

This Agreement is made this 17th day of September 2009

BETWEEN

- (1) NORTH WEST DEVELOPMENT AGENCY of Renaissance House P.O. Box 37 Centre Park, Warrington, Cheshire, WA1 1XB ("the Agency", which includes any statutory successors);
- (2) WIRRAL COUNCIL of Town Hall, Brighton Street, Wallasey, Wirral CH44 8ED ("the Accountable Body").

~~WHEREAS~~

- (A) The Agency is awarding this grant because the aims and objectives of the Project support the Strategic Programme Objectives within the Agency's current Corporate Plan. The Project will increase regional economic output by increasing business start up and survival rates and will deliver on the Government's commitment to simplifying business support for start-ups and young businesses in the north west of England.
- (B) The Agency, in exercise of its powers pursuant to the Regional Development Agencies Act 1998, agrees to make funding available in the total sum not exceeding the Maximum Sum for the purpose of financially assisting the Project on the following terms and conditions and the Accountable Body accepts the funding on the following terms and conditions.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement unless the context otherwise requires the following words and expressions shall have the following meanings:

"Act of Circumvention" means any act or omission of the Accountable

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Annexures:

- (1) Monitoring and Evaluation Plan
- (2) Claim Form and Progress Report
- (3) Auditor's Report
- (4) Exit Report
- (5) Branding Guide

BSUII will be an intensive business support product that will sit alongside Business Link Northwest's services and be co-branded with Business Link, in accordance with BSSP requirements.

The BSUII service will be tailored to individual need and cover four stages:

- enquiry handling and client engagement;
- business diagnostic service → assessment of ideas and needs, and action plan;
- support in development of a business plan (including intensive one-to-one support as well as one-to-many training); and
- aftercare support for up to 36 months after businesses start trading.

The qualitative appraisal has also identified a number of wider benefits associated with the preferred option, including its contribution to:

- promoting equality and social inclusion and support wider regeneration efforts; and
- increasing both the efficiency and quality of service delivery, as a result of simplification and regional management and co-ordination.

1.1 The Role of the Monitoring and Evaluation Plan

The Monitoring and Evaluation (M&E) Plan is a contractual document and is used to detail the monitoring and evaluation requirements agreed between the NWDA and the Northwest Operational Programme (NWOP) Executive to avoid any misunderstanding of the roles and responsibilities of each party.

This M&E Plan covers the ERDF funded part of the Business Start-Ups Phase II (BSUII) programme which will be sub-divided into separate M&E plans between the NWDA and Local Partners to match the service delivery model.

With the agreement and input of local partners; (Local Authorities, SRP's) the NWDA will appoint a framework agreement (panel) of service providers through an OJEU tendering process who will provide a BSSP compliant start-up service. In addition, an independent body will be procured to provide a regional programme management and monitoring service. This will include quality control (e.g. customer satisfaction surveys, mystery shopping) and administrative services (such as records for attribution of outputs to funding sources). Across the region, local partners (the NWDA, Local Authorities, or groups of Local Authorities or any combination of a representative Accountable Body thereof) will procure providers from the Panel.

The NWDA will package Single Programme and ERDF and seek to co-fund with LA's utilising relevant funding such as Local Enterprise Growth Initiative (LEGI), Working Neighbourhood Funds (WNF), Local Authority Business Growth Initiative (LABGI) etc. The LA 'share' of Single Programme / ERDF would then be grant aided to the LA / groups of LA's so one funding package is created for the LA to call off provision from the panel. Funding package amounts will be reviewed annually.

ERDF Monitoring and Evaluation Plan for Business Start-Up's Phase II

NB

This Monitoring & Evaluation (M&E) Plan covers the entire Business Start-Ups Phase II (BSUII) programme from an ERDF perspective.

Part 1 MONITORING PLAN

Programme Objectives:

The Business Start-Up's Phase II (BSUII) programme aims to contribute to narrowing the productivity gap between the Northwest Region and the South of the UK and has three inter-related aims, to:

- increase regional economic output by reducing the 91,000 business 'gap' in the region, by increasing business start-up and survival rates;
- target the groups (BME, women, over 50s, disabled, social enterprise) and areas (Halton, Wirral, Knowsley, Blackpool, Barrow, St Helens and all areas in the region with URC and Housing Market Renewal status) or other agreed target areas including rural areas, which under perform in terms of business start-up; and
- deliver on the Government's commitment to simplifying business support for start-ups and young businesses in the Northwest.

The match-funded targets for BSUII for the four year period from 1st April 2009 to 31st March 2013 are to:

- support 6,720 new businesses (gross);
- create 12,096 jobs (gross), an average per business of 1.8 jobs; and
- achieve a target survival rate for start-up businesses assisted of 93% in year one, 83% in year two and 72% in year three.

The target client group for support are those people with a desire to start a business or have started a business less than three years old – both VAT registered businesses and self employment. Support will be available to individuals whilst they are in the process of creating and starting their businesses, as well as on-going support to the business for up to 36 months from the commencement of trading.

BSUII will be targeted at:

- individuals who are in need of support to start a business receive the relevant skills, confidence and practical assistance to set up their business; and
- a subsequent level of support is available to improve business survival rates and potentially growth in future years.

The Partner will also be expected to ensure consistency with Business Link data, keep adequate records (e.g. CRM database evidence) and contribute to NWDA commissioned research to track progress towards outcomes detailed in the appraisal for evaluation of achievements.

1.5 Risk & Management

The Partners are responsible for the Project Management of their element of the programme on a day to day basis.

The Partners will manage their projects under best practice project management principles. Governance arrangements and controls will be implemented in accordance with the Partner's governance structure.

The Partner's Project Manager will be responsible for the management of the project risk log throughout the life of the programme.

The Partner's Project Manager is responsible for ensuring that risks are identified, recorded and regularly reviewed using the Risk Log that has been set up. The NWDA's Contract Manager will review the detailed risk logs with the Project Managers on a quarterly basis (as a minimum) through the Progress Monitoring Report and Progress Monitoring visits.

Any risks which become an issue and have the potential to exceed the relevant tolerance levels must be notified in advance by the Partner's Project Manager, to the NWDA's Contract Manager who will consider if a change control and approval is required and will follow the appropriate NWDA procedure.

Any issues which cannot be resolved by the Project Manager and Contract Manager will be escalated in the first instance to the NWDA Programme Senior Responsible Owner (SRO) who will agree the appropriate course of action for resolution or further escalation within NWDA.

1.6 Project Milestones

Milestone	Target completion date
Co-Funding agreed with Partners.	Mar 2009
Programme Launch.	Apr 2009
Interim Programme Evaluation (to include BSU Phase I and any adjustments required to current scheme).	Jul 2011
Programme review and re-negotiation.	Jan 2012
Programme Evaluation (to cover needs of a final ERDF Evaluation and also inform need for follow-on scheme).	Apr 2013
Input to Claw-back Review.	Ongoing, and as part of Exit Report.
Input to Complete Exit Report.	31 Jul 2014
Input to Complete Final Total Programme Evaluation Report.	31 Jul 2015

Proportion of assisted Start-ups in targeted groups (BME, women, over 50s, disabled, social enterprise) surviving 12, 24 and 36 months.	Survival: Confirmation at relevant stage that it is still trading, signed declaration by Owner / Director. Letter from company confirming it is trading after 12, 24 and 36 months, indicating nature of assistance / usefulness of assistance received. Must provide VAT registration or NI class 2 registration, or date of 1 st transaction where this can be evidenced and where applicable.	Information to be collected on gender, race and any disability to allow further analysis. (as above).
Numbers of Start-ups in targeted areas (Halton, Wirral, Knowsley, Blackpool, Barrow, St Helens, all areas in the region with URC and Housing Market Renewal status and rural areas) and employment in these start-ups.	Letter from employer when position first filled (letterhead with name/address of company, including postcode) confirming start date, permanent job, hours and evidence of employment of individual (e.g. contract, payslips, employment records).	Information to be collected on URC HMR or Rural status to allow further analysis.
Proportion of assisted Start-ups in targeted areas (Halton, Wirral, Knowsley, Blackpool, Barrow, St Helens, all areas in the region with URC and Housing Market Renewal status and rural areas) surviving 12, 24 and 36 months.	Letter from company (letterhead with name/address of company, including postcode) confirming it is trading after 12, 24 and 36 months, indicating nature of assistance / usefulness of assistance received. Must provide VAT registration or NI class 2 registration, or date and evidence of 1 st or subsequent transactions where this can be evidenced and where applicable.	Information to be collected on URC HMR or Rural status to allow further analysis.
New jobs created in spin-out businesses.	Name / post held / resident postcode.	
Other public sector co-funding leverage.	To be confirmed by chief financial officer / auditors (SGE annually).	
Measurement of Growth – turnover and employee numbers.	Checked through monitoring activity (visit, phone-call etc.) with client and recorded.	Company accounts.

* This provides examples of the evidence that will be required to support the outputs. The NWDA tasking framework and the OffPAT Combined Technical Note (CTN) should also be consulted for further details of the evidence required for each of the outputs.

** Note that these are not direct contracted outputs, but the Partner is required to provide the NWDA with details and evidence.

*** Evidence verification requirements may change over the lifetime of the project, any changes will be communicated to the partner. Evidence of Client Journey Stage payments as identified in the ITT must be maintained throughout the life of the project and until 31 December 2025 for audit purposes.

The NWDA will also require physical verification visits / activity including joint NWDA / independent programme management & monitoring service Audits during the programme. A budget allowance has been made to cover the NWDA's costs in this regard, which will include appointment of an independent programme management & monitoring service.

Evidence will also be required in relation to progress stages reached by start-ups to enable assessment of stage payment eligibility for deliverers.

The NWDA will package Single Programme and ERDF and seek to co-fund with LA's utilising relevant funding such as Local Enterprise Growth Initiative (LEGI), Working Neighbourhood Funds (WNF), Local Authority Business Growth Initiative (LABGI) etc. The LA 'share' of Single Programme / ERDF would then be grant aided to the LA / groups of LA's so one funding package is created for the LA to call off provision from the panel. Funding package amounts will be reviewed annually.

Performance against the funding agreement will be managed and monitored by the NWDA's Contract Management resources; supplemented by input from the independent regional programme management & monitoring service to ensure that the programme stays on track and delivers the intended outputs and outcomes.

(Day-to-day project management will be undertaken by the Local Authority partner or the NWDA with responsibility for delivering the contract (in absence of a co-funding partner) and follow best practice project management principles. Partners will be expected to report progress on spend; outputs and outcomes by submitting the following documentation to the NWDA by the agreed dates and timescales in the funding agreements: -

- o A completed NWDA claim form on a quarterly basis (unless otherwise agreed in writing by the NWDA);
- o A Progress Monitoring Report (narrative in the NWDA standard format) that captures progress against outputs, outcomes and milestones and highlights risks (i.e. market conditions) issues and proposed changes and any identified Strategic Added Value or Lessons Learned on a monthly basis (unless otherwise agreed in writing by the NWDA);
- o An annual Statement of Grant Expenditure (which reflects NWDA funding and Match funding defrayed).

Further:

- o Input to an operational programme evaluation by 30 Jul 2011 (commissioned by NWDA) or other agreed date;
- o Input to a lessons learned programme evaluation by 31 Apr 2013 (commissioned by NWDA) or other agreed date to inform any subsequent follow-on Start-Up programme;
- o Input to a Programme level Exit Report to capture and summarise programme lifetime achievements by 31 July 2014 or other date agreed with the Partners;
- o Input to a final Programme Evaluation Report (commissioned by NWDA) by 31 July 2015 or other date agreed with the Partners to both evaluate the Programme and serve as an interim evaluation of any subsequent schemes.

These reports and claims will be delivered in accordance with the timetable outlined in section 1.2 of this plan and cover the periods stated. The NWDA may wish to verify that work covered by the claim has been carried out in accordance with the contract before making any payments and where this includes ERDF, that evidence of defrayed expenditure is provided.

It is worth noting at this time that the ERDF accounting period runs from January to December, whereas the NWDA's accounting period runs from April to March.

Other ERDF requirements include an independent annual audit of defrayed expenditure (Total Project Expenditure) and retention of all original documents relating to the Project and its implementation and financing until 31 December 2025.

1.2 Timetable for Receipt of Project Monitoring / Other Reports, & Claims

Year	Date*	Report Expected	Covering Period	Comments
2009 / 2010	31 Jul 2009	Claim Form: Progress Monitoring Report (PMR). PEV***	Apr – Jun 2009.	Quarterly Claims and progress to include input on expenditure, outputs & corrective actions by PM body. NB - PMR's to be submitted monthly.
	31 Oct 2009.	Claim Form. PMR.	Jul – Sep 2009.	
	31 Jan 2010		Oct – Dec 2009.	
	30 Apr 2010	Claim Form. PMR.	Jan – Mar 2010.	Q4 Claims and progress (as above).
	30 Jun 2010	PMR.	Apr '09 – Mar '10.	
2010 / 2011	31 Jul 2010	Claim Form. PMR.	Apr – Jun 2010.	Q1 Claims and progress to include input on expenditure, outputs & corrective actions by PM body.
	30 Sep 2010	SGE** PMR.	Apr '09 – Mar '10.	(SGE) Statement of Grant Expenditure form.

The above schedule will be repeated annually up to and including 30 April 2012 (and, subject to contract continuation, the following will apply):

Year	Date	Report Expected*	Covering Period	Comments
13/14	30 Apr 2014	Claim Form. PMR.	Jan – Mar 2014.	Q4 (Final) Claims and progress to include input on expenditure, outputs & corrective actions by PM body.
	30 Jun 2014.	PMR.	Apr '13 – Mar '14.	
2014 / 2015	31 Jul 2014	PMR. Exit Report.	Mar – Jun 2014. Apr '09 – Mar '14	Q1 Progress. Capture and summarise programme lifetime achievements.
	30 Sep 2014	SGE**	Apr 2013 – Mar 2014.	Statement of Grant Expenditure form.
	31 Oct 2014	PMR.	Jul – Sep 2014.	Q2 Progress.
	31 Jan 2015		Oct – Dec 2014.	Q3 Progress.
	30 Apr 2015.		Jan – Mar 2015.	Q4 Progress.
15/16	31 Jul 2015	Evaluation Report.	Apr '09 – Mar '15.	Whole Programme Evaluation.

* 'Report Expected' date = 'no later than' where this day is not a week day, the report is expected on the nearest weekday preceding the 'report expected' date. A month is given between the reporting date and the reporting period to allow a full and substantiated report to be presented to the NWDA.

** The SGE (Statement of Grant Expenditure) for Public Bodies or an Independent Auditor's Report for Private Bodies should be submitted as soon as possible following every financial year-end, but no later than 30th September of the same calendar year. At the end of the five-year period, payment of the final claim will be withheld until the SGE / Auditor's Report is received.

graphic design as identified on page 01 of the Branding Guide and as more particularly described within the Branding Guide

"the Project"

means the Business Start-Ups Project to provide support for start-up businesses and businesses less than three years old by providing grants to either (1) local authority to pay to the Providers for the Services or (2) to pay directly to the Providers in order that they can provide the Services to the Clients. The provision of the Services will ensure the Clients have the relevant skills and practical assistance to set up their businesses, improve business survival rates and potential growth. The wider benefits include the contribution to (1) promoting equality and social inclusion and support wider regeneration efforts; and (2) increasing the efficiency and quality of service delivery as a result of simplification and quality of service delivery as a result of simplification and regional management and co-ordination;

~~"Project Manager"~~

**PROJECT
MANAGER**

means Ray Squire of Town Hall, Brighton Street, Wallasey, Wirral CH44 8ED being the project manager appointed by the Accountable Body for the Project or his replacement from time to time notified to and approved by the Agency in writing

"Providers"

means the service providers as set out in Schedule 1

"Qualifying Expenditure"

means costs (estimated to be in total the Initial Estimated Qualifying Expenditure) which the

countries in the world and together with all renewals and extensions

"Longstop Date"

means the date falling three years and three months from the date hereof Provided Always that the Agency will review the Project in January of each year whereupon it may (1) cease to make any outstanding amounts of the Grant payable and the Longstop Date shall be deemed to be the date of that decision or (2) may in its absolute discretion (but without any obligation so to do) from time to time extend the period within which the Project is to be carried out and completed in each case by giving notice in writing to the Accountable Body fixing a revised Longstop Date (whether or not the Longstop Date previously determined has passed) and upon the giving of such notice any such revised Longstop Date shall be substituted for the date previously fixed hereunder

"Maximum Sum"

means (always subject to 10.2.2.) £1,593,863 as may be amended by the Review Letter and being the maximum aggregate amount of funding to be provided by the Agency

"Monitoring and Evaluation Plan"

means the monitoring and evaluation plan annexed to this Agreement as Annex 1 as may be amended by the Review Letter

"Mini Tender Process"

means the Mini Tender Process as set out in the Supplier Agreement

"NWDA Logo"

means "The NWDA logo" in the manner and style and together with the accompanying