



## **LEP – Sub Committee**

### **Growth Deal Management Board**

**Private and Confidential: No**

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### **Amendments to the Core Grant Funding Agreement**

Appendix A refers

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#### **Executive Summary**

The purpose of this report is to provide a summary of changes to be made to the Core template Grant Funding Agreement to be used as a basis for Growth Deal Grant Funding.

#### **Recommendation**

The Board are invited to receive, consider, comment and approve the changes to the Core GFA.

## **1. Background**

- 1.1 The Core Grant Funding Agreement currently used to support Growth Deal Grant Funding has been in use since the inception of the Growth Deal Programme. We were assisted by external lawyers (DWF) in drawing up the document. Its use has been tightly controlled on the basis that it is not negotiable except in relation to very project specific issues.
- 1.2 As we have worked with the agreement, we have become aware of ways in which it should be improved for the benefit of the LEP, particularly since the funding proposals in GD3 are likely to be more complex and involve more private sector involvement at Applicant level.

## **2. Main Revisions to the Core GFA**

- 2.1 The changes to the Grant Funding Agreement are set out and highlighted in the draft document in Appendix A. The main revisions are as follows:



### *Bribery and Fraud*

- 2.1.1 The Agreement already obliges the Applicant to comply with all applicable laws. The amendments at Clause 3.1 (m) and 15.1 (t) clarify this in relation to Prohibited Acts (bribery and fraud). Furthermore, Clauses 6.1 (a) (vi), v(ii), (xi); Clause 15.1 (r) and (s); and Clause 22 result in an improvement in warranties obliging Applicant to act in good faith and to safeguard against conflicts of interest, bribery and fraud.

### *State Aid*

- 2.1.2 The Agreement already obliges the Applicant to comply with all applicable laws. The amendments at Clauses 3.1 (n), 6.1 (a) (ii), 6.5(e), 6.9 and 25 clarify these obligations relating to state aid including the provision of security for clawback obligations.

### *Outputs, Milestones and Outcomes*

- 2.1.3 Clause 6.1 (a) (viii) now requires all Outputs, Milestones and Outcomes (breach of which could lead to termination and clawback of funding) to be listed in Schedule 2. Where the breach of any particular target is not to lead to termination and clawback this will need a specific amendment as a "project specific" issue.

## **3. Introducing the new Core GFA to Applicants**

- 3.1 The new core document has been sent to the Applicant on the Blackpool Conference Centre Scheme and comments are awaited. If it is felt that any comments ultimately received have real merit then we will seek further approval from GDMB for appropriate amendments.