

This Agreement is dated [DATE]

PARTIES

(1) SHROPSHIRE COUNCIL of Shirehall, Abbey Foregate, Shrewsbury, Shropshire SY2 6ND (“**Shropshire**”);

(2) THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL of Plough Lane Office, Plough Lane, Hereford, HR4 0LE (“**Herefordshire**”)

1. BACKGROUND

1.1 Shropshire and Herefordshire have agreed to work together on the project detailed in [Annex A \(Project\)](#).

1.2 Shropshire have entered into agreements with Affordable Warmth Solutions CIC to receive funding on behalf of itself and Herefordshire for the Project (**the Recipient Agreements**)

1.3 The parties wish to record the basis on which they will collaborate with each other on the Project. This Memorandum of Understanding (**MoU**) sets out:

- (a) The principles of collaboration;
- (c) The governance structures the parties will put in place; and
- (d) The respective roles and responsibilities the parties will have during the Project.

2. PRINCIPLES OF COLLABORATION

The parties agree to adopt the following principles when carrying out the Project (**Principles**):

- (a) Collaborate and co-operate.

to collaborate to obtain funding for the Project to benefit of their administrative areas and exercise their respective statutory powers to support the Project in their respective local authority areas and the role of Shropshire in administering the Warm Homes Fund funding across both areas. The parties in particular will rely on their powers under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, section 2B(1) of the NHS Act 2006 and ultimately under the general power of competence in the Localism Act 2011. In exercise of those statutory powers the parties respectively agree that the appropriate structure to enable the delivery of the Project by and on behalf of the parties is as set out in Annex A.

Establish and adhere to the governance structure set out in this MoU to ensure that activities are delivered and actions taken as required;

- (b) be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
- (c) be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
- (d) learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;

- (e) adopt a positive outlook. Behave in a positive, proactive manner;
- (f) adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, relevant state aid law, data protection and freedom of information legislation.
- (g) act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
- (h) manage stakeholders effectively;
- (i) deploy appropriate resources. Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this MoU; and
- (j) act in good faith to support achievement of the Key Objectives and compliance with these Principles.

3. PROJECT GOVERNANCE

3.1 Overview

The governance structure defined below provides a structure for the development and delivery of the Project.

Project Partner(s)	Role
Shropshire Council	Accountable Body
Herefordshire Council	Project Partner
E.On	Grant funded Delivery Partner
Marches Energy Agency (MEA)	Grant funded Delivery Partner
Severn Wye Energy Agency (SWEA)	Grant funded Delivery Partner

3.2 Guiding principles

The following guiding principles are agreed. The Project's governance will:

- (a) Provide strategic oversight and direction;
- (b) be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- (c) align decision-making authority with the criticality of the decisions required;
- (d) be aligned with Project scope (and may therefore require changes over time);
- (e) leverage existing organisational, group and user interfaces;
- (f) provide coherent, timely and efficient decision-making; and
- (g) correspond with the key features of the Project governance arrangements set out in this MoU.

3.3 Project board

(a) The Project Board will provide strategic management at Project and work-stream level. It will provide assurance to the Parties' senior management that the Key Objectives are being met and that the Project is performing within the boundaries of the Project funding provided by Affordable Warmth Solutions CIC.

(b) The Project Board consists of representatives from each of the parties. The Project Board shall have

responsibility for the creation and execution of the project plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Project Board. The core Project Board members are:

- Warm Homes Fund Project Management representative and Chair, Shropshire Council
- Warm Homes Fund Project Management representative, Herefordshire Council
- Warm Homes Fund Project delivery representative, E.On
- Warm Homes Fund Project delivery representative, Marches Energy Agency
- Warm Homes Fund Project delivery representative, Severn Wye Energy Agency

The Project Board shall meet monthly.

Project Board members shall assign suitable deputies to the above where applicable

3.4 Reporting

Project reporting shall be undertaken at two levels:

(a) Project Board: Minutes and actions will be recorded for each Project Board meeting. Any additional reporting requirement shall be at the discretion of the Project Board.

(b) Organisational: the Project Board members shall be responsible for drafting reports into their respective sponsoring organisation as required for review by the Project Board before being issued.

4. ROLES AND RESPONSIBILITIES

4.1 The parties shall undertake the following roles and responsibilities to deliver the Project:

Activity	Shropshire	Herefordshire
Administration of funding received from Affordable Warmth Solutions under the Recipient Agreements and submission of claim Funding Use Reports (FURs)	Lead	Assure
Ensuring funding compliance of Category 1 Funding to E.On and Category 3 Funding to MEA	Lead	Assure
Ensuring funding compliance of Category 3 Funding to SWEA	Assure	Lead
Performance monitoring and management in relation to overall project and of relevant delivery partners	Lead	Assure Lead in respect of funding provided to SWEA
Provision of grant payments to Delivery Partners (except SWEA)	Lead	Assure
Provision of grant payments to Delivery Partner SWEA	Assure	Lead

Project Board meeting facilitation	Lead	Assure
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4.2 For the purpose of the table above:

(a) Lead: the party that has principal responsibility for undertaking the particular task, and that will be authorised to determine how to undertake the task. The Lead must act in compliance with the Objectives and Principles at all times, and consult with the other party in advance if they are identified as having a role to assure the relevant activity;

(b) Assure: the party that will defer to the Lead on a particular task, but will provide support to the Lead to assist with the achievement of the task and have the opportunity to review and provide input to the Lead before they take a final decision on any activity. All assurance must be provided in a timely manner. Any derogations raised must be limited to raising issues that relate to specific needs that have not been adequately addressed by the Lead and/or concerns regarding compliance with the Key Objectives and Principles.

4.3 Within 3 months of the date of this MoU the party with the Lead role for any aspect of the Project shall disseminate their delivery plan for that aspect of the Project, as defined in the Recipient Agreements and Funding Use Report (FUR) documents. Any required changes in Project delivery must be approved by the Project Board prior to submission to Affordable Warmth Solutions CIC (as the funder) for approval, if required under the terms of the Recipient Agreements.

5. ESCALATION

5.1 If either party has any issues, concerns or complaints about the Project, or any matter in this MoU, that party shall notify the other party and the parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Project Board, which shall decide on the appropriate course of action to take. If the matter cannot be resolved by the Project Board within 30 days, the matter may be escalated to each Party's relevant senior management for resolution.

5.2 If either party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Project, the matter shall be promptly referred to the Project Board (or its nominated representatives). No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the Project, without the prior approval of the Project Board (or its nominated representatives).

6. TERM AND TERMINATION

6.1 This MoU shall commence on the date of signature by both parties, and shall expire on completion of the Project.

6.2 Either party may terminate this MoU by giving at least three months' notice in writing to the other party at any time.

6.3 Both parties recognise that the delivery of the Project would cease in Herefordshire if this MOU ceases and Shropshire would continue to utilise the funding available under the Recipient Agreements within the administrative area of Shropshire Council to meet the Project requirements under those Recipient Agreements with Affordable Warmth Solutions CIC.

7. VARIATION

This MoU, including the Annex, may only be varied by written agreement of the Project Board.

8. CHARGES AND LIABILITIES

8.1 Except as otherwise provided, the parties shall each bear their own costs and expenses incurred in complying with their obligations under this MoU.

8.2 Both parties shall remain liable for any losses or liabilities incurred due to their own or their employee’s actions and neither party intends that the other party shall be liable for any loss it suffers as a result of this MoU or the Project.

9. STATUS

9.1 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 enter into the MoU intending to honour all their obligations.

9.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture 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.

10. GOVERNING LAW AND JURISDICTION

This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in *Clause 5*, each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

Signed for and on behalf of **SHROPSHIRE COUNCIL**

Signature:

Name:

Position:

Date:

Signed for and on behalf of **THE COUNTY OF
HEREFORDSHIRE DISTRICT COUNCIL**

Signature:

Name:

Position:

Date:

CONTACT POINTS

Shropshire

Name:

Office address:

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ANNEX A THE PROJECT Project overview

Shropshire and Herefordshire share similar characteristics in terms of demographics as well as the challenges of older housing stock and higher proportions of off-gas properties. These challenges contribute to both counties experiencing significant levels of fuel poverty; the latest (2017) statistics indicate that 11.8% and 12.2% in Shropshire and Herefordshire respectively are estimated to be in fuel poverty or a combined number of just over 26,000 households. The respective council's for the areas have previously worked together on a number of affordable warmth and low carbon related projects and have developed good partnership working relationships.

The Warm Homes Fund project is designed to support councils and relevant partner organisations to address some of the issues affecting fuel poor households including improved home living conditions, improved energy efficiency, reduced energy costs and improved health outcomes.

Shropshire and Herefordshire have successfully applied for funding from Round 3 of the Warm Homes Fund (the private sector funding allocated by National Grid from the proceeds of sale of National Grid Gas Distribution Limited (Company Number 10080864, now known as Cadent Gas Ltd) for the benefit of energy consumers) to be used for the Project. This funding has been awarded under Warm Homes Fund Category 1 (Urban) and Category 3 (Energy Efficiency & Health Related Solutions).

Shropshire have entered into Recipient Agreements with Affordable Warmth Solutions CIC to receive the funding on behalf of the parties.

The Category 1 funding will be paid to Eon Energy Solutions Limited to assist Eon in delivering the Project in the local authority areas of Herefordshire and Shropshire.

The Category 3 funding will be paid to Marches Energy Agency (MEA) and Severn Wye Energy Agency (via Herefordshire Council) to assist with delivery of the Project in the local authority areas of Shropshire and Herefordshire respectively. These energy agencies are currently commissioned by the respective authorities to provide affordable warmth and energy related advice services.

Project Description and Funding

The Project consists of two areas of activity each partly funded by Warm Homes Fund monies from Affordable Warmth Solutions CIC under separate Recipient Agreements and by the provision of funding contributions by the Recipient:

1. Installation of First Time Central Heating (funded by Category 1 Funding):
 - 1.1. The delivery of 585 first time central heating systems and associated energy efficiency measures to urban

households affected by fuel poverty within the administrative boundaries of Shropshire Council and The Borough of Herefordshire District. Households must be those deemed to be eligible as described in paragraph 1.3 of the document titled 'Warm Homes Fund Guidance for Bidders – Updated November 2018'

1.2. Central heating systems installed must be those deemed to be eligible as described in paragraph 1.4 of the document titled 'Warm Homes Fund Guidance for Bidders' – Updated November 2018

2. Vulnerable Households Helpline (Funded with Category 3 Funding):

2.1. The delivery of a dedicated vulnerable households helpline as part of a fuel poverty programme to offer support and advice in the geographical areas of Shropshire and Herefordshire to Fuel Poor and vulnerable householders by carrying out phone energy saving advice and benefit entitlement checks which will comprise undertaking a detailed assessment of circumstances in targeted households to identify additional income generation and/or energy efficiency saving measures (financial gains).

2.2 Provision of energy advice, benefit entitlement and local information and support

2.3 Delivery of benefit entitlement checks, fuel and tariff switching advice and ensuring all eligible households are in receipt of Warm Home Discount. Referrals will be facilitated to a relevant agency to carry out the benefits checks for vulnerable residents across the geographical areas of Shropshire and Herefordshire.

Funding Agreement Structure

Shropshire will administer the funding on behalf of the parties. It will enter into a Recipient Grant Agreement with the Warm Homes Fund to receive the funding relevant to both local authority areas and thereafter enter into grant agreements with Eon Energy Solutions Limited in respect of the use of and delivery of the Category 1 funded element of the Project; and Marches Energy Agency and Herefordshire Council in respect of the use of and delivery of the Category 3 funded element of the Project in accordance with the objectives of the Project and the requirements attaching to the Warm Home funding/ requirements of the parties.