

***Strictly Private & Confidential  
Legally Privileged Information***

***Report Date: 2<sup>nd</sup> April 2025***

## **LONDON COUNCILS LIMITED**

### **Report on SHF WAVE 3 Documentation**

#### **1 Purpose of this report**

- 1.1 The purpose of this report is to comment on the purpose and summarise the terms of the documentation required as part of the joint bid to the Warmer Homes Social Housing Fund Wave 3 grant programme (**SHF**) being run by the Department for Energy Security & Net Zero (**DEZNZ**).

#### **2 Client**

- 2.1 This report has been prepared for London Councils Limited for the purpose of being to shared with the parties involved with the joint bid as set out in Appendix 1 (each a **Party** and collectively **Parties**).
- 2.2 The report should not be disclosed to or relied upon by any other person without our prior written consent, although it may be disclosed to the Regulator of Social Housing as part of your normal regulatory engagement with it.
- 2.3 This report has been prepared in line with our terms of business with you.
- 2.4 The scope of this report does not include matters of accounting, tax and treasury.

#### **3 Background**

- 3.1 The Parties are assembling for a joint bid for SHF grant funding to support social housing providers to insulate social homes, improve energy efficiency and upgrade heating systems. The structure of the bid involves a single Host Member who shall be the counterparty to the grant agreement with DESNZ (**Grant Agreement**). The Host Member will then subcontract the grant to the Parties in the London's Strategic Partnership for Warm Homes Social Housing (**LSP**).
- 3.2 In order to access the grant, the Parties are required to enter into:
- 3.2.1 a contract setting out how the group will collaborate and work together to manage the consortium. This document is titled the "Partnership Agreement" (though for clarity does not create a legal partnership). It details how the Parties will operate as a group, and
- 3.2.2 a Step-Down Agreement, which details the terms on which each Party will receive its portion of the SHF grant. This is a pass through of the head grant agreement to be entered into by the Host Member and DEZNZ.

3.3 The Host Member shall undertake its role in co-ordination with the other Parties with the terms of the Steering Group, Programme Management Board and Delivery Group(s) referred to below.

#### **4 Partnership Agreement**

4.1 The Partnership Agreement sets out the terms for how the Parties will form and operate the Partnership. All the Parties will be a party to the agreement, which shall run for the period of delivery of the Wave 3 programme of activity plus three months for wind-up, collation and publication of lessons learned.

4.2 The SHF grant requires one recipient who will enter into the Grant Agreement. The London Borough of Camden will be the Host Member. The Host Member will undertake its role in accordance with the terms of the Partnership Agreement. The key terms of the Host Member and other roles are specified in Schedule 2 of the Partnership Agreement.

4.3 As not all of the Parties will be in a position to enter into the Partnership Agreement by the 1<sup>st</sup> of April 2025, a New Parties Agreement (**NPA**) is contained at Schedule 5. The NPA states that a Party joining after the Partnership Agreement has been executed (a **New Party**) accepts the rights and obligations of the Partnership Agreement as if they had executed it initially. The London Borough of Camden in its capacity as Host Member shall be a counter-signatory to any NPA. The Host Member shall accordingly ensure that when seeking approval to execute the Partnership Agreement, they also ensure they have delegated authority to allow officers to counter-sign any future NPA's.

4.4 The following groups will be created as the governance framework for the operation of the partnership:

4.4.1 The Steering Group shall determine the strategy for the Partnership and act as the ultimate decision-making authority on matters affecting the SHF grant, capital delivery and strategic priorities. The Steering Group shall meet at least quarterly.

4.4.2 The Programme Management Board (**PMB**) shall implement the Partnership's Operations Plan, coordinate collaborative activities agreed within it, escalate issues to the Steering Group as appropriate and oversee the Partnerships Programme Management function(s).

4.4.3 The Delivery Group(s) shall form two constituency groups from which members will be either elected or volunteers approved by majority vote to participate in the Steering Group and PMB.

4.5 Any Party leaving the Partnership must give at least 6 months' notice. The Steering Group shall endeavour to issue any refunds where possible, however recognising this may not always be possible given the committed costs of the Partnership. The jointly commissioned costs associated with the establishment of the Partnership will be borne as set out in the relevant Operations Plan.

4.6 Any liability or loss suffered by the Host Member as a result of being the Host Member (i.e. not covering its own liability attached to its element of the grant funding) shall be proportionately shared by the Parties linked to levels of activity in the Partnership which shall be captured in the Operations Plan.

4.7 We have compiled an accompanying table to be read alongside the Partnership Agreement, detailing the initial queries raised during a preliminary review of the Partnership Agreement. In the table we have detailed where any amendments have been accepted or given an explanation as to why certain points have not been included going forwards.

## **5 Step-Down Grant Agreements**

5.1 The Step-Down Agreements have been drafted as a letter addressed to each of the Parties respectively, and are broken down into the Offer Letter itself, the Grant Funding Terms and the Grant Agreement.

5.2 The agreements allow the Host Member to pass on the SHF grant received to the other Parties together alongside the terms of the DESNZ grant. The Host Member will retain the SHF grant related to its own activity and use it to fund the centralised administrative activity costs incurred as the Host Member.

5.3 The Step-Down Agreements have been drafted so that they apply on a back-to-back basis with the overarching Grant Agreement, subject to any amends set out in part 3 whereby the specific terms for each Party's SHF grant will be detailed. This means that specifics regarding the payment and annual reviews of the grant, monitoring and reporting, auditing and assurance, and changes to the authority's requirements can be specifically set out on a case-by-case basis for each Party. We have included the Grant Agreement as part of the Step-Down Agreement for ease of reference when reviewing these amended terms.

## **Devonshires**

## Appendix 1 - Members

The Mayor and Commonalty and Citizens of the City  
of London

Clarion Housing Association

London Borough of Enfield

Hexagon Housing Association

London Borough of Brent

London Borough of Barnet

London Borough of Camden

London Borough of Ealing

London Borough of Hackney

London Borough of Hammersmith and Fulham

London Borough of Haringey

London Borough of Harrow

London Borough of Havering

London Borough of Islington

London Borough of Lambeth

London Borough of Newham

London Borough of Wandsworth

London Borough of Southwark

Sutton Housing Partnership

London Borough of Waltham Forest

Westminster City Council

Notting Hill Genesis

Orbit Group Limited

Royal Borough of Kensington & Chelsea

Royal Borough of Kingston-upon-Thames

Southern Housing

Wandle Housing Association Limited

