

## LETTER OF INTENT

### WMCA DEVOLVED BUILDINGS RETROFIT PILOT 1 APRIL 2025 TO 31 MARCH 2028

From: **WEST MIDLANDS COMBINED AUTHORITY (Funder or WMCA)**

To: **[GRANT APPLICANT]** (Applicant)

Date: 19<sup>th</sup> March 2025

Dear Stakeholder,

### WMCA DEVOLVED BUILDINGS RETROFIT PILOT 1 APRIL 2025 to 31 MARCH 2028

#### 1. BACKGROUND

We refer to our recent discussions during the period from early 2024 to date in connection with the Pilot and the Works (both as defined below).

#### 2. DEFINITIONS

**Approval Stage 1 Development Funding** means the first phase of available Pilot funding, which is predominantly revenue funding, with capital expenditure as consistently defined.

**Approval Stage 2 Delivery Funding** means the second phase of available Pilot funding, which is predominantly capital funding, with revenue expenditure as consistently defined.

**Grant** means any grant approved by the Funder and as given to the Applicant, following a Grant Application which has been approved, under any Grant Funding Agreement signed between the parties.

**Grant Application** means the application by the Applicant to the Funder.

**Grant Funding Agreement** means the grant funding agreement to be entered into between the Funder and the Applicant in relation to any Approval Stage 1 Development Funding or Approval Stage 2 Delivery Funding as approved.

**Letter of Intent** means this letter of intent as exchanged between us, which is not intended to create any legal obligations as between us.

**Government** means the UK Government.

**Integrated Settlement** means the financial arrangement known as the Integrated Settlement under which the Government has made a single funding pot of funds available to the Funder as a Mayoral Combined Authority for its three (3) financial years 2025-26, 2026-27 and 2027-28.

**Pilot** means the Funder's Devolved Buildings Retrofit Pilot from 1 April 2025 to 31 March 2028, which comprises two separate tranches of funding, Approval Stage 1 Development Funding and Approval Stage 2 Delivery Funding, covering grant funding for domestic and public buildings.

**Pre-Works Activities** has the meaning set out in Clause 5.

**Scheme Guidance** means the scheme guidance in relation to the Pilot as issued by the Funder from time to time and with which the Applicant must comply.

**Works** means the retrofit works measures to be undertaken for and on behalf of the Applicant through its appointed contractors as further described in the Grant Application and which must be in accordance and compliance with the Scheme Guidance and applicable industry standards (including, without limitation, PAS 2035/2030:2023 compliance and principles of PAS 2038).

### **3. INTENT TO OFFER**

- 3.1 We are pleased to inform you that, subject to a Grant Application being duly submitted and terms being agreed between us for Approval Stage 1 Development Funding, it is our intention to approve such Grant Application, so that we can proceed to enter into with you a Grant Funding Agreement for the purpose of carrying out the Works.
- 3.2 This Letter of Intent is not intended to cover any current expression of any intention we may have in relation to a subsequent Grant Application for Approval Stage 2 Delivery Funding.
- 3.3 A Grant Application for Approval Stage 2 Delivery Funding will only be relevant and eligible for due consideration by us if either:
- (a) you have had a Grant Application for Approval Stage 1 Development Funding duly approved; or
  - (b) you have not submitted a Grant Application for Approval Stage 1 Development Funding.

### **4. GRANT FUNDING AGREEMENT**

- 4.1 It is intended that the form of Grant Funding Agreement will be based on the form of the draft template to be circulated to you during March/April 2025.
- 4.2 The Grant Funding Agreement will incorporate various schedules and annexures as may be relevant as between us
- 4.3 The intended start date for the Pilot is 1 April 2025, with an intended final completion date of 31 March 2028, subject to any extensions of time agreed between us in accordance with the Grant Funding Agreement.

### **5. PRE-WORKS ACTIVITIES**

- 5.1 Notwithstanding that the terms of the Grant Funding Agreement are not yet agreed, please accept this Letter of Intent as our no objection for you to proceed at your own commercial risk with the following activities (**Pre-Works Activities**) in accordance with this Letter of Intent:
- (a) retrofit assessments, feasibility studies and eligible site investigations;
  - (b) retrofit coordination;
  - (c) design support in putting together your Grant Application for Approval Stage 1 – Development Funding or Approval Stage 2 – Delivery Funding;
  - (d) new pre-installation assessments and EPC assessments;
  - (e) household and building recruitment;
  - (f) preparatory building works;
  - (g) project management, reporting and governance hiring activities; and

(h) any other compliant activities as notified to us in writing.

5.2 Although the Grant Funding Agreement has not yet been entered into, all the terms and conditions of the Grant Funding Agreement (so far as not inconsistent with the terms of this Letter of Intent) will apply to any Pre-Works Activities carried out by you pursuant to this Letter of Intent, including but not limited, to any Pre-Works Activities carried out prior to the date of this Letter of Intent.

5.3 In the event of an inconsistency between the Grant Funding Agreement and this Letter of Intent in relation to any Pre-Works Activities, the terms of this Letter of Intent shall prevail.

## **6. PRE-WORKS ACTIVITIES COSTS AS MATCH FUNDING**

6.1 It is our intention to treat all reasonable qualifying costs properly incurred by you on or after 1 November 2024 (or any other date as separately agreed in writing) for any Pre-Works Activities undertaken pursuant to this Letter of Intent as a match funding contribution towards any Grant.

6.2 To qualify as match funding under any Grant Funding Agreement, you will need to deliver to the Funder all relevant supporting documentation which evidences to our satisfaction compliance with the Scheme Guidance.

6.3 For the avoidance of doubt, we are not bound to enter into any Grant Funding Agreement with you or make payment of any Grant to you and our intended commitment at this stage is strictly limited as set out in this Letter of Intent.

## **7. CONFIDENTIALITY**

7.1 If any sensitive or confidential information (whether of a financial nature or relating to commercial or other relevant matters) is exchanged between us in relation to the Pre-Works Activities or in the negotiation of the Grant Funding Agreement, all such information will be treated by the party receiving it on a strictly confidential basis.

7.2 Such information may not be disclosed to any third party without the written authority of the party who disclosed it, nor used for any purposes other than those envisaged by this Letter of Intent.

## **8. GRANT FUNDING AGREEMENT SUPERCEDES LETTER OF INTENT**

8.1 If we enter into the Grant Funding Agreement with you, the terms of the Grant Funding Agreement will supersede this Letter of Intent, which will then cease to have any further effect.

8.2 Any Pre-Works Activities carried out by you pursuant to this Letter of Intent will be deemed to have been carried out under the Grant Funding Agreement.

## **9. ASSIGNMENT**

You shall not be entitled to assign this Letter of Intent or the benefit of it to any other party.

## **10. ENTIRE AGREEMENT**

This Letter of Intent supersedes any previous instructions, correspondence or other discussions between us in relation to the Works and represents the entire agreement between us in relation to its subject matter.

## **11. LETTER OF INTENT IS NON-BINDING**

**This Letter of Intent is provided by the Funder to the Applicant for commercial comfort and is not intended to create any legal obligations as between us and is of no legal effect and non-binding on each of us.**

## **12. CONTRACTS (RIGHTS OF THIRD PARTIES)**

Nothing in this Letter of Intent shall confer or purport to confer any right to enforce its terms on a third party, either pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

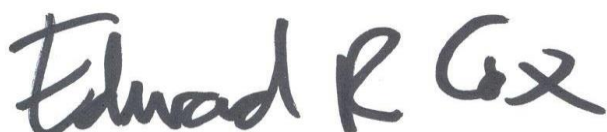
## **13. GOVERNING LAW AND JURISDICTION**

- 13.1 This Letter of Intent, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter, shall be governed by, and construed in accordance with, the laws of England and Wales.
- 13.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Letter of Intent or its subject matter.

## **14. ACKNOWLEDGEMENT AND RECEIPT**

Please indicate your acknowledgement and receipt of this Letter of Intent and your acknowledgement to proceed as described above by signing and returning the attached copy to [Devolved.Retrofit@WMCA.org.uk](mailto:Devolved.Retrofit@WMCA.org.uk).

Yours faithfully



Duly authorised for and on behalf of

**WEST MIDLANDS COMBINED AUTHORITY**

**[On counterpart copy]**

We acknowledge receipt of this Letter of Intent and acknowledge and understand its purpose and contents.

Duly authorised for and on behalf of

**[APPLICANT]**