

Sheffield City Region Executive
1 1 Broad Street West
Sheffield
SI 2BQ

31st January 2019

**Sheffield City Region Local Growth Fund:
Outcome of Full Business Case Application
L00181 - Local Growth Fund — Digital Media Centre 2, Barnsley**

Dear Paul

We are pleased to inform you that following an appraisal of the information you provided in your Full Business Case, the Sheffield City Region Combined Authority met on 28th January 2019 and have agreed funding for the project, subject to the pre-conditions and conditions laid out in Appendix A.

Whilst we currently have ring-fenced £2,213,749 funding for your scheme, should you miss any of the deadlines set out below SCR reserves the right to invite other schemes from our pipeline programme to proceed instead. **Grant funding is not agreed unless and until a Grant Funding Agreement is executed by both parties.** These deadlines represent timescales that have been laid out in your full business case and regular project data sheet monitoring return.

Once grant is agreed through an executed Grant Funding Agreement we will publish the agreed Full Business Case on our website for information within 28 calendar days. If you require us to publish a redacted version and you have not already provided a copy of the redacted business case then please do so as a matter of urgency.

Joe Gardner — Projects and Contracts Officer (Joe.Gardner@sheffieldcityregion.org.uk) 0114 220 3482) is your nominated contact within Sheffield City Region who will finalise the Grant Funding Agreement and liaise with you on all contract management issues.

We look forward to working with you for the successful delivery of your scheme.

Yours sincerely



Sue Sykes
Assistant Director — Operational Contracts
Sheffield City Region
Annex A:

Pre-conditions

Execution of a Funding Agreement can only proceed once all the pre-conditions detailed below are met — the deadline for confirming all pre-conditions are met is 28th February 2019.

The following conditions must be satisfied before contract execution.

1. Submission of revised full business case which reflects all clarifications and comments, ensuring consistency (example clear statements on the acquisition terms, employment impact, risk etc) throughout the document and appendices as this will be the basis of any funding agreement.
2. Confirmation that the profiled 2018/19 LGF spend can be defrayed in year, as SCR is unable to guarantee that this will be reprofiled beyond year end, and/or that BMBC will cover any unfunded works from alternate sources.
3. Confirmation of the definitive set of outcomes, including appropriate baselines, which SCR will contract against and monitor.
4. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.
5. Submission of acceptable State Aid opinion.

The conditions above should be fully satisfied by 28^M February 2019. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

6. Submission of evidence of Board approval for the scheme.
7. Formal confirmation of all other funding approvals required to deliver the project.
8. Formal confirmation of commitment to address any cost overruns without unduly compromising project outputs and outcomes.
9. Submission of an updated project plan and risk register including sufficient contingency provision for all activities.

Conditions to be included in the contract.

10. All required statutory consents including relevant planning conditions must be satisfied. Failure to do so will result immediate return of funds to SCR
11. If this project does not proceed and the stated outputs are not delivered, the applicant will return the full LGF grant to SCR
12. On completion of physical works, 70% (£1,487,884) of this LGF grant will be placed out of scope for any clawback. The remaining 30% LGF grant will remain in scope until 79 gross fte jobs have been created at the site. The SCR Operational Contracts team will monitor progress on job creation based on the annual profile and baseline (as at funding agreement) submitted by the promoter. If by the end of the period (31st March 2025), the minimum threshold of 79 gross fte jobs have not being created, BMBC will return £8,072 for each job below the threshold.