



## Swansea Bay City Region Joint Committee – 11 June 2020

### Funding Agreements

<b>Purpose:</b>	The purpose of this report is to inform Joint Committee of the Funding Agreements to be utilised in the management of the release of City Deal Funding to Delivery partners.
<b>Policy Framework:</b>	Swansea Bay City Deal
<b>Consultation:</b>	Accountable Body Programme Board Legal and S151 officers of NPT, Pembrokeshire, Carmarthen and Swansea Councils
<b>Recommendation(s):</b>	It is recommended that Joint Committee: <ol style="list-style-type: none"> <li>1) Considers and approves the template funding agreements at Appendix A &amp; B to be adopted to manage the release of funding from the Programme to the Councils and to delivery partners.             <p>Appendix A being a standard agreement between the Accountable Body and the Project Lead Authority</p> <p>Appendix B being a template agreement for amendment by the Project Lead Authority to suit the agreement with the delivery party.</p> </li> <li>2) Delegates authority to the SBCD Section 151 Officer and the SBCD Monitoring Officer to make any essential and necessary amendments to the template agreement within Appendix A</li> </ol>
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#### 1. Introduction

This report outlines the Funding Agreements between the Accountable Body and Lead Authorities, and the Lead Authorities and Funding Recipients. The Funding Agreements are the framework by which funding is managed and released from the Accountable Body on behalf of the programme.



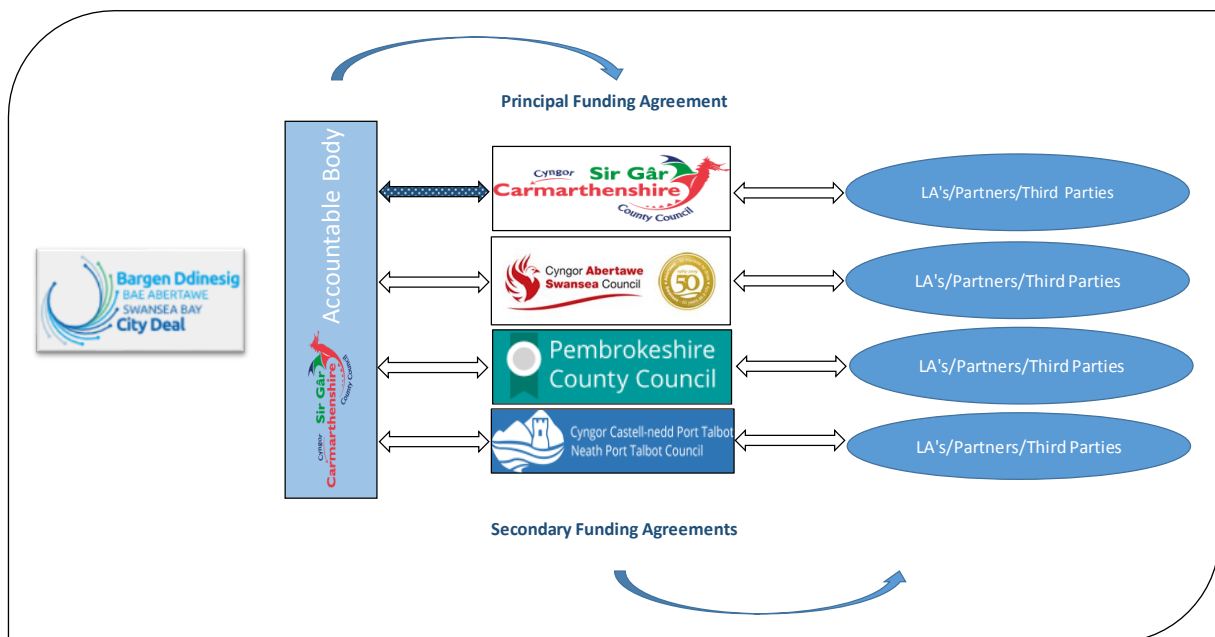
## 2. Funding Agreements

The management of City Deal grant will be governed through the implementation of funding agreements. These funding agreements will form the basis on which the release of funding will be discharged. Two distinct funding agreements (*Example 1.*) will require adoption - a principal funding agreement between the Accountable Body and Lead Authorities, and secondary funding agreements between the Lead Authorities and third parties.

The funding agreements are the legal agreements embedded within the programme to manage the release of funds to project delivery partners.

The purpose of these agreements is to establish terms and conditions on which Government grants will be distributed from the Accountable Body on behalf of the Swansea Bay City Deal. These agreements are necessary to provide a governance framework, ensuring programme funds are accounted for accurately, timely and transparently in line with the terms and conditions of the City Deal grant award.

### Example 1



\*A memorandum of understanding will exist between CCC as the Accountable body and CCC as the Lead Authority for programme delivery.

### Principal Agreements

This agreement details funding arrangements between Carmarthenshire County Council as the Accountable Body and each of the Lead Authority partners of the Swansea Bay City Deal programme, as set out in the Joint Committee Agreement. It ensures that the obligations contained within the UK and Welsh Government funding award letters are transferred from the Accountable Body to the relevant Lead Authority as appropriate. It sets out the project outputs, the mechanism for calculating the amount of funding, the process for payment and the governance arrangements for monitoring the use of the funding.

## Secondary Agreements

This agreement details funding arrangements between Lead Authorities and third-party organisations enlisted to support the delivery of the Swansea Bay City Deal Programme. The template is available for Lead Authorities to use if they wish and to tailor to the specific requirements of the project. As the Lead Authorities are accountable to the Accountable Body for the delivery of the project outputs and the proper use of the funding, then these secondary agreements are designed to transfer some of the liability to the delivery partners as appropriate, thereby protecting the Lead Authorities. As a result, Lead Authorities may choose to utilise this agreement when commissioning third party organisations to partner or support the delivery of programme projects.

The funding agreements support the Joint Committee Agreement by providing a governance structure ensuring there is clarity and understanding from both parties, enabling them to efficiently and effectively discharge their duties in delivering projects within the City Deal Programme. In addition to dealing with the purpose and process of project funding and the distribution basis of funding (with reference to the Joint Committee Agreement and Implementation Plan), the agreements also outline the statutory requirements including data protection, confidentiality and indemnity imposed upon the parties and a process for dealing with enforcement of obligations and disputes.

### **3. Financial Implications**

Financial implications will exist if Councils and delivery partners do not comply with the conditions set out within the funding agreements. This could result in non-payment of funding or claw back being instigated.

### **4. Legal Implications**

The terms and conditions contained within the UK and Welsh Government funding award letters are legally binding and the Councils must comply with the same. Use of the funding agreements will ensure that the Accountable Body and Lead Authorities are protected as far as possible from any breach of the terms and conditions by delivery partners.

It is not anticipated that the specific legal clauses will need to be changed but in the event that an essential and necessary change is required delegation to the SBCD S151 and SBCD Monitoring Officer is sought to make any changes on an exceptional basis to the template agreement within Appendix A.

**Background Papers:** None

#### **Appendices:**

Appendix A	Funding Agreement – Carmarthenshire County Council and Lead Authorities
Appendix B	Funding Agreement – Lead Authorities and LA's/Partners/Third Parties