



## Department for Transport

Office Address: Department for  
Transport, Great Minster House,  
Horseferry Road, London, SW1P  
4DR

Email: [HTPGrants@ricardo.com](mailto:HTPGrants@ricardo.com)

Name: XXX

Address:  
XXX

DATE

Dear XXX

### Grant Offer Letter

#### CAPITAL GRANT UNDER STAGE 2 OF THE HYDROGEN FOR TRANSPORT PROGRAMME (HTP)

**Project Name:** XXX

**Reference Number:** XXX

1. The Secretary of State for Transport is prepared to make a capital grant not exceeding, £xxx or xx% of total eligible costs as defined within the scheme Guidance Document, whichever is lower, **[Lead consortium member]**. (“**the Grantee**”). **The Consortium**” is comprised of; **[Consortium members]** in connection with the aforementioned project; the **[project name]**. Full details of the project proposal are contained in the Stage 1 application form, appendices and clarification communications (“**the Project Proposal**”) attached at Annex 1 for the Hydrogen Transport Programme (“**the Scheme**”). **[Lead consortium member]** agree to lead the consortium, providing a single point of contact for reporting activities, disburse funds amongst consortium partners according to the grant payment schedule (Annex 3) and in line with milestones and stage gates (Annex 3) also ensuring that all consortium partners provide information, updates and reporting to be agreed with the project Monitoring Officer (“**MO**”). References in this letter or in the Annexes to this letter to “**this Arrangement**”, “**Grant Offer Letter**” or “**GOL**” mean this letter together with the Annexes to this letter and any other documents referred to in or attached to this letter. Once signed, the purpose of this grant offer letter is to form a contractual agreement between the consortium and the Secretary of State.
2. The Grantee will receive the funding under this Grant Offer Letter given their role as lead consortium member. However, each member of the Consortium set out

above is a signatory to this document and is bound by its obligations as they apply to the Consortium. For the avoidance of any doubt, the provisions relating to the suspension, withdrawal, reduction and repayment provisions apply to each consortium member.

3. The grant will start on the date of signature and end on 31 March 2020.
4. All correspondence concerning this letter should be sent to your nominated Monitoring Officer (“**MO**”) and referenced with the Project Name and Reference Number above.
5. The grant is offered under section 5 of the Science and Technology Act 1965 to provide capital grants to successful bidders which will allow additional larger capacity HRS to be built, whilst optimising the utilisation of these and existing stations by providing funding to support the purchase of vehicle fleets that can be refuelled at all HRS.

## **PROVISIONS**

6. The grant is offered to the Consortium to contribute to certain costs (see paragraphs 5 to 8) (“**Eligible Costs**”) where those costs are necessarily and properly incurred by you in undertaking the construction of a Hydrogen Refuelling Station and/or the purchase of vehicle fleets to be refuelled at the HRS in accordance with the Project Proposal (“**the Project**”).
7. Subject to paragraph 6, the Eligible Costs are the costs specified in the Scheme’s Guidance Document issued by Ricardo Energy & Environment and E4tech (“**the Delivery Partners**”) on behalf of the Secretary of State (“**the Guidance Document**”) attached as Annex 2 and the project costs section of the Project Proposal.
8. The Eligible Costs are limited, in all cases, to costs which are incurred after the date the Consortium sign this grant offer letter and 31 March 2020 (inclusive).
9. Under no circumstances may the grant be claimed or used for the non-eligible costs listed in the Guidance Document (Annex 2).
10. Funding for this grant is only available between January 2019 and March 2020. In no circumstances, therefore, can the grant be used to cover costs incurred after the end of March 2020. It is consequently a fundamental condition of the grant that the Consortium comply with all relevant requirements of this letter on or by the deadlines specified.
11. The Secretary of State is under no obligation to provide the Consortium with any further funding in respect of the Project or for any other purpose.
12. The offer of the grant is conditional on each Consortium member providing the Secretary of State with the following information and evidence, in a form reasonably satisfactory to the Secretary of State:

- a. Evidence confirming that the Consortium can defray the balance of the Eligible Costs from sources other than public funds;
- b. Evidence confirming that the Consortium can defray the balance of the Eligible Costs at the same rate as the Secretary of State to maintain the appropriate funding split.
- c. Evidence of sufficient contingency funds should a milestone or stage gate be missed. The Consortium is only required to provide evidence that operations and the project activities will continue in order to achieve the milestone or reach the next stage gate. Note: Evidence to support the requirements in paragraphs 12a), b) and c) must be a firm and formal offer of project finance (without caveats) detailing a commitment to the conditions above in a letter from the individual consortium member(s) Finance Director – or equivalent. An equivalent could be an individual who has the authority to commit the organisation to spend (or find) the sum required, should it be necessary.
- d. Evidence that each Consortium member will obtain at least 3 competitive quotes for the provision of all goods and services with a cost of £5,000 or more. In cases where this is not possible, if Consortium members follow 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, Consortium members must keep a record of the reasons why that procedure was thought to be appropriate;
- e. There are a number of project specific conditions that must be met once the project is underway;
  - i. [insert project specific conditions]

13. The Lead Consortium Member must ensure that the Secretary of State receives any information and evidence required by paragraph 12 to coincide with the milestones and stage gates in Annex 3. Should the Lead Consortium member fail to do so or should the Secretary of State reasonably conclude that the information and evidence provided prior to that deadline is unsatisfactory, the Secretary of State shall be entitled to withdraw this offer and/or the grant.

14. The provision of the grant is subject to the following:

- a) That the Consortium comply with the terms and conditions set out or referred to in this letter and its Annexes; and continue to do so (where relevant) after payment of the grant.
- b) That the Consortium keep adequate records to demonstrate that it has complied with all terms and conditions of this grant. You must maintain those records for a period ending 10 years after the final grant claim is paid.
- c) That the Consortium will (or will procure that relevant third parties will) allow

access for the Secretary of State or his representatives (including, without limitation, the Delivery Partners) to the Project sites and to relevant records for the purposes of monitoring, evaluation and audit within 20 working days if requested. This includes the UK's National Audit Office which may carry out examinations into the economy, efficiency and effectiveness of usage of the Secretary of State's funds by your organisation in accordance with this letter.

- d) That the structure and objectives for the Project as set out in the Project Proposal and Annex 3 will not be changed or altered in any material way without the prior written approval of the Secretary of State. Any requests for changes must be directed in the first instance to your MO.
- e) If at any stage the Consortium become aware of, or suspect, any misappropriation or diversion of funds or possible fraud or corruption relating to the Project activities funded by the grant, you must report the matter immediately to the Secretary of State via your MO.
- f) That progress and financial reports will be provided to the Secretary of State on a quarterly basis and that a final narrative will be provided to the Secretary of State within 1 month of completion as detailed in the Project Proposal and paragraphs 25 - 26 of this letter;
- g) That the Consortium will work with the HTP Project Team. This will include the provision to the HTP Project Team of financial and narrative reports as the Secretary of State's agent.
- h) That the Secretary of State will not be responsible for the activities of any person or third party engaged by the Consortium because of this letter, nor will the Secretary of State be liable for any costs incurred by the Consortium in terminating the engagement of any such person.
- i) That, if any changes occur which, in the opinion of the Secretary of State, significantly impair the delivery of the project, the Consortium will consult the Secretary of State at the earliest opportunity on measures to resolve the problem and identify possible courses of action.

## **ISSUE OF FUNDS**

- 15. No funds will be issued until the Secretary of State has received an original of this letter signed by each member of the Consortium.
- 16. All funds requested must be accounted for in GB pounds sterling.
- 17. The grant will be paid to the Consortium by instalments, on a reimbursement basis, provided that the Consortium:
  - a) Necessarily and properly incur any Eligible Costs within the period to which the relevant instalment applies; and
  - b) Ensure that the Secretary of State receives a grant claim in compliance with paragraphs 19 - 20 20 by the deadline for that instalment.

18. The instalments are set out in the Schedule to Annex 3. The Secretary of State will endeavour to pay you within 30 days of the Secretary of State being satisfied that you have complied with all relevant requirements of this letter.

19. Your grant claims must include the following:

a) The information and evidence required for the relevant instalment, as set out in the Schedule to Annex 3; and

20. b) Accompanying that information and evidence, a reasonable assurance report, or a copy of one, provided at your expense and meeting the requirements set out in that Annex. When submitting a Request for Funds, the format of Annex 4 must be copied onto the official letter heading of the Consortium member making the request for funds. The Finance Officer of the relevant Consortium member or another responsible officer is required to certify the Request for Funds and any accompanying detailed statements of expenditure, as follows:

“I certify that:

(a) any expenditure shown above and detailed in the accompanying Statement of Expenditure have been necessarily and properly expended in accordance with the terms and conditions of the accountable grant arrangement for the period to {**INSERT DATE**}; and

(b) I am not aware that any change has occurred which may significantly impair the delivery of the Project for the purpose of paragraph 12(i) of those terms or that any of the grounds set out in paragraph 51 or Annex 5 of those terms apply. In particular, I have no reason to believe (having regard to paragraph 50 of those terms) that progress towards completion of the Project is unsatisfactory or that the Project may no longer meet the objectives of the Competition.”

18. Statements so certified will be accepted as a proper discharge for the monies provided from the Secretary of State and documentary evidence of the various payments made by the Consortium will not normally be required. However, the Secretary of State reserves the right to call for and examine such evidence prior to making any payments under this letter. These statements must be sent to the Consortiums MO for authorisation.

19. The summary sheet set out in Annex 4 should be used, accompanied by a detailed statement of expenditure and a request for funds.

20. In addition, the consortium must co-operate with any examination conducted by the UK's National Audit Office into the economy, efficiency and effectiveness with which the Secretary of State's funds have been used in relation to the Project.

**21. ALL STATEMENTS MUST BE IN AN ORIGINAL FORMAT. FAXED, COPIED OR SCANNED DOCUMENTS WILL NOT BE ACCEPTED.**

## **ANNUAL AUDITED ACCOUNTS**

22. The Consortium are required to submit audited accounts for the financial years (1 April – 31 March) covered by the grant. These must be signed by each Consortium Members Finance Officer and be certified by an independent firm of professional auditors as being a true and fair view of the organisation's finances at the relevant time. These accounts must show the grant as a separate item of income. One copy bearing original signatures must be submitted to the Consortiums MO.
23. If it is not possible to show the grant as a separate item in accounts, the Secretary of State may accept an auditors' certificate confirming the total income in respect of the grant, along with a copy of the annual audited accounts, prepared as above.
24. Annual audited accounts must be submitted within 6 months of the end of the financial year.

## **REPORTING**

25. Consortium members will provide regular reports to the Lead Consortium Member who will collate and forward reports to the Consortium's Monitoring Officer. Reporting requirements include:
- a) a three month financial and narrative report for each financial quarter within 10 days of the end of each quarter until the Project is completed, that will include a progress update on the project, an explanation of any technical or administrative challenges faced and what was done to resolve them, and an indication of whether the project is on plan (accompanied by an updated project plan to complete the project) and if not what needs to be done to resolve any delays or technical challenges (including decisions by the Department). Each quarterly report must include, in addition to historic information concerning the quarter in question, a revised rolling forecast of programme activity, budgeted cost and cash-flow to completion.
  - b) a final financial and narrative report within 30 days of the completion of the Project.
  - c) brief monthly narrative programme updates to take place by the 10<sup>th</sup> of the following month that track progress, confirm any amendments to project plans, and review milestone dates. These monthly updates will be reported to OLEV by the 15<sup>th</sup> of the following month.
26. Template formats for all reports will be discussed with the Consortium's monitoring officer during the project kick-off meeting. In addition to conditions described in Paragraph 12, reporting requirements also include an obligation to provide HRS and/or vehicle data. Data gathering, and reporting requirement include (but are not limited to) those listed within the project proposal. The MO assigned to the project will identify and discuss any data that would facilitate project reporting and provide qualitative information about performance metrics alongside HRS and/or vehicle use patterns;

## **PUBLICITY**

27. The Secretary of State may publish this letter and any other information relating to the Project on the gov.uk website and in any other way considered appropriate. Such information may include, without limitation: lead organisation name, Project Name and Reference, type of enterprise (SME/large) at the time of granting, the location of the Project, the amount of grant, and the Project objectives.
28. The Secretary of State will, prior to publication, consider any representations the Consortium may make about information you consider to be commercially sensitive.
29. The Consortium will:
- (a) provide the Consortiums MO with draft press releases ahead of issue, to allow the Secretary of State opportunity to review and approve this information. The Secretary of State, via the Delivery Partners, will endeavour to provide fair comments within a reasonable timescale;
  - (b) give appropriate recognition to the provision of the grant by the Secretary of State in any press release or other contact with the media. The nature of such recognition will be decided in advance with the Consortiums MO; and
  - (c) provide representatives of the Secretary of State's Press Office with any assistance required to formulate the Secretary of State's approach to the media in relation to the Project.
30. The Consortium will collaborate with the Secretary of State:
- (a) to build support for development and raise awareness of the UK government's funding for the Hydrogen for Transport Programme;
  - (b) to proactively look for ways to raise awareness of UK government funding for development;
  - (c) on other awareness raising activities where feasible and appropriate to profile the Scheme and the results it is delivering; and
  - (d) on any future evaluation of the Scheme.
31. The Secretary of State may share information relevant to the grant with other public authorities and their agents and the European Commission.

## **BRANDING**

32. Stations supported under the Scheme must display clearly a plaque or other signage stating that the Project has been part-funded by the UK Government. Final designs for such a plaque or other signage will be approved by the Secretary of State and the design guide will be issued to the Consortium.

## FREEDOM OF INFORMATION

33. The Secretary of State may be obliged to disclose information relating to the grant and this offer under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under any other requirement of law.
34. The Consortium must assist, and cooperate with, the Secretary of State, as reasonably requested, to enable the Secretary of State to comply with those requirements.

## INTELLECTUAL PROPERTY RIGHTS

35. All intellectual property rights in the progress reports produced pursuant to paragraph 35 of this letter by the Consortium or Consortium personnel, members or representatives in the course of undertaking the Project will be the property of the Secretary of State. Any data submitted with progress reports that is confidential should be submitted as a separate non-publishable annex.

## SUSPENSION, REDUCTION, WITHDRAWAL AND REPAYMENT

36. The Secretary of State has the right, exercisable in the circumstances referred to in paragraph 37 or 38, to terminate this Arrangement and/or to:
- a) suspend, withdraw or reduce the grant, where the grant, or any part of it, has not been paid; and/or
  - b) require any member of the Consortium to repay all, or any proportion of, the grant, together with interest from the date of payment, calculated in accordance with paragraph **Error! Reference source not found.** (including in cases where the Consortium have already spent the grant money).
37. The Secretary of State may exercise those rights where the Secretary of State:
- a) is required to cease grant funding or to recover all, or any proportion, of the grant by virtue of a decision of a court or of the European Commission; or
  - b) has reasonable grounds to consider that the payment of the grant, or the Consortiums use of it, contravenes any requirement of law, in particular (but without limitation) EU law.
38. The Secretary of State may also exercise those rights on any of the grounds set out in Annex 5, where the Secretary of State considers it reasonable to do so.
39. Where the Secretary of State requires the Consortium to repay any amount, the Secretary of State may recover that amount by withholding or deducting the amount from any sum due to the Consortium from the Secretary of State under an offer of grant for any other projects or activities under any scheme or programme administered by the Secretary of State.

40. The Secretary of State will, prior to exercising any rights in paragraph 36, notify you of the grounds concerned and, as far as possible, consider the Consortiums representations (provided that the Consortium make them within any reasonable deadline required by the Secretary of State).
41. Each Consortium member agrees to inform the Secretary of State urgently, in writing, if the Consortium member becomes aware that any of the grounds set out in paragraph 46 or Annex 5 apply. If they arise after the Consortium member has received a grant payment, the Consortium member must not make any use of the grant until the Secretary of State has authorised continued use of the grant in writing.
42. A decision to ask the Consortium to repay the grant will be communicated by letter, and you must make that repayment within 30 days of the date of that letter or within any later reasonable deadline agreed by the Secretary of State in writing.
43. Ordinary interest will be calculated from the date of the grant payment to the date of repayment at the rate of 0.5% above the base rate of the Bank of England but, if the Consortium fail to make the relevant repayment by the relevant deadline, further interest on the outstanding sum (inclusive of ordinary interest) will accrue after that deadline, at the statutory rate of interest under section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if higher.
44. Any failure by the Secretary of State to exercise the rights set out in paragraph 43, or any delay in doing so, shall not constitute a waiver of those rights unless the Secretary of State confirms that waiver in writing. Furthermore, any such waiver shall not be taken as a precedent for any other, or subsequent, circumstances.
45. Subject to paragraph 53, the Secretary of State shall also be entitled to terminate this Arrangement at any time and without any reason, at the absolute discretion of the Secretary of State, by giving to you not less than 28 days' notice in writing to that effect.
46. If this Arrangement is terminated pursuant to paragraph 53, the Secretary of State shall pay to you a reasonable amount in respect of the activities properly carried out by you prior to the date of termination where payment has not already been made by the Secretary of State including, without limitation, amounts properly due and owing to you under this letter and/or any other parties engaged by you in respect of which you have, prior to the date of termination necessarily, properly and irrevocably entered into a commitment to make payment for goods or services relating to the Project (whether or not such amounts have already been paid by the Consortium).

## **DEADLINES**

47. The deadlines required to be met by this letter expire at 5pm on the day specified, or, where that day is a weekend or public holiday, 5pm of the next working day.
48. The periods of 30 days referred to in this letter:

- a) Begin on the day after the relevant date or occurrence; and
- b) End at 5pm on the 30th day (or at 5pm of the next working day).

## **LAW AND JURISDICTION**

49. If this offer is accepted, the resulting agreement will be governed by English law and is subject to the exclusive jurisdiction of the courts of England and Wales.

## **WARRANTIES**

50. In accepting the grant and any payment of it, the Consortium represent, warrant and undertake that:

- a) The Consortium have full capacity and authority to undertake the Project and to agree to the terms and conditions of this letter and its Annexes.
- b) The Consortium are not a company in difficulty as defined in Article 2.18 of the Block Exemption and the circumstances described in paragraph 32 are not applicable to you. The Consortium will inform the Secretary of State as soon as reasonably practicable of a change in this status.
- c) The Consortium will obtain any consents necessary to undertake the Project.
- d) The information and evidence contained or referred to in the Project Proposal remains true, complete and accurate.
- e) The Consortiums circumstances have not materially changed since the Project Proposal was submitted.
- f) The Consortium will comply with all terms and conditions of this letter and its Annexes.
- g) The Consortium are not aware of the existence of any circumstances entitling the Secretary of State to terminate this Arrangement or to reduce, suspend, withhold or require the repayment of the grant.

51. In accepting the grant and any payment of it, the Consortium represent and warrant that the Consortium are not aware of any circumstances which might materially and adversely impact on the Consortiums ability to undertake the Project or comply with the terms and conditions of this letter and its Annexes including (without limitation):

- a) Any contractual obligations;
- b) Any legal or administrative proceedings (such as any litigation or any winding-up or insolvency proceedings);
- c) Any circumstances which might give rise to such proceedings; or

## **LIMITATION OF LIABILITY**

52. The Secretary of State's liability to the Consortium is limited to payment of the grant (subject to the Consortiums compliance with the terms and conditions of this letter and its Annexes and to the Secretary of State's rights set out therein). The Consortium remain entirely responsible for all risks and liabilities in undertaking the Project and (to the fullest extent permitted by law) the Secretary of State shall have no liability for any consequence, direct or indirect, that may arise through your undertaking of the Project or the Consortiums use of the grant.

## **INDEMNITY**

53. The Consortium agree to indemnify the Secretary of State against all claims, demands, actions, proceedings, costs, charges, expenses, losses, damages or other liabilities arising from the Consortiums acts or omissions, or those of the Consortiums employees, contractors, agents or partners, in undertaking the Project and in using the grant.

54. The Consortium must ensure that, in undertaking the Project, the Consortiums employees, contractors, agents and partners comply with the terms and conditions of this letter and its Annexes, and the Consortium agree that the Consortium will be responsible for any breach by any of them of those terms and conditions and that such a breach will be treated as a breach by the Consortium.

## **REFERENCES**

55. In this letter and its Annexes:

- a) references to legislation, including EU legislation and any documents issued by the EU institutions, are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this letter); and
- b) references to the requirements or terms and conditions of this letter shall be taken as including any requirements set out in the Annexes.

## **DURATION OF OFFER**

65. This offer remains open until **XXX**, at which point it expires. If the Consortium wish to accept this offer, the Consortium must ensure that we receive the Consortiums formal acceptance, in compliance with the acceptance requirements below, on or by that time.

## **SIGNATURE**

66. If this Arrangement is acceptable to the Consortium, this letter will place on record the understanding of our organisations and will come into operation on the date of signature by both parties.

67. If this offer is accepted, this letter and its Annexes, and any document referred to, will form the entire agreement relating to the grant and will supersede previous

correspondence and understandings. However, this does not exclude the liability of either party in respect of any previous fraud or fraudulent misrepresentation.

68. In the event of any material changes to the content of this letter or revisions to the Project Proposal, an Amendment Letter will be issued for signature by both parties.
69. No variation of the terms and conditions set out or referred to in this letter and no material revision of the Project Proposal will be effective unless it is agreed in writing and signed by both parties. This does not prevent the Secretary of State making reasonable changes in relation to the administrative arrangements set out in this letter (such as departmental contact details).
70. The Consortium may not assign or otherwise transfer to any other person the benefit of the grant or any other benefit arising by virtue of this letter without the approval in writing of the Secretary of State. It is a condition of the grant that the Project is substantially carried out by you or by the persons specified in the Project Proposal.
71. Nothing in this letter creates a relationship of employment, agency, partnership or joint venture between the parties. Accordingly, the Consortium must not hold yourself out as having any such relationship with the Secretary of State.
72. Please sign two copies of the original, one copy is for your retention with the second to be returned to the Secretary of State.

Signed on behalf of Secretary of State  
for Transport:

Full Postal Address:

Name:

Email:

Department/Position:

Date:

Telephone:

Address:

E-mail:

Date:

Signed on behalf of [separate page,  
repeat for each Consortium member]

Name:

Department/Position:

Telephone:

## **Annex 1: Project Proposal**

## **Annex 2: Guidance Document**

## **Annex 3: Payment milestones**

1. The Consortium must submit the information and evidence required in the Schedule to this Annex and ensure that it is received on or by the relevant deadline specified.
2. The reasonable assurance report must be a report issued to the Consortium by an identified and independent reporting accountant, in which that accountant:
  - a) Confirms that the Consortium have provided it with the grant offer letter, and the information and evidence relied on in support of the Consortiums claim for a grant payment; and
  - b) Concludes that, in its opinion, the Consortium have complied, in all material aspects, with the terms and conditions of the grant.

### **Annex 3: Schedule**

#### **Payment instalments: information and evidence required**

## Annex 4: Request for Funds

**Note: To be copied onto your organisation's official letter heading, completed and signed before being submitted**

### ***Request for Funds***

Name of organisation			
Country			
Project Title			
Reference Number			
Period covered by the Statement of Expenditure	[dd/mm/yyyy]	to	[dd/mm/yyyy]
Period covered by the Forecast of Expenditure	[dd/mm/yyyy]	to	[dd/mm/yyyy]
1. Expenditure from previous claim			
2. Expenditure for total Project to date			
3. Total value of previous claims to date			
4. Payment requested			

"I certify that:

(a) any expenditure shown above and detailed in the accompanying Statement of Expenditure have been necessarily and properly expended in accordance with the terms and conditions of the accountable grant arrangement for the period to **{INSERT DATE}**; and

(b) I am not aware that any change has occurred which may significantly impair the delivery of the Project for the purpose of paragraph 12(i) of those terms or that any of the grounds set out in paragraph 45 or Annex 5 of those terms apply. In particular, I have no reason to believe that progress towards completion of the Project is unsatisfactory or that the Project may no longer meet the objectives of the Competition."

[Signature of authorised certified officer e.g. Finance Officer]

[Printed name and title]

[Date]

# **Annex 5: Grounds for termination, suspension, reduction, withdrawal and repayment**

## **Grounds relating to performance**

### *Non-compliance with requirements*

1. A material failure to comply with a term or condition of this letter and its Annexes, in particular, but without limitation, in cases where you fail to:
  - a) incur some or all of the Eligible Costs (or the Secretary of State has reasonable grounds to consider that those costs have not been properly incurred or that you have not paid for any relevant goods or services);
  - b) complete the Project within the required timescale;
  - c) comply with any deadline required to be met;
  - d) provide information or evidence required; or
  - e) comply with any of the preliminary conditions set out in paragraph 11 of this letter.

### *Jeopardy and unsatisfactory progress*

2. The Secretary of State has reasonable grounds to consider that:
  - a) progress towards completion of the Project is unsatisfactory; or
  - b) the future of the Project is in jeopardy.

### *Unsatisfactory report*

3. A report or opinion from a reporting accountant, or from any other expert, is unsatisfactory because it contains an adverse opinion, a qualified opinion or a disclaimer of opinion, to which you have not (in the reasonable opinion of the Secretary of State) responded to appropriately.

## **Overpayment**

4. The Secretary of State overpays the grant, or any instalment due, in which case the overpayment will be repayable or deductible from any future instalment.

## **Recovery of sums due under other agreements etc**

5. A sum is recoverable from, or repayable by, you under any other agreement or arrangement with the Secretary of State, or with another government department, in which case the grant may be reduced by that amount.

## **Material changes**

### *Changes to the Project*

6. There is a change to the Project which the Secretary of State:
- a) reasonably considers to be material; and
  - b) has not agreed with you in writing.

### *Changes to your business*

7. There has been a change to your business, which the Secretary of State reasonably considers makes (or would have made) a material difference to:
- a) your eligibility for the grant; or
  - b) the conditions on which it is appropriate to award the grant.

## **Cessation of business, insolvency and winding up etc**

### *Cessation of business*

8. You cease or suspend the carrying on of your business or a material part of it.

### *Insolvency and bankruptcy etc*

9. You are a company (or other body corporate), and any of the following events occur:
- a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986, an arrangement or reconstruction under Part 26 of the Companies Act 2006 or any other composition scheme or arrangement with, or assignment for the benefit of, the company's creditors;
  - b) a shareholders' meeting is convened for the purpose of considering a resolution that the company is wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation);
  - c) a petition is presented for the winding up of the company (which is not dismissed within 14 days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986;
  - d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of your business or assets;
  - e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given;
  - f) you are or become unable to pay your debts within the meaning of section 123 of the Insolvency Act 1986;

- g) being a company subject to the small companies regime under section 381 of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or
  - h) any other event occurs, in any jurisdiction to which you are subject, which is similar to those listed in sub-paragraphs a) to g).
10. You are a partnership, and any of the events referred to in paragraph 9 occur in relation to any partner.

### **Probity etc**

#### *Your application and correspondence*

11. The Secretary of State has reasonable grounds to consider that any of the information and evidence provided in the Project Proposal, or in subsequent correspondence (in particular any grant claim or other correspondence material to the payment of the grant), has not been, in any material respect:
- a) complete and accurate; or
  - b) supplied honestly and in good faith.

#### *Misuse of the grant*

12. The Secretary of State has reasonable grounds to consider that:
- a) you have misused the grant or any instalment of it; or
  - b) there is a serious risk that you will do so.

#### *Corruption in your business*

13. The Secretary of State has reasonable grounds to consider that you have failed to comply with any anti-bribery or anti-corruption laws, including:
- a) the Bribery Act 2010; and
  - b) any anti-bribery or anti-corruption laws in another jurisdiction to which you are subject.

#### *Criminal convictions and proceedings*

14. The Secretary of State becomes aware that you, or a connected person referred to in regulation 23(1) of the Public Contracts Regulations 2006<sup>1</sup> have been convicted of:
- a) any offence referred to in that regulation;
  - b) any other criminal offence relating to the conduct of your business;
  - c) failure to fulfil obligations relating to the payment of taxes; or any equivalent offence in another jurisdiction to which you are subject.

---

<sup>1</sup> S.I. 2006/5.