

MEMORANDUM OF UNDERSTANDING

Between

The Secretary of State for Housing, Communities and Local Government

-and-

South Holland District Council

-and-

Spalding Neighbourhood Board

1. Purpose

- 1.1. This Memorandum of Understanding (MoU) sets out the terms that will apply to the relationship between the Secretary of State for Housing, Communities and Local Government (the Secretary of State), South Holland District Council (the local authority) and the Spalding Neighbourhood Board regarding the administration and delivery of the Pride in Place Programme (the programme).
- 1.2. This MoU relates to the allocation set out in the [Programme Prospectus](#).
- 1.3. This MoU will be for the first investment period of the programme which spans the period 1 April 2026 to 31 March 2030. Changes will be made only where signatories deem it necessary.
- 1.4. The MoU sets out the conditions and expectations for the Programme.
- 1.5. The Secretary of State and the local authority shall be parties in this agreement.
- 1.6. This MoU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in section 3 of this agreement.
- 1.7. The Neighbourhood Board for Spalding is not a formal party to this agreement, but a signatory in acknowledgement of the Neighbourhood Board's role and responsibilities in programme delivery within their place, as set out in the programme guidance.

2. Background

- 2.1. The Pride in Place Programme was launched on 25 September 2025. The Secretary of State has agreed the Neighbourhood Board's Pride in Place Plan for Spalding.
- 2.2. This MoU covers the funding commitments from the Secretary of State and the delivery, financial expenditure, agreed milestones, reporting and evaluation,

communications and branding expectations between the Parties as well as the steps the Secretary of State could take in the event of underperformance, if required.

2.3. The Secretary of State has published guidance on the delivery of the programme in the [Pride in Place Programme prospectus and guidance](#). The Secretary of State will notify the local authority of any changes to the prospectus and, if necessary, provide guidance on how changes are to be managed.

3. Purpose of the Funding

3.1. The funding from the programme is being provided to deliver activity in line with the prospectus and the priorities for investment agreed by the Neighbourhood Board, based on community engagement activity carried out throughout the programme lifetime.

3.2. The allocation to the local authority is set out in the [Pride in Place Programme prospectus and guidance](#). The local authority will receive annual grant payments as set out in this allocation, subject to the conditions in sections 5 and 6.

3.3. Any changes to the allocation will be notified to the local authority as soon as practicable. Funding will not be withdrawn unreasonably.

3.4. Funding must be spent in line with the rules set out in the [Pride in Place Programme prospectus and guidance](#).

3.5. Funding should be managed through a partnership between the Neighbourhood Board and the local authority, as set out in the [Pride in Place Programme prospectus and guidance](#).

3.6. The local authority is expected to agree a way of working with the Neighbourhood Board which:

- recognises and upholds the Neighbourhood Board's role as decision-maker in relation to how programme funding is used to deliver the strategic aims of the programme in the local area;
- enables development and embedding of appropriate processes and controls for the funding allocation; and
- ensures that residents, businesses, and grassroots organisations are actively involved in programme design and decision-making throughout the lifetime of the programme.

3.7. Funding should be used to deliver in line with the Pride in Place Plan for Spalding which has been agreed with MHCLG. The partnership can make changes to the plan agreed by the Secretary of State. The scale, type and process for making changes is set out in published guidance and at section 10 of this agreement.

4. Reporting

- 4.1. As part of the delegated delivery model, the local authority will provide formal reporting on the use of Pride in Place Programme funding as set out in the [Pride in Place Programme prospectus and guidance](#).

5. Financial Arrangements

- 5.1. The agreed funds will be issued to the local authority as grant payments under Section 50 of the United Kingdom Internal Markets Act 2020 ('UKIM').
- 5.2. Details of the annual funding allocation, broken down into capital and revenue funding, will be confirmed in annual grant determinations.
- 5.3. The grant payment and grant determination letters (GDL) for 2026-27 will be made after this MoU is signed.
- 5.4. The 2027-28, 2028-29 and 2029-30 grant payments will be paid in Quarter 1 (April-June) of each year. Release of payments is dependent on submission of satisfactory Statement of Grant Usage and monitoring reports in the preceding year as set out in [Pride in Place Programme prospectus and guidance](#) and ongoing compliance with the Pride in Place Programme prospectus and guidance.
- 5.5. Grant determination letters (GDL) for years 2027-28, 2028-29 and 2029-30 will be provided following confirmation of the annual payment for each year.
- 5.6. The grant payment arrangements for financial year 2030-31 and beyond will be set out in a separate memorandum of understanding.
- 5.7. Where the local authority is holding any underspend from the Pride in Place programme capacity funding payments made in 2023-24, 2024-25 and 2025-26, this may be retained and brought forward to be spent in future years in line with the Funding Flexibility rules outlined in the [Pride in Place Programme prospectus and guidance](#). The 2026/27, 2027-28, 2028-29 and 2029-30 grant payments from MHCLG will not be adjusted as a result of any brought forward funding.
- 5.8. Capital grant funding, as set out in grant determinations, may only be used for capital expenditure.
- 5.9. Revenue grant funding may be used for revenue or capital expenditure, in line with the local authority's accounting practices.
- 5.10. If the Secretary of State has concerns around future spending plans, based on the experience of local delivery to date, or wider financial issues or governance affecting delivery, then the Secretary of State may pay in instalments, withhold or recover funding.

5.11. The local authority accepts responsibility for meeting any costs over and above the Secretary of State's contribution, agreed in the annual grant determination. This includes potential cost overruns and the underwriting of any funding contributions expected from third parties.

6. Conditions of Approval

6.1. MHCLG's agreement of the Pride in Place Plan for Spalding is conditional upon the following condition/s being completed:

a) N/A

6.2. In the event that the above conditions are not met by the date set out, the Secretary of State may withhold further annual payments until such time as the conditions are satisfactorily completed.

7. Branding and Communication

7.1. The Secretary of State will provide the local authority with guidance on the Branding and Communication associated with the programme in due course.

7.2. The Parties agree to adhere to the guidance and any updates subsequently released by the Secretary of State or HMG on communications linked to the programme.

7.3. The local authority agrees to publish details of Neighbourhood Board membership, place governance arrangements and key documents regarding delivery of the programme in the local area, as outlined in the [Pride in Place Programme prospectus and guidance](#).

7.4. The local authority agrees to make monitoring returns submitted to the department publicly available as outlined in the [Pride in Place Programme prospectus and guidance](#).

8. Evaluation

8.1 The Secretary of State will publish an evaluation strategy, setting out how the programme will be evaluated, in due course.

8.2 The local authority will support any evaluation of the fund through capturing and providing relevant monitoring data and engaging as appropriate with MHCLG or its contractors.

9. Assurance

- 9.1. The Secretary of State has set out the approach to assurance for the programme in the [Pride in Place Programme prospectus and guidance](#).
- 9.2. Funding will be managed within the finance governance framework adopted by local authorities and the existing local authority accountability and assurance regime, under the oversight of the local authority's Chief Financial Officer [England and Wales: Section 151, Scotland: Section 95, Northern Ireland: Section 54].
- 9.3. The Chief Financial Officer will be required to submit an annual Statement of Grant Usage return to MHCLG. This will provide confirmation that they have undertaken to actively apply all the necessary checks to ensure proper administration of its financial affairs regarding the funding programme, and that the funding has been managed with propriety, regularity and value for money.
- 9.4. The local authority 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.
- 9.5. As set out in the [Pride in Place Programme prospectus and guidance](#), the local authority is responsible for applying management controls that:
- mitigate the risk of fraud;
 - ensure funding has been used in accordance with UK subsidy control legislation;
 - ensure that any procurement undertaken by a contracting authority funded by the fund has complied with public procurement rules;
 - ensure compliance with its statutory equality obligations;
 - ensure adequate assessment of environmental impacts arising from programme activities and compliance with environmental duty; and
 - ensure that any personal data obtained in connection with the fund's activities is handled in compliance with data protection legislation.
- 9.6. The local authority will respond directly to questions addressing the local delivery of the fund and cooperate with the Secretary of State in any inquiries regarding the delivery of the fund.

10. Changes to agreed Pride in Place Plan

- 10.1. The local authority will notify the Secretary of State of any changes to the activities, expenditure, management processes and governance arrangements set out in their Pride in Place Plan through routine monitoring returns. The local authority does not need approval from the Secretary of State to make changes to its delivery unless the change constitutes a 'material change' as set out in the [Pride in Place Programme prospectus and guidance](#).

10.2. Requests for material changes can be made to the Secretary of State as and when required during delivery, following the published process.

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.

Signed on Behalf of the Local Authority (by Chief Executive / Chief Financial Officer):

Name:

Job Title:

Date:

Signed on Behalf of Secretary of State:

A handwritten signature in black ink, appearing to read 'Kay Withers', written in a cursive style.

Name: Kay Withers

Job Title: Director, Communities, Cohesion and Inclusive Growth

Date: 31 March 2026

Signed on Behalf of the Neighbourhood Board in acknowledgement of the Neighbourhood Board role in delivery of the programme:

Name:

Job Title:

Date: