

Exempt Report
Delegated Officer Decision

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 04 May 2022

Report Title

Levelling Up Fund – Leisure Economy. Partner Funding Agreements

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Assistant Director Approving Submission of the Report

Simon Moss, Assistant Director, Planning, Regeneration & Transport

Report Author(s)

Lorna Vertigan, Strategic Regeneration Manager
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Ward(s) Affected

Borough-Wide

(Hellaby & Maltby West, Boston Castle, Hooper, Wales)

Report Summary

This report seeks authority for the Assistant Director, Planning, Regeneration & Transport to exercise the delegation: “Bidding for external funding and grant aid, special financial packages for economic development/regeneration for both revenue and capital schemes, and their subsequent implementation” and sign 4 partner Funding Agreements (Maltby Academy, Gullivers Resorts, Magna Trust, Wentworth Woodhouse).

Recommendations

1. To sign the Funding Agreements in order to enable the delivery of the partner-led Levelling Up - Leisure Economy projects.

List of Appendices Included

Exempt Appendix 1 4 x Funding Agreements
Appendix 2 Equality Impact Assessment
Appendix 3 Carbon Impact Assessment

Background Papers

[Leisure Economy – Levelling Up Application
Scrutiny Review Recommendations - External Funding - Cabinet Report - 28 March
2022](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Name of Committee – Click here to enter a date.

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Council Approval Required

No

Exempt from the Press and Public

No

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains commercially confidential information.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information as public release could jeopardise delivery of the project.

Levelling Up Fund – Leisure Economy. Partner Funding Agreements

1. Background

- 1.1 Rotherham Council has secured £20m to support the leisure economy across the Borough from the first round of the Levelling Up Fund. This funding will deliver 6 individual capital projects, 4 of which will be delivered by partners (Maltby Academy, Gullivers Resorts, Magna Trust, Wentworth Woodhouse). The Council will oversee the projects from a monitoring perspective, but the projects will be wholly delivered by the partners.
- 1.3 To facilitate the delivery of partner projects, funding agreements will be put in place allowing funding to be drawdown against a set of specific deliverables.

2. Key Issues

- 2.1 The Council is the conduit for government funding and therefore Funding Agreements are required to manage the financial risk and ensure protection of public funds.
- 2.2 Delays in the receipt of the Government Memorandum of Understanding have required partners to work at risk and they are owed payments made up until 31st March 2022.
- 2.3 The Council will receive payments in 6 monthly tranches, part in arrears and part in advance. Following discussion with partners the Council has agreed to, in the main facilitate draw down of payments in arrears to partners at 3-monthly intervals, however in the case of three of the partners, where necessary and subject to certain measures as below, payment in advance will be allowed.
- 2.4 The protection against the risk of loss will include standard risk mitigation mechanisms as agreed with Legal services including:
 - Implementation of performance bonds as a mandatory element of the contractual arrangements with contractor on the capital project
 - Any appropriate method of warranty, insurance and security the Council considers fit to apply
 - Satisfactory progress with securing match funds with the Council given 'open book' due diligence access
 - Rigorous project management support independently validated by appointed Council experts with experience of high value and large scale capital build projects
 - Trustee professional experience on significant capital build projects, providing leadership and governance assurances
- 2.5 Requests for advance payment will be highlighted by the partner during quarterly meetings with project managers in anticipation of the next quarter's spend profile and likelihood of cash flow risk. The request will be considered

in preparation for the following quarter and mechanism established to deal with payment requests quickly.

3. Options considered and recommended proposal

- 3.1 The option to replicate the Department for Levelling Up, Housing & Communities and Rotherham Council funding agreement has been discounted as in the case of partner projects this is not considered to offer comprehensive protection of public funds.
- 3.2 The council could have assumed direct delivery of the projects however it is deemed more appropriate that partners project manage at their individual sites.
- 3.3 Officers' recommendation is to sign the attached Funding Agreements which enable the drawdown of invoiced sums in line with agreed spend, delivery plans and specified project outputs.

4. Consultation on proposal

- 4.1 Cabinet Members have been consulted during the preparation of the LUF bid and subsequently following the successful allocation of funds.
- 4.2 Partner organisations have had time to review and agree to the terms of the Funding Agreements.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This report recommends the Assistant Director, Planning, Regeneration & Transport to exercise the delegation: "Bidding for external funding and grant aid, special financial packages for economic development/regeneration for both revenue and capital schemes, and their subsequent implementation" and sign the 4 agreements.
- 5.2 DLUHC have set the grant payment schedule and the first tranche of funding was released to the Council in March 2022. This draw down process will be repeated every six months. In order to achieve spend deadlines and the ultimate delivery deadline of March 2024, the Funding Agreements are now required to be signed and the first payments to partners made. Partners require a timely process in order to preserve their cash flows.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

- 6.1 As the arrangements are in relation to grant funding agreements there are no direct procurement implications. Grant funding arrangements are used to support activity being undertaken by an organisation but where the nature of the legal relationship created is to spend the money in accordance with the grant for the specific purpose/activity agreed between the parties.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 As stated in the body of the report, the receipt of the funding by the Council is subject to a Memorandum of Understanding between the Council and DLUHC. The distribution of that funding to Partner organisations is subject to Funding Agreements which are legally binding between the Council and those organisations.

8. Human Resources Advice and Implications

8.1 There are no direct HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The schemes include skills development opportunities that will generate positive outcomes for young people.

9.2 The grant funding will invest in major cultural attractions across the borough which will be accessible to Children, Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 This delegation refers specifically to the signing of funding agreements and therefore there is no equalities impact.

10.2 Impact will be seen during the delivery of projects and in the final project outcome. This will be the subject of a specific Equalities Impact Assessment completed with each project specific business case.

11. Implications for CO2 Emissions and Climate Change

11.1 This delegation refers specifically to the signing of funding agreements and therefore there is no climate change impact.

11.2 Impact will be seen during the delivery of projects and in the final project outcome. This will be the subject of a specific Climate Impact Assessment completed with each project specific business case.

12. Implications for Partners

12.1. The Funding Agreements set out clear regulations for partners to adhere to throughout the lifetime of the project. It is considered that this is a clear and cohesive way to communicate and manage the DLUHC requirements.

12.2 Partner organisations will benefit from the signing of the agreements and the subsequent ability to draw down grant funding against project spend.

13. Risks and Mitigation

- 13.1 Rising costs across the built environment sector are a risk to delivery however the Funding Agreements stipulate any funding gaps are to be addressed by partner organisations.
- 13.2 The procedure for partners to draw down grant funding will be reliant on Council resources. A process has been agreed to maximise clarity and efficiency for all parties.

14. Accountable Officers

Lorna Vertigan, Strategic Regeneration Manager
 Tim O'Connell, Head of RIDO

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Named officer	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Named officer	Click here to enter a date.

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