

17 June 2009

David Grooby
Chief Executive's Office
Public Private Partnership Unit
Civic Hall
Calverley Street
Leeds
LS1 1UR

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Dear David,

Chapelton and Harehills Joint Service Centres

Thank you for confirming that financial close was reached on the above transaction on 12 June 2009, and that the contract was agreed on the terms set out in your FBC. This Department is therefore now formally issuing PFI credits for this project for an amount of £11,700,000.

You will be eligible for grant when the centre is completed and handed to the authority. Revenue support will be paid once a valid claim form has been received, as set out in the Local Government PFI Annuity Grant Determination for the financial year in which grant is first claimed. The interest rate which will be applied in calculating grant for your project will be 6.3%, and the scaling factor 1.0. Your authority will need to ensure that funds are available to cover that part of the payments to the contractor which will not be met by central Government. More information on PFI grant, is available in this Department's *Local Government PFI Project Support Guide*, available at www.local.communities.gov.uk/pfi/pfigrant.htm

Revenue support is not intended to match or correlate directly to the leaseplus payments that arise under a LIFT contract. However, the Government is committed to supporting good LIFT projects of this type. Its policy is therefore to maintain revenue in the long term, consistent with the long-term nature of LIFT contracts, even though formally such support cannot be guaranteed. Termination or variation of the contract would not in itself lead the Government to reassess the level of revenue support, although that would depend on the extent to which the anticipated capital investment had occurred.

Yours sincerely,



Simon Oliver

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