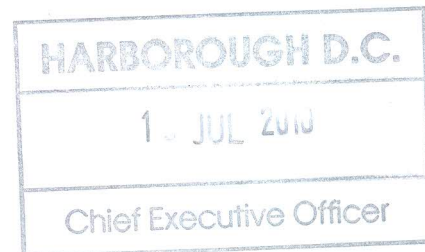


Sue Smith
Council Offices
Adam and Eve Street
Market Harborough
Leicestershire
LE16 7AG

14th July 2010



Dear Sue,

THE EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)
EAST MIDLANDS DEVELOPMENT AGENCY SINGLE PROGRAMME
(COMBINED FUNDING AGREEMENT)

East Midlands Operational Programme 2007-13

Relevant Priority Axis: **Priority Axis 1 Innovation and Sustainable Business Practice**

Programme of Activity: **East Midlands Competitiveness Programme**

Project name: **Harborough Innovation Centre**

Project reference: **EMX06759**

I am writing to you in respect of the *emda* Single Programme funding cuts and constraints being experienced by the Agency for the current and following Financial Years 2010/11 and 2011/12.

As you are aware, *emda* and its sub-regional funding partners have been undertaking a review of its existing funding commitments, as instructed by Central Government, in order to make the requisite savings in programme spending.

I am pleased that I am able to confirm that Harborough Innovation Centre has not been affected by this review process and I hope therefore that the project can now be progressed. However, the profiled commitment across the life of the proposed development has altered when compared with the Funding Agreement dated 13th May 2010. The table below sets out a comparison of the original and newly revised funding schedules:

Year	Funding Agreement	Newly revised profile
2010/2011	£1,758,799 – SP	£1,551,000 – SP
	£1,259,524 – ERDF	£1,110,713 – ERDF
2011/2012	£595,812 - SP	£803,611 – SP
	£426,676 – ERDF	£575,487 – ERDF
2012/2013	£4,189 – SP	£4,189 – SP
	£3,000 – ERDF	£3,000 – ERDF
Total	£2,358,800 – SP	£2,358,800 – SP
	£1,689,200 – ERDF	£1,689,200 – ERDF

The table outlines the revised SP funding allocation and the resultant changes to the ERDF funding allocation for the project and represents what is now available to the project. However the exact expenditure profile for the whole development will be determined by the construction phase, therefore you will need to keep *emda* informed of changes or alterations to the expenditure and how variations to the funding or the timescale will be resolved.

I hope that the above is clear and should you wish to discuss the matter further then please do not hesitate to contact Adrian Matthews in the ERDF Team on Tel: 0115 947 1785.

The Combined Funding Agreement dated 13th May 2010 shall apply except as amended by this letter; I very much look forward to seeing this project come to fruition after a number of false starts.

Yours sincerely,

A. T Morgan

Andrew Morgan

Director of Skills and Communities