



Department for  
Business, Energy  
& Industrial Strategy

20.03.2023

London Borough of Harrow, Civic Centre, Station Road, Harrow, Middlesex, HA1  
2XF

Dear London Borough of Harrow

### **Social Housing Decarbonisation Fund – Wave 2.1**

1. The Secretary of State for Business, Energy and Industrial Strategy (referred to in this letter as “**We**”/ “**Us**”/ “**Our**”), offers London Borough of Harrow (referred to in this letter as “**You**”/ “**Your**”) a grant (“**Grant**”) subject to Your agreement to, and compliance with, the terms and conditions set out or referred to in this letter, its Appendices and Schedules. These terms and conditions should be read in conjunction with the standard terms and conditions in the Grant Funding Agreement and accompanying Annexes issued by Us (the “**Grant Funding Agreement**”), which together comprise the “Agreement” on which the Grant is given by Us to You.
2. This offer is made pursuant to Your successful application in the recent call ‘Apply for the Social Housing Decarbonisation Fund: Wave 2.1’, first published 8<sup>th</sup> June 2022 and found at <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-2>.
3. The Grant is offered under Section 98 of the Natural Environment and Rural Communities Act 2006 (“NERC”).

### **Amount of Grant**

4. The maximum amount of Grant offered is up to £2,147,504.00 (Two Million One Hundred and Forty Seven Thousand Five Hundred and Four Pounds & 00p) for the period ending 31 March 2025. This is the total amount of Grant that We may pay and this amount will not be increased as a result of any overspend or otherwise.

This will be paid as follows:

- a) up to £917,379.53 (nine hundred and seventeen thousand, three hundred and seventy nine pounds and 53p) in financial year ending on 31 March 2024 and
- b) up to £1,230,124.47 (one million, two hundred and thirty thousand, one hundred and twenty four pounds and 47p) in financial year ending on 31 March 2025.

## **Purpose of Grant**

5. The Grant is offered to You to contribute to certain expenditure (see paragraphs 14 to 15) (“**Eligible Expenditure**”) where that expenditure is reasonably incurred by You in undertaking a significant upgrade of the social housing stock currently below, and on an ‘infill’ basis at or above, EPC Band C up to that standard; delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs (“**the Funded Activities**”). The Grant is for capital use.
6. A description of the Funded Activities is set out in **Annex 2** to the Grant Funding Agreement.

## **Eligible Expenditure**

7. Subject to paragraphs 15 and 16, the Eligible Expenditure is limited to the costs specified in **Annex 5** to the Grant Funding Agreement.
8. Under no circumstances may the Grant be claimed or used to cover any Ineligible Expenditure listed in paragraphs 5.3 and 5.4 of the Grant Funding Agreement or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Expenditure for the purposes of this letter). The Eligible Expenditure must be kept to the minimum for the efficient conduct of the Funded Activities, and expenditure that We reasonably determine to be in excess of that amount does not constitute Eligible Expenditure.

## **Funding Period**

9. The Eligible Expenditure for which the Grant is awarded is expenditure limited to costs which are incurred between the date You sign this letter and 31 March 2025.

## **Expenditure Prior to Funding Period**

10. Notwithstanding Paragraphs 12–16 above and the definition of Funding Period, the Outputs at **Annex 6** to the Grant Funding Agreement allow for certain expenditure that would be Eligible Expenditure if it was incurred during the Funding Period to be accounted for in your Co-Funding arrangements. This will only apply to projects started after Competition Launch (as it is defined in the Grant Funding Agreement).
11. We make no representations, promises, guarantees, or warranties that any expenditure incurred before the Funding Period will be taken into account as if incurred under the Grant Funding Agreement for the purposes of Co-Funding. Expenditure prior to the Grant Funding Agreement and Funding Period will not be reimbursed and is made entirely at your own risk.

## **Payment of Grant**

12. The Grant will be paid in accordance with the instalments in **Annex 3 and with the Grant Payment Process in Annex 11** to the Grant Funding

Agreement, upon receipt from You of a Grant Drawdown Request in the form set out in Appendix 1 to this letter.

### **Accountable Officer**

13. You must appoint a person (the “Accountable Officer”) responsible for ensuring that You use the Grant in compliance with the Agreement and notify Us of the identity of the Accountable Officer. We must approve the appointment of any person who is not the Chief Executive Officer or Chief Financial Officer.
14. The Accountable Officer must maintain oversight of Your use of the Grant and:
  - a) safeguard, control and ensure the efficient, economical, and effective management of the Grant;
  - b) advise You on the discharge of Your responsibilities under the Agreement and under any subsequent terms and conditions agreed by You and Us, or any guidance or other information notified by Us;
  - c) ensure that principles of probity, robust governance, transparency, and value for money are maintained at all times in relation to the Grant;
  - d) be responsible for signing the accounts relating to the Grant, ensuring that they are properly prepared and presented and that proper accounting records are maintained in a form that complies with generally accepted accounting practices to which You are subject; and
  - e) ensure that conflicts of interest are avoided.

### **Grant Drawdown Requests**

15. Your Grant Drawdown Request[s] must include the following:
  - a) the information and evidence required for the relevant instalment in paragraph 4 of the Grant Funding Agreement in accordance with the process set out in Annex 11 to the Grant Funding Agreement; and
  - b) an accompanying invoice containing the Purchase Order number and amount being claimed for that Instalment Period.

### **Conditions Precedent**

16. The offer of Grant is conditional on You providing Us with the following:
  - a) the completed and signed form in Annex 4 of the Grant Funding Agreement confirming Your bank details and the details of Your signatories;
  - b) evidence showing that an Accountable Officer has been appointed;
  - c) a completed and signed Data Sharing Agreement;

- d) At this point we have no further questions on your subsidy position. Communications will be provided in due course with relation to the requirements on disclosing grant awards on the Transparency Index. You are however required to complete the Small Amounts of Funding Exemption (Ref Annex 10, Grant Funding Agreement) on behalf of any non-social homes in your bid. If you have no non-social homes, please return the document as a nil return.
  - e) The application form sets out the requirements for the evidence of co-funding, which are as follows: 'Applicants should outline the source of funds for co-funding and are expected to provide evidence of secured co-funding such as board sign off, minutes from meetings or letters of commitment, as annex K. Applicants are required to provide evidence that co-funding has been signed off at CFO level. The co-funding value shown in evidence should match the value input to table 15 of the application form.' Please submit evidence of co-funding that meets these requirements.
  - f) The project plan submitted as Annex F is basic, covering the 9 BEIS milestones but without many associated sub tasks or dependencies. Please review and resubmit a detailed project plan, noting the dates for completion of milestones in the project plan should align with the dates in Table 9 of the supplementary tables document. It was also noted that table 9 itself was only partially completed. Please review and update the project plan, as well as completing the "Project Baseline Template Full" tab in the "GR Checklist & Associated Documents" ensuring that the project plan, milestones and spending estimates are aligned.
  - g) The risk register submitted as Annex G only included risks that were already provided by BEIS, with no further project specific risks added. Please review the document and resubmit with consideration to wider risks that the project may face.
17. The offer of Grant is also conditional on You and Us agreeing an appropriate percentage of the Grant that must be spent in each year of the Funding Period (see **Annex 6** of the Grant Funding Agreement).
18. You must ensure that We receive the information and evidence required above with 30 days of this letter being issued. Should You fail to do so, or should We reasonably conclude that the information and evidence provided prior to that deadline is unsatisfactory, We shall be entitled to withdraw the Grant (and any Grant already paid by then will be repayable with interest).

### **Subsidy Control**

19. The Grant Recipient will ensure that delivery of the Funded Activities does not put the Authority in breach of the UK's domestic obligations under the Subsidy Control Act or its international obligations in respect of subsidies.
20. The Grant Recipient will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable

steps to assist the Authority to comply with the same and respond to any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body.

21. The Grant Recipient acknowledges and represents that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods and wholesale electricity between Northern Ireland and the European Union and shall ensure that the Grant is not used in way that affects any such trade.
22. References in this letter to the “**Trade and Cooperation Agreement**” shall have the same meaning as in the Grant Funding Agreement.

### **Conditions**

23. You must comply with the standard terms and conditions set out in the Grant Funding Agreement which apply to this Grant and accompany this letter, in addition to all other requirements set out or referred to in this letter and its Appendices.
24. The standard terms and conditions in the Grant Funding Agreement are amended as follows:

In **paragraph 8.1** of the standard terms and conditions in the Grant Funding Agreement the requirement to provide independent assurance and certification of Grant Drawdown Requests by an independent auditor shall apply to this grant offer letter as follows:

### **Director’s declaration**

Your Grant Drawdown Request[s] must be accompanied by a statement by one of Your directors (or if You are not a company, an officer of equivalent status) in the following terms:

“I confirm that I have considered the information and evidence provided in support of this Grant Drawdown Request, and the terms and conditions of the Grant and that:

- a) the information and evidence is complete, true, and accurate. If I give information which I know is not correct or complete, I understand that action may be taken against me; and
- b) we have complied with the terms and conditions of the Grant.

### **Reasonable assurance report**

On an annual basis you must submit to Us a reasonable assurance report from an independent reporting accountant in the form in **Schedule 1** to this letter.

### **Accountants: engagement terms**

Where an assurance report is required, You must engage the relevant accountant on the terms in **Schedule 2** to this letter. The documentation in

Schedules 1 to 2 is based on templates in Technical Release AAF 01/10 (Framework Document for accountants' reports on grant claims) of the Institute of Chartered Accountants in England and Wales (ICAEW). You must not materially modify those terms and conditions without the prior consent in writing of the Secretary of State.

### **Accountant's payment**

Where an assurance report is required, You are responsible for paying the accountant's fees and must not use the Grant to do so.

25. In the event of any conflict or inconsistency between the Grant Offer Letter and the Grant Funding Agreement, the Grant Offer letter takes precedence.

### **Publication**

26. You will not make any announcement (public or otherwise) that you have been successful in applying for and/or will be awarded grant funding until notified by BEIS that it is permissible to do so. BEIS will endeavour to provide adequate forewarning of relevant publication dates. Where references to successful award is made within routinely published documents (e.g., board minutes), the Grant Recipient is required to notify BEIS. Refer paragraph 24 of the Grant Funding Agreement.

### **Warranties**

27. By signing this Grant Offer Letter, you warrant and represent that:
  - a) Your obligations under the Grant Offer Letter and Grant Funding Agreement are legal, valid, binding, and enforceable;
  - b) all authorisations and consents necessary to enable You to enter into and perform the obligations in the Grant Funding Agreement have been obtained; and
  - c) the person signing Grant documentation is duly authorised to sign on your behalf.
28. Nothing in the Grant Offer Letter, Grant Funding Agreement or the provision of Grant gives or is intended to give rise to contractual relations.

**Notices and contact**

29. In communicating with Us, Your contact within the Department of Business, Energy and Industrial Strategy is:

Contact: SHDF Wave 2.1 Delivery Team,  
Contact email: shdfwave2.1@beis.gov.uk,  
Postal Address : Department for Business, Energy and Industrial Strategy, 1  
Victoria Street, London, SW1H 0ET, United Kingdom

**Duration of offer**

30. This offer remains open 30 working days, at which point it expires. If You wish to accept this offer, You must ensure that We receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time.

**Acceptance**

31. If You wish to accept this offer, You must sign and date both copies of the Grant Funding Agreement and the grant offer letter appended to each Grant Funding Agreement and return one signed copy to Us. It must be signed by someone who is authorised to sign on behalf of your organisation. Please provide evidence of their authority to sign and bind your organisation. Please also provide a day to day contact name and email address.

Yours sincerely,

Caroline Withey

Programme Director – Social Housing Decarbonisation Fund

**Agreement**

I confirm, for and on behalf of the **London Borough of Harrow**, the agreement of **London Borough of Harrow** to the terms and conditions set out or referred to in this letter and its Appendices and Schedules.

Signed: .....  .....

Printed Name: .....David McNulty.....

Position: .....Director of Housing.....

Date: ..... 02/05/23 .....

**Day to day contact for the Grant:**

Name: .....Andres Shoman.....

Position: .....Project Lead: Strategy & Programme.....

Email address: .....andres.shoman@harrow.gov.uk.....

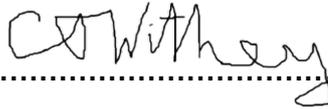
**Accountable Officer for the Grant:**

Name: .....Dawn Calvert (Director of Finance).....

Email address: .....dawn.calvert@harrow.gov.uk.....

**BEIS**

**SIGNED by:**



**Signature**

**[insert authorised  
signatory's  
name]**

Caroline Withey.....

**Title** SHDF Programme Director

**for and on behalf of the  
[insert name of Department]**

Department for Energy Security and Net Zero.....

**Date** 05.05.2023

## APPENDIX 1

### GRANT DRAWDOWN REQUEST FORM

#### CLAIM FOR PAYMENT OF GRANT

This form must be used when you wish to claim an instalment of the Grant. When making a Grant Drawdown Request, as set out in the standard terms and conditions of in the Grant Funding Agreement and line with the Grant Payment Process outlined in Annex 11 to the Grant Funding Agreement.

This claim should be accompanied by an invoice which contains the relevant Purchase Order number and amount of grant being claimed in this Instalment Period.

We may request and You must supply proof of expenditure and any other supporting documentation and information in addition to the Grant Drawdown Request Form as We may require. As a minimum, proof of expenditure will be required three times per year as part of the Evidence Check within the Reconciliation Process.

**Name of Applicant Organisation:** London Borough of harrow

**Instalment Period** (Month) (Year)

	Amount (£)
<b>Total grant</b>	
<b>Total grant paid to date</b>	
<b>Total grant requested in this Grant Drawdown Request</b>	<b>(to follow May)</b>

DEPARTMENT FOR BUSINESS, ENERGY & INDUSTRIAL STRATEGY

**SCHEDULE 1**  
**REASONABLE ASSURANCE REPORT**

To: Directors and the Secretary of State for Business, Energy, and Industrial Strategy ("BEIS")

This report is produced in accordance with the terms of our letter of engagement dated [XX] for the purpose of reporting to [the directors of client] (the 'company') and BEIS (and any parties appointed to act on its behalf) in connection with the monies receivable from BEIS under its Grant Funding Agreement dated X in respect of [project name] [for the period ended [date]] and in accordance with the terms of our engagement letter dated [date] (attached).

Our report is prepared solely for the confidential use of [insert name of grant recipient] and BEIS (and any parties appointed to act on its behalf). This report is released to [insert name of grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent except where there is a statutory requirement of disclosure. Without assuming or accepting any responsibility or liability in respect of this report to any party other than [insert name of grant recipient] and BEIS, we acknowledge that [insert name of grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of [insert name of grant recipient] and BEIS and particular features of our engagement determined by their needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against [name of accountant] for any purpose or in any context. Any party other than [insert name of grant recipient] and BEIS (and any parties appointed to act on its behalf) which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, [name of accountant] will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

As directors of the company, you are responsible for ensuring that accounting records are maintained which disclose with reasonable accuracy, at any time, the financial position of the company/organisation, and in respect of Grant Drawdown Requests, as the company's directors (the 'directors') you are responsible for compiling claims in accordance with the Grant Funding Agreement, ensuring that only eligible items are included in each Grant Drawdown Request and for ensuring that all terms of such offer letters have been complied with or varied in writing with the provider. It is also the directors' responsibility to extract relevant financial information from the company's accounting records, to make the calculations specified in the grant offer letter, and to provide relevant financial information to BEIS.

**Our approach**

We conducted our engagement in accordance with ISAE 3000 (*Assurance engagements other than audits and reviews of historical financial information*). We

performed a reasonable assurance engagement as defined in the framework. For the purpose of the engagement, we have been provided by the directors with a schedule (attached to this report) (“the schedule”) showing the company’s eligible expenditure and the Grant Funding Agreement. The directors of the company remain solely responsible for the schedule.

The objective of a reasonable assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the schedule.

### **[Inherent limitations]**

*[The following two paragraphs only to be used only where the accountants are the auditors of the grant recipient]*

[Our audit work on the financial statements of [grant recipient] is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as [grant recipient]’s external auditors. Our audit report on the financial statements is made solely to [grant recipient]’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to [grant recipient]’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than [grant recipient] and [grant recipient]’s members as a body, for our audit work, for our audit reports, or for the opinions we have formed.]

To the fullest extent permitted by law we do not and will not, by virtue of our reports/confirmations or otherwise, assume or accept any duty of care or liability under this engagement to [grant recipient] or to [BEIS] or to any other party, whether in contract, negligence or otherwise in relation to our audits of [grant recipient]’s financial statements.]

### **Conclusion**

In our opinion, [the schedule] has been prepared, in all material respects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

or

Except for [detail minor exceptions noted], in our opinion [the schedule] has been prepared, in all material aspects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

or

In our opinion [the schedule] has not been prepared, in all material respects, and the expenditure has been incurred, in accordance with the Grant Funding Agreement.

[insert details of issues leading to qualification of opinion]

Firm of Accountants:

Office:

Date:

**SCHEDULE 2**  
**REPORTING ACCOUNTANTS: LETTER OF ENGAGEMENT**

**Letter of engagement**

The following are the pre-agreed terms of engagement on which the grant recipient engages accountants to perform a reasonable assurance report in connection with Wave 2.1 of the Social Housing Decarbonisation Fund.

The Secretary of State for Business, Energy, and Industrial Strategy (“BEIS”) accepts that an agreement between the grant recipient, its reporting accountants and BEIS on these terms is formed when the accountants sign and submit to BEIS a report as set out in clause 3 below.

NB: BEIS will not need to sign anything. By publishing this document BEIS confirms that these pre-agreed terms form its agreement with the grant recipient and the reporting accountants. Once the accountants’ report is submitted to BEIS in accordance with these terms BEIS will accept that an agreement is formed. If the terms of the standardised engagement letter are to be revised, BEIS will need to confirm its acceptance of the new terms before an agreement is formed.

In these terms of engagement:

**1. Introduction**

The grant recipient is required to submit to BEIS reports as set out in clause 3 below that are also signed by an accountant to provide independent assurance. These terms of engagement set out the basis on which the accountant will sign the report.

**2. The grant recipient’s responsibilities**

- 2.1 The grant recipient is responsible for producing information, maintaining proper records complying with the terms of any legislation or regulatory requirements and BEIS’s terms and conditions of grant (‘the grant conditions’) and providing relevant information to BEIS in accordance with the requirements of the grant conditions. The grant recipient is responsible for ensuring that the non-financial records can be reconciled to the financial records.
- 2.2 The management of the grant recipient will make available to the accountant all records, correspondence, information, and explanations that the accountant considers necessary to enable the accountant to perform the accountant’s work.
- 2.3 The grant recipient and BEIS accept that the ability of the accountant to perform its work effectively depends upon the grant recipient providing full and free access to the financial and other records and the grant recipient shall procure that any such records held by a third party are made available to the accountant.

- 2.4 The accountant accepts that, whether or not the grant recipient meets its obligations, the accountant remains under an obligation to BEIS to perform its work with reasonable care. The failure by the grant recipient to meet its obligations may cause the accountant to qualify its report or be unable to provide a report.

### **3. Scope of the accountant's work**

- 3.1 The grant recipient will provide the accountant with such information, explanations, and documentation that the accountant considers necessary to carry out its responsibilities. The accountant will seek written representations from management in relation to matters for which independent corroboration is not available. The accountant will also seek confirmation that any significant matters of which the accountant should be aware have been brought to the accountant's attention.
- 3.2 The accountant will perform carry out a reasonable level of assurance assignment and subject to any adverse findings will produce a report in the form set out in Schedule 1.
- 3.3 The accountant will not subject the information provided by the grant recipient to checking or verification except to the extent expressly stated. While the accountant will perform the accountant's work with reasonable skill and care, the accountant's work should not be relied upon to disclose all misstatements, fraud or errors that might exist.

### **4. Form of the accountant's report**

- 4.1 The accountant's reports are prepared on the following bases:
- 4.1.1 the accountant's reports are prepared solely for the confidential use of the grant recipient and BEIS (and any parties appointed to act on its behalf) and solely for the purpose of submission to BEIS in connection with BEIS's requirements in connection with the Social Housing Decarbonisation Fund Wave 2.1 . They may not be relied upon by the grant recipient or BEIS for any other purpose;
  - 4.1.2 without imposing on the accountant and without the accountant assuming (or being perceived as assuming) any duty or responsibility and without imposing or accepting any liability to anyone except the grant recipient and BEIS, BEIS may disclose the reports to the European Commission for state aid purposes, Parliament, the Comptroller and Auditor General (NAO) and others who demonstrate statutory rights of access to the report;
  - 4.1.3 neither the grant recipient, BEIS or any parties appointed to act on its behalf may rely on any oral or draft reports the accountant provides. The accountant accepts responsibility to the grant recipient and BEIS for the accountant's final signed reports only;
  - 4.1.4 the report will be prepared solely for the confidential use of the grant recipient and BEIS (and any parties appointed to act on its behalf). The report will be released to the grant recipient and BEIS (and any parties appointed to act on its behalf) on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as

otherwise permitted by agreed written terms), without the accountant's prior written consent, except where there is a legal or statutory right of access. Without assuming or accepting any responsibility or liability in respect of the report to any party other than the grant recipient and BEIS, we acknowledge that the grant recipient and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise their statutory rights of access to this report;

4.1.5 to the fullest extent permitted by law, except for the grant recipient and BEIS (and any parties appointed to act on its behalf), the firm of accountants, its partners and staff neither owe nor accept any duty to any person (including, without limitation, any person who may use or refer to any of BEIS's publications) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in the accountant's reports.

## **5. Liability provisions**

5.1 The accountant will perform the engagement with reasonable skill and care and accepts responsibility to the grant recipient and to BEIS for losses, damages, costs or expenses ('losses') caused by its breach of contract, negligence or wilful default, subject to the following provisions:

5.1.1 The accountant will not be responsible or liable if such losses are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than the accountant, except where, on the basis of the enquiries normally undertaken by accountants within the scope set out in these terms of engagement, it would have been reasonable for the accountant to discover such defects.

5.1.2 The accountant accepts liability without limit for the consequences of its own fraud and for any other liability which it is not permitted by law to limit or exclude.

5.1.3 Subject to the previous paragraph (5.1.2), the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise, to each of the grant recipient and BEIS, arising from or in connection with the work which is the subject of these terms (including any addition or variation to the work), shall not exceed the maximum value of the Grant (as set out in the Grant Funding Agreement).

5.2 The grant recipient and BEIS agree that they will not bring any claims or proceedings against any individual partners, members, directors or employees of the accountant. This clause is intended to benefit such partners, members, directors and employees who may enforce this clause pursuant to the Contracts (Rights of Third Parties) Act 1999 ('the Act'). Notwithstanding any benefits or rights conferred by this agreement on any third party by virtue of the Act, the parties to this agreement may agree to vary or rescind this agreement without any third party's consent. Other than as expressly provided in these terms, the Act is excluded.

- 5.3 Any claims, whether in contract, negligence or otherwise, must be formally commenced within 4 years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than 6 years after relevant report was issued (or, if no report was issued, when the accountant accepted the engagement in writing). This expressly overrides any statutory provision which would otherwise apply.
- 5.4 This engagement is separate from and unrelated to any audit work of the accountant on the financial statements of the grant recipient for the purposes of any applicable statutory or regulatory or other auditing framework and nothing herein creates obligations or liabilities regarding the accountant's audit work, which would not otherwise exist.

## **6. Fees**

The accountant's fees, together with VAT and out-of-pocket expenses, will be agreed with and billed to the grant recipient. BEIS is not liable to pay the accountant's fees.

## **7. Quality of service**

The accountant will investigate all complaints. BEIS or the grant recipient have the right to take any complaint to the ICAEW. BEIS or the grant recipient may obtain an explanation of the mechanisms that operate in respect of a complaint to the ICAEW at [www.icaew.co.uk/complaints](http://www.icaew.co.uk/complaints) or by writing to the ICAEW at the ICAEW Professional Standards Office, Metropolitan House, 321 Avebury Boulevard, Milton Keynes MK9 2FZ UK.

## **8. Providing services to other parties**

The accountant will not be prevented or restricted by virtue of the accountant's relationship with the grant recipient and BEIS, including anything in these terms of engagement, from providing services to other clients. The accountant's standard internal procedures are designed to ensure that confidential information communicated to the accountant during the course of an assignment will be maintained confidentially.

## **9. Applicable law and jurisdiction**

- 9.1 This agreement shall be governed by and interpreted and construed in accordance with the law of England.
- 9.2 The grant recipient, BEIS and the accountant irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise on any basis in connection with the validity, effect, interpretation or performance of, or the legal relationship established by this agreement or otherwise arising in connection with this agreement.

## **10. Alteration to terms**

All additions, amendments, and variations to these terms of engagement shall be binding only if in writing and signed by the duly authorised representatives of the parties. These terms supersede any previous

agreements and representations (unless based on fraud) between the parties in respect of the scope of the accountant's work and the accountant's report or the obligations of any of the parties relating thereto (whether oral or written) and represents the entire agreement and understanding between the parties. These terms do not affect any separate agreement in writing between the grant recipient and the accountant.

