indicator requirements specified in the Grant Agreements.
- SCC will most likely have to comply detailed risk management obligations contained in the Grant Agreements and maintain appropriate risk registers.
- Grant may be subject to External Audit.
- On the relevant completion date, SYMCA may take account of the extent to which the Project Outputs/Outcomes have been achieved.
- The Grant Agreements will contain a final review date.
- The Grant Agreements will contain a retention period for records.

Commercial Implications

All public sector procurement is governed by and must be compliant with the Grant Agreement and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

CSO requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase / acquire services, goods or works must go via a competitive process, comply with the Local Government Transparency Code 2015. The Portfolio / Service Grant Manager will need to contact the Commercial Services Team for detailed guidance on adherence to these rules when spending the Grant.