

DATED 5th June 2017

GRANT AGREEMENT

Between

WEST YORKSHIRE COMBINED AUTHORITY

and

LEEDS CITY COUNCIL

THIS AGREEMENT is made on 5th June 2017

BETWEEN

- (1) **WEST YORKSHIRE COMBINED AUTHORITY** whose principal office is at Wellington House, 40-50 Wellington Street, Leeds LS1 2DE ("Funder"); and
- (2) **LEEDS CITY COUNCIL** whose principal office is at Civic Hall Leeds LS1 1UR ("Recipient").

WHEREAS:

- (A) In June 2016 the Funder's Investment Committee and West Yorkshire Combined Authority, approved a Leeds City Region wide Tackling Fuel Poverty Programme, as part of the Better Homes Yorkshire programme. The Phase 1 Tackling Fuel Poverty projects were also approved by June 2016 Combined Authority. The Leeds City Council Holbeck Group Repair scheme is a Phase 1 project.
- (B) The Recipient is a Local Authority in the Leeds City Region area.
- (C) This Agreement sets out the conditions on which the grant is made to the Recipient.

IT IS AGREED AS FOLLOWS:

1. THE GRANT

- 1.1 Subject to the Recipient meeting the commitments set out in this Agreement the Funder will grant the sum of £1,500,000 (the "Grant") to the Recipient.
- 1.2 The Recipient shall comply with the Project Specification set out in Schedule 1, and Project Outputs set out in Schedule 2, attached to this Agreement.
- 1.3 The recipient agrees to use the Grant to install energy efficiency measures to a minimum of 180 homes, as set out in the Project Specification and Project Outputs.
- 1.4 The Recipient and the Funder agree that the Grant monies shall be paid in arrears and upon completion of the works as per Schedules 1 and 2 ("Works") and in accordance with the call off contract entered into between the Recipient and Keepmoat on 19th December 2014 or any new call off contract entered into after 19 December 2014 ("the Call Off Contract") and made under the Framework Agreement entered into between the Funder and Keepmoat on 19th December 2014 or any new Framework Agreement entered into ("the Framework Agreement").
- 1.5 The Grant shall be paid by the Funder to the Recipient upon satisfactory evidence from the Recipient that expenses have actually been incurred or costs paid and all Works having been satisfactorily completed.
- 1.6 The Grant is awarded to the Recipient for their own use in commissioning Works within the Holbeck Group repair Scheme. This scheme will be run within the group repair scheme framework as per section 65 of the Housing, Grants, Construction and Regeneration Act.

2. PROHIBITED USE OF THE GRANT

2.1 Without prejudice to any other provisions of this Agreement, the Recipient will not use the Grant for the following purposes:

- (a) for the provision of measures to new build or self-build properties;
- (b) use to fund the provision of a loan;
- (c) to replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project);
- (d) use for activities of a political or exclusively religious nature;
- (e) use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector;
- (f) use to cover interest payments (including service charge payments for finance leases);
- (g) use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- (h) use to pay statutory fines, criminal fines or penalties;
- (i) use in respect of Value Added Tax that the Recipient is able to reclaim from HM Revenue and Customs.

3. AVAILABILITY OF THE GRANT

3.1 The Grant is made available to the Recipient up to 31st December 2018. The Recipient agrees that all projects will be delivered by 31st October 2018.

3.2 The Recipient must inform the Funder of any delays as soon as the Recipient becomes aware that delays are likely to occur.

4. PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

The Recipient will when using the Grant:

- (a) comply with all relevant requirements of law relating to public procurement (if applicable); and
- (b) pay the person from whom any goods, Works or services are purchased within 30 days of receiving a valid invoice from that contractor.

5. COMMERCIAL USE OF THE GRANT

The Recipient will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed with the Funder in writing prior to the award of the Grant. If the Recipient does so, it:

- (a) will inform the Funder immediately and in writing; and

- (b) understands that the Grant may be reduced by the amount of that revenue or gain (as the case may be).

6. REDUCTION, WITHDRAWAL AND REPAYMENT

6.1 It is the understanding of the parties that the Funder may ask the Recipient to repay all, or any proportion of the Grant, together with interest (calculated in accordance with paragraph 6.5 and, in the case of late payment, paragraph 6.6) and any other amount (including in cases where the Recipient has already spent the Grant money).

6.2 The Recipient accepts that the Funder exercise the options referred to in paragraph 6.1 where::

- (a) The Funder is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court;
- (b) The Funder has reasonable grounds to consider that the payment of the Grant, or the Recipient's use of it, contravenes any requirement of law, in particular (but without limitation) EU law relating to state aid;
- (c) Recipient fails to carry out the works in accordance with Schedules 1 and 2;
- (d) Recipient commits a material breach of this Agreement or the Framework Agreement which materially affects the Funders ability to carry out its obligations under this Agreement;
- (e) Recipient in accordance with this Agreement or without the prior written approval of the Funder (such approval not to be unreasonably withheld or delayed), the Recipient terminates or agrees to terminate all or part of the Works; or
- (f) Recipient without the prior written approval of the Funder, the Recipient assigns its obligations under this Agreement,

The Funder shall be entitled to serve written notice on the Recipient to take steps to rectify the failure in clause 6.2 within such reasonable period as the Funder may specify. Should the Recipient fail to rectify the failure, within such reasonable period as the Funder may specify or where in the opinion of the Funder, acting reasonably the failure is not capable of remedy, the Funder shall be entitled to immediately terminate the Agreement by serving notice on the Recipient and the cost of the failure to rectify shall be paid by the Recipient.

6.3.1 Should an Event of Insolvency or a Force Majeure Event occur to the Recipient, the Recipient shall inform the Funder as soon as practicable. If an Event of Insolvency or a Force Majeure Event occurs the Recipient shall be permitted to terminate any the portion of the Agreement affected by such Event of Insolvency or Force Majeure Event in whole or part and shall inform the Funder immediately.

6.3.2 Without limiting its other rights or remedies, a Party may terminate this Agreement without fault and with immediate effect by giving written notice to the other Parties if there is a change in applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties or other measures, judgments or decisions of any court or tribunal, codes of practice and guidance notes which prevents a Party from lawfully continuing with this Agreement or carrying out their obligations under this Agreement.

- 6.5 When exercising the options referred to in paragraph 6.1, the Funder will notify the Recipient of the grounds concerned and (except in a case falling within paragraph 6.2 (a) as far as possible, consider the Recipient's representations made within any reasonable timeframe required by the Funder.
- 6.6 A decision by the Funder to ask the Recipient to repay the Grant will be communicated by letter, and the Recipient will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Funder in writing.
- 6.7 Where the Funder requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:
- (a) the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - (b) any other rate required by law in the circumstances (including any rate required under EU law relating to state aid), if it is higher.
- 6.8 Where the Recipient does not make the relevant payment within the timeframe specified in paragraph 6.4, further interest on the outstanding sum (inclusive of interest already charged under paragraph 6.5) will accrue, after that deadline, at the statutory rate of interest under section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher.
- 6.9 Should the Funder not exercise its options under paragraph 6.1 or delay in doing so, this shall not constitute a waiver of those options unless the Funder confirms such a waiver in writing. Furthermore, any such written waiver shall not be taken as a precedent for any other, or subsequent, circumstances.

7. SUSPENSION

- 7.1 The Funder may suspend payment of the Grant where:
- (a) one of the grounds in paragraph 6.2 arises;
 - (b) the Funder has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - (c) one of the provisions of this Agreement is not met by the Recipient, pending consideration of the circumstances and the making of a decision.
- 7.2 In the case of any suspension, unless the Funder confirms a contrary agreement in writing:
- (a) the Recipient will continue to comply with the requirements of this Agreement including any deadlines occurring during the period of suspension; but
 - (b) the Recipient will not make any further use of the Grant until the Funder has authorised continued use of the Grant in writing.
- 7.3 The Recipient will inform the Funder in writing if it has reasons to believe that any of the grounds in paragraph 6.2 might arise. If such circumstances arise after the Recipient has received the Grant, the Recipient will not make any use of the Grant until the Funder has authorised continued use of the Grant in writing.

8. AGREED USE OF UNDERSPEND

Subject to Clause 3.1, in the event that the Recipient does not use or spend all of the Grant by 31st October 2018:

- (a) The Parties will work together and act reasonably to agree how the Recipient will spend any unspent Grant funding in line with the objectives of the Funding; and
- (b) If the parties are unable to reach an agreement described in paragraph 8(a) the Recipient agrees to repay the unspent Grant.

9. NOT USED

10. PROGRESS REPORTS, INFORMATION SHARING, COMPLIANCE WITH DATA PROTECTION ACT 1998 AND RECORD KEEPING

10.1 The Recipient will provide the Funder with monthly, and quarterly, progress reports on the use of the Grant.

10.2 In so far as it is possible to do so in accordance with the Data Protection Act 1998, the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Recipient agrees to collect information for evaluation and reporting purposes (referred to below as “the Information”) in a way which:

- (a) allows it to share the Information with the Funder;
- (b) allows the Funder to share the Information with any of its research or evaluation partners;
- (c) enables the Information to be used by the Funder and Recipient to contact individuals who are the subject of the Information for the purposes of further research; and
- (d) allows the Funder and Recipient to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households)

provided always that the Funder and Recipient complies with the provisions of the Data Protection Act 1998.

10.4 The Recipient shall keep for twelve years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:

- (a) the identity of any third party concerned and their business;
- (b) the amounts any third party has been given;
- (c) the purpose for which the money was spent;
- (d) evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and

- (e) details of and information relating to any significant sub-contracting by the Recipient.

11. MONITORING AND AUDIT

The Recipient shall:

- (a) respond fully, truthfully and promptly to any enquiries the Funder or the Funder's representatives, may make about its use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify);
- (b) allow the Funder or the Funder's representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site;
- (c) where requested, ensure that any information or evidence provided to the Funder or the Funder's representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
- (d) give reasonable assistance to the Funder or the Funder's representatives to carry out work in connection with the Grant throughout up to two years after completion of Works paid for by the Grant.

12. FREEDOM OF INFORMATION

- 12.1 Each party may be obliged to disclose information relating to the Funding and the Grant under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.
- 12.2 Each party will assist and cooperate with the other as reasonably requested to facilitate compliance with those requirements.
- 12.3 In the event that either party proposes to provide information relating to the Funding and the Grant in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, that party shall notify the other party in a timely fashion of its intention to do so and give the other party an opportunity to make comments and representations where that other party believes such information to be exempt under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. Subject to this, that other party may make such response publicly available for the purposes of transparency.

13. INTELLECTUAL PROPERTY

- 13.1 In using the Grant, the Funder will not infringe the intellectual property rights of any third party.
- 13.2 Where use of the Grant gives rise to the generation of any intellectual property, the Recipient will not subsequently seek to make profit from the use of such intellectual property, for example through the use of licences.

13.3 Unless otherwise agreed by the Funder, the Recipient will allow the Funder (or any successor body) royalty free use of any intellectual property created through the use of the Grant.

14. ANTI-DISCRIMINATION AND RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

14.1 The Recipient will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

14.2 The Recipient shall use all reasonable endeavours to ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering Works paid for by the Grant comply with the commitments and principles set out in this Agreement and the Recipient will be responsible for any failure by them to meet those commitments and principles.

15. WARRANTIES AND LIMITATION OF LIABILITY

15.1 The Recipient confirms that:

- (a) it has full capacity and authority to use the Grant and to enter into this Agreement;
- (b) it will obtain any consents necessary to undertake the Works to be paid for by the Grant;
- (c) the information and evidence in its Grant use proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its proposal; and
- (d) it knows of the existence of no circumstances which might materially and adversely impact on its ability to undertake the Works to be paid for by the Grant or observe the provisions and principles of this Agreement.

15.2 The Recipient confirms that the Funder's liability to the Recipient is limited to payment of the Grant (subject to the Recipient meeting the commitments and principles of the Agreement and to the Funder's rights set out therein). The Recipient remains entirely responsible for its risks and liabilities in undertaking the Works to be paid for by the Grant, and the Funder shall have no liability for any consequence, direct or indirect, that may arise through the Recipient's undertaking of the Works to be paid for by the Grant or its use of the Grant.

16. VARIATION, ASSIGNMENT AND NO PARTNERSHIP

16.1 No variation of this Agreement shall be effective unless it is agreed in writing and signed by both parties. This does not prevent either party making reasonable changes in relation to the administrative arrangements in the Agreement by notice in writing to the other party, without such agreement in writing signed by both parties.

16.2 The Recipient shall not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this Agreement without the approval in writing of the Funder.

16.3 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment 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. Accordingly, the Recipient will not hold itself out as having any such relationship with the Funder.

17. FURTHER FUNDING

The Funder is under no obligation to provide the Recipient with any further funding or for any other purpose.

18. COMPLIANCE WITH THE LAW

18.1 The Recipient shall comply with all laws and regulatory requirements when using the Grant.

18.2 In signing this Agreement, the Recipient confirms that use of the Grant in accordance with this Agreement is in compliance with all laws and regulatory requirements.

IN WITNESS whereof the parties have executed this agreement as a deed and it is hereby delivered on the day and year first before written.

On behalf of Leeds City Council

Signed

Name – Neil Evans

Position – Director of Resources and Housing

Date - 5th June 2017

On behalf of the West Yorkshire Combined Authority

Signed

Name -

Positon -

THE SCHEDULE

PROJECT SPECIFICATION

1. Description of the Project

- 1.1 The Recipient's project is the Holbeck Group Repair Scheme in the Holbeck areas of Leeds (the "Project").
- 1.2 The Project will build on a previous scheme to successfully promote a package of measures to improve the property and street scene in Holbeck and make improvements in energy efficiency. Property improvements could include a new roof, new windows and doors, works to yards and boundaries and a facelift to the walls. People who join the scheme have to accept the full package, unless a measure is not required for the house i.e. it has just had a replacement roof and so this is in good condition, as landlords sometimes look to turn down the energy efficiency measures as they feel they only help the tenant not the landlord. The Recipient has enough funding to cover the environmental improvements to the remaining properties in the Holbeck areas but the Grant could be used to install insulation behind the facelift render and insulate the roofs. The Recipient will ask people to pay up to 25% of cost, subject to a test of resources. Other funding such as NEA for solid walls, will also be explored by the Recipient.
- 1.3 Holbeck is a strategic priority area for the Recipient. In the recent IMD it is the 37th most deprived area in the country. Issues affecting the area include:
 - poor quality housing all with solid walls and lacking in energy efficiency measures;
 - main tenure privately rented which forms around 50% of all tenures;
 - significant fuel poverty with low employment and income levels coupled with poorly insulated properties.
- 1.4 Holbeck adjoins the South Bank Project in the city of Leeds. This is a significant employment area, including the relocation of the Burberry factory and Holbeck is likely to provide affordable homes for families wanting to move to work in the area.
- 1.5 Holbeck forms part of the PFI which has invested in new build and renovated properties. The Recipient's Executive Board agreed in March 2016 to retain the Leeds Neighbourhood approach within Holbeck. This will allow all properties in the area to be visited by the Recipient's officers to address poor housing conditions and provide assistance with security, fire safety, access to training and jobs, and improved health care.
- 1.6 The Recipient's initial target area is 180 properties which form the first area for the Leeds Neighbourhood Approach.
- 1.7 The private rented sector represents approximately 50% of the tenure within the designated area. Experience from a similar area in the east of the city of Leeds show that if the package of works is attractive enough landlords will partake in the scheme and contribute 25% of the cost of the works.

2. Leverage

- 2.1 The Recipient shall ensure that landlords contribute 25% of the cost of the works which are included in the Project.

- 2.2 The Recipient shall ensure that owner/occupiers of properties which are included in the Project are subject to a test of resources and depending upon their income they will contribute from 0 to 25% of the cost of the works
- 2.3 This level of contribution has been adopted by the Recipient as part of its block treatments/group repair schemes across the city of Leeds and a similar scheme currently on site in the east of the city of Leeds.
- 2.4 The Recipient has committed £1.2 million in revenue costs to target the Leeds Neighbourhood Approach in the area. This will result in all properties being targeted to bring them up to the legal minimum standards. Landlords will be required to undertake works to their properties and this will include providing gas central heating, if not already present. The Recipient's partners such as Jobs and Skills, WYFS, the Police Service and the National Health Service are also committed to the regeneration of the designated area.
- 2.5 The Recipient has planned a programme of bin yard and highway improvements in the designated area. Currently £70,000 is being spent on 20 bin yards to improve the street scene and the Recipient agrees to a 2 - 3 year with its partners as part of the Leeds Neighbourhood Approach.

3. Risk Management

3.1 Participation by owners

The Recipient agrees it has experience of delivering schemes similar to the one included in the Project. Its experience shows that by making the package of works attractive and adopting flexible payment plans for owners, the owners are willing to take part in such schemes. The Recipient shall use its experience from a similar scheme in the east of the city of Leeds which has resulted in 261 properties having similar package of works

3.2 Funding

The Recipient acknowledges that no single pot of money will cover the full cost of the works to be included in the Project and it will put together a package of funding streams. The Recipient agrees it has experience of such ways of working and has been able to deliver to similar schemes.

3.3 Contractor Capability

The Recipient agrees it has experience of procuring and delivering schemes similar to the one included in the Project and it shall utilise its existing contracts and ways of working to deliver the Project.

4. Beneficiaries

The Recipient agrees that the Project shall have the following benefits:

- (a) warmer, better quality homes which will allow owners to save money on fuel bills (a similar scheme has reduced fuel bills from £800 to £1200 per annum based on EPC data);

- (b) use of local labour and local supply chain in the Recipients use of sub-contractors which will provide an economic benefit to its area;
- (c) local training requirements for its sub-contractors leading to apprenticeships and strong links to local colleges;
- (d) better health and wellbeing from improved warmth and less damp in properties included in the Project.