



DRAFT GRANT LETTER

Herefordshire Council  
Plough Ln,  
Hereford  
HR4 0LE

**Green Homes Grant: Local Authority Delivery Phase 2 (the “Fund”)**  
**Grant recipient: Herefordshire Council (the “Council”)**

This grant is given to the Council by Midlands Energy Hub (“MEH”) administered by Nottingham City Council. The grant is part of the Green Homes Grant: Local Authority Delivery Phase 2 originating from the Secretary of State for Business, Energy and Industrial Strategy (“BEIS”).

This letter is intended to ensure that the Grant is used for the purpose for which it is awarded and that the arrangement complies with the terms of the Fund.

The Grant

The Council shall be eligible to receive the following grant monies (the “Grant”) for the purposes set out in, and to be used strictly in accordance with the terms of this grant letter.

Capital Grant Amount	£1,340,000.00
Capitalisation Allocation	£120,600.00
Total	£1,460,600.00

The period of this Grant is from the date of allocation until 31<sup>st</sup> December 2021 (the “Grant Period”) unless extended by MEH with permission from BEIS and HM Treasury as required.

The Grant is part of a capital funding scheme distribution by way of Section 31 of the Local Government Act 2003. The Grant must therefore be used in line with Section 11 of the Local Government Act 2003 and any regulations or subsidiary legislation made under that Section.

On signing the Award Letter or once MEH has received the funding from BEIS whichever is later, an additional fixed cost of £2,750 is provided to the council with their mobilisation payment for Stock Analysis or modelling requirements to support proposal development and future energy efficiency schemes.

Grant Conditions

1 BEIS Conditions

- 1.1 MEH has entered into a memorandum of understanding with BEIS in respect of the allocation and administration of the Fund. The key terms of this memorandum of understanding are included at Annex 1 (the “MOU”).

- 1.2 The Council undertakes that it shall not do, or allow to be done by its employees, personnel, contractors or representatives, anything which would put MEH in breach of the terms of the MOU.
- 1.3 If there are any conflicts between the terms of this letter and the terms of the MOU, the MOU shall take precedence.

## 2 Proposal

- 2.1 The Council must submit a proposal for their project to MEH in form set out in Annex 3 (the “**Proposal**”).
- 2.2 The Proposal must be submitted to MEH by 24<sup>th</sup> May 2021.
- 2.3 The Proposal must be submitted in accordance with the Midlands Energy Hub Green Homes Grant: Local Authority Delivery Phase 2 Guidance for Local Authorities and must be for a minimum of 25 properties, a minimum value has not be set as this will depend on the tenure mix of the project.

## 3 Use of Grant

- 3.1 The Grant must be used in accordance with the terms of this letter and MEH reasonable instructions at all times.
- 3.2 The Grant Amount must only be used for the installation of ‘Eligible Measures’, in ‘Eligible Households’, by ‘Eligible Contractors’ each as defined in the MOU in Annex 1 and Annex 2 in accordance with the Midlands Energy Hub Green Homes Grant: Local Authority Delivery Phase 2 Guidance for Local Authorities.
- 3.3 The Grant Amount must be used to pay for the Eligible Measure in full, except where the property is owned by a landlord, where a 1/3 contribution should be secured from the landlord.
- 3.4 The Administrative Allocation may be used for administration and ancillary work including, but not limited to:
  - 3.4.1 Project management, reporting and governance costs;
  - 3.4.2 Pre-installation EPCs to target households, verify eligibility and evidence improvements to the property;
  - 3.4.3 Building works to prepare for installation;
  - 3.4.4 Retrofit co-ordinator training costs; and
  - 3.4.5 Resident targeting, low-income verification and sign-up including lead generation and communication activities.
- 3.5 The Grant must be used within the Grant Period. The Council shall not spend any part of the Grant after the end of the Grant Period.
- 3.6 The Council shall not use the Grant to:
  - 3.6.1 make any payment to members of its Members;

- 3.6.2 purchase buildings or land; or
- 3.6.3 pay for any expenditure commitments of the Council entered into before the date of this letter,

unless this has been approved in writing by MEH.

#### 4 Payment of Grant

##### 4.1 The Grant shall be paid in the following way:

- 4.1.1 10% of the total Grant Amount shall be paid to the Council within 30 days following the receipt by MEH of the signed copy of this letter. This is intended to be used to support any required survey works and up to 9% can be used as capitalisation;
- 4.1.2 30% shall be released within 30 days of approval of the Proposal by MEH of the Council's Proposal and any pre-conditions have been met to MEH's satisfaction;
- 4.1.3 Additional quarterly payments will be released within 30 days of the 1<sup>st</sup> July and 1<sup>st</sup> Oct, following receipt by MEH of ongoing timeline monthly reporting and maintaining 80% of their delivery profile provided in the proposal.

4.2 No Grant shall be paid unless and until MEH has received the funding from BEIS and is satisfied that such payment will be used for proper purposes in accordance with this letter.

4.3 The amount of the Grant shall not be increased in the event of any overspend by the Council.

4.4 Any unspent Grant monies shall be returned to MEH within 25 calendar days of the end of the Grant Period unless otherwise agreed between the parties.

4.5 Any liabilities arising at the end of the Grant Period including any redundancy liabilities for staff employed by the Council to deliver the Grant must be managed and paid for by the Council using the Administrative Allocation or other resources of the Council. There will be no additional funding available from MEH for this purpose.

4.6 The Council shall promptly repay to MEH any money incorrectly paid to it either as a result of administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant monies have been paid in error in under this letter.

#### 5 Adjustment of Grant

5.1 If the Council does not achieve the profiled delivery as set out in the Proposal, MEH may reduce the total Grant available to the Council commensurate with the percentage of profiled delivery achieved or projected to be achievable by the Council.

- 5.2 If the Council delivers in excess of the profiled delivery, MEH may increase the Grant, entirely at their own discretion. MEH shall not be obliged to increase the Grant in any circumstances.

## 6 Liability

- 6.1 MEH accepts no liability for any consequences, whether direct or indirect, that may come about from the use of the Grant or from withdrawal of the Grant. The Council shall indemnify and hold harmless MEH, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Council in relation to the Grant, the non-fulfilment of obligations of the Council under this letter or its obligations to third parties.
- 6.2 Subject to clause 6.1, MEH's liability under this letter is limited to the payment of the Grant.
- 6.3 The Council shall effect and maintain adequate insurance policies at all times with a reputable insurance company in respect of all risks which may be incurred by the Council.
- 6.4 The Required Insurances referred to above include (but are not limited to):
- (a) Officials Indemnity : £1m
  - (b) Fidelity Guarantee : £1m

## 7 Other Funding

- 7.1 The Grant must not be used to part fund a single measure with any other government schemes.
- 7.2 The Council must ensure that households receiving support from the Grant did not receive any funding under the Green Homes Grant: Local Authority Delivery Phase 1 or the voucher scheme.
- 7.3 The Grant may be blended with third party funding or the Council's other budgets to deliver additional support.
- 7.4 The Grant may only be combined with Domestic Renewable Heating Incentive payments as set out in the MOU.

## 8 Clawback

- 8.1 MEH's intention is that the Grant will be paid to the Council in full. However, without prejudice to MEH's other rights and remedies, MEH may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:
- 8.1.1 The Grant is used other than in accordance with the terms of this letter;
  - 8.1.2 The Council has not submitted a Proposal and has not spent the Grant monies already paid to it;

- 8.1.3 The Council fails to comply with the reporting requirements;
  - 8.1.4 BEIS withhold or suspend payment under the MOU, or terminate the MOU for any reason;
  - 8.1.5 BEIS exercise clawback provisions within the MOU;
  - 8.1.6 MEH considers that the Council has not made satisfactory progress with the delivery of the Grant;
  - 8.1.7 The Council is, in the opinion of MEH, delivering the Grant in a negligent manner;
  - 8.1.8 The Council provider MEH with any materially misleading or inaccurate information;
  - 8.1.9 Any member, employee or volunteer of the Council has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Fund or (b) taken any actions which, in the reasonable opinion of MEH, bring or are likely to bring the MEH's name or reputation into disrepute;
  - 8.1.10 The Council fails to comply with any of the terms and conditions set out in this letter and fails to rectify any such failure within 30 days of receiving written notice detailing the failure.
- 8.2 Should the Council be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Grant or compliance with this letter it will notify MEH as soon as possible so that, if possible, and without creating any legal obligation, MEH will have an opportunity to provide assistance in resolving the problem or to take action to protect MEH and the Grant monies.

## 9 Warranties

- 9.1 The Council warrants, undertakes and agrees that:
  - 9.1.1 it has all necessary resources, approvals, powers and expertise to deliver the Grant;
  - 9.1.2 it has not committed, nor shall it commit, any Prohibited Act;
  - 9.1.3 it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify MEH immediately of any significant departure from such legislation, codes or recommendations;
  - 9.1.4 it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
  - 9.1.5 it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

- 9.1.6 it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
  - 9.1.7 all financial and other information concerning the Council which has been disclosed to MEH is to the best of its knowledge and belief, true and accurate;
  - 9.1.8 it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
  - 9.1.9 it is not aware of anything in its own affairs, which it has not disclosed to MEH or any of MEH's advisers, which might reasonably have influenced the decision of MEH to make the Grant on the terms contained in this letter; and
  - 9.1.10 since the date of its last accounts there has been no material change in its financial position or prospects.
- 9.2 For the purposes of this letter a 'Prohibited Act' is:
- 9.2.1 offering, giving or agreeing to give to any servant of MEH any gift or consideration of any kind as an inducement or reward for:
    - (a) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this letter or any other contract with MEH; or
    - (b) showing or not showing favour or disfavour to any person in relation to this letter or any other contract with MEH;
  - 9.2.2 entering into this letter or any other contract with MEH where a commission has been paid or has been agreed to be paid by the Council or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to MEH;
    - (a) committing any offence:
    - (b) under the Bribery Act;
    - (c) under legislation creating offences in respect of fraudulent acts; or
    - (d) at common law in respect of fraudulent acts in relation to this letter or any other contract with MEH; or
    - (e) defrauding or attempting to defraud or conspiring to defraud MEH.

## 10 Reporting/Monitoring

- 10.1 The Council shall closely monitor the delivery and success of the Grant throughout the Grant Period to ensure that the aims and objectives of this letter are being adhered to.
- 10.2 The Council shall use the [PERCI +] to log all uses of the Grant and shall provide all information as required through that system to enable MEH to report under the MOU.
- 10.3 The Council shall receive licences to use [PERCI +] free of charge as part of the Grant arrangement.
- 10.4 Notwithstanding paragraphs 10.2 and 10.3, the Council shall provide any support requested by MEH to allow MEH to comply with the reporting requirements in Annex 2 and under the MOU, in such format and at such frequency as requested by MEH.
- 10.5 Where the Council has obtained funding from a third party or combined the Grant with its own funds in accordance with this letter, the Council shall include the amount of such funding in its financial reports together with details of what that funding has been used for.
- 10.6 Within 3 months of receiving the Grant, the Council shall provide MEH with a risk register and insurance review in the format provided by MEH. The Council shall, amongst others, address the health and safety of its staff in the risk register.
- 10.7 The Council shall on request provide MEH with such further information, explanations and documents as MEH may reasonably require in order for it to establish that the Grant has been used properly in accordance with this letter.
- 10.8 The Council shall permit any person authorised by MEH such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Council's fulfilment of the conditions of this letter and shall, if so required, provide appropriate oral or written explanations from them.
- 10.9 The Council shall provide MEH with a final report on completion of the Grant Period which shall confirm each installation of Eligible Measures and that the Grant has been successfully and properly applied in accordance with this letter.

## 11 Appointment of Eligible Contractors

- 11.1 MEH intends to set up a dynamic purchasing system compliant with the Public Contract Regulations 2015 which shall admit only Eligible Contractors.
- 11.2 The Council is encouraged to use this dynamic purchasing system to appoint Eligible Contractors to deliver the Eligible Measures.
- 11.3 The Council shall retain all responsibility for ensuring the Eligible Contractors are properly appointed in accordance with all relevant laws, including the Public Contract Regulations 2015.

- 11.4 The Council shall ensure that all contractors they appoint are appropriately skilled and experienced to undertake the relevant Eligible Measures.
- 11.5 The Council shall obtain adequate insurance and professional details from the proposed contractor to ensure the proposed contractor is an Eligible Contractor.

## 12 Audit and records

- 12.1 The Grant shall be shown in the Council's accounts as a restricted fund and shall not be included under general funds.
- 12.2 The Council shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.
- 12.3 The Council will keep financial records such as that on expenditure of the Grant readily identifiable, and if or when MEH, BEIS or other government department requests access to financial or other records for the purposes of an audit of the accounts, the Council will co-operate fully
- 12.4 The Council shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Grant for a period of at least six years following receipt of any Grant monies to which they relate. MEH shall have the right to review, at the MEH's reasonable request, the Council's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.
- 12.5 The Council shall provide MEH with a copy of its annual accounts within six months (or such lesser period as MEH may reasonably require) of the end of the relevant financial year in respect of each year in which the Grant is paid.
- 12.6 The Council shall comply and facilitate MEH's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and MEH.

## 13 Acknowledgment and publicity

- 13.1 The Council shall acknowledge the Grant in its annual report and accounts, including an acknowledgement of MEH as the source of the Grant.
- 13.2 The Council shall not publish any material referring to the Grant, BEIS or MEH without the prior written agreement of MEH. The Council shall acknowledge the support of MEH in any materials that refer to the Grant and in any written or spoken public presentations about the Grant. Such acknowledgements (where appropriate or as requested by MEH) shall include MEH and BEIS name and logo (or any future name or logo adopted by MEH) using the templates provided by MEH from time to time.
- 13.3 In using MEH or BEIS name and logo, the Council shall comply with all reasonable branding guidelines issued by MEH or BEIS respectively from time to time.
- 13.4 The Council agrees to participate in and co-operate with promotional activities relating to the Grant that may be instigated and/or organised by MEH.



- 13.5 MEH may acknowledge the Council's involvement in the Grant as appropriate without prior notice.
- 13.6 The Council shall comply with all reasonable requests from MEH to facilitate visits, provide reports, statistics, photographs and case studies that will assist MEH in its promotional and fundraising activities relating to the Grant.

#### 14 Data Protection

- 14.1 Both Parties will comply with all applicable requirements of and all their obligations under the Data Protection Legislation which arise in connection with the Agreement.
- 14.2 The Council agrees to assist MEH in securing a compliant data transfer and processing arrangement, including signing data sharing and/or data processing agreements as reasonably requested by MEH, within 30 days of being notified of the same.
- 14.3 The Council shall enter into a data processing agreement directly with Act On Energy for the use of [PERCI +] for the purposes of reporting under this letter.
- 14.4 For the purpose of this clause "Data Protection Legislation" means all applicable privacy and data protection laws including the General Data Protection Regulation ((EU) 2016/679) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, as modified by Schedule 1 to the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and any applicable national implementing laws, regulations and secondary legislation in England and Wales relating to the processing of Personal Data and the privacy of electronic communications, as amended, replaced or updated from time to time, including the UK GDPR, Data Protection Act 2018, the Privacy and Electronic Communications Directive (2002/58/EC) and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) and any laws that replace, extend, re-enact, consolidate or amend any of the foregoing;

#### 15 Freedom of Information

- 15.1 Nothing in this letter shall prevent the MEH or the Council from disclosing any information relating to the Grant or the Fund which MEH or the Council considers in its absolute discretion that it is required to disclose in order to comply with the Freedom of Information Act 2000, as amended, and/or the Environmental Information Regulations 2004 and any other statutory requirements.

#### 16 Intellectual Property

- 16.1 MEH and the Council agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, know-how and any other intellectual property rights whatsoever owned by either MEH or the Council before the date of this letter or developed by either party during the Grant Period, shall remain the property of that party.
- 16.2 Where MEH has provided the Council with any of its intellectual property rights for use in connection with the Grant (including without limitation its

name and logo), the Council shall, on termination of this letter, cease to use such intellectual property rights immediately and shall either return or destroy such intellectual property rights as requested by MEH.

## 17 Confidentiality

17.1 Each party shall, during the term of this Grant and thereafter keep secret and confidential all intellectual property rights or know-how or other business, technical or commercial information disclosed to it as a result of the Grant and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this letter or save as expressly authorised in writing by the other party.

17.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any intellectual property rights, know-how or other business, technical or commercial information which:

17.2.1 at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this letter by the receiving party;

17.2.2 is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or

17.2.3 is at any time after the date of this letter acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

## 18 Anti-discrimination

18.1 The Council shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment or otherwise.

18.2 The Council shall take all reasonable steps to secure the observance of clause 18.1 by all servants, employees or agents of the Council and all contractors, suppliers and sub-contractors engaged on the Grant.

## 19 Subsidy Control

19.1 The Grant shall constitute a State Subsidy, being a financial contribution granted by a public authority or through State resources in any form whatsoever which confers a benefit on the recipient, which shall include, but not be limited to, the definition of a subsidy contained in the UK-EU TCA and must be used in accordance with the Subsidy Control Rules set out in paragraph 19.3.

19.2 The Council provide such information and comply with any instructions from MEH to ensure that the Grant remains compliant with the Subsidy Control Rules.

19.3 The Subsidy Control Rules are all Laws of the United Kingdom limiting State Subsidy including the European Union (Future Relationship) Act 2020, any relevant secondary legislation and any other Law which replaces, or supersedes or implements, or retains the law embodied in Articles 107- 109 of the Treaty for the Functioning of the European Union (“TFEU”) or and any relevant primary or secondary legislation in relation to the United Kingdom (whether in whole or part) as a result of the United Kingdom ceasing to be a member state of the European Union, together with any guidance from time to time issued by a central Government body relating to the provision of State Subsidies, including the interaction of State Subsidies with the United Kingdom’s commitments as a member of the World Trade Organisation and under its trade agreements with other countries.

20 Governing law

20.1 This letter shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

21 Entire agreement

21.1 This letter (together with all documents attached to or referred to within it) constitutes the entire agreement and understanding between the parties in relation to the Grant and supersedes any previous agreement or understanding between them in relation to such subject matter.

22 Acceptance of Terms

22.1 MEH ask that the Council sign and return the copy letter attached to signify agreement to the terms of this letter by 15<sup>th</sup> April 2021.

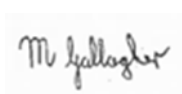
Signature of MEH



Printed name: Wayne Bexton

Position: Head of Energy Services NCC

Date: 04/03/2021



Printed name: Michael Gallagher

Position: Regional Energy Project Manager MEH

Date: 04/03/2021

Signature of Council

Printed name:

Position:

Date:

## Annex 1 - Memorandum of Understanding



LAD P2 Delivery  
MOU-FINAL\_VERSION

## Annex 2 Guidance and Monitoring Template

For monitoring, please refer to pages 20 to 22 within the guidance.



MEH LAD 2  
Guidance.pdf

## Annex 3 Proposal Template



MEH Proposal  
template LAD 2.xlsx