



Ministry  
of Defence



**THIS AGREEMENT** is made the ..... (insert date)

**BETWEEN:-**

- (1) **HEREFORDSHIRE COUNCIL**, Plough Lane, Hereford HR4 OLE;  
and
- (2) **SHROPSHIRE COUNTY COUNCIL** of Shirehall, Abbey Foregate, Shrewsbury, Shropshire SY2 6ND (“the Council”);  
and
- (3) **TELFORD & WREKIN COUNCIL**, Addenbrooke House, Ironmasters Way, Telford TF3 4NT.
- (4) **WORCESTERSHIRE COUNTY COUNCIL**, County Hall, Spetchley Road, Worcester WR5 2NP

(“the Delivery Partners”) hereinafter jointly referred to as the “Parties” or individually as a “Party”.

**BACKGROUND**

- (A) The Parties have agreed to work together in accordance with the terms of this Agreement to deliver the MOD Strengthening Local Government Delivery of the Covenant project CFLG17-231.
- (B) Herefordshire Council is the accountable body for the project and has entered into a Funding Agreement with the Ministry of Defence.
- (C) Shropshire Council, Telford & Wrekin Council and Worcestershire County Council have agreed to underwrite any overspends within their Authority budgets where the grant is unable to fund that gap because of other partner commitments. **To be discussed**
- (D) This Agreement sets out the terms of the grant obligations held by Herefordshire Council as the accountable body and subsequently the Delivery Partners.

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

**Application** means the application to US Covenant Funding

for Strengthening Local Government Delivery of the Covenant.

**Commencement Date** **1 April 2018**

**Completion Date** **31<sup>st</sup> March 2020**

**Confidential Information** means all information as defined in by Herefordshire Council Information Sharing – Relevant Legislation Guidance

- 1.1 Herefordshire Council means the organisation receiving a grant from the Covenant Fund subject to these terms and conditions.
- 1.2 “Partner” means an organisation which will be working directly with Herefordshire Council in delivering the Project.
- 1.3 The ‘Project’ means the activity or activities that were outlined in the application and which are supported with the grant as agreed in the Offer Letter and in accordance with this Grant Agreement.  
The ‘Grant Agreement’ includes and incorporates:
  - 1.3.1 these standard terms and conditions;
  - 1.3.2 the Offer Letter which sets out any additional conditions;
  - 1.3.3 the application form and any documentation confirming changes to these plans which may include a revised budget; and
  - 1.3.4 Schedules 1 and 2 will comprise the agreed milestones and payment schedule.
  - 1.3.5 The “Funding Period” means the fixed term specified.

## **2. The Grant**

- 2.1 Herefordshire Council acknowledges that it is holding the grant on trust for the beneficiaries of the Project and therefore must use the grant exclusively for the Project.
- 2.2 The amount of the grant is set at **£246,820**. The MOD are not able to increase the amount of the grant. Schedule 3 outlines the value per authority.
- 2.3 Herefordshire Council acknowledges the need to tell the MOD promptly about any changes to information given, including any changes to the bank or building society details and commit to making sure that the information held on Herefordshire Council is always true and up to date.
- 2.4 Herefordshire Council will tell the MOD immediately if any offer of match funding for this Project is withdrawn or reduced at any time during the Project or if additional funding is offered.
- 2.5 Herefordshire Council will not use the grant to pay for any spending commitments made before the date of the Grant Agreement.
- 2.6 Herefordshire Council will hold any unused part of the grant on trust for the beneficiaries of the Project at all times and if the project spends less than the whole grant on the Project, Herefordshire Council will return the unspent amount to the MOD on demand.
- 2.7 Herefordshire Council understands that If at any time the MOD are not satisfied that we have met all the terms of the Grant Agreement, or that they require extra information or documents, they will let Herefordshire Council know and/or will request this information and may postpone payment of the grant until they decide that the terms are met or until they receive the information they we want.

## **3. The Project**

- 3.1 The Project must start within three months of the Project Start Date – 1<sup>st</sup> April 2018.
- 3.2 The Project will be delivered within 2 years.
- 3.3 If Herefordshire Council want to enter into an agreement with any third party with a view to commercial exploitation of the Project or anything relating to it, Herefordshire Council must contact the MOD to obtain prior written consent. Consent may be subject to conditions, including conditions requiring the repayment of all or part of the grant.

- 3.4 This Partnership Agreement has been approved by the MOD. All partners must act at all times in accordance with these terms and conditions of grant, so far as applicable to their role on delivering the Project, and in the event of conflict between the terms of the partnership agreement and these terms and conditions of grant, then these terms and conditions of grant must take precedence.
- 3.5 All partners must maintain adequate insurance at all times. This includes employee and public liability insurance. Assets funded by the grant will have to be kept safely and in good repair and condition and will make sure adequate insurance cover for all of them. If the asset is damaged, destroyed or stolen, Herefordshire Council must tell the MOD in writing and the respective Partner must repair or replace it as soon as reasonably practical.
- 3.6 Herefordshire Council agree to comply with all laws regulating the way Herefordshire Council operate, the work Herefordshire Council carry out, the staff Herefordshire Council employ or the goods Herefordshire Council buy. Herefordshire Council will ensure that Herefordshire Council have an equal opportunities policy in place at all times, to help Herefordshire Council comply with all relevant laws and good practice whilst the Grant Agreement remains in force. Herefordshire Council will obtain any planning permission and all approvals, copyright and other consents and licences required by law or by the MOD. This includes but without limitation compliance with all employment legislation, equality legislation, health and safety requirements and all other relevant legal or regulatory approvals necessary for the Project to be delivered.
- 3.7 Herefordshire Council will at all times comply with Data Protection Legislation. Data Protection Legislation shall mean (i) unless and until the General Data Protection Regulation ((EU) 2016/679) ('GDPR') is no longer directly applicable in the UK, the GDPR and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998.
- 3.8 If at any time the Project involves work with children and adults at risk ("vulnerable people"), Herefordshire Council will take all reasonable steps to ensure their safety. Herefordshire Council will obtain the written agreement from the legal carer or guardian before having any direct contact with any vulnerable person. Herefordshire Council will have and carry out an appropriate written policy and have a set of procedures in place at all times to safeguard vulnerable people, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees or contractors who will supervise, care for or otherwise have significant direct contact with vulnerable people with the Disclosure and Barring Service.

#### **4. Information, marketing and publicity**

- 4.1 Herefordshire Council and all partners will follow the MOD branding and publicity guidelines at all times if practical and appropriate. Herefordshire Council will acknowledge the Armed Forces Covenant and the Covenant Fund by following the guidelines found at the link below.  
<https://www.armedforcescovenant.gov.uk/localauthorities/brand-guidelines/>. Herefordshire Council and respective partners should feature the required logos on any grant funded building or vehicle and on all information, marketing and publicity materials including digital media relating to the Project. Herefordshire Council should also incorporate verbal and written acknowledgment of MOD support into all Council and partner communications.
- 4.2 Herefordshire Council hereby give MOD permission to use, in their sole discretion and as they think fit, any materials produced for or by the Project. Herefordshire Council hereby grant MOD a non-exclusive, worldwide, royalty free perpetual licence to reproduce part or all of the project or related documents as we may reasonably require for marketing, publicity, research and evaluation and reporting purposes.

#### **5. Payment of the grant**

- 5.1 Subject to satisfactory receipt of any information required from time to time, MOD agree to pay Herefordshire Council the total grant in instalments according to Schedule 2. This will be passed on to Partners upon evidence of activity and spend.
- 5.2 The MOD will pay the grant by way of instalments agreed in Schedule 2 by bank transfer (BACS) into a UK-based bank account in Herefordshire Council's name.

- 5.3 Herefordshire Council understand and accept that the MOD will not increase the grant if Herefordshire Council spend more than the total grant awarded as stated in the Offer Letter.
- 5.4 The MOD will not be liable for any losses or costs (including, but not only, bank charges) if they do not make grant payments on the dates agreed in Schedule 2. Payments agreed in Schedule 2 will be dependent upon the timely submission of, and their approval of, the information required under Schedule 1. If Herefordshire Council do not do submit satisfactory information to the MOD, the grant payments agreed in Schedule 2 may be suspended. Partners will be requested for information to ensure that these deadlines are submitted in a timely manner.
- 5.5 Herefordshire Council will show the grant and related expenditure in Herefordshire Councils accounts under the description of "Covenant Fund Funding" as a restricted fund. Herefordshire Council accounts for grants separately under specific Cost Centres so that spend or underspend are easily identifiable. Herefordshire Council will acknowledge the grant in the annual report and accounts.

## **6. VAT**

- 6.1 Herefordshire Council acknowledges that the grant is not considered for any taxable supply for VAT purposes. Herefordshire Council acknowledges that MOD's obligation does not extend to paying Herefordshire Council any amounts in respect of VAT in addition to the grant.
- 6.2 Herefordshire Council is registered for VAT and keeps proper and up to date records. These records will be made available to the MOD and supply copies when requested.
- 6.3 If the MOD do agree to fund any or all of the VAT costs associated with the Project and Herefordshire Council subsequently recover any VAT, Herefordshire Council will pay the MOD back immediately any of the VAT that has been paid for with the grant. This will be the same for any partner organisation in receipt of grant.

## **7. Herefordshire Council agree that**

- 7.1 Herefordshire Council will meet any special or additional conditions which may have been agreed between MOD in writing from time to time and which will be deemed incorporated into the Grant Agreement.
- 7.2 Herefordshire Council will ensure that the executive team responsible for delivering the Project, receive a copy of the Grant Agreement while it remains in force and will ensure that the receipt of the grant and the delivery of the Project are within the scope of Herefordshire Council's constitution and if asked by the MOD, Herefordshire Council will provide a legal opinion from Herefordshire Council's solicitors confirming this.
- 7.3 Herefordshire Council will tell the MOD in advance if Herefordshire Council want to make any significant changes to the Project or to the name of the Project being delivered under the Grant Agreement. Partners will approach Herefordshire Council to discuss any specific changes they may wish to make on the scope of the project.
- 7.4 Herefordshire Council will write to the MOD as soon as possible if any legal claims are made or threatened against Herefordshire Council which would adversely affect the Project during the period of the grant.
- 7.5 Herefordshire Council will tell the MOD in writing as soon as possible of any investigation concerning Herefordshire Council, Herefordshire Council's employees or volunteers carried out by the Police, Charity Commission, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, HM Revenue & Customs or any other regulatory body.
- 7.6 Herefordshire Council will inform the MOD immediately in writing of anything that significantly delays, threatens or makes unlikely the Project's completion, including any delay or difficulty in fulfilling Herefordshire Council's obligations to work with others as specified in the Offer Letter.

## **8. Monitoring**

- 8.1 Herefordshire Council understands and accepts that the MOD will monitor the progress of the Project and require Herefordshire Council to complete all the activities specified in Schedule 1 on time.
- 8.2 To enable this, Herefordshire Council will need to send the MOD all such information as they may in their sole discretion reasonably request from time to time. This includes the information, without limitation, set out in Schedule 1, and copies of all or any other relevant documentation about Herefordshire Council's financial details and operational systems and processes and any other information which they may deem

relevant to their understanding of how the Project is being delivered and the funding used. If asked, Herefordshire Council must give the MOD, or any person nominated by the MOD, or the National Audit Office access to all records relating to the Project or subsequent profit made by the Project upon demand, including (but not limited to) accounts and any other financial records, VAT and any other tax records. The MOD can ask for access to these records for up to seven years after the Project has finished. All partners are responsible for ensuring that information relating to their respective project delivery elements are also kept for up to seven years after the project has finished. Relevant documentation/templates will be provided by Herefordshire Council to partners to ensure that the correct information will be collated in order for successful monitoring to take place.

- 8.3 Herefordshire Council and partners will be available for meetings with the MOD, as may be reasonably requested, relating to the Project.
- 8.4 Herefordshire Council will provide the MOD with a full report on the Project within three months of completing it, using their end of grant report form. Herefordshire Council understands that the grant is finished only after the report has been completed to the MODs satisfaction and the evidence of expenditure has been requested for the period of the Grant Agreement.

## **9. Conditions relating to assets or services purchased with the grant**

9.1 If any part of the grant is used to buy any assets, such as vehicles, computer equipment or intellectual property or a series of related assets or services or a series of services costing more than £10,000, Herefordshire Council will put out the order to competitive tender. If the grant is being used to purchase assets or services over the amount determined from time to time by OJEU, Herefordshire Council will follow the OJEU regulations. If any part of the grant is to buy an asset or a series of assets which have an economic life of five years or more, regardless of cost Herefordshire Council will keep all receipts and invoices for the MOD to look at. If there are good reasons why Herefordshire Council cannot tender, Herefordshire Council will obtain our written agreement beforehand. Herefordshire Council will comply with all anti-bribery and anti-corruption legislation.

- 9.2 Herefordshire Council and partners will not sell, give away or borrow against any assets, such as vehicles or intellectual property, bought with the grant during the period of their economic life without first receiving the MOD's written consent. As the grant comes from public funds, Herefordshire Council and Partners understand and accept that if the MOD do provide written consent they may require that the sale is at full market value and/or subject to conditions requiring Herefordshire Council and partners to repay all or part of the money Herefordshire Council and partners receive.
- 9.3 Herefordshire Council understand that we will monitor assets bought with the grant amounting to over £100,000 for a period of up to ten years after the grant has ended unless varied by any capital conditions, which for the avoidance of doubt, will take precedence. If the assets were purchased for less than £100,000 we will monitor the assets for a period of five years or while the Grant Agreement remains in force, whichever is the shorter. Herefordshire Council will supply the MOD with information that we ask for and will allow the MOD to inspect the assets for that period.
- 9.4 During the grant monitoring period, Herefordshire Council will provide an annual statement that the grant funded assets are still in use and insured by Herefordshire Council or respective partners delivering their specific project component.

## **10. General conditions**

- 10.1 If Herefordshire Council or Partner fails to meet any term and condition of the Grant Agreement and the MOD do not enforce one or more of their rights straight away, this does not mean that they will not do so in the future. The MOD will give up our right to enforce this Grant Agreement only if Herefordshire Council is informed in writing.
- 10.2 The MOD will not be held responsible for any action Herefordshire Council or partners take, any action Herefordshire Council or partners fail to take, or for Herefordshire Council's or partners debts or liabilities. Herefordshire Council and partners are fully responsible for every part of the delivery and content of the Project or for Herefordshire Council's organisation and the decisions

about them. The MOD will not be responsible to anyone else who may take, or threaten to take, proceedings against Herefordshire Council or partners in relation to this project.

- 10.3 Herefordshire Council accept that the MOD may share information about Herefordshire Council's grant with any parties of their choice as well as with members of the public under the Freedom of Information Act 2000. Details of the grant may be broadcast on television, on their website, in newspapers and through other media.
- 10.4 Herefordshire Council and partners acknowledges that the grant comes from public funds and Herefordshire Council and partners will not use the grant in a way that constitutes unapprovable State aid. In the event that it is deemed to be unapprovable State aid, then Herefordshire Council and/or partners will repay the entire grant immediately.
- 10.5 Herefordshire Council may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless Herefordshire Council have entered into an agreement, authorised by the MOD in accordance with Clause 3.4.
- 10.6 The MOD may reject any future application from Herefordshire Council to other programmes we run if Herefordshire Council do not comply with these terms and conditions or they judge that Herefordshire Council did not handle the grant adequately or if Herefordshire Council fail to complete any requests for information the MOD make to Herefordshire Council.
- 10.7 If Herefordshire Council have other major revenue grants with the MOD, then Herefordshire Council are also under an obligation to keep to the terms and conditions of those Grant Agreements. If there is any conflict between those terms and conditions and the terms and conditions of this Grant Agreement, then these terms and conditions will take precedence so far as they relate directly to the delivery of this Project

## **11. Breach of these terms and conditions, and suspending or repaying the grant**

- 11.1 If Herefordshire Council or partners fail to meet any of these terms and conditions, the MOD may, in their absolute discretion:
  - 11.1.1 require Herefordshire Council to pay back all or part of the grant (regardless of how much Herefordshire Council may have already spent if Herefordshire Council have not spent it in accordance with these terms and conditions); Where the spend is relating to a partner project element the Council reserves the right to claim the funding back from that partner. The MOD may and/or
  - 11.1.2 end this Grant Agreement immediately.
- 11.2 The MOD may recover the grant in their absolute discretion, if any of the following events occurs:
  - 11.2.1 Herefordshire Council make any changes to the Project without first getting our written permission;
  - 11.2.2 Herefordshire Council use the grant for anything other than the Project;
  - 11.2.3 Herefordshire Council do not follow our reasonable instructions;
  - 11.2.4 Herefordshire Council do not carry out the Project with reasonable care, thoroughness and competence;
  - 11.2.5 Herefordshire Council do not complete the Project on time;
  - 11.2.6 Herefordshire Council have supplied the MOD with any information that is wrong or misleading, either by mistake or because Herefordshire Council were trying to mislead the MOD;
  - 11.2.7 Herefordshire Council act illegally or negligently at any time, and the MOD believe it has significantly affected the Project, or is likely to harm the MOD or Herefordshire Council's reputation; and/or
  - 11.2.8 if without first getting our approval in writing, Herefordshire Council sell or in some other way transfer the grant or the Project to someone else.
- 11.3 If Herefordshire Council have other major revenue grants with the MOD, then Herefordshire Council are also under an obligation to keep to the terms and conditions of those Grant Agreements. If there is any conflict between those terms and conditions and the terms and conditions of this Grant Agreement, then these terms and conditions will take precedence so far as they relate directly to the delivery of this Project
- 11.4 If Herefordshire Council breach any of the terms of this Grant Agreement, the MOD can choose to treat that as if Herefordshire Council had breached the terms of any other grant agreements the MOD have with Herefordshire Council. This will allow them to take the same actions under those agreements that they may take under this Grant Agreement.

**12. Termination of the Grant Agreement**

12.1 These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- for one year following the payment of the last instalment of the grant;
- as long as any part of the grant remains unspent;
- as long as Herefordshire Council do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or Project delivery).

**13. Additional conditions**

1. 13.1 the MOD have the right to impose additional terms and conditions on the grant if:

- Herefordshire Council are in breach of the Grant Agreement;
- The MOD withdraw any part of the funding for the Project;
- If the MOD have reasonable grounds to believe that it is necessary to protect public money; and/or
- The MOD believe such conditions are necessary or desirable to make sure that the Project is delivered as set out in the application form or following any agreed changes.

**IN WITNESS** of which the parties have signed this agreement on the date set out above

SIGNED for and on behalf of )  
**HEREFORDSHIRE COUNCIL** )  
 by ..... )

SIGNED for and on behalf of )  
**SHROPSHIRE COUNCIL** )  
 by..... )

SIGNED for and on behalf of )  
**TELFORD AND WREKIN COUNCIL** )  
 by ..... )

SIGNED for and on behalf of )  
**WORCESTERSHIRE COUNTY COUNCIL** )  
 by ..... )

**SCHEDULE 1**

Activity	On / by date
Project start date	1 <sup>st</sup> April 2018
Set up project management team and agree partnership arrangements	April 2018
Go out to recruitment of staff	April 2018
Staff in post	By end of June 2018
Work programme and event planning agreed	By end of June 2018
Quarterly Report prepared	End of June 2018
Training and induction of Officers completed	By end of July 2018
Initial benchmarking work undertaken	By end of September 2018
Quarterly report prepared	End of September 2018
Quarterly report prepared	End of December 2018
4 training events delivered per area	By end March 2019
2 Business/organisation/community events per area	By end March 2019
Quarterly report prepared	End of March 2019
End of year review and evaluation of delivery to date to prepare for 2nd year	By end of April 2019
Armed Forces Needs assessment documents developed	April 2019
Review of number of covenant signatories	April 2019
Quarterly Report prepared	June 2019
Quarterly Report prepared	September 2019
Quarterly report prepared	December 2019
Armed Forces Needs assessment documents reviewed	March 2020
Review of number of Covenant Signatories	March 2020
4 training events delivered per area	By end March 2020
2 Business/organisation/community events per area	By end March 2020
2 <sup>nd</sup> year benchmarking to test impact of project	March 2020
Quarterly report prepared	By end of March 2020
Finish date	31 <sup>st</sup> March 2020
Project Evaluation report published and circulated	End of April 2020



## SCHEDULE 2

		<b>Payment due</b>	
Year 1	Mar/April 18	£61,705	on receipt of invoice
	Oct-18	£61,705	On receipt of invoice and report
Year 2	Apr-19	£61,705	On receipt of invoice and report
	Oct-19	£61,705	On receipt of invoice and report
	by end June 2020	0	Final report due
	<b>TOTAL GRANT</b>	<u>£246,820</u>	

### SCHEDULE 3

#### Funding breakdown

##### Project Staff (Shared)

Costs	Total cost (£)	Amount from MOD (£)
Project staff – 2 x 4 day per week for 21 months	79,193	79,193
Mobile phones x 2	1,000	1,000
Laptops x 2	1,500	1,500
Events – 2 per area per year for direct engagement community/business engagement	4,000	4,000
Costs for training events to staff and partner staff – x 4 per area per year (incl. hire of room, refreshments, resources)	3,000	3,000
Recruitment costs	500	500
Travel	4,500	4,500
<b>Totals</b>	<b>£93,693</b>	<b>£93,693</b>

##### Veteran Hub Costs

Costs	Total cost (£)	Amount from MOD (£)
<b>Herefordshire Council Costs</b>		
Rent on property	12,000	12,000
Electricity/Water/etc	5,468	5,468
Laptop	703.23	703.23
Mobile phone	500	500
Salary	20,000	20,000
Furniture/materials/expenses	1,500	1,500
Computers/printers	1,000	1,000
Total	<b>41,171.23</b>	<b>41,171.23</b>
<b>Worcestershire Council Costs</b>		
Meeting Room costs (covering 6 districts)	11,000	11,000
Laptop	703.23	703.23
Mobile Phone	500	500
Salary	20,000	20,000
Travel	1,500	1,500
Materials/Expenses	1,000	1,000

Total	<b>34,703.23</b>	<b>34,703.23</b>
<b>Shropshire Council Costs</b>		
Rent on property	14,000	14,000
Laptop	703.23	703.23
Mobile phone	500	500
Salary	25,000	25,000
Materials/expenses	1,000	1,000
Total	<b>41,203.23</b>	<b>41,203.23</b>
<b>Telford &amp; Wrekin Council Costs</b>		
Salary	22,000	22,000
Room Hire	7,000	7,000
ICT Equipment	1,000	1,000
Materials/expenses	2,000	2,000
Total	<b>32,000</b>	<b>32,000</b>
<b>Totals</b>		<b>149,077.69</b>

### Digital Development Programme

Costs	Total cost (£)	Amount from MOD (£)
<b>Telford &amp; Wrekin</b>		
Costs for training three individuals	4,050	4,050
<b>Total</b>	<b>4,050</b>	<b>4,050</b>