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| **SOCIAL HOUSING DECARBONISATION FUND DEMONSTRATOR**  **MEMORANDUM OF UNDERSTANDING**  **Between the**  **SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY**  **And**  **«Lead\_LA»** |

**MEMORANDUM OF UNDERSTANDING**

**SOCIAL HOUSING DECARBONISATION FUND DEMONSTRATOR**

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# **MEMORANDUM OF UNDERSTANDING**

**SOCIAL HOUSING DECARBONISATION FUND DEMONSTRATOR**

## **DEFINITIONS**

In this MOU, the following terms will have the following meanings:

**“Authority”,** in the case of a Consortium, means the local authority that is to sign this MOU delivering the Proposal set out in Appendix 4 and to whom the Grant is to be paid by the Secretary of State subject to the provisions of this MOU.

“**Consortium”** means a group of local authorities working together to deliver the Proposal set out in Appendix 4 under the leadership of the Authority.

“**Funding Period**” is the period from initial allocation of the Grant to [XX] December 2021.

“**Eligible Cost**” means payments by the grant recipient during the Funding Period for the purposes of the project.

“**Monthly Report**” has the meaning given to it in paragraph [46].

**“Project Team”** means the Social Housing Decarbonisation Fund (“SHDF”) delivery project team within BEIS responsible for the delivery of the scheme, supported by their appointed delivery partner.

“**Programme Board**” means the lead governing authority for the SHDF Project.

**“Proposal”** means the Authority’s proposal set out in Appendix 4.

## **PURPOSE**

1. To establish the way the parties to the Memorandum of Understanding (hereafter referred to as the “MOU”) will work together to deliver the Social Housing Decarbonisation Fund Demonstrator (“SHDF Demonstrator”) in England, Wales, Scotland and Northern Ireland.
2. To clarify the roles and responsibilities of the parties to the MOU.
3. The Parties to this MOU are:
   1. The Secretary of State for Business, Energy and Industrial Strategy (**“Secretary of State”**); and
   2. The «Lead\_LA» known as **“the Authority”**.

The Secretary of State and the Authority are known together collectively as “**the Parties**”.

1. The MOU is dated [XX] December 2020.
2. The Secretary of State has decided to grant capital funding through SHDF Demonstrator to the Authority. The Authority has committed to spend such funds to deliver the proposed SHDF Demonstrator.
3. The Parties wish to record their understanding regarding the Grant funding which are detailed in this MOU.

## **BACKGROUND**

1. On 8 July 2020, the Chancellor’s Summer Economic Update announced the UK-wide Social Housing Decarbonisation Fund Demonstrator (“SHDF Demonstrator”) to start the decarbonisation of social housing over 2020/21, and to support green jobs as part of the COVID-19 Economic Recovery Plan.
2. This £50 million SHDF Demonstrator will support social landlords to demonstrate innovative approaches to retrofitting social housing at scale. It will mean warmer and more energy efficient homes, a reduction in households’ energy bills, and lower carbon emissions.
3. The SHDF Demonstrator upscales the existing Whole House Retrofit (“WHR”) Innovation Competition. The SHDF Demonstrator project is an initial investment to learn lessons and catalyse innovation in retrofitting for the Social Housing Decarbonisation Fund, for which the manifesto committed £3.8 billion of new funding.

## **OBJECTIVES/OUTCOMES**

1. The SHDF Demonstrator competition is designed to contribute to achieving the Buildings Mission objective for homes of halving the total use of energy compared to today’s standards for new build, through halving the cost of renovating existing buildings to a similar standard as new buildings, while increasing quality and safety and to support green jobs as part of the COVID-19 Economic Recovery Plan. The projects are expected to achieve the following objectives:

* Achieve significant energy demand reduction in dwellings by applying a whole house retrofit approach that is compliant with PAS 2035 (and a reduction in fuel bills);
* Achieve a significant cost reduction for the approach selected within the lifetime of the project, and provide evidence on the sources of cost reduction;
* Support green jobs and utilise local supply chains[[1]](#footnote-2) to contribute to economic stimulus post COVID-19;
* Safely treat an appropriate number of dwellings to demonstrate achievement of cost reduction in a replicable manner;
* Provide evidence on replicability and scale-up of approach in future projects;
* Ensure the improvement of health, comfort and well-being of occupants and mitigate any unintended consequences;
* Provide evidence of performance evaluation post retrofit.

## **THE GRANT**

1. The Secretary of State grants the Authority capital funding of £[INSERT AMOUNT] (“**Grant”**). This funding is subject to the Authority meeting the commitments set out in their Proposal to procure the delivery of the Services (Appendix 4).
2. The Authority will as soon as possible and by [INSERT DATE] at the latest provide the Secretary of State with the documentation and information listed in Appendix 1 to the extent it has not already been provided to the Secretary of State by the Authority.
3. At the commencement of the project, on [INSERT DATE], subject to the correct details being provided, the Secretary of State shall intend to pay the full amount of the Grant within 10 working days of receipt of the documentation specified in Appendix 1 of this MOU for applicants in England and Wales.
4. Subject to the correct documentation being provided, the Secretary of State shall agree to pay on a milestone basis the grant amounts specified in Appendix 9 of this MOU (Payment Milestones) and as outlined in the Authority’s Proposal (Appendix 4). The Secretary of State will endeavour to issue payments within 10 working days of receipt of an evidenced Grant Claim Form (Appendix 5) for applicants in Scotland and Northern Ireland.
5. For Scotland and Northern Ireland, all Grant Claim Forms must be received in time to allow for processing and payment by 31 December 2021. If circumstances outside the control of the Authority occur which impact on the delivery of relevant milestones, the Authority must inform their Monitoring Officer as soon as possible.
6. The Grant is made available for use during the period from the date of this MOU until [XX] December 2021.
7. The Secretary of State reserves the right to agree an extension to the date of this MOU, should the Authority provide a request in writing to do so, reflecting the maturation of risk or uncertainty.
8. The Authority will commit to match funding in the amount of [X%] as provided in their Proposal (Appendix 4) and agreed in writing by the Parties.

## **SCOPE OF ACTIVITY**

1. The Authority will use the Grant in accordance with the provisions of this MOU whereby eligible costs are all those incurred to deliver the Proposal. Eligible costs are those as defined in the Guidance document, found on the [SHDF Demonstrator competition webpage](https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview).
2. The Authority will use the Grant in accordance with the accompanying competition guidance.
3. Where the Grant includes capital funding, accounting standards permit, in certain limited circumstances, the capitalisation of costs incurred when delivering the capital assets for the Proposal (for example, professional fees, evaluation and marketing).
4. Without prejudice to any other provisions of this MOU, the Authority will not use the Grant for the following purposes:

* To fund the provision of any lending to third parties;
* To replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project);
* Use for activities of a political or religious nature;
* Use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector;
* Use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
* Use to cover interest payments (including service charge payments for finance leases);
* Use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
* Use to pay statutory fines, criminal fines or penalties;
* Use to pay for eligible costs incurred before the date of this MOU;
* Use in respect of Value Added Tax (VAT) that the Authority is able to reclaim from HM Revenue and Customs; or
* Use to cover routine and statutory maintenance obligations.

## **VALUE ADDED TAX**

1. Eligible Cost (see accompanying Guidance document) is net of VAT recoverable by the grant recipient from HM Revenue & Customs, and gross of irrecoverable VAT. This means that all grants are outside the scope of VAT.

## **INTERACTION WITH OTHER FUNDING**

1. SHDF Demonstrator funding constitutes a grant from public funds and under these circumstances SHDF Demonstrator public grant funding must not be used to part fund measures with other Government schemes.
2. The Authority acknowledges that they must introduce controls to ensure projects do not allow the blending of funding with other government schemes (such as the domestic Renewable Heat Incentive or the Green Homes Grant scheme (GHG)) on the same individual measure.
3. SHDF Demonstrator funding can be matched with Local Authority budgets or other third-party finance to deliver the outcomes anticipated for the SHDF Demonstrator.
4. Where right to buy leasehold properties, and/or freehold properties subject to an estate charge, are a component of the proposed SHDF Demonstrator project:
5. SHDF Demonstrator and match funding must be used on those properties, without costs being passed on to leaseholders/freeholders.
6. Leaseholders/freeholders are able to access Government funding, such as the GHG scheme, or leveraged third party funding to contribute to the costs of the demonstrator project if they wish.
7. The Authority and Consortium members must ensure that the project as a whole does not receive Government funding above the level permitted by State Aid requirements (see accompanying Guidance document).

## **STATE AID**

1. For MOUs that take effect on or before 31 December 2020, or any MOUs that take effect on or after 1 January 2021 that fall under the scope of the Northern Ireland protocol, EU State Aid rules will apply (refer paragraphs 29 and 30 below).
2. The Authority acknowledges that it will ensure that the Grant and use of it does not become an unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union (C83/47, 30 March 2010)[[2]](#footnote-3).
3. To minimise the risk that the European Commission or a court of competent jurisdiction requires grant funding to be repaid, the Authority will:
4. Comply with EU law relating to state aid in its use of the Grant and its delivery of the Proposal;
5. Ensure that use of the Grant in connection with the Proposal complies with EU state aid rules (including the De Minimis Regulation[[3]](#footnote-4) and General Block Exemption Regulation); and
6. Obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with EU state aid rules, including the De Minimis Regulation, and to provide copies of such declarations and information to the Secretary of State when required to do so.

## **PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES**

1. The Authority will, in delivering the Proposal:
2. Comply with all relevant requirements of UK and EU law relating to public procurement in force and applicable from time to time; and
3. Unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid invoice from that contractor.

## **COMMERCIAL USE OF THE GRANT**

1. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the Proposal. If the Authority does so, it will:
2. Inform the Secretary of State immediately and in writing; and
3. Agree that the Grant may be reduced by the amount of that revenue or gain (as the case may be).

## **GRANT WITHDRAWAL AND REPAYMENT**

1. In accordance with paragraphs 33 to 39, it is the understanding of the Parties that the Secretary of State may request the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 37). In the case of late payment, paragraph 37 shall also apply to any other amount required by the European Commission, where the Grant, or any part of it, has been paid (including in cases where the Authority has already spent the Grant money).
2. The Authority accepts that the Secretary of State may exercise the options referred to in paragraph 33 where the Secretary of State:
3. Is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or of the European Commission; or
4. Has reasonable grounds to consider that the payment of the Grant, or the Authority’s use of it, contravenes any requirement of law, in particular (but without limitation) EU law relating to state aid.
5. When exercising the options referred to in paragraph 33, the Secretary of State will notify the Authority of the grounds concerned and as far as possible, consider the Authority’s representations made within any reasonable timeframe required by the Secretary of State.
6. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
7. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:
8. the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
9. any other rate required by law in the circumstances (including any rate required under EU law relating to state aid), if it is higher.
10. Where the Authority does not make the relevant payment within the timeframe specified in paragraph 37, further interest on the outstanding sum (inclusive of interest already charged under paragraph 37 will accrue, after that deadline, at the statutory rate of interest under Section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher).
11. Should the Secretary of State not exercise their options under paragraph 33 or delay in doing so, this shall not constitute a waiver of those options unless the Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver shall not be taken as a precedent for any other, or subsequent, circumstances.

## **SUSPENSION**

1. The Secretary of State may suspend payment of the Grant where:
2. One of the grounds in paragraph 34 arises;
3. The Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise;
4. One of the provisions of the MOU is not met by the Authority; or
5. Significantly off-track (see Performance) at any point from 3 months onwards of the project could result in the Secretary of State seeking repayment of all, or any proportion of the Grant, in accordance with paragraphs 33 to 39.
6. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
7. The Authority will continue to comply with the requirements of this MOU including any deadlines occurring during the period of suspension; but
8. The Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
9. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 33 might arise or that it will not be able to meet the provisions of the MOU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

## **AGREED USE OF UNDERSPEND**

1. In the event that the Authority does not use all the Grant to secure delivery of the Proposal by XX December 2021:
2. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected outcomes of the SHDF Demonstrator; and
3. If the Parties are unable to reach an agreement described in paragraph 43, the Authority agrees to repay the unspent Grant within 30 days of XX December 2021.

## **GOVERNANCE**

1. On a monthly basis, the Authority will provide a monthly report to the Project Team acting on behalf of the Secretary of State on or before the final working day of the month (the “Monthly Report”). The Monthly Report shall detail monthly progress, the top 5 risks and issues, and Key Performance Indicators (KPIs) performance of project(s) in relation to the targets stipulated in the Proposal.
2. The Authority will report to the Project Team on the performance of the project(s) set out in their Proposal, in line with the stated KPIs using the Monthly Report template set out in Appendix 7.
3. Should the Project Team identify in the Monthly Report a significant variation in their performance against their targets stipulated in relation to the KPIs the Project Team, on behalf of the Secretary of State, may request a recovery plan, see Appendix 8, detailing the interventions required to recover the project(s).
4. The Project Team will determine if the interventions detailed in the recovery plan provide confidence of project recovery. If necessary, the Project Team will provide further recommendations to address areas of concern. The Project Team and the Authority will jointly agree a timescale to implement the interventions.
5. Should the Authority (a) implement the interventions, and fail to see project(s) recovery, or (b) fail to implement the interventions, this will be escalated to the Programme Board.
6. As part of the monitoring and evaluation section of the guidance document, the Authority will be required to provide additional detailed information on a monthly basis. The additional data supports a detailed evaluation of the overall scheme, including the types of properties, households and measures delivered through the project. Further information is provided with the guidance document. Additionally, BEIS will provide a suggested privacy notice and consent form at the point of grant award. Use of these is not mandatory, however, if they are not used the Authority will be required to demonstrate how consent for recontact has been obtained and that all relevant parties have been notified of how their data will be used.
7. The Authority will work with the supply chain[[4]](#footnote-5) to support real time monitoring to take place through the Trustmark Data warehouse.

## **PERFORMANCE**

1. The Authority will provide the following information to the Project Team in their Monthly Report submission in relation to the KPI targets stipulated in the Proposal, which are listed in the table below. KPIs for each project will be selected from, but may not be limited to, the SHDF Demonstrator KPI Performance Metrics detailed below.

|  |  |
| --- | --- |
| **Key Performance Indicator** | **Breakdowns** |
| Number and nature of partnerships or relationships set up | e.g. with Housing Associations or community groups that will facilitate household identification and engagement |
| Number of installers/suppliers engaged during pre-market engagement and who apply for delivery contracts | Total engaged  Total applicants |
| Number and value of contracts issued to installers/suppliers | Total contracts awarded  Total unsuccessful applicants |
| Number of homes identified as eligible | Starting EPC band |
| Number of homes contacted |
| Number of homes agreeing to an installation |
| Dates of each Whole House Retrofit | Start date  End date |
| Cost to LA of each Whole House Retrofit | Total cost  Cost for: each measure, design, installation, OPEX, Capex |
| Number of people working (FTE) per project | Total  Of which apprenticeships |
| Installations carried out | Number of installations  Types of measures installed  Expected bill savings |
| Number of homes improved to EPC band C or higher | End EPC rating |

1. The Authority will provide qualitative feedback as discussed in the guidance document on progress being made to the support partner appointed to deliver the SHDF Demonstrator. This will include successes as well as barriers encountered in relation to their chosen delivery model; for example, reasons why homes do not agree to installation, or challenges engaging with the supply chain.
2. The Authority shall also propose a monthly target for the following month for each KPI set out in Appendix 7 as part of their Monthly Report submission. To measure performance, the Secretary of State will assess performance levels against the monthly target. Performance levels will be determined in accordance with the levels set out in the table below. All proposed KPI targets will be reviewed to consider risks around deliverability.

|  |  |  |
| --- | --- | --- |
| **Performance Levels** | **Percentile** | **Action Required** |
| Green (On Target) | 90%<100% of Target | No Action |
| Amber (Off Target) | 70%<89% of Target | No Action |
| Red (Significantly Off Target) | <69% of Target | Recovery Plan |

## **MONITORING AND AUDIT**

1. As part of the overall evaluation of project outcomes the BEIS Project Team will engage support from a monitoring and evaluation partner, and further support the aggregation of performance data across other schemes through a data analytics partner. The Authority will support all activities in relation to monitoring and audit. The Authority will:
2. Respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Proposal or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify);
3. Allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site;
4. Where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
5. Give reasonable assistance to the Secretary of State or the Secretary of State’s contractors to carry out work in connection with the Grant throughout delivery of the Proposal and up to three years after completion of the Proposal, for example as part of the Secretary of State’s ongoing evaluation commitments.

## 

## **RECORD KEEPING**

1. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:
2. The identity of any third party concerned and their business;
3. The amounts any third party has been given;
4. The purpose for which the money was spent;
5. Evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and
6. Details of and information relating to any significant sub-contracting by the Authority.

## **RISK MANAGEMENT**

1. The Authority agrees to provide assurance that risks in relation to the delivery of the Proposal have been identified and mitigated. The Authority will complete the Risk Register at Appendix 6 and return it to the Secretary of State as part of their MOU submission.
2. The Secretary of State has specified that all Authorities funded through the SHDF Demonstrator should provide assurance about the management of the following generic risks:
3. Poor quality installations result in sub-standard performance of properties retrofitted;
4. Being able to secure the correct whole house retrofit assessor capability;
5. COVID-19 causes a delay to the project;
6. The failure of systems and/or processes;
7. The failure to deliver the intended outcomes of the project;
8. A lack of Supply Chain capability and capacity in the market to deliver the work; and
9. The material condition of the housing stock not improving.
10. The Authority will also include any other risks not included in paragraph 58 which it believes are relevant to the scheme.
11. In providing assurance about the management of risks the Authority will identify risks and issues which arise from its own activities and those which arise from third parties, including those delivering measures or services under the scheme and those referring potential scheme recipients or otherwise publicising the scheme.
12. As part of the Monthly Report, the Authority shall report the status of the top five risks and issues identified within the Risk Register and whether any new risks or issues have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary.
13. As soon as it becomes apparent to the Authority that a risk on the Risk Register is scoring high or above in the Monthly Report, the Authority will inform the Project Team.

## **INFORMATION SHARING**

1. The Secretary of State may share information relevant to the Grant and Proposal with the agents of the Secretary of State, other public authorities and the European Commission.

## **DATA PROTECTION**

1. In so far as it is possible to do so in accordance with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as “the Information”) in a way which:
2. Allows it to share the Information with BEIS;
3. Allows BEIS to share the Information with any of its research or evaluation partners; and
4. Allows BEIS to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018.

## **FREEDOM OF INFORMATION**

1. The Parties may be obliged to disclose information relating to the SHDF Demonstrator, the Grant, and the Proposal under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.
2. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.
3. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

## **INTELLECTUAL PROPERTY**

1. In undertaking the Proposal, the Authority will not infringe the intellectual property rights of any third party.
2. Where the Proposal gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the grant of licences.
3. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Proposal.

## **COMPLIANCE WITH THE LAW**

1. The Authority will comply with all laws and regulatory requirements when delivering the Proposal (including, without limitation compliance with all laws and regulatory requirements relating to public procurement and state aid).
2. In signing this MOU, the Authority confirms that use of the Grant for the purpose of the Proposal and in accordance with the MOU is in compliance with all laws and regulatory requirements.

## **ANTI-DISCRIMINATION**

1. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

## **RESPONSIBILTY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS**

1. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Proposal (whether or not as part of a Consortium) comply with the commitments and principles set out in the MOU and will be responsible for any failure by them to meet those commitments and principles.

## **WARRANTIES**

1. The Authority confirms that:
2. It has full capacity and authority to deliver the Proposal and to enter into this MOU;
3. It will obtain any consents necessary to undertake the Proposal;
4. The information and evidence in its Proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its proposal; and
5. It does not know of the existence of any circumstances which might materially and adversely impact on its ability to undertake the Proposal or observe the provisions and principles of this MOU.

## **LIMITATION OF LIABILITY**

1. The Authority confirms that the Secretary of State’s liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MOU and its Appendices and to the Secretary of State’s rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Proposal, and the Secretary of State shall have no liability for any consequence, direct or indirect, that may arise through the Authority’s undertaking of the Proposal or its use of the Grant.

## **VARIATION**

1. No variation of this MOU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable changes in relation to the administrative arrangements in the MOU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

## **ASSIGNMENT**

1. The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MOU without the approval in writing of the Secretary of State.

## **STATUS**

1. This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.
2. Nothing in this MOU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

## **FURTHER FUNDING**

1. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Proposal or for any other purpose.

## **REFERENCES**

1. In this MOU references to legislation, including EU legislation and any documents issued by the EU institutions, are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MOU).

**NOTICE AND COMMUNICATIONS**

1. The Authority will be able to contact BEIS in writing by post or hand delivery to the following address:

|  |
| --- |
| Department for Business, Energy and Industrial Strategy  1 Victoria Street  London  SW1H 0ET |

1. The Authority’s day to day contacts with the Department on any working day by telephone or email between 9am and 5pm are:

|  |  |  |
| --- | --- | --- |
| **NAME** | **EMAIL** | **TELEPHONE** |
| To be agreed |  |  |
|  |  |  |

1. The Authority’s day to day contacts for the Department are:

|  |  |  |
| --- | --- | --- |
| **NAME** | **EMAIL** | **TELEPHONE** |
| To be agreed |  |  |
|  |  |  |

**Signed for and on behalf of the Secretary of State**

**Signature**

**Name**

**Position**

**Date**

**Signed for and on behalf of the Authority**

**Signature**

**Name**

**Position**

**Date**

# **APPENDIX 1**

Documentation to be provided by the Authority before the Grant will be released [England and Wales]:

|  |  |  |
| --- | --- | --- |
| **What needs to be provided?** | **When it needs to be provided?** | **Appendix** |
| Two signed copies of this MOU |  |  |
| A signed copy of the Section 151 Officer declaration |  | Appendix 2A |
| A signed copy of the Section 31 Grant Letter |  | Appendix 3 |
| A completed Grant Claim Form including Bank Details |  | Appendix 5 |

Documentation to be provided by the Authority before the Grant will be released [Scotland and Northern Ireland]:

|  |  |  |
| --- | --- | --- |
| **What needs to be provided?** | **When it needs to be provided?** | **Appendix** |
| Two signed copies of this MOU |  |  |
| A signed copy of the Senior Local Authority Officer declaration |  | Appendix 2B |
| A completed Grant Claim Form including Bank Details |  | Appendix 5 |
| Milestone Payment Plan |  | Appendix 9 |

# **APPENDIX 2A [England and Wales]**

Section 151 Officer Declaration

In my position as the Section 151 Officer for «Lead\_LA» I confirm that:

1. «Lead\_LA» will accept the grant funding that has been offered through the Social Housing Decarbonisation Fund Demonstrator;
2. The information and evidence pertaining to this grant claim is complete, true and accurate;
3. «Lead\_LA» will ensure the delivery of the Services in accordance with the terms of the Proposal; and
4. «Lead\_LA» will comply with the provisions of the Memorandum of Understanding dated **\_\_\_/\_\_\_/2020** in connection with its delivery of the Proposal

SIGNATURE

NAME

POSITION

DATE

# **APPENDIX 2B [Scotland and NI]**

Senior Local Authority Officer Declaration

In my position as the Senior Local Authority Officer for «Lead\_LA» I confirm that:

1. «Lead\_LA» will accept the grant funding that has been offered through the Social Housing Decarbonisation Fund Demonstrator;
2. The information and evidence pertaining to this grant claim is complete, true and accurate;
3. «Lead\_LA» will ensure the delivery of the Services in accordance with the terms of the Proposal and milestones; and
4. «Lead\_LA» will comply with the provisions of the Memorandum of Understanding dated **\_\_\_/\_\_\_/2020** in connection with its delivery of the Proposal

SIGNATURE

NAME

POSITION

DATE

# **APPENDIX 3 [England and Wales]**

Section CAPITAL grant determination (non-ringfenced)

(insert name of grant) GRANT DETERMINATION (insert year): No 31/xx (xx obtained from LGF see Appendix F)

The Minister of State for xxxxxxxx (“the Minister of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

**Citation**

1) This determination may be cited as the xxxxxxxx Determination (year) [No31/xx].

**Purpose of the grant**

2) The purpose of the grant is to provide support to local authorities in England and Walestowards expenditure lawfully incurred or to be incurred by them.

**Determination**

3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

**Grant conditions**

4) Pursuant to section **[**31(3) and**]** 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

**Treasury consent**

5) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for xxxxxxxxxxxx

[A senior civil servant within the (name of government department)]

[xx xxxx] 2020

**ANNEX A**

Authorities to which Amount of grant

grant is to be paid to be paid

XXXXX XXXXX

XXXXX XXXXX

**ANNEX B**

GRANT CONDITIONS

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the [insert name of Division] Division of the [insert Department’s name] a declaration, to be received no later than [insert date], in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to [insert name of grant determination] No 31/\*\*\*\* have been complied with”.

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may-

reduce, suspend or withhold grant; or

by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister.

# **APPENDIX 4 [UK wide]**

**The Proposal**

[For the purposes of the SHDF Demonstrator, the proposal is the application form found on the [SHDF Demonstrator competition webpage](https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview).]

# **APPENDIX 5 [UK wide]**

**Grant Claim Form**

|  |  |
| --- | --- |
| **SECTION 1 REQUESTER DETAILS** | |
| **LOCAL AUTHORITY** |  |
| **BANK DETAILS** |  |
| **PURCHASE ORDER NUMBER** |  |
| **CONTACT NAME** |  |
| **TELEPHONE NUMBER** |  |
| **EMAIL ADDRESS** |  |

|  |  |
| --- | --- |
| **SECTION 2 CLAIM DETAILS** | |
| **SOCIAL HOUSING DECARBONISATION FUND DEMONSTRATOR GRANT TOTAL TO BE CLAIMED** |  |
| **DATE OF CLAIM** |  |
| *Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim.* | |

|  |
| --- |
| **SECTION 6: SENIOR LOCAL AUTHORITY OFFICER’S DECLARATION** |
| I confirm that I have considered the Authority’s proposal (copied as at Appendix 4 of the MOU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding, and that:   1. The information and evidence pertaining to this Grant claim is complete, true and accurate 2. We will comply with the principles set out in the Memorandum of Understanding   **Signed**  **Printed name**  **Position**  **Date** |

# **APPENDIX 6 [UK wide]**

**Risk Register**

Please refer to Risk Assessment in Annex 3B (Competition workbook) on the [SHDF Demonstrator competition webpage](https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview).

# **APPENDIX 7 [UK wide]**

**Monthly Report**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | | | | **Status** | | **R/A/G** |
|  | |  | | |  | | |  |
| **Local Authority** | | **Grant Reference** | | | **Local Authority Lead** | | | **Report Date** |
| **INSERT FULL NAME** | | **INSERT REFERENCE #** | | | **INSERT LEAD OFFICIAL** | | | **INSERT DATE** |
|  | |  | | | |  | |  |
| **Summary of Status** | | | | **Progress Over Previous Month** | | | **Plan for Next Month** | |
|  | | | |  | | |  | |
|  | | | |  | | |  | |
| **Top 5 Risks / Issues to Project Delivery** | | | | | | | | |
| **#** | **Risk/Issue** | | **Mitigating Actions** | | | **Status** | | **Owner** |
| **1** |  | |  | | | **R/A/G** | |  |
| **2** |  | |  | | | **R/A/G** | |  |
| **3** |  | |  | | | **R/A/G** | |  |
| **4** |  | |  | | | **R/A/G** | |  |
| **5** |  | |  | | | **R/A/G** | |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Performance Levels** | | | | | | | | |
| **#** | **Key Performance Indicator** | | **Status** | **Cumulative Target** | **Cumulative Actual** | **Current Monthly Target** | **Current Monthly Actual** | **Current Monthly Difference** | **Subsequent Month Target** |
| 1 | Number and nature of partnerships or relationships set up | |  |  |  |  |  |  |  |
| 2 | Number of installers/suppliers engaged during pre-market engagement and who apply for delivery contracts | |  |  |  |  |  |  |  |
| 3 | Number and value of contracts issued to installers/suppliers | |  |  |  |  |  |  |  |
| 4 | Number of homes identified as eligible | |  |  |  |  |  |  |  |
| 5 | Number of homes contacted | |  |  |  |  |  |  |  |
| 6 | Number of homes agreeing to an installation | |  |  |  |  |  |  |  |
| 7 | Dates of each Whole House Retrofit | |  |  |  |  |  |  |  | |
| 8 | Cost to LA of each Whole House Retrofit | |  |  |  |  |  |  |  |
| 9 | Number of people working (FTE) per project | |  |  |  |  |  |  |  |
| 10 | Installations carried out | |  |  |  |  |  |  |  |
| 11 | Number of homes improved to EPC band C or higher | |  |  |  |  |  |  |  |

# **APPENDIX 8 [UK wide]**

**Recovery Plan**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Local Authority** | | **Grant Reference** | | | | **Local Authority Lead** | | | **Report Date** |
| **INSERT FULL NAME** | | **INSERT REFERENCE #** | | | | **INSERT LEAD OFFICIAL** | | | **INSERT DATE** |
|  | |  | | | | |  | |  |
| **Summary of Recovery Plan** | | | | | | | | | |
|  | | | | | | | | | |
|  | | | |  | | | |  | |
| **Summary of Recovery Interventions** | | | | | | | | | |
| **#** | **Interventions** | | **Target Date** | | **Actual Date** | | **Status** | | **Owner** |
| **1** |  | |  | |  | | **R/A/G** | |  |
| **2** |  | |  | |  | | **R/A/G** | |  |
| **3** |  | |  | |  | | **R/A/G** | |  |
| **4** |  | |  | |  | | **R/A/G** | |  |
| **5** |  | |  | |  | | **R/A/G** | |  |

# **APPENDIX 9 [Scotland and Northern Ireland]**

See Excel document: Appendix 9 Milestone template (Scotland and Northern Ireland) on the [SHDF Demonstrator competition webpage](https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview).

1. Including Repair Maintenance and Improvement (RMI) installers, retrofit installers, manufacturers, design, surveying and retrofit coordinators [↑](#footnote-ref-2)
2. State aid rules ensure that the governments of EU Member States do not distort competition by unfairly subsidising their own industry or particular parts of it. [↑](#footnote-ref-3)
3. COMMISSION REGULATION (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. [↑](#footnote-ref-4)
4. Including Repair Maintenance and Improvement (RMI) installers, retrofit installers, manufacturers, design, surveying and retrofit coordinators [↑](#footnote-ref-5)