

## **Appendix 6 – EM3 LEP Draft Heads of Terms**

### **Parties**

Funder – HCC (as Accountable Body for the LEP)

Recipient – WCC

### **Background**

The Funder to pay the Grant to the Recipient on behalf of the LEP to enable the progression of Public Realm works including site preparation works, for the proposed Carfax development.

HCC (as Highway Authority) will deliver the Public Realm works on behalf of WCC; the intention is for Carfax site preparation works to be carried out by an incoming site purchaser following site disposal.

### **Key Definitions**

Grant: £5m to be paid to the Recipient in arrears upon production of a claim form for reimbursement of costs together with supporting evidence (NB WCC are also discussing with EM3 LEP about tranches being paid on letting of contracts, set against stated milestones)

Commencement Date: to be agreed. LEP have proposed date of Agreement.

Grant Period: To fully implement the public realm works and the site preparation works for the Carfax Site and spend by 31 March 2021

Project Period: to be agreed. Project to be completed by this date (inc Carfax development)

Project Definitions: will cover –

- i. Public Realm Works
- ii. Carfax site preparation works
- iii. Completion of the Carfax development (ultimate project output)

### **Purpose of the Grant**

Grant to be used only for the delivery of the Project in accordance with the terms and conditions set out in the Grant Agreement. Grant shall not be used for any other purpose without the prior written agreement of the Funder and the LEP.

### **Payment of the Grant**

The Funder shall pay the Grant to the Recipient in arrears with supporting evidence. Timings of payments to be agreed.

Amount of Grant shall not be increased in the event of overspend.

### **Third Party Funding**

Where the Recipient intends to apply to a Third Party for other funding for the project, it will notify the Funder and the LEP.

### **Terms & Conditions**

LEP standard T&Cs are set out with regard to Accounts and Records, Monitoring and Reporting

Withdrawal of Funding:

Payments may be withheld or suspended if work does not commence within six months of Commencement Date, WCC proposing 12 months – to be agreed with LEP. Grant will only be paid subject to necessary funds being available when payment falls due.

Termination:

The Funder may terminate without liability on three months' written notice should it be required to do so by financial constraints imposed on it by the Government

EM3 LEP may require repayment of Grant drawdown if the project outcomes, including the (ultimate) development of the Carfax site, are not achieved.

### **Warranties**

Including that the Recipient has all necessary resources and expertise to deliver the project. NB WCC has clarified that Grant can be passed on to third parties in whose names works contracts are in place, other than that being WCC and is seeking written confirmation

### **Schedules to be attached:**

Schedule 1: The Project:

- Outputs
- Expected Outcomes
- Milestones
- Monitoring and Reporting

Schedule 2: Payment Schedule against Project Milestones:

- Carfax Development
- Public Realm

Schedule 3: Breakdown of Grant

Schedule 4: Claim Form