

# MEMORANDUM OF UNDERSTANDING

*Between*

**Department for Levelling Up, Housing and Communities**

*-and-*

**XXX**

## 1. Purpose

1.1. This Memorandum of Understanding ('MOU') sets out the terms, principles and practices that will apply to the working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and **XXX** ('the Council') (collectively 'the Parties') regarding the administration and delivery of the Levelling Up Fund ('LUF') proposal **Project Name**. This MOU applies to financial years within your profile below.

## 2. Background

2.1. On 19 January 2023, HM Government announced the outcome of the LUF competition. The Council were successful with their bid for **Project Name**.

2.2. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, communication and branding expectations between the Parties.

## 3. Purpose of Funding

3.1. DLUHC considered the application submitted by the Council for the LUF proposal Haigh Hall and agreed to allocate funding up to £20000000 across FY2022-23, FY2023-24, FY2024-25 and FY2025-26. The indicative allocation for each year is set out in the following table:

Total LUF Grant		£0	#DIV/0!
Total Match Contribution		£0	#DIV/0!
<b>Total Project Costs</b>		<b>£0</b>	<b>#DIV/0!</b>
Project Commencement Date:		01 June 2022	
Project Completion Date		00 January 1900	
<b>Funding Profile from Table B:</b>			
Year	Grant	Match	Total
1	2022/23	£0	£0
2	2023/24	£0	£0
3	2024/25	£0	£0
4	2025/26	£0	£0
5	2026/27	n/a	£0
<b>Totals:</b>		<b>£0</b>	<b>£0</b>
		<b>#DIV/0!</b>	<b>#DIV/0!</b>

- 3.2. The funding is provided to form part of the necessary capital investment required for delivery of the LUF proposal Haigh Hall. DLUHC expects the Council to use the funding provided for the purposes outlined in the application approved by DLUHC, Department for Transport ('DfT') and HM Treasury ('HMT'), and that evidence will be provided to demonstrate this. Grant funding will be paid in six monthly tranches and on the basis of agreed delivery targets having been met. Assurance on project progress shall be borne out through the formal monitoring and assurance process set out in Clause 7 of this MOU.
- 3.3. The application approved by DLUHC, DfT and HMT sets out the details of the projects, including budget, spending profile, scope, key assumptions, outputs, timeline, key milestones, and risks. Together these project parameters set out the "ask" and "offer" expected by the Parties, and these are set out in the following table:

<b>Project Budget &amp; Spending Profile</b>	<i>Spending Profile by Source and LUF Profile tabs as set out in the Tables B and C of the Costings Planning Workbook (Annex A)</i>
<b>Project Description</b>	<i>Lifted from application</i>
<b>Project(s) Outputs &amp; Outcomes</b>	<i>Project(s) specific outputs and outcomes as set out in Table E of the Costings Planning Workbook (Annex A)</i>
<b>Projected Timeline &amp; Key Milestones</b>	<i>Whole project timeline with milestones as set out in Table D of the Costings Planning Workbook (Annex A)</i>

#### **4. Financial Arrangements**

- 4.1. The agreed funds will be issued to the Council as grant payments under Section 50 of the United Kingdom Internal Markets Act 2020 ('UKIM'), for capital expenditure as agreed in the approved application
- 4.2. The Council agrees to use LUF grant payments issued by DLUHC for capital expenditure only.
- 4.3. Payments to the Council will normally be made six monthly, in January and July. By exception, in FY2022-23 the first payment will be made in March 2023.

- 4.4. Six monthly amounts for each financial year will be agreed by the Parties in principle. Release of these payments will be dependent on submission of a Section 151/95/114/54 Officer signed Statement of Grant Usage and corresponding quarterly monitoring return.
- 4.5. The Council will provide regular project, financial, and risk reporting to DLUHC, in such a format that DLUHC will provide, demonstrating expenditure of the previous funding and that outputs and outcomes are being met, in line with the approved application.
- 4.6. This information will be taken into consideration by DLUHC before subsequent six-monthly payments to the Council are finalised and paid. DLUHC may make appropriate adjustments to payments or withhold payments where there are significant concerns over delivery.
- 4.7. If the Council needs to amend the annual spending profile, requiring a change to the indicative allocations in Clause 3.1, the Council will submit a Project Adjustment Request.
- 4.8. Requests by the Council to amend an annual spending profile will be considered by DLUHC. There are no guarantees that such requests will be accommodated.
- 4.9. In accordance with the declaration signed by the Council's Section 151/95/114/54 Officer as part of the Bid Application, the Council accepts responsibility for meeting any costs over and above DLUHC's contribution set out in Clause 3.1, including potential cost overruns and the underwriting of any funding contributions expected from third parties.
- 4.10. The Council must spend all grant funding by the end of the funding period, 31 March 2025.
- 4.11. The Chief Executive, Section 151/95/114/54 Officer and Chief Internal Auditor (or equivalent) of the Council will sign and return to DLUHC a declaration, to be received no later than six months after the physical completion of the project(s), 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 **Project Name** LUF Grant Determination have been complied with."*

## **5. Duration and Review Point**

- 5.1. This MOU applies to financial years within your profile.
- 5.2. This MOU will come into effect upon signature by the Parties and will remain in effect until it is terminated by either Party in accordance with the terms in Clause 11 of this MOU. It may be extended by the written agreement of the Parties.
- 5.3. Each year of the planned funding period will be covered by an MOU, including the extension of this MOU where the Parties agree to the extension.

5.4. Notwithstanding Clause 5.1 and 5.3 of this MOU, if an MOU is not in place by the end of financial year 2023-24, this MOU will continue to apply.

## **6. Branding and Communication**

6.1. DLUHC will provide the Council with guidance on the Branding and Communication associated with LUF projects. The Parties agree to adhere to the guidance and any updates subsequently released by DLUHC.

## **7. Monitoring and Evaluation**

7.1. DLUHC has provided the Council with the Levelling Up Fund Monitoring and Evaluation Guidance (LUF M&E Guidance).

7.2. DLUHC will provide grant funding subject to the Council hereby agreeing to full transparency open book working and a duty of good faith regarding all matters relating to the project, the Council, and this MOU.

7.3. The Council agrees to collect data on inputs, outputs and outcomes. DLUHC will lead on programme-level evaluation including data collection for outcomes and impacts. However, as described in the LUF M&E Guidance, DLUHC may require some evaluation assistance from the Council including collecting baseline data where alternative data sources are not available and facilitating meetings with key stakeholders. The Council also agrees to undertake a project level local evaluation as described in the Bid Application.

7.4. The Council agrees to collaborate with DLUHC over monitoring and evaluation requirements, which will involve reporting quarterly on project expenditure, project progress, stakeholder engagement, risks, milestones and any project changes. The Council will also collaborate with DLUHC to provide six-monthly reporting on project outputs and potentially some outcomes. DLUHC shall assist the Council where possible, and the Parties will work together to satisfy these requirements. This includes collecting accurate data and using the agreed metrics and methods as set out in the LUF M&E Guidance. DLUHC reserves the right to quality assure data and conduct site verifications.

7.5. The Council will endeavour to promptly share information at appropriate times as and when requested by DLUHC, including:

- Current funding that has been spent
- Planned expenditures
- Updates on key project milestones and risks
- Procurement and governance
- Case studies for publicising investment

7.6. DLUHC may publish relevant data and use it to inform public statements.

## **8. Assurance**

8.1. DLUHC will provide the council with the Assurance and Performance Management Framework setting out the LUF assurance processes.

- 8.2. The Council will collaborate with DLUHC over assurance requirements, which will include the Section 151/95/114/54 Officer using the templates provided to give periodic written assurance to DLUHC and DfT where appropriate. This includes written confirmation that the project continues to represent value for money / best value and provisions of accurate data and information within the assurance cycle as set out in the CLGU Assurance and Performance Management Framework. The Council will also collaborate with DLUHC if required to support further assurance through risk based Deep Dive activity. Deep Dives will include engagement with SRO, Section 151/95/114/54 Officer and Project Leads, alongside the provision of specified procurement, financial and decision-making evidence on request for review. DLUHC shall assist the Council where possible, and the Parties will work together to satisfy these requirements. Sample based Deep Dives will be retained as an option through the programme.
- 8.3. The Council will provide upon request evidence of a constituted LUF delivery board or that a pre-existing delivery board has formally adopted LUF governance within its Terms of Reference. Integration into the full governance arrangements of the Council should be evident.
- 8.4. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety and fraud.
- 8.5. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities:
- “Data may be shared with other enforcement agencies for the prevention and detection of crime.”*
- 8.6. The Council will fully comply with all obligations set out in the Fraud Risk Assessment guidance in Annex B to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the risk of both fraud and payment error.

## **9. Changes to approved Application**

- 9.1. The Council will notify DLUHC of any proposed changes to the approved project(s) by submitting a Project Adjustment Request (PAR). These notifications should be provided and agreed in advance of changes.
- 9.2. The Council will require approval by DLUHC for any alterations to the project, as set out in Clause 3.3.

9.3. A range of project changes, including but not limited to changes to spending profiles, delivery timelines, outputs and outcomes may be requested through the PAR process. The requested changes will be categorised as either 'streamlined', representing minor changes to spending or delivery timelines, or 'standard', which will capture any other requested project changes. Guidance covering the PAR process will be made available to the Council by DLUHC.

## **10. Compliance with the MOU**

10.1. The Parties to this MOU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their respective organisations to comply fully with the requirements of this MOU.

## **11. Changes to the MOU**

11.1. The arrangements under this MOU will be kept under review. Amendments to this MOU may only be made upon written agreement between the Parties.

## **12. Resolution of Disputes**

12.1. Any dispute that may arise as to the interpretation or application of this MOU will be settled by consultation between the Parties.

## **13. Legal Enforcement**

13.1. This MOU is not legally enforceable. It describes the understanding between both parties for the use of funding specified in Clause 3 of this agreement.

**Signed on Behalf of the Council (by Chief Executive / Section 151/95/114/54  
Officer):**

**Name:**

**Job Title:**

**Date:**

**Signed on Behalf of DLUHC:**

**Name:**

**Job Title:**

**Date:**

## **Annex A: Costings and Planning Workbook Single Project**

Table B P1 Funding Profile

Table C P1 Cost Estimates

Table D Delivery Plan

Table E Bid Monitoring and Evaluation

## **Annex B: Fraud Risk Assessment**



LUF FRA - FINAL.xlsx