

Legal Consideration: The Funding Agreement involves various conditions and non-fulfilment of those conditions triggers clawback mechanism. BCC will be the lead authority and will be entering into contractual arrangement with the funding agency. Since a number of authorities will be joining in this programme and they will be dealing independently with their respective share of the funding, therefore it should be their respective duty to fulfil the conditions and achieve the targets. In case of their failure to do so they should be responsible for the consequences without any adverse consequences for BCC. This can be achieved through Inter Authority Agreement where all the funding conditions can be reflected as respective conditions applicable for the participating authorities including being liable for any clawback under the funding agreement in relation to the investments in their respective areas. An Inter Authority Agreement has been provided which includes the above terms. The Agreement also provides financial structure, governance arrangement and dispute resolution mechanism. It is advised that before taking any conclusive action regarding this funding the IAA should be signed by all the participating authorities to avoid/mitigate any risk to the Council.

Legal Officer: *Irfan Sheikh, Energy Contracts and Procurement Solicitor*