

## Appendix 1

[From: Kent County Council – to be provided on relevant party’s headed paper]

Programme Director  
School Rebuilding Division  
Operations Directorate  
Department for Education  
5th Floor  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

[Date]

[Our ref]

To whom it may concern

### **School Rebuilding Programme SRP1074 – Capital Contribution relating to additional works at Pilgrims Way Primary School, Pilgrims Way, Canterbury CT1 1XU.**

Kent County Council (*the “Council”*) is aware that Pilgrims Way Primary School (the “School”) is to be rebuilt as part of the School’s Rebuilding Programme (SRP). The Council acknowledges that the Secretary of State for Education (the “Secretary of State”) intends to enter into a Design and Build Contract (the “Contract”) for the carrying out of design and construction work relating to the School.

The Council wishes to incorporate additional works at the School via the Contract that are over and above the Department for Education’s (DfE) control option, specifically: an increase in the pupil capacity from 315 to 420, as set out in the Regional Schools Commissioners letter dated 03/02/2022, a copy of which is appended to this letter (the “Additional Works”)

To progress this matter the Council agrees to the following.

#### **Capital Contribution**

It is the Council’s intention to provide a capital contribution of £1,445,142.00 plus VAT (the “Contribution”) for the provision of the Additional Works. The Council acknowledges that this figure is an estimate only and that the total cost of the Additional Works, and therefore the Contribution, may be higher or lower than this estimate. The Council is aware that the DfE will invoice only once the final cost for the Additional Works has been confirmed and agreed with the Council, and the Council agrees to pay this amount (whether it is more or less than the original estimate) in accordance with the arrangements set out below.

#### **Challenge Process**

Once the DfE has concluded the final design in line with the planning requirements, both parties will have a firm understanding of what the final costs for the Additional Works will be before the works commence on site. At this point the Council can evaluate these costs, which will be provided on an open book basis to the Council, prior to agreeing the Contribution with the DfE. If and to the extent the Council does not approve the final costs for the Additional Works within the time period set out by the DfE (such period being not less than 7 days), the Additional Works will not proceed and the

Council will pay any costs properly incurred by the DfE in accordance with the paragraph headed '**Abortive costs associated with cancellation of the proposal**' below.

### **Abortive costs associated with cancellation of the proposal**

Prior to the Secretary of State entering into the Contract, if the Council decides not to go ahead with the provision of any or all of the Additional Works then the Council agrees to pay any costs properly incurred by the DfE in relation to any abortive design and project management costs associated with the incorporation of the Additional Works into the Contract.

Once the Secretary of State has entered into the Contract, if the Council decides it no longer wishes to proceed with any part of or all of the Additional Works, the Council acknowledges that any refund it requests of all/part of the Contribution will be at the DfE's sole discretion.

### **Matters not Funded by the SRP**

The Council acknowledges that the SRP does not fund any off-site works, including but not limited to works required under the Town and Country Planning Act 1990 (including but not limited to section 106 works) or the Highways Act 1980 (including but not limited to section 278 works). The Council acknowledges that should any such works be necessary then the Council will be required to fund the costs of them in addition to the figure referred to above.

### **Contractual position**

The Council acknowledges that, in order to procure the construction of the proposed items on behalf of the Council, the DfE will be the 'client' for the purposes of the Contract for the overall project at the School.

### **Payment**

The Council agrees to pay the Contribution (and any further contribution) including VAT as agreed in accordance with this letter within 30 working days of receipt of an invoice from the DfE. The invoice shall be issued to Kent County Council and addressed for the attention of [Council to provide details].

The Council confirms that the purchase order number to be used on all invoices relating to this matter is: [ *Insert PO Number* ].<sup>1</sup>

The Council confirms that the requirements specified in article (8)(1)(b) of the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2019 (SI 2019 No. 892) will be satisfied and the parties consider that the VAT Reverse Charge ("VAT Reverse Charge" means, in relation to a supply, that under section 55A(6) of the Value Added Tax Act 1994 it is for the recipient, on the supplier's behalf, to account for and pay VAT on the supply and not for the supplier) will not apply to the Contribution so that it is for the DfE to account for and pay VAT to HMRC.

The Academy confirms that this letter may be signed by electronic signature (whatever form the electronic signature takes) and that this method of signature is as conclusive of its intention to be bound by the terms of this letter as if signed by manuscript signature.

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<sup>1</sup> A valid purchase order is a requirement for all contributions – without this the associated Works will not be included in a Contract.

Yours Sincerely,

[name]

Position/Section 151 Officer