

Gareth Daniel  
Chief Executive  
London Borough of Brent  
Forty Lane  
Wembley  
Middlesex  
HA9 9HD

Date 11 June 2008

Dear Gareth

**NEW DEAL FOR COMMUNITIES FUNDING AGREEMENT WITH  
LONDON BOROUGH OF BRENT FOR SOUTH KILBURN PARTNERSHIP:  
FUNDING AGREEMENT FOR FINANCIAL YEAR 2008- 09**

***Introduction***

1. In the letter of 30<sup>th</sup> April 2001 from Don Thomas, you were notified that the Secretary of State for the Environment, Transport and the Regions approved in principle the regeneration Delivery Plan set out in the version of the Delivery Plan submitted with your letter of 15 March 2001. Such approval was subject to the Partnership working up detailed proposals in a spending plan for each financial year covered by the Delivery Plan. The Secretary of State for Communities and Local Government is now in a position to give final approval of the spending plan for financial year 2008-09 and to offer financial support for its implementation.
2. Subject to the following provisions of this letter, the Secretary of State offers financial support under the New Deal for Communities grant programme for the implementation of the approved spending plan for 2008-09 by the South Kilburn Partnership. The grant will be paid to you as the organisation responsible for meeting or reimbursing eligible payments by the Partnership in implementing the Delivery Plan.

***Definitions***

3. In this letter and Annexes A to F (“the funding agreement”), except where the context otherwise requires:

**“the Accountable Body”** is your organisation which, in agreement with the Partnership, is appointed by the Secretary of State to be responsible for the receipt and proper use of the grant and for using it to meet eligible payments, and for ensuring that the Partnership appraises projects and carries out its other activities in compliance with the terms on which grant is given;

**“the Delivery Plan”** is the Delivery Plan mentioned in paragraph 1 and attached at Annex F which (i) sets out the whole package of measures and projects drawn up by the Partnership and others for the regeneration of the local community of South Kilburn Partnership over a period of 10 years, including intended outcomes and output measures and a vision statement; (ii) has been prepared in accordance with the New Deal for Communities Guidance on Drawing up Delivery Plans; and (iii) has been approved by the Government Office;

**“eligible payments”** means payments, net of recoverable VAT and gross of irrecoverable VAT, made<sup>i</sup> by the Partnership during the funding period for the purpose of implementing the Delivery Plan. Eligible payments do not include any of the matters specified in paragraph 23 and do not include contributions in kind;

**“the funding period”** means the financial year 2008/09;

**“the Government Office”** means the Government Office for the London, which is authorised to exercise functions concerned with the implementation of the NDC programme, for which the grant itself will be paid by the Local Government Regeneration Group (LGR), on behalf of the Local Economic and Renewal Directorate (LEDRE), Communities and Local Government (CLG);

**“Irrecoverable VAT”** means the VAT element of eligible payments which the Partnership is unable to reclaim from HM Revenue & Customs and, which must be funded from the approved grant allocation for the year.

**NDC Guidance”** means any guidance, including NDC Programme Notes issued from time to time, provided by the LGR or LEDRE, CLG on matters of procedure, appraisal or other matters concerning the operation of the NDC grant programme;

**“the Partnership”** means the persons and organisations (including the Accountable Body) who have prepared the Delivery Plan and are named in it, or are at any time engaged in the selection, appraisal and approval of projects for the implementation of the Delivery Plan;

**“a project”** means a component of the spending plan, which has been appraised by the Partnership as a separate project including any non-delegated projects agreed under paragraph 10; and

**“the spending plan”** means the approved plan of detailed proposals, including forecast payments and receipts in the funding period, which is mentioned in paragraph 2 and is attached as Annex A to this letter.

#### ***Powers under which the grant is to be paid***

4. This offer of funding is made under the powers conferred on the Secretary of State in sections 126 to 128 of the Housing Grants, Construction and Regeneration Act 1996.
5. Section 128(1) of the Housing Grants, Construction and Regeneration Act 1996 provides that financial assistance under section 126 may be given on such terms as the Secretary of State, with the consent of the Treasury, considers appropriate.

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<sup>i</sup> For the purpose of defining the time of payments, a payment is made by the Partnership when and only when, money passes out of the Partnership's control. Money will be assumed to have passed out of the Partnership's control at the moment when legal tender is passed to a supplier (or, for wages, to an employee), when a letter is posted to a supplier or employee containing a cheque, or an electronic instruction is sent to a bank to make a payment to a supplier or employee by direct credit or bank transfer.

6. Section 128(2)(a) provides that terms on which financial assistance may be given under section 126 may include provision as to circumstances in which the assistance is to be repaid, or otherwise made good, to the Secretary of State and the manner in which that is to be done.
7. Section 128(2)(b) provides that the terms may include provision as to circumstances in which the Secretary of State is entitled to recover all or part of the proceeds of any disposal of land or buildings in respect of which assistance was provided.
8. Section 128(3) provides that the person receiving assistance must comply with the terms on which it is given, and compliance may be enforced by the Secretary of State.

#### ***Offer of Grant***

9. The amount of grant payable for the funding period shall be the total eligible payments as defined in paragraph 3, above, and subject to the three restrictions below:
  - a. the total amount of grant payable shall not exceed **£6,400,000**;
  - b. the amount of grant payable to fund or to reimburse payments to acquire or improve fixed assets (net of recoverable VAT and gross of irrecoverable VAT) shall not exceed **£3,000,000**;
  - c. the amount of grant payable to fund or to reimburse payments for management and administration (net of recoverable VAT and gross of irrecoverable VAT) is limited to 10% of the total Delivery Plan funding unless the prior approval of the LEDR is obtained. This restriction does not apply to individual funding periods.

#### ***Non-delegated projects***

10. Where the appraisal of a project by the Partnership (see paragraph 20) shows that the amount required to meet eligible payments on the project exceeds £250,000, the Accountable Body may not make any payment for the support of the project without first obtaining the approval of the Government Office. The project will then be called a “non-delegated project” for the purpose of the grant. The Partnership must appraise the project and must forward their project appraisal to the Government Office for approval, including reasons explaining why it is necessary or desirable to proceed with the project. The Government Office may attach conditions to their approval.

#### ***Other receipts***

11. In determining the maximum amount of grant she is prepared to pay towards the Delivery Plan, the Secretary of State has taken account of the estimates of receipts to be generated by the Delivery Plan and other contributions or grants towards the cost of the Delivery Plan, which was set out in the spending plan. If the Delivery Plan generates any receipts or there are any contributions in excess of these amounts, the Accountable Body must notify LGR as soon as possible and state the amounts received or to be received.

12. LGR may allow the grant recipient to retain the amount notified, if it is satisfied that it will be used for the purposes of the Delivery Plan. Otherwise, the Accountable Body must pay the amount notified (or such part of it as is necessary for the repayment of all grant received under the funding agreement) to the Secretary of State. If all grant is repaid under these circumstances, the funding agreement will be discharged upon repayment.

### ***Future funding***

13. Grant may be offered for subsequent financial years of the 10 year Delivery Plan, up to the maximum indicative allocation for the Plan. The Government's approval of the Delivery Plan in 2001 indicated the Government's wish to see the projects delivered and its intention to give support up to the maximum 10 year allocation. But the Secretary of State cannot at this stage make any commitment about the availability of further funds. Funding for Delivery Plan projects in 2009-10 and 2010-11 will depend on the availability of resources, satisfactory progress of the Delivery Plan, including the annual plan for this financial year, compliance with grant conditions under previous funding agreements; under-spending in earlier years, and the approval of a spending plan for the financial year concerned.
14. A draft spending plan for 2009-10 should be submitted in December 2008. Particular weight will be given to the Government's assessment of the prospects of the NDC Partnership achieving full implementation of that spending plan. In making that assessment, the Secretary of State will have regard to the extent to which the spending plan aims to make up for any under-spending in 2008/09 and previous years, and the prospects of fulfilling that aim. The NDC Partnership cannot assume that the allocations (maximum amounts offered) for 2009-10 and 2010-11 will bring the NDC's total allocation to the original indicative total for the 10 year Delivery Plan.

### ***Conditions attaching to the payment of grant: special conditions***

15. The Delivery Plan should be signed off by the Government Office for London by 30 June 2008
16. Partnership to demonstrate progress towards the establishment of a smaller, more strategic Board structure during the next 12 months with a view to having this in place by April 1st 2009. This will need to be fit for purpose in relation to the future development of any legacy structures and provide for positive engagement with key partners, particularly regarding the impending major development of the area, and that the membership of the board is based on selection of appropriate individuals rather than a continuation of the present election process

### ***Conditions attaching to the payment of grant: general provisions***

17. The Accountable Body must observe the requirements set out in the NDC Guidance (amended November 2006) and in the funding agreement. The Accountable Body must take steps to ensure that the Partnership observes requirements relating to the use of grant funds and other terms and conditions of grant that the Partnership is required to observe.

18. The Accountable Body must use the grant solely to fund or reimburse eligible payments. The Accountable Body must do so on terms that (a) adequately secure compliance with the terms of this funding agreement; and (b) ensure that they can recover the funds if they become liable to repay grant to the Secretary of State under the terms of this funding agreement. Such terms should, in particular, adequately protect the Accountable Body in the event of any misuse of the funds paid or any other financial irregularity.
19. The Partnership must take all reasonable steps to ensure that they and anyone acting on their behalf under the Delivery Plan complies with the law for the time being in force in the United Kingdom, including, in particular (so far as binding on the Partnership), the requirements of the Health and Safety at Work Act 1974, Data Protection Act 1998, the Human Rights Act 1998, the Sex Discrimination Act 1975, the Race Relations Act 1976, the Race Relations (Amendment) Act 2000, the Disability Discrimination Act 1995, Employment Equality (Sexual Orientation) Regulations and the Employment Equality (Age) Regulations (2006). [Note: The Commission for Racial Equality and the Equal Opportunities Commission have issued Codes of Practice giving guidance on the law relating to equal opportunities and on good practices in employment.]
20. Before incurring any liabilities on a project, the Partnership must ensure that the project has been fully appraised and approved in accordance with the NDC Guidance (amended November 2006), and that they have secured all necessary permission and authority (whether required by legislation or otherwise) to undertake the project. The Accountable Body must approve all arrangements made by the Partnership for monitoring and appraisal of projects as detailed in the Delivery Plan

### ***Payment arrangements***

21. All grant payments will be directed to the Accountable Body. Grant will be paid via the Logasnet system on a monthly basis in the proportion of 12% of total annual allocation for capital, revenue and M&A elements of the grant for April and 8% every month thereafter and passed to NDCs by way of reimbursement for eligible payments.
22. If the Accountable Body becomes aware that either the amount of the timing of eligible payments and receipts for the whole Delivery Plan is likely to be significantly different from the forecast in the spending plan, it must inform LGR as soon as possible and provide an explanation. If LGR decides that grant is being paid in advance of need, or that there is likely to be an underspend in the year, it may change the monthly payments set out in paragraph 21.

### ***Exclusions from eligible payments***

23. The Accountable Body should not incur liabilities for the Delivery Plan before there is an operational need for it to do so. The Accountable Body should not pay liabilities for the Delivery Plan sooner than the due date for payment. Grant must not be claimed for any of the following:
  - (a) payments for activities of a political or exclusively religious nature;
  - (b) payments reimbursed or to be reimbursed by other public or private sector grants;

- (c) payments for works or activities which any member of the Partnership has a statutory duty to undertake, unless agreed in advance by the Government Office;
- (d) depreciation, amortisation or impairment of fixed assets;
- (e) VAT recoverable from H.M. Revenue & Customs;
- (f) interest payments or service charge payments for finance leases;
- (g) bad debts to related parties ;
- (h) statutory fines or penalties;
- (i) gifts other than promotional items with a value no more than £10 a year to any one person (unless the Accountable Body prohibits gifts altogether);
- (j) payments for unfair dismissal;
- (k) payments for redundancy in excess of statutory redundancy payments;
- (l) liabilities incurred before agreement of the Delivery Plan and issue of this offer of funding, unless otherwise agreed by the LGR ;
- (m) the costs of obtaining written guarantees when setting up new accountable bodies.

### ***Statement of Grant Usage***

24. By 30 September 2009, the Accountable Body must prepare a Statement of Grant Usage form (to be issued), giving details of eligible expenditure during the funding period 1 April 2008 and 31 March 2009, signed by the chief finance officer and submit this to its external auditor, appointed by the Audit Commission, together with a request that the external auditor should certify whether the entries in the statement are in accordance with the authority's underlying records.
25. If the amount of grant paid to the authority for the funding period is £100,000 or more, the authority must, by 30 September 2009, submit the Statement of Grant Usage to its external auditor, appointed by the Audit Commission, together with a request that the external auditor should certify whether the entries on the statement are fairly stated in accordance with the grant terms and conditions.
26. Once the Statement has been prepared by the authority and certified as required by the chief financial officer and the external auditor, they must be submitted to the Department no later than 31 December 2009.
27. Manuscript alterations to the Statement of Grant Usage must be initialled by the original signatory.
28. After receiving the Statement of Grant Usage and certificate from the external auditor, the Department will pay any outstanding grant due for the funding period. Alternatively, if

the Statement of Grant Usage identifies any overpayment of grant, the grant recipient must repay this amount within 30 days of being asked by the Department

### **Records**

29. The Partnership must keep a record of payments funded partly or wholly by grant and all receipts generated by the Delivery Plan, and retain all accounting records relating to those payments and receipts for a period of at least six years after the end of grant funding. [Note: accounting records include original invoices, receipts, accounts and deeds, whether in writing or electronic form.] Such records must also be kept for any income generated with the help of grant. The grant recipient must make these available at any reasonable time for inspection by officials from CLG or their representatives or by the Comptroller and Auditor General or his representatives. The Partnership must make suitable arrangements for granting access for such inspection.
30. The Accountable Body must ensure that it has adequate systems to allow it to account accurately for all payments and receipts under the Delivery Plan.

### **Conflicts of interest and financial or other irregularities**

31. Officers, members and employees of the Partnership must be careful to avoid conflicts of interest. The Accountable Body must ensure that the Partnership agrees formal, written procedures for the avoidance of conflicts of interest by members (including Board members), employees and officers of the Partnership in connection with any decision-making under the Delivery Plan. This must involve a duty to declare any conflicts of interest at project appraisal and approval stages. Where a Partnership member, employee or officer wishes to bid for a contract for work or services associated with a project, whether by single or competitive tender, that person must be excluded from any discussion about the project and from the contract awarding process.
32. Without the prior agreement in writing of LGR , the Partnership shall not knowingly use any of the grant funds to meet the cost of any transaction, arrangement or contract with a related party. For the purpose of this paragraph:
  - a. a related party means a board member of the Partnership or a trustee, a director, a partner, an employee, or a connected person;
  - b. a connected person means, in relation to any of the other persons mention in sub-paragraph a), someone who is defined as a connected person in section 839 of the Income and Corporation Taxes Act 1988 or superseding legislation; or
  - c. a member of the same household as any of the persons mentioned in sub-paragraph a).
33. If the Accountable Body has any grounds for suspecting financial irregularity in the use of grant paid under this funding agreement, they must notify LGR immediately, explain what steps are being taken to investigate the suspicion, and keep LGR informed about the progress of the investigation. For these purposes “financial irregularity” includes fraud or other impropriety, mismanagement and the use of grant for purposes other than the purposes of the Delivery Plan.

### ***Value for money and procurement requirements***

34. The Partnership must secure best value for money in all purchases of goods and services made for the purposes of the programme. The Partnership must abide by DCLG rules to obtain, and record details of, at least two quotes for the provision of all goods and services with a cost of £500 or more, and where the cost is £5,000 or more, it must, if practicable<sup>ii</sup>, obtain at least three written tenders. If required to do so by the Government Office, it must produce documentary evidence of compliance with this condition.
35. The Partnership must meet the requirements of the EC Procurement Directives. In relation to the supply of goods and services, these requirements are implemented by the Public Supply Contracts Regulations 1995 (S.I.1995/201) and the Public Services Contracts Regulations 1993 (S.I.1993/3228), and are subject to thresholds specified by reference to the value of the transaction. Although the Regulations apply primarily to public sector bodies, they may also apply to the procurement of goods and services by a private person where more than 50 per cent of the consideration is contributed by a public sector body.
36. If the Partnership follows a single tender procedure, for example, where the value of a contract is very low or where there is only one supplier capable of providing the goods or services concerned, they must keep a record of the reasons why that procedure is thought to be appropriate.

### ***Register of fixed assets***

37. The Accountable Body must ensure that the Partnership establishes and maintains a register of all land, building, items of equipment, vehicles or other fixed assets with a cost exceeding £5000, acquired or improved wholly or partly out of any grant paid under this funding agreement. The register must meet the requirements set out in the NDC guidance (amended November 2006) and must incorporate any fixed assets acquired during earlier Phases of the NDC programme.

For each fixed asset purchased the register must show the following particulars:

- a. name of owner
- b. date of acquisition and person by which acquired;
- c. description of fixed asset;
- d. cost, net of recoverable VAT;
- e. location of the fixed asset;
- f. serial or identification numbers;
- g. location of the title deeds (where appropriate);
- h. date of any disposal;
- i. proceeds of any disposal net of VAT; and
- j. the name and address of any person to whom the fixed asset is sold.

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<sup>ii</sup> i.e. if three suitable and compliant tenders are available



38. If required to do so by LGR, the partnership must produce the fixed asset register for inspection by a person authorised by LGR .
39. If fixed assets are sold or their ownership transferred while they have any economic value, the Accountable Body must notify LGR as soon as possible. LGR may require the grant recipient to repay the proceeds or an appropriate part of them, in which case the grant recipient must repay the amount to the LGR within 30 days of being asked to do so.
40. The Accountable Body must not allow a third party to take charge on any fixed asset funded wholly or partly by funds provided under this grant.

### ***Review arrangements***

41. Performance management assessments must take place once a year. A review of progress against the improvement plans produced in the annual performance management round must take place in the first quarter of the financial year. This will give the Government Office and the Partnership an opportunity to assess progress and review strategy. Also, it is an opportunity for the Partnership to give feedback on the implementation of the Delivery Plan. Further information is contained in the NDC guidance.

### ***Breach of conditions and recovery of grant***

42. If the Accountable Body or the Partnership, so far as they are bound to observe, fails to comply with any of the conditions of grant set out in this funding agreement or a project approval or the NDC Guidance, or if any of the events mentioned in paragraph 43 occurs, LGR may reduce, suspend, or withhold grant payments, or require all or any part of the grant to be repaid. The Accountable Body must repay any amount required to be repaid under this condition within 30 days of receiving the demand for repayment.
43. The events referred to in paragraph 42 are as follows:
  - a. the grant is not used for the purposes intended;
  - b. progress in implementing the Delivery Plan has fallen significantly behind the approved targets (progress is to be measured against the outcomes described in Table B of the Delivery Plan and tracked using the output measures set out in Table E);
  - c. it appears to the Government Office that in consequence of any intervening circumstances or events the agreed objectives of the Delivery Plan or of any project within the Delivery Plan will not, or are unlikely to be, achieved;
  - d. there are any significant changes to the Delivery Plan or to a project within the Delivery Plan without the approval of the Government Office, or, where an unapproved change can be reversed, fails to reverse it if asked by the Government Office to do so;

- e. there is a change in control or ownership of any member of the Partnership, or a member of the Partnership ceases to operate or changes the nature of its operations to an extent which the Government Office considers to be significant or prejudicial to the satisfactory continuance of the Delivery Plan;
  - f. a member of the Partnership gives any charge or other security over any asset that was provided or improved with NDC grant assistance (whether for its acquisition, enhancement or otherwise) without Government Office consent;
  - g. a member of the Partnership is the subject of a proposal for a voluntary arrangement; or has a petition for an administration order or a winding up order brought against it; or passes a resolution to wind up; or makes any composition, arrangement, conveyance or assignment for the benefit of its creditors, or purports to do so; or is subject to the appointment of a receiver, administrator or liquidator; or is struck from the register at the Charity Commission, or, being a company, is struck from the register at Companies House;
  - h. in support of the application for funding the Delivery Plan or in a claim for payment or other communication concerning this funding agreement, the Partnership or anyone on behalf of the Partnership has provided, or provides, information that is in any material respect incorrect, incomplete or otherwise misleading;
  - i. a report from an external auditor or a reporting accountant is unsatisfactory because it contains an adverse opinion, a qualified opinion or a disclaimer of opinion;
  - j. the Accountable Body takes inadequate measures to investigate and resolve any reported irregularity;
  - k. it appears to LEDR that the Partnership no longer requires grant assistance in order to implement the Delivery Plan;
  - l. a member of the Partnership is in breach of any obligation under European Community State Aid rules that applies to the payment of the grant or to the way in which it is used;
  - m. a member of the Partnership is in breach of any other European Community obligation that applies to the use of the grant;
  - n. a decision of the Commission of the European Communities requires repayment of all or part of the grant or a reduction in the amount of grant.
  - o. a member of the Partnership purports to transfer or assign any rights, interests or obligations arising under this funding agreement without the agreement in advance of the Government Office
44. It is hoped that any difficulties encountered by the Partnership can be overcome with the advice and support of the Government Office, which will write to the Accountable Body about anything of concern arising in connection with the funding agreement. In the event that it becomes necessary to take steps to enforce the terms and conditions of the funding agreement, the Government Office will write to the Chief Executive (or

equivalent) of the Accountable Body giving particulars of its concern and will send a copy of the letter to the Chair of the Partnership (or equivalent) and to TDG .

45. The Accountable Body must act within 28 days (or earlier, depending on the severity of the problem) to address the concern of the Government Office or rectify the breach, and may consult the Government Office or agree with it an action plan for resolving the problem. If the Government Office is not satisfied with steps taken by the Accountable Body to address its concern or rectify the breach, it may take steps to withhold or suspend the further payment of grant, or to recover grant already paid.

### ***Publicity, copyright and sharing good practice***

46. Where appropriate, the Partnership must ensure that publicity is given to the Delivery Plan and its component projects by drawing attention to the benefits and opportunities that the Delivery Plan is providing or will provide for the community. In acknowledging the Government's contribution, the Partnership must comply with any guidance on publicity provided by Government Office. In particular, where practicable, publicity in the form of signs acknowledging the Government's involvement must be provided at relevant premises and other places (such as construction sites). All publicity material must include the logo of CLG.
47. The Accountable Body grants a licence to the Secretary of State under section 91(3) of the Copyright Designs and Patent Act 1988 in relation to the future copyright in works funded in whole or in part by grant paid under this grant offer. This licence is non-exclusive and is granted without provision for the payment of royalties for the full period protected by copyright in the works in order to allow the Secretary of State to copy, issue or adapt any such works for his own purposes.
48. Any information, expertise, system or process learned from or created carrying out projects under or in producing the Delivery Plan may be disseminated by the Government Office among all persons or bodies who have responsibility for similar Delivery Plans under the New Deal for Communities Programme. The Accountable Body agrees that such persons may share and use freely all such information, expertise, system or process for their own purposes.

### ***Acceptance of grant offer***

49. If the Accountable Body wishes to accept this offer of NDC funding, would you please sign both copies of this letter in the space indicated below for signature by the person authorised by the Accountable Body to sign on its behalf. Please return one copy to me. Please note that by accepting the offer of grant contained in this letter, the Accountable Body signifies agreement to comply with the terms and conditions of grant on which the offer is made.
50. This offer of grant will lapse if it has not been accepted within one month from the date of this letter.



Name: Rachel Arrundale  
Position: Head of Renewing Neighbourhoods Division  
(Authorised to sign on behalf of the Secretary of State)

Date: 11 June 2008

**The London Borough of Brent , the Accountable Body under the funding agreement, accepts the offer of grant contained in this letter and agrees to comply with the terms and conditions of grant on which the offer is made.**

Signature: ..... Date:.....

Name: ..... Position: .....  
(Authorised to sign on behalf of the Accountable Body.)

#### **MAIN CONTACTS**

First point of contact for CLG is [Pablo.palao@communities.gsi.gov.uk](mailto:Pablo.palao@communities.gsi.gov.uk) (020 7944 3724) for the Government Office is Sajida Arbi (0207 217 3062) and the main contact in the Partnership is Mike Wilson (020 7328 1199) and the main contact in the Accountable Body is Phil Newby (020 8937 1032)

#### **ENCLOSURES**

##### **Annex A**

The spending plan (to be issued by the Government Office)

##### **Annex B**

Record of the conditions precedent attached to the 2007/08 Funding Agreement and the progress made in achieving them

##### **Annex C**

Record of the specialist conditions attached to the 2007/08 Funding Agreement and the progress made in achieving them

##### **Annex D**

For auditors appointed by the Audit Commission only: Certificate of the Auditor

##### **Annex E**

Statement of Grant Usage (to be issued)

##### **Annex F**

Delivery Plan


**Record of the conditions precedent attached to the 2007/08 Funding Agreement and  
the progress made in achieving them**

**NO CONDITIONS PRECEDENT**

**Annex C**

**Record of the specialist conditions attached to the 2007/08 Funding Agreement and the progress made in achieving them**

Where the Accountable Body is a local authority, the following certificate should be used.

	<b>audit commission</b>	<b>Certificate of the auditor appointed by the Audit Commission</b>
<p>The Statement of Responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns, issued by the Audit Commission, sets out the respective responsibilities of these parties, and the limitations of our responsibilities as appointed auditors.</p>		
<p>I/We have examined the entries in this form (which replaces or amends the original submitted to me/us by the authority dated _____)* and the related accounts and records of the authority in accordance with Certification Instruction A01 and I/we have:</p>		
<p><i>For claims and returns above de minimis and up to the threshold#</i></p>		
<ul style="list-style-type: none"><li>carried out Part A tests in Certification Instruction number RG03 and obtained such evidence and explanations as I/we consider necessary.</li></ul>		
<p>(Except for the matters raised in the attached qualification letter dated _____)*</p>		
<p>I/we have concluded that the claim or return is in accordance with the underlying records.</p>		
<p><i>For claims and returns over the threshold#</i></p>		
<ul style="list-style-type: none"><li>assessed the control environment for the preparation of this claim or return in accordance with Certification Instruction A01 and, on the basis of my/our assessment, carried out Part A/Parts A and B* tests in Certification Instruction number RG03 and obtained such evidence and explanations as I/we consider necessary.</li></ul>		
<p>(Except for the matters raised in the attached qualification letter dated _____)*</p>		
<p>I/we have concluded that the claim or return is:</p>		
<ul style="list-style-type: none"><li>- fairly stated; and</li><li>- in accordance with the relevant terms and conditions.</li></ul>		
Signature	Name (block capitals)	
_____	_____	
Date	on behalf of the Audit Commission	

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*\*Delete as necessary*  
*# Delete non-applicable certificate*

**CF1 (4/04)**