

MEMORANDUM OF UNDERSTANDING
between
Department for Levelling Up, Housing and Communities
and
Rotherham Council

1. Background

1.1. The Single Homelessness Accommodation Programme (**'SHAP'**) was launched in January 2023. The details of the fund were set out in the document 'Single Homelessness Accommodation Programme: prospectus and guidance' (**'Prospectus'**).

1.2 SHAP is a £200m capital and revenue fund to increase the supply of high-quality accommodation with accompanying support to address gaps in homelessness pathway provision for two groups: those with the longest histories of rough sleeping or the most complex needs, to help them recover from rough sleeping and its associated traumas; and vulnerable young people (age 18-25) at risk of or experiencing homelessness or rough sleeping.

2. Purpose of the MOU

2.1. 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 Rotherham Council (**'the Council'**) regarding the administration and delivery of SHAP.

2.2. This MOU is not legally binding, and no legal obligations or legal rights shall arise between the participants from the provisions of the MOU. Each participant enters into the MOU intending to honour all their obligations.

3. Purpose of funding

3.1. DLUHC will allocate the funding set out in paragraph 4 below to the Council for the purposes of SHAP.

3.2 Grant paid under this MoU should be spent in accordance with the Prospectus and as detailed in the SHAP bid (together with any amendments agreed prior to approval) submitted by the local authority and approved by DLUHC, subject to any amendments approved in writing by DLUHC. The bid as amended in accordance with this paragraph is referred to in this letter as the **'Scheme'**.

3.3. Project details and milestones relating to the Scheme are set out in the following table:

Scheme name	
Scheme details (include number of units)	Youth Pathway, 14 Units

Capital payment Milestone dates <i>(Milestones are defined in paragraph 4.4)</i>	Milestone	Acquisition		Start-On Site		Completion
	Amount Awarded					
	Financial Year					
Revenue Payment details	Financial Year	23/24	24/25	25/26	26/27	27/28
	Amount	£56,330	£232,086	£241,370	£188,268	£0

3.4. For capital funded properties, it is expected that, other than where properties have been funded as lease and repair, properties will have a life expectancy of at least 60 years for new build and at least 30 years for rehabilitated or acquired properties. The council should ensure that SHAP funding is used for the furtherance of provision of homelessness accommodation, as set out in the SHAP prospectus.

4. Financial arrangements

4.1. The Secretary of State for Levelling Up, Housing and Communities has determined under Section 31 of the Local Government Act 2003 that a grant of £718,054 should be paid to Rotherham Council. (CDEL £0, RDEL £718,054)

4.2. Allocations are made on a per financial year basis. The maximum amount of grant payable in each financial year is as set out in the notification letter from DLUHC to the Council attached at Annex A and in the table at 3.3, unless otherwise agreed by DLUHC in writing. The Council should only claim grant in the allocated financial year, as reflected in the notification letter at Annex A, unless otherwise agreed by DLUHC. DLUHC expects the Council to spend its yearly allocation by the end of each financial year.

4.3. Upon payment, DLUHC will send the Council a Grant Determination letter which sets out the terms and conditions applicable to SHAP grants made pursuant to section 31 Local Government Act 2003.

4.4 The Council may claim the capital proportion of this grant at the milestones and in the proportions set out below, or in proportions otherwise reasonably specified by DLUHC in writing. The Council shall claim capital within the financial year stipulated in the notification letter from DLUHC to the Council attached at Annex A, unless

otherwise agreed by DLUHC. The milestones set out below are referred to in this letter as '**Milestones**'. Payments associated with each milestone are referred to as '**Milestone Payments**':

- a. **[45%] at acquisition** – being the date on which the relevant party acquired the title described in the Scheme;
- b. **[50%] at start on site** – being the date on which the relevant party and appointed building contractor have entered into the relevant building contract, and the contractor has commenced building works. For schemes with no acquisition date, start on site payment will be **95%** of total allocation
- c. **[5%] at completion** – being the date on which building works are completed in accordance with the terms of the relevant building contract and the SHAP accommodation is fit for occupation in accordance with applicable National House-Building Council, Local Authority Building Control or equivalent requirements current at the date of inspection.

4.5 The local authority agrees to notify DLUHC as soon as it becomes aware that the Milestone dates set out in the Scheme may not be achieved and will use reasonable endeavours to procure achievement of the relevant Milestone on a date agreed with DLUHC. Capital funding cannot be guaranteed for slipped milestones and will be subject to affordability, particularly where milestones slip beyond the financial year in which originally allocated.

4.6 The local authority shall claim Milestone Payments on achievement of each Milestone in accordance with paragraphs 4.4 and 4.5 above.

5. Duration

5.1. This MOU applies until the commitments set out in this MOU relating to the Scheme are met.

5.2. This MOU will come into effect upon signature by the participants. It may be extended by the written agreement of the participants.

6. Monitoring and evaluation

6.1. DLUHC will provide grant funding subject to the Council providing full transparency open book working on all matters relating to the Scheme, including proposals, expenditure, and evaluations undertaken by the Council.

6.2. The Council will keep records of project expenditure.

6.3. The Council will collaborate with DLUHC in relation to monitoring and evaluation requirements. Specifically, the Council should provide reporting information to DLUHC relating to delivery and scheme progress on at least a quarterly basis via DELTA. The Council also agrees to work with the department to provide any reasonable additional management information as and when requested by DLUHC. DLUHC will provide an appropriate amount of time to return any additional requests.

6.4 The Council will report to DLUHC any problems that may impact delivery and will do all it can to address delivery problems to deliver the Scheme. DLUHC will collaborate with the Council to understand delivery issues and identify what support can be offered.

6.5 If requested by DLUHC, the Council also agrees to complete a Scheme evaluation which will include overall project expenditure and overall progress as may be specified by DLUHC.

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

6.7. DLUHC will ensure that any information published will be processed in accordance with the requirements of the data protection legislation.

7. Wider evaluation

The Council may be asked by DLUHC to participate in a wider programme evaluation to help DLUHC better understand whether SHAP was able to achieve its stated aims. This will be for the purpose of understanding impact and to identify any best practice or learning to inform future policy making.

8. Assurance and risk management

8.1. The Council will ensure that all legal and other statutory obligations and consents applicable to the Scheme will be adhered to, which may include, but not solely, subsidy control, equalities duties, procurement, health and safety and fraud. In particular, the Council should:

- (a) Ensure that SHAP accommodation meets the Decent Homes Standard and minimum design and technical standards, and, where applicable, the [nationally described space standard \(NDSS\)](#), and [National Statement of Expectations](#);
- (b) Ensure that prior to occupation of SHAP accommodation, any certifications required under any building safety legislation arising out of the Building Safety Act 2022 are obtained (including certification that the accommodation has passed “Gateway 3” or any similar or comparable stage in construction identified in any applicable regulations); and
- (c) Where any SHAP accommodation forms part of a higher-risk building (as defined in section 31 of the Building Safety Act 2022, as may be amended from time to time), procure that the relevant parties register as signatories to the Building a Safer Future Charter.

8.2. The Council will have the necessary governance and assurance arrangements in place to meet the requirements in 8.1 above, and the Council is expected to ensure that these legal duties and all other relevant duties are considered, and that delivery of the Scheme is carried out with propriety, regularity and value for money.

8.3 Councils will be responsible for mitigation of any risks that arise throughout the delivery of the Scheme.

8.4 The Council will complete their own fraud risk assessment 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.

8.5. The Council will monitor delivery of the Scheme and will undertake corrective action if the work does not meet expected standards or delivery timeline. The Council will inform DLUHC immediately if it becomes aware that the Milestone dates set out in paragraph 3.3 above may be delayed. As set out in paragraph 6.4, the Council will do all it can to address delivery problems to ensure delivery to the Milestone dates or any alternative Milestone date agreed with DLUHC.

9. Marketing and branding

The Council agrees that UK Government should be acknowledged in all marketing and promotional material as the funding source.

10. Procurement

10.1. The Council will be responsible for ensuring that any third-party partnership arrangements or procurement activities related to delivery of SHAP comply with Procurement Law and their own procurement procedures.

10.3. 'Procurement Law' includes but is not restricted to the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time.

11. Due Diligence

The Council will be responsible for undertaking due diligence checks on all third-party organisations, including community groups, suppliers and subcontractors, receiving funding and/or involved in delivery of SHAP. Evidence may be required of due diligence on community groups chosen to work with.

12. Resolution of Disputes

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

13. Legal Enforcement

This MOU is not legally enforceable. It describes the understanding between both Parties for the use of the SHAP funds.

14. Amendment of this Memorandum of Understanding

The arrangements under this MOU will be kept under review by DLUHC and the Council and can be amended upon securing written agreement between both participants.

Signed on behalf of Rotherham Council by:

Name: Sandra Tolley

Dated: 01/02/2024

Duly authorised to sign for Rotherham Council (by Chief Executive/Section 151 Officer)

S. Tolley

Signed on behalf of DLUHC by:

A handwritten signature in black ink, appearing to read 'I Connell', enclosed within a thin black rectangular border.

Name: Isabella Connell

Dated: 19/12/2023

Annex A – notification letter from DLUHC of successful grant



Rotherham- Bidding Round Three Outcome- Successful.msg