



5th December 2018

David Boyer
Director of Environment and Transport
Warrington Borough Council
3rd Floor New Town House
Buttermarket Street
Warrington,
WA1 2NH

Dear Mr Boyer,

Local Growth Fund (LGF) Final Grant Offer Letter (the “Grant Offer Letter”)

1. I am pleased to tell you that, subject to all the pre-conditions listed in paragraph 2 being satisfied, the Cheshire and Warrington Local Enterprise Partnership (also referred to as “We” or “Us” or “Our” or “LEP” in this Grant Offer Letter) will give [Recipient] (also referred to as “You” or “Your” or the “Organisation” or the “Recipient” in this Grant Offer Letter) a grant of up to £500,000 (five hundred thousand pounds only) (the “Grant”) under Section 31 of the Local Government Act 2003 to help implement the , as more fully described at Schedule 2 attached (the “Project”). This offer of the Grant is subject to the conditions set out in this Grant Offer Letter and Schedules 1, 2, 3, 4, and 5.

Preliminary conditions

2. The availability of the Grant will be subject to Us concluding in Our absolute discretion that each of the following conditions has been satisfied:

- a. Where legally required, that the Recipient has received State Aid clearance from the European Commission or legal advice that there are no State Aid implications to the Project;
- b. Confirmation from Your S151 Officer or equivalent that the Project offers value for money, and that the Recipient has approved funding in place to finance the Project.
- c. A completed project delivery plan (as detailed in schedule 1)
- d. WBC to provide confirmation of the tendered cost for the scheme and an updated BCR to reflect the finalised costs within 3 months of the contractor being appointed.

3. This offer of the Grant will automatically lapse if any of the conditions set out in paragraphs 2 of this Offer Letter have not been satisfied by You by 30th April 2020 or by a later date agreed in writing with Us.

Timetable for agreeing this offer

4. In order to take up Your offer You must agree the terms of Your Final Grant Offer Letter no later than the 15th December 2018.

Monitoring and reporting

5. Throughout the Monitoring Period (as defined in paragraph 3 of Schedule 3) the LEP’s Programme Manager will liaise with you on a regular basis. From time to time We may inspect the Project and may require additional information from You to enable Us to monitor its progress.

6. We will require a quarterly Claim Form and Monitoring Report (**Appendix 1**) (as defined in paragraph 1 of Schedule 4) each quarter during the Monitoring Period (as defined in paragraph 3 of Schedule 3) to update Us on high level progress with respect to Your Project. We will also require a detailed monthly project progress report (**Appendix 2**).

7. We also require a report confirmed by an independent auditor confirming that for a period of 3 years from the date on which the investment comprising the Project has been completed (the "Post Completion Monitoring Period"):

(a) the conditions of this Grant Offer Letter have been complied with;

Conditions for making claims and how to claim

8. The Grant will be paid in instalments as set out in Schedule 2. **Table A1** of Schedule 2 sets out the dates by which You must submit Your claims. It is in Your financial interests to make regular claims in accordance with these dates and the LEP cannot guarantee that grant unclaimed in one financial year can be rolled over into the next. Payment against claims will be processed on the LEP's behalf by Cheshire East Council acting as the LEP's Accountable Body.

9. Schedule 4 sets out the information which must be included with each claim. Claims must be submitted on a Quarterly Claim Form and Monitoring Report and You are required to supply a confirmatory report from an independent auditor on an annual basis in the form set out in that Schedule. We normally pay each grant instalment, or tell You why the claim cannot be accepted, within 30 calendar days of receiving a fully documented claim. Regardless of whether You are making a claim, You must submit a Quarterly Claim Form and Monitoring Report each quarter during the Monitoring Period (as defined in paragraph 3 of Schedule 3).

10. Before the final claim can be paid, We will require You to complete a Final Project Claim Report Form. Your contact at the LEP will liaise with You on the completion of this Report.

Procurement

11. The Recipient must when purchasing goods and services which are to be included in any claims for reimbursement of the Local Growth Fund Grant, comply with EU procurement directives (2014/23/EU and 2014/24/EU), the provisions of the Treaty of the Functioning of the European Union and the Public Contracts Regulations 2015 together with any other legislation or guidance relating to public procurement issued from time to time ("Public Procurement Legislation").

Document Retention

12. In common with other programmes, records for capital projects should be kept for the economic life of the project. You must ensure that all original documents relating to the project and its implementation and financing are retained for 6 years from the date of the final payment and/or the contract has expired, whichever is the later (in addition to the year it is paid in i.e. it is complete financial years).

Amendments to the Grant Agreement

13. This Grant Agreement and Grant Offer letter and schedules set out the entire agreement between the parties. They replace all previous negotiations, agreements, understandings and representations between the parties, whether oral or in writing.

14. Any amendments to this Grant Agreement shall only be valid if they are in writing and signed by an authorised representative of both parties.

Variation, withholding and repayment of grant

15. Schedule 5 sets out the circumstances in which We have the right to vary, withhold and/or require repayment of part or all of the Grant. If any of the circumstances set out in Schedule 5 occurs or may occur, You must tell Us immediately.

16. If You decide to withdraw from Your offer of the Grant at any time prior to payment of Your first claim, You must notify Us in writing of Your intention, and give some indication as to the reason for doing so. Where You have already drawn down some or all off Your Grant, You must on demand repay all payments of Grant already paid to the Organisation.

Other assistance

17. You must advise Us immediately if other sources of funding for the project change from those advised at the time of bidding.

Freedom of Information

18. Nothing in this Grant Offer Letter and the Schedules to it shall prevent Us from disclosing any information whether or not relating to the Project which We in Our absolute discretion consider that We are required to disclose in order to comply with information requests from the National Audit Office, with the Freedom of Information Act 2000, as amended, the Data Protection Act and/or the Environmental Information Regulations and/or any other statutory requirements whether or not existing at the date of this Conditional Grant Offer Letter.

Publicity and Evaluation

19. You agree to participate in any publicity or advertisement organised by the LEP or the LEP's representatives and to the name of the Director or Project Manager and relevant contact information being included in such publicity material or on relevant Websites.

20. Without prejudice to paragraph 18, You shall at all times comply with any current publicity requirements and branding guidelines for the CWLEP, Growth Deal and Northern Powerhouse. You will be notified of these identity guidelines. Any publicity material must also include the Northern Powerhouse Logo and Growth deal logo along with approved text.

21. You will not make or issue any press releases or make any announcement in relation to this Project, unless You (i) agree with Us the contents first and (ii) unless notified by Us not to do so, include in the press release / announcement a reasonably prominent statement that the Project is being supported by the LEP utilising Government's Local Growth Fund and make reference to the Northern Powerhouse. You should also allow time for a quote for the Northern Powerhouse minister (or other minister) to be included.

22. You must provide such information, participate in such surveys or other opinion gathering, and engage in such discussions, as We from time to time require in order to evaluate the outcomes of the Project and / or to assist Us in evaluating the outcomes of the Local Growth Fund more generally.

23. You must provide such information as We from time to time require in order to answer questions (including Parliamentary Questions and ministerial correspondence) on topics including, but not solely limited to, the operation of the Fund and its beneficiaries and the sectors the Fund supports, and information that We are required to supply to support the development and monitoring of Government policy.

24. For the avoidance of doubt, paragraphs 19, 20, 21, 22, 23 and 24 will continue to apply in full force and effect for 2 years after the end of the Monitoring Period (as defined in paragraph 3 of Schedule 3).

European Union

25. Government is obliged to give the European Union schedules of information on offers in certain industrial sectors. Very occasionally the European Union queries an offer, in which case We are obliged to give Government information about the case. You may be required to co-operate with the Us in the provision of such information.

26. The European Union law governing State Aid is currently in a period of modernisation and the outcome of that modernisation is uncertain in a number of respects. Having regard to that uncertainty, Government may require Us to amend the terms of this Grant Offer Letter if and to the extent required in order to comply with European Union law.

Entire agreement

27. This Grant Offer Letter and the Schedules to it and any non-contractual obligations arising out of or in connection with them constitute the entire agreement and understanding between Us and You with respect to all matters which are referred to and shall supersede any previous arrangement(s) between Us and You in relation to the matters referred to in this Grant Offer Letter.

Governing law and jurisdiction

28. This offer of the Grant is and all documents made under or in connection with it shall be governed by, and construed in accordance with, the laws of England. You hereby irrevocably submit to the jurisdiction of the Courts of England and Wales and Our address for service in England is: Cheshire and Warrington Local Enterprise Partnership, Floor 1 Wyvern House, The Drummer Winsford, CW7 1AH, Your address for service is: Warrington Borough Council, 3rd Floor New Town House, Buttermarket Street, Warrington, WA1 2NH

How to accept

29. You, a Director or equivalent authorised officer, of the Recipient should sign, date the Acceptance of this Grant Offer Letter and return the whole document to me by the 15th December 2018 at the latest. Please keep a copy for Yourself. If You do not accept Your Grant Offer Letter by this date, this offer of the Grant will lapse automatically and Your funding allocation will be lost.

30. If You do have any queries on this Grant Offer Letter or the Schedules, contact the CWLEP Programme Manager who will be pleased to advise You.

31. Please note that variations to this Grant Offer Letter will be effective only if We agree them in writing.

32. Please acknowledge receipt of this Grant Offer Letter within 3 working days from the receipt of this letter.

I look forward to receiving Your Acceptance and wish You every success with the Project.

Yours sincerely

Mark Livesey
Deputy Chief Executive
On behalf of the Cheshire and Warrington Local Enterprise Partnership



Acceptance

Note: If You give information that You know or suspect is untrue or misleading You may be committing an offence that could lead to prosecution.

I declare that the information in Omega to Burtonwood Shared Use path business case received in September 2018 and any other information given in support of WBC's application for funding under the Local Growth Fund is correct to the best of my knowledge and belief;
I have read carefully and understand this Grant Offer Letter and its Schedules and duly accept the offer on the conditions set out in this Grant Offer Letter and its Schedules 1, 2, 3, 4, and 5.

Signed:  Date: **6th December 2018**

On behalf of: Warrington Borough Council

Print Name: David Boyer

Position: Director Environment and Transport

Data Protection Statement

The application form, claims for an instalment of Local Growth Fund Grant (when completed) and this acceptance form contain information that is personal data for the purposes of the Data Protection Act 1998 and in respect of which We are obliged to supply the following information:

1. For the purposes of the Data Protection Act, Your contact is Julie Gibbs (Julie.gibbs@cheshireeast.gov.uk) and
2. The personal data that You have provided will be used for the purpose of administering this offer of funding. It may be given to any relevant government department or agency for this purpose and will not be disclosed to any other organisation for any other purpose other than in relation to cases of suspected fraud or where there is a statutory requirement for disclosure.

Schedule 1: Project Delivery Plan

1. You will provide a Project Delivery Plan that outlines the dates of key Project milestones. This will be agreed with Us and provide the baseline position for monthly Project monitoring, the format of which is attached at **Appendix 2**. You are advised to start discussions with Us on Your Project Delivery Plan as early as possible because receipt and agreement of this document will be a pre-condition of receiving Your Grant. Before the start of each financial year (meaning the period from 1 April to 31 March) during the Monitoring Period (as defined in paragraph 3 of Schedule 3) and no later than 15 February in the previous financial year, You will be required to provide an update of the Project Delivery Plan including any specific details on deliverables and milestones for that financial year ahead.
2. Your Project Delivery Plan should include a detailed schedule of the key delivery or decision points that could impact future stages or delivery of the Project, whether or not they trigger a grant payment. Milestones and deliverables should include the processes surrounding, for example:
 - a. applying for and receiving planning permission;
 - b. third party land purchases, including any compulsory purchase orders if they may be required;
 - c. contracting third party delivery agents (architects, building contractors etc.) – including tendering, awarding and agreeing contracts;
 - d. any statutory undertakings; and
 - e. key construction stages.
3. A suggested minimum outline for Your Project Delivery Plan should include:
 - a. **An introductory statement** outlining what the Project is and what it hopes to achieve and how;
 - b. **Project governance structure / management & delivery arrangements** including procurement strategy and adherence to the Recipients Procurement and Accounting Regulations;
 - c. **Project objectives**;
 - d. **A financial summary** detailing sources of funding and quarterly planned expenditure draw down of this grant against eligible expenditure by financial year
 - e. **Key milestones / performance indicators** including timeline for outputs and anticipated impact of the Project for the Recipient organisation & any wider impacts;
 - f. **Risk and Issues management plan** detailing risk and issues management process, main Project risks and issues and mitigations;
 - g. **Monitoring and Evaluation Plan** detailing the project outcomes and objectives and how the project will monitor and evaluate the achievement of these;
 - h. **Communications Plan** including stakeholder engagement and publicity plan and
 - i. **Any other relevant Project detail**

Schedule 2: The Project

1. Provision of a new 3.5m wide shared use path between the village of Burtonwood and the start of the shared use paths at J8, M62 Omega. It would allow residents from Burtonwood (and from St Helens to the north) a safe route to allow them access to the retail and job opportunities presented by the Gemini and Omega employment areas.

2. The offer of this grant is made on the basis of the Total Project Cost of £1.002m (One million, and two thousand pounds), as submitted to the LEP as part of the LGF3 sustainable travel bidding process and the business plan subsequently approved by the Local Enterprise Partnership.

Therefore the grant is offered at 50% (rounded to the nearest whole number) of this Total Project Cost up to a maximum of £1m.

Any scheme costs above this original Total Approved Project Cost of £1.002m are to be borne by the Recipient.

If the Total Project Cost were to fall below this figure of £1.002m, the offer of LGF grant would reduce accordingly in the same percentage as the offer i.e. the grant will remain as 50% (rounded to the nearest whole number) of the reduced LATEST Total Project Cost. If components of the scheme detailed in the final business case are omitted then the LEP reserves the right to ask for the scheme benefits to be reassessed and if the BCR falls below 1.5 the grant offer may be withdrawn

3. It is essential for Us to receive Your Monthly Project Progress Reports and Quarterly Claim Form and Monitoring Reports so that We can report on the LGF programme and make appropriate payments within the relevant financial year, therefore without prejudice to Schedule 4:

- a. You must provide us with a Monthly Project Progress Report by the fifth (5th) working day of each month using the quarterly monitoring and claim form as attached at Appendix 1.
- b. You must provide us with a Quarterly Claims and Monitoring Report by the fifteenth (15th) day of the months of July, October, January and April throughout the seven (7) year Monitoring Period (as defined in paragraph 3 of Schedule 3). Quarterly Claim and Monitoring Reports must be submitted every quarter from the start of your Project even if you are not requiring an instalment of grant in that Quarter.
- c. You will be paid an instalment of grant up to the maximum provided in the relevant column 4 of Table A1 when You have satisfied the associated requirements in the relevant column 2 of Table A1 and have made a claim which We have received before the relevant No Obligation To Pay Date in the relevant column 3 of Table A1.
- d. Where You have completed a percentage of work required by the relevant column 2 of Table A1 and have made a claim which We have received before the relevant No Obligation To Pay Date in the relevant column 3 of Table A1, We will pay up to the corresponding percentage of grant in column 4 of Table A1 or the maximum permitted under State aid law if that amount is lower.
- e. You will not be paid for expenditure relating to a particular requirement in column 2 of Table A1, where We do not receive the claim form before the relevant No Obligation To Pay Date in the relevant column 3 of Table A1. This applies even if You have otherwise satisfied the

associated requirements before the No Obligation To Pay Date in the relevant column 3 of Table A1 or if You satisfy the associated requirements after that date. See the examples in Schedule 4 for further details of the operation of paragraphs 2(b), 2(c), and 2(d).

- f. You may make up to four claims per year in respect of this grant, unless otherwise agreed by the LEP. The deadline for receipt by Us for claims relating to Table A1 is the relevant No Obligation To Pay Date listed in column 3 of Table A1. **Where You do not draw down some or all of Your Maximum Grant for the year, the LEP cannot guarantee that that this funding will be rolled forward into the next year.** The final Quarterly Claim and Monitoring Report for each financial year should be submitted no later than 7th working after 31st March each year. An annual report from an independent auditor (“the Auditor’s Report”) in the form at Schedule 4, should be submitted no later than the last working day in April each year, confirming the supporting information provided with claims made relating to the preceding financial year
- g. An Auditor’s Report, unless agreed in advance by the LEP, should also be submitted by the end of the calendar month in which that first or final claim is submitted. We will not make any payment in relation to Your final claim if an auditor’s report is not submitted by the due date confirming that there was nothing that could trigger any material change to that final claim.
- h. We will withhold further instalments of grant and may request repayment of sums already paid if the Claims do not comply with the requirements of this Grant Offer Letter or if any Auditor’s Report is not received by Us by the date specified or if We are not satisfied that the Auditor’s Report confirms the supporting information provided in relation to Your claims. **It is in Your financial interests to make regular claims in accordance with these dates, to reduce the risk of You not receiving grant funding.**
- i. **Where progress on Your project is ahead of schedule, We may, at Our sole discretion, agree to permit claims, supported by the required evidence, to be paid against the “maximum grant” payable figure for the following year, according to the grant instalment table A1.**

Table A1: Local Growth Fund grant instalments

Date of claims (1)	Requirements for payment (2)	No Obligation To Pay Date (3)	Maximum Grant (4)
15 July 2018 15 October 2018 15 January 2019 9 April 2019	When You have accrued £162k (excluding recoverable VAT) on the Project as set out in Table A2 of this Schedule 2 and You have provided a satisfactory Quarterly Monitoring Report.	9 April 2019	81,000
15 th July 2019 15 th October 2019 15 th January 2020 11 th April 2020	When You have accrued £242k (excluding recoverable VAT) on the Project as set out in Table A2 of this Schedule 2 and You have provided a satisfactory Quarterly Monitoring Report.	11 th April 2020	40,000
14 th July 2020 16 th October 2020 15 th January 2021 9 th April 2021	When You have accrued £1,002k (excluding recoverable VAT) on the Project as set out in Table A2 of this Schedule 2 and You have provided a satisfactory Quarterly Monitoring Report.	9 th April 2021	379,000
Total			£500,000

And annually on the same dates for July, October and January and WD7 for April in subsequent years

By agreement between the two parties, the intervention rate by year can be varied to allow the LEP to pay 100% of the costs in a year or period if required. The grant however will never exceed £500k or 50% of the project costs, whichever is lower.

For money to have been accrued, liabilities must have been:

- both incurred and invoices or Interim/final certificate received; or
- both incurred and in-kind benefits received; or
- both incurred and land value costs accounted for by The Recipient as a true project cost in their accounts

Finance, interest charges and recoverable VAT should be excluded.

Table A2: Indicative eligible expenditure for the project. This profile will form the baseline for project monitoring purposes.

Table to be completed by the Recipient Organisation

Years ended (31 March)	2017/18	2018/19	2019/20	2020/21	Future	Total
	£k	£k	£k	£k	£k	£k
Land Acquisition, etc		33	50			83
Professional Fees, etc	33	80	30	10		153
Statutory Undertakings		16				16
Works				750		750
Total capital expenditure	33	129	80	760	-	1,002
Cumulative expenditure	33	162	242	1,002	1,002	

Schedule 3: Outputs

1. You will be required to demonstrate that, as at the business day following the end of the Monitoring Period (as defined in paragraph 3 of this Schedule 3), You have satisfied the minimum Outputs Target as set out in Table B, below.
2. You will be required to submit your detailed output information during the agreed Monitoring Period, using the form at **Annex 1 of Appendix 1** on the outputs and outcomes which the project has delivered to date and the latest forecast projections against agreed targets. The outputs and outcomes which are to be measured for each project should be those as agreed in the Growth Deal monitoring metrics for your project. The core metrics are to be measured for all projects. If you are unsure of the project specific ones, please liaise with the CWLEP Programme Manager for clarification.
3. For the purposes of this Grant Offer Letter and the Schedules, the “Monitoring Period” means a period starting from the end of the first quarter after which this conditional offer is signed to seven (7) years after project completion.
4. Any variation to the Outputs Target during the Monitoring Period must be agreed in writing with the LEP.

Table B: Project Outputs

	2017/18	2018/19	2019/20	2020/21	Future	Total
Description						
Jobs created connected to the intervention (FTE)					50	50
Jobs created connected to the intervention (FTE temporary construction jobs)						
Commercial floor space constructed (sqm)						
Housing units starts (no)					100	100
Housing units completed (no)					100	100
Private Leverage (£)				250,000		250,000
Public Leverage (£)				252,000		252,000
Other (please state)						0

The numbers above are based on the financial years ending 31 March.

4. How the project will be funded.

Please complete the table below detailing what funding has been secured for delivery of the project:

Table C

Funder	Amount Committed to the project (£k)	Comments (e.g. does it need to be spent by a certain time or only on certain elements of the scheme)
Local Growth Fund	500	
Warrington Borough Council	252	
Developer contributions	250	
Total*	1,002	

Schedule 4: How to claim instalments of Grant

1. Make claims for each instalment of grant by submitting a Quarterly Claim Form and Monitoring Report (**Appendix 1**). Claims should be submitted to the LEP's Programme Manager by the deadlines set out in Table A1 of Schedule 2 of this Offer Letter. Claims will be checked for compliance by the LEP who will then instruct Cheshire East Council, the LEP's Accountable Body, to process grant payment.
2. The amount of grant payable will be at the agreed percentage of net eligible costs in respect of which monies have been accrued by You on the Project between the start of the claim period and the end of the claim period up to the maximum grant amount as set out in para. 1 of this offer letter on page 1.
3. For monies to have been expended liabilities must have been incurred and paid. No claim can be accepted for liabilities which have been incurred but have not yet been paid.
4. The eligible costs shall be the costs set out in Table A2 of Schedule 2.
5. For each claim You are required to complete the table in the grant claim form setting out the actual eligible project expenditure and the associated grant expected from Us. You need to specifying Your quarterly claims what is contained within any spend category and a forecast for the next two quarters. The Programme Manager will guide You on this and review these costs during the claim process. More detailed expenditure forecasts are required in Your monthly project progress report.
6. With each claim include:
 - a. details of any material changes to the milestones for the delivery of the Project and your assessment of the risks to delivery of the Project including information on progress and mitigating actions; and
 - b. confirmation that no other public assistance has been received for the Project (other than that previously agreed at the time of project submission); and
 - c. any further information requested by Us to enable the claim to be processed.
7. You must, provide an independent Auditor's report, unless otherwise agreed by the LEP, no later than the end of the calendar month in which Your first grant claim is submitted. Thereafter, on an annual basis no later than the last working day in April after Your quarter 4 claim of each financial year where You are submitting claims, provide an independent Auditor's Report. This report must cover the period since Your last Auditor's Report or, where this is Your first report, since the Project began. The final claim will trigger the need for the Auditor's Report at that time, even if that time is before Your quarter 4 claim. This Report must be submitted by the end of the calendar month in which that final claim is submitted, The Auditor's report should be set out in the form below in all instances.
8. The Auditors Report will be paid for by You. If you propose to use an internal audit team, rather than an external provider, to undertake this function this must be agreed in advance with the LEP.
9. Payments will be made to You by Cheshire East Council as the LEP's Accountable Body.

Illustrative examples of grant repayments where the requirements of Table A1 are not fully met.

The below example is designed to help You understand the operation of paragraphs 2(b), 2(c) and 2(d) of Schedule 2.

A hypothetical Project (“Project A”) plans to expend £4,000,000 in eligible costs during financial year 2016/17.

The maximum grant for 2016/17 is £400,000.

Table A1: Local Growth Fund grant instalments (for illustrative purposes only)

Date of claims (1)	Requirements for payment (2)	No Obligation To Pay Date (3)	Maximum Grant (4)
15 July 2016 15 October 2016 15 January 2017 11 April March 2017	When You have defrayed £4,000,000 (excluding VAT) on the Project as set out in Table A2 of this Schedule 2, and You have provided a satisfactory Monitoring Report.	11 April 2017	£400,000

Scenario 1 (full defrayment of planned eligible costs)

Project A has defrayed £4,000,000 on the Project in accordance with the relevant column 2 of Table A1 above, and has made a claim which We have received before 11 April 2017. As such it has fully satisfied the requirements in columns 2 and 3 of Table A1.

Outcome

We will pay Project A up to 100% of the relevant Maximum grant in column 4 of Table A1; that is up to £400,000.

Scenario 2 (partial defrayment of all planned eligible costs)

Project A has defrayed 60% of the amount it planned to defray in 2016/17, and has made a claim which We have received before 11 April 2017. That is, it has defrayed £2,400,000 on the Project. As such it has partially satisfied the requirements in columns 2 and 3 of Table A1.

Outcome

We will pay Project A up to 60% of the relevant Maximum grants in column 4 of Table A1, that is up to £240,000.

Scenario 3 (claim made after relevant no obligation to pay date)

Project A has defrayed 100% of its planned eligible expenditure by 31 March 2017, but we do not receive the claim form until 12 April 2017 (i.e. after the relevant No Obligation To Pay Date set out in column 3).

Outcome

Project A receives no grant for 2016/17, despite defraying their expenditure to schedule. There is no guarantee that their grant is rolled over into the next financial year. Payment of the grant will be at the discretion of the LEP.

The Auditor's Report

[Date]

1. [Name of Auditor] has examined the enclosed claims from [the Recipient] (the "Organisation") for the period from [date] to [date] in accordance with the terms and conditions of the engagement letter dated [date] and the Grant Offer Letter dated [date]. These claims have been prepared by and are the sole responsibility of the directors of the Organisation.
2. [Name of Auditor] has carried out a reasonable level of assurance assignment by performing the following tests:
 - a. [Name of Auditor] has selected a random sample of eligible expenditure incurred by value as reported on the claims and traced them to invoices or other supporting documentation and evidence of payment to check that they have been properly incurred and defrayed in accordance with the terms and conditions of the Grant Offer Letter;
 - b. [Name of Auditor] has verified the outputs claimed by the project and checked that there is adequate supporting information available to support these claims;
 - c. [Name of Auditor] has confirmed the arithmetical accuracy of the schedules relating to the claims and agreed them to the appropriate supporting documentation. [Name of Auditor's firm] has also checked whether the grant claimed by the Organisation has been calculated in accordance with the terms and conditions of the Grant Offer Letter;
 - d. [Name of Auditor] has confirmed that any State Aid implications have been considered and compliance with Public Procurement Legislation has occurred.
3. Statement of any errors and reservations/exceptions. These, if any, should be clearly stated under this paragraph.
4. Based on the examination as above and subject to the possible financial effect of any reservations or qualifications set out in paragraph 3, [Name of Auditor] report that based on the findings, in [Name of Auditor's firm] opinion the claims for grant payment meet the conditions of the Grant Offer Letter (which includes its Schedules) dated [date].
5. [Name of Auditor's firm]: confirm that:
 - a. during the period from commencement of the Project [date] to [date]¹ the Organisation accrued the cumulative expenditure totals as per the table below that are eligible for grant aid for the Project in accordance with the Grant Offer Letter and its Schedules:

¹ This date will be the date of the last claim made in the financial year. In the grant offer letter this is normally March 15th but recipients may make their last claim before this if they have defrayed the required amount of expenditure as set out in the grant offer letter.

Expenditure Type for which grant aid is being provided.	Cumulative amount achieved from the commencement of the project [date] to [date] ² (excluding VAT).		
	£		
Land Acquisition, etc	[Date from]	[Date to]	
Professional fees, etc	[Date from]	[Date to]	
Statutory Undertakings	[Date from]	[Date to]	
Works	[Date from]	[Date to]	
Equipment	[Date from]	[Date to]	
Total			

b. the Organisation has maintained adequate records to enable us to report on this claim and has made available all evidence that was attached to claims made in the period [date] to [date].

6. Our report is prepared solely for the confidential use of the Organisation and LEP or any other UK central government department and solely for the purpose of verifying the grant claimed. It may not be relied upon by the Organisation or BIS or any other UK central government department for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other published document without our written permission except where disclosure is required as a result of a statutory obligation. Our report must not be made available, copied or recited to any other party without our express written permission in every case except that the Organisation or BIS or any other UK central government department may disclose the report where it has a statutory obligation to do so. Other than to the Organisation and, BIS or any other UK central government department [Name of Auditor] do not have any duty to any other party to whom this report may be disclosed.

7. The engagement to report on the grant claim is separate from, and unrelated to, the audit of the annual financial statements of the Organisation and that the report relates only to the matters specified and that it does not extend to the grant recipient's annual financial statements taken as a whole.

8. Name, contact details and signature of the reporting auditor.

9. Date of the report.

10. Name and contact details for enquiries, if different from above.

² Ibid

Schedule 5: Variation, Withholding and Repayment of Grant

1. All references to “the Organisation” refer to the Recipient.
2. We may vary or withhold any or all of the payments and/or require repayment of grant already paid to the Organisation if, at any time before the end of the seven (7) year Monitoring Period (as defined in paragraph 3 of Schedule 3) or the end of the Post Completion Monitoring Period (as defined in paragraph 8 of this Grant Offer Letter):
 - a. the Organisation has entered into an arrangement to defray money or defrayed money on the Project before such a date that has been agreed between the Organisation and the LEP when this offer has been made;
 - b. the arrangements for financing the Project are changed;
 - c. assistance for the Project (other than that already notified) is received or promised from an institution of the European Union, a Government Department, a local authority or any other partly or wholly publicly financed body or charitable fund;
 - d. in Our opinion, progress on the Project, including without limitation progress towards reaching the Output Targets shown in Schedule 3, is not satisfactory;
 - e. in Our opinion, the future of the Project is in jeopardy;
 - f. in Our opinion, there is a significant change in the scale or nature of the Project;
 - g. in Our opinion, there has been a breach of Public Procurement Legislation;
 - h. whether or not before the date of this Grant Offer Letter, the Organisation or any subsidiary or holding Organisation of the Organisation or any subsidiary of any such holding Organisation or any director, officer or employee of any of the foregoing companies has committed or commits:
 - i. an offence under the Bribery Act 2010 or any legislation repealed or revoked by that Act;
 - ii. an offence under any other UK legislation or common law concerning bribery, corruption or fraudulent acts; or
 - iii. any activity, practice or conduct which would constitute one of the offences referred to in (i) or (ii) above if such activity, practice or conduct had been carried out in the UK,in each case whether or not in connection with the Grant or the Project.
 - i. the pre-conditions stated in paragraph 2 of this Grant Offer Letter are not satisfied and/or cease to be satisfied;
 - j. the auditor identifies any errors in claims submitted in their report;
 - k. there is a change of ownership or control of the Organisation;
 - l. the Organisation ceases to own, or for a period of more than 3 months stops using for the purposes of the Project, part or all of the Premises, or any of the assets, all as specified in Schedule 2;

- m. in Our opinion, any information the Organisation has given in relation to the Project changes substantially during implementation or is shown to be or have been incorrect or misleading or any claim for grant is based on misleading information; or
- n. the Organisation fails to comply with any terms or conditions of this Grant Offer Letter or in the Schedules.

European Union

3. We may vary or withhold any or all of the payments and/or require repayment of grant already paid, together with interest from the date of payment, if We are required to do so as a result of a decision by the European Commission or as a result of any obligation arising under European Union law.

General

4. Each of the provisions of this Schedule 5 is without prejudice to its other provisions.

Appendix 1 Grant claim and Monitoring report

To be sent separately with offer letter