

[Name]

[Position]

[Directorate]

The Mayor and Burgesses of the London Borough of xxx

Address 1

Address 2

Address 3

Address 4 Postcode]

**Department: Land and
Development**

Our ref:

Date:

Dear [xxx]

Small Sites Small Builders Programme 2026-27: Revenue grant funding in respect of due diligence support for unlocking small sites

I am pleased to confirm that the **THE GREATER LONDON AUTHORITY** whose principal offices are at City Hall, Kamal Churchie Way, London, E16 1ZE ("the GLA") has agreed to grant [the Mayor and Burgesses of the London Borough of xxx] of [address] ("You/Your") [up to xxx] pounds sterling (£[xxx]) (the "Funding") towards the cost of site investigations, due diligence and/or feasibility works for one or more sites, each a "Project" as more fully detailed on the GLA's on-line investment management system (the "GLA Open Project System" or "OPS") and accepted by the GLA through OPS.

The Funding is granted by the GLA to deliver the Project(s) subject to the following terms and conditions:

1. The Funding must be used exclusively for the delivery of the site investigations, due diligence and/or feasibility works comprised in each Project and for no other purpose and must be applied in accordance with the details set out on OPS. In the event that You wish to utilise the Funding in different proportions from those set out on OPS You must obtain prior approval from the GLA via OPS.
2. Subject to Your compliance with all of the provisions of this letter, the GLA shall, within 30 days of receipt of a valid funding claim on OPS, accompanied by any other information the GLA may require (and to be made in accordance with the timetable set out at Appendix 1 ("Project Funding Timetable")), pay You the relevant sum in respect of such claim provided that it shall not exceed [xxx] pounds sterling (£[xxx]) when aggregated with any amount of the Funding already paid by the GLA under this letter. Where, at any point in the opinion of the GLA, satisfactory progress has not been made by You in meeting Your obligations or You are in breach of Your obligations as set out in this letter and appendices to it, the GLA shall be entitled to reduce, suspend, withhold and/or require re-payment of the Funding. The provision of the Funding amounts to a conditional gift and is therefore not subject to VAT. If, at any time, however, it is held to be subject to VAT, then You agree and acknowledge that the Funding shall have included any and all applicable VAT.
3. You must ensure that the requirements set out in this letter, and in any clarification or guidance issued from time to time by the GLA, are complied with. In particular You shall:

- a) Contribute the amount (if any) of remaining costs required in addition to the Funding to deliver each Project, as set out on OPS (“Your Contribution”);
- b) keep OPS updated in respect of each Project and ensure that it accurately reflects any requirements of the GLA and the agreed Project from time to time;
- c) agree via OPS in advance with the GLA any changes to a Project. Any such change would need to be uploaded by you on OPS and would only be implemented if the GLA confirms those amendments through OPS. In default of such confirmation the Project will remain as it existed prior to the changes proposed;
- d) establish, implement and utilise effective monitoring and financial systems, so that as a minimum the costs funded by the Funding can be clearly identified and the propriety and regularity of all payments and handling of the Funding are ensured;
- e) notify the GLA of the monitoring and financial systems in place, and comply with the GLA’s reasonable requirements for these systems;
- f) notify the GLA immediately if any financial irregularity in the use of the Funding is suspected, and indicate the steps being taken in response. Irregularity includes (but is not limited to) any fraud, impropriety, mismanagement or use of the Funding for anything other than approved in this letter and appendices to it;
- g) notify the GLA immediately if any other financial irregularity is suspected, and indicate the steps being taken in response;
- h) notify the GLA immediately upon becoming aware of any event which has resulted in or might give rise to the making of a direction by the Secretary of State under Section 15 of the Local Government Act 1999 or a report under Section 114(3) or Section 114A of the Local Government Finance Act 1988 or Section 5 of the Local Government and Housing Act 1989;
- i) keep a record of all expenditure incurred, quotes obtained and appointments of consultants in delivering each Project together with full supporting evidence. All evidence of expenditure incurred such as original invoices, receipts, timesheets and other relevant documents, together with quotes and appointments, must be kept for at least 6 years after the date of this letter;
- j) make all relevant documents available and provide access at any time for:
 - i) inspection visits and scrutiny of files by GLA or anyone nominated by the GLA; and
 - ii) an external audit and review of the Project(s) and of financial appraisal and monitoring systems;
- k) provide an update to the GLA (in such form as the GLA shall reasonably require) of progress of delivering the Project(s) against the milestones (namely

the stages in the delivery of the Project, including the date by which the relevant stages must have been achieved, agreed by the parties and set out in Block 6 (*Milestones*) on OPS for each Project) (the “Milestones”) and/or the application of Your Contribution to the Project(s) as soon as reasonably practicable after being requested by the GLA from time to time;

- l) notify the GLA on OPS as soon as practicable once each Milestone has been achieved with respect to each Project, including but not limited to the occurrence of the “Capitalisation of site” Milestone;
 - m) in respect of each Project provide the GLA via OPS with updated supporting evidence of expenditure incurred and appointments made in delivering the Project, satisfactory to the GLA, of the type described in Clause 3(i) above by the date of the “Completion of due diligence” Milestone on OPS;
 - n) promptly (and in any event within four months of the date of the “Completion of due diligence” Milestone on OPS for the relevant Project, or such longer period as the GLA may agree in writing in its absolute discretion) notify the GLA via OPS and email to smallsites@london.gov.uk if You decide not to bring forward a site to which a Project relates together with reasons for any such decision (which must include information as to the feasibility of any development including the likelihood of obtaining planning permission and financial viability).
4. If You propose any changes to the Milestones for a Project, You must upload such proposed changes on OPS for the GLA’s review. If the GLA agrees to the changes, it will confirm the amendments on OPS. In default of agreement the parties will be bound by the Milestones as they existed prior to the changes proposed. The GLA shall not under any circumstances be obliged to extend any Milestones (although it may do so in its absolute discretion) if this would extend any Milestone beyond 31 March 2027.
 5. The parties shall be entitled from time to time to agree to add additional projects to those proposed to be funded at the date of this letter. In such circumstances, You shall submit to the GLA through OPS such details of the proposed additional project as the GLA may require. The GLA shall be entitled (but not obliged) to accept the additional project and shall confirm such acceptance to You through OPS. With effect from the date the GLA has confirmed its acceptance through OPS, the additional project shall be a Project for the purposes of this letter and immediately subject to its whole terms and conditions. You must ensure that You comply with all of Your obligations under this letter as they apply to such new Project.
 6. If the GLA (in its absolute discretion) agrees to an increase in the amount of Funding, You shall upload the proposed amended Funding amount and any corresponding changes to the relevant Project on OPS. The changes shall be implemented by the confirmation of those amendments by the GLA through OPS and in default of such confirmation the Funding amount and Project will remain as they existed prior to the changes proposed.
 7. If any changes to the Funding amount are agreed between the parties on OPS pursuant to Clauses 5 and/or Clause 6 above, the Funding amount referred to on

page 1 of this letter and the amounts referred to in Clause 2 shall be deemed amended accordingly

8. Unless otherwise expressly agreed in writing by the GLA (in the GLA's absolute discretion), if following payment by the GLA of part or all of the Funding for a Project You subsequently determine that the site to which that Project relates (the "Site") is to be taken forward for development, You shall advertise the Site for disposal to the market in order to facilitate such development through the GLA's portal at <https://www.london.gov.uk/what-we-do/housing-and-land/land-and-development/small-sites> or such other website address notified by the GLA to You from time to time ("the Portal").
9. When advertising a Site as required under Clause 8 above, You shall:
 - a) Prepare and make available through the Portal the Site information and particulars (in a similar level of detail to that provided for other sites on the Portal), a Site plan, technical information including a planning statement of the development potential and relevant Site surveys, legal information, including a report on title and any leases and proposed contractual documents;
 - b) Provide the GLA by email to smallsites@london.gov.uk with the documents referred to in Clause 9(a) above in a ready to publish form, a minimum of two weeks prior to the Site being advertised through the Portal.
 - c) Deal with any enquiries and clarifications from interested parties; and
 - d) Arrange Site visits and open days where appropriate (in Your opinion, acting reasonably).
10. If a Site is brought forward for development (whether via the Portal or otherwise), You shall deliver to the GLA an annual report (by 31 October each year until practical completion of the development) to smallsites@london.gov.uk setting out progress of the development against the following stages, including any issues which have caused the development against these stages to be significantly delayed or stall, together with such other information within Your possession and control as the GLA may reasonably require from time to time:
 - a) Award of the Site to a developer;
 - b) Submission of planning application in respect of the Site (total number of units applied for broken down by unit size, mix and tenure and total non-residential floorspace (sqm));
 - c) Planning permission in respect of the Site (total number of units broken down by unit size, mix and tenure and total non-residential floorspace (sqm));
 - d) Construction of the Site commenced; and
 - e) Development of the Site completed.
11. You must ensure that, where appropriate, publicity is given to the fact that the GLA is financially supporting You in the Project(s). You must comply with any guidance on publicity given by the GLA and all publicity referring to the GLA

and/or any third party partner or sponsor of the GLA shall be subject to the prior approval of the GLA.

12. You must ensure that the GLA's logo (as set out in Appendix 2) is used in any marketing activities undertaken in respect of the Project(s), including all fliers and posters. You must also ensure that You use such other logos specified by the GLA in marketing the Project(s).
13. In acknowledging the GLA's grant of the Funding, You must comply with any guidance on publicity provided by the GLA in respect of the use of the GLA's logo and/or any logos of any third party partner or sponsor of the GLA and ensure that any use of the GLA logo or any third party partner or sponsor of the GLA is approved by the GLA in writing in advance of its use.
14. You must not do anything that may (in the opinion of the GLA) place the GLA, its third party partners and/or sponsors in disrepute or harm the GLA's reputation and/or that of third party partner or sponsor of the GLA.
15. You will be liable for and indemnify and keep indemnified the GLA against any loss or damage incurred and any injury (including death), suffered and all actions, costs, demands, proceedings, damages, charges and expenses whatsoever arising in connection with the management (including financial management) and carrying out of the Project(s) to the extent that such actions, costs, demands, proceedings, damages, charges and expenses are due to Your negligence or default in carrying out the obligations as set out in this letter and appendices to it.
16. The GLA may at its sole discretion terminate this letter of agreement at any time whether for breach or convenience by giving two weeks' written notice and in the event of such termination the GLA shall not be obligated to make any further payments of the Funding.
17. You must ensure that You maintain in force policies of insurance with an insurance company of long-standing and good repute in respect of public liability and such other insurance as may be required in order to comply with Your obligations set out in this letter and appendices to it.
18. You must ensure that Your organisation and anyone acting on Your behalf:
 - a) complies with all laws for the time being in force in England and Wales; and
 - b) without prejudice and in addition to Clause 18(a):
 - i. comply with all relevant enactments in force from time to time relating to discrimination in employment and the promotion of equal opportunities;
 - ii. comply with any equality, diversion and inclusion measures set out in Block 9 (*Equality, Diversion & Inclusion*) on OPS in the delivery of each Project;
 - iii. acknowledge that the GLA is under a duty under section 149 of the Equality Act 2010 to demonstrate it has paid due regard to the need to:
 1. eliminate unlawful discrimination and harassment;

2. advance equality of opportunity between groups who share protected characteristics (including: age, race, gender, disability, religion or belief, sexual orientation, gender reassignment) and those that do not, in particular, minimise disadvantage suffered by such groups; taking steps to meet the needs of such groups that are different from the needs of others; encouraging such groups to participate in activity in which their participation is disproportionately low; and
3. foster good relations between people who share a protected characteristic and those that do not,

and in undertaking any activity concerning each Project, assist and cooperate with the GLA where possible in satisfying this duty; and

- c) assist and co-operate with the GLA where possible in respect of the GLA's compliance with its duties under Clause 18(b)(iii).
19. For the avoidance of doubt both the GLA and You acknowledge and agree that the GLA shall not be liable to pay to You and shall be entitled to reduce, suspend, withhold and/or require repayment of any part of the Funding for a Project (as set out on OPS) which is in excess of the difference between Your Project costs and Your Contribution and that, unless agreed through OPS by the GLA and You pursuant to Clause 6, the GLA shall not provide any additional funding and shall not be liable for any sums in excess of the Funding provided under this letter of agreement.
20. The GLA may at its absolute discretion reduce, suspend or withhold the GLA Funding, or require all or part of the Funding (the "Recoverable Amount") to be repaid if:
- a) You fail to deliver a Project or meet the Milestones and/or the delivery of the Project is reasonably adjudged by the GLA to be unsatisfactory;
 - b) there is a substantial change to the Project which the GLA has not approved, or any attempt is made to transfer or assign any rights, interests or obligations created under this letter of agreement or substitute any person in respect of any such rights, interests or obligations, without the prior consent in writing of the GLA;
 - c) any information provided in the application for funding or in a claim for payment or in subsequent or supporting correspondence (including but not limited to such information provided on OPS) is found to be incorrect or incomplete to an extent which the GLA reasonably considers to be material;
 - d) You fail to comply with any of the terms and conditions set out in this letter of agreement;
 - e) A direction by the Secretary of State under Section 15 of the Local Government Act 1999 or a report under Section 114(3) or Section 114A of the Local Government Finance Act 1988 or Section 5 of the Local Government and Housing Act 1989 is made;

- f) any other circumstances significantly affect Your ability to deliver a Project and/or meet the Milestones or result in or are in the reasonable opinion of the GLA likely to lead to the Project and/or the meeting of the Milestones as approved not being completed;
 - g) any of the events referred to in Clauses 3(e), (f) or (g) occur;
 - h) insufficient measures are taken by You to investigate and resolve any financial irregularity or the GLA reasonably concludes the Funding is at risk of being misapplied;
 - i) You have not complied with Clause 3(m) or the evidence provided under Clause 3(m) indicates, in the GLA's opinion acting reasonably, that part or all of the Funding is in excess of Your Project costs;
 - j) You provide a notification in accordance with Clause 3(n) notwithstanding that the due diligence carried out under the Project indicates that development of the relevant site is feasible in terms of likelihood of obtaining planning permission and financial viability; and/or
 - k) there are any other reasons why in the reasonable opinion of the GLA a Project is being carried out in such a way as to conflict with the objectives of the GLA or bring the GLA into disrepute.
21. You shall notify the GLA immediately and provide the GLA with a full written explanation, if any of the circumstances in Clause 20 above arise.
22. You must pay the Recoverable Amount to the GLA within ten (10) business days of demand.
23. Without prejudice to the GLA's rights under Clause 20, the GLA may at its absolute discretion require all or part of the Funding drawn down for a Project to be repaid following the date upon which the "Capital funding can be released to progress the site" Milestone for that Project is achieved. "Capital funding can be released to progress the site" shall bear the meaning set out in Block 5 (*Recovery of GLA Funding*) on OPS for the Project. You must repay the required amount of Funding to the GLA within such timescale and in one lump sum or in instalments as the GLA may specify upon the GLA giving no less than ten (10) business days' notice of demand.
24. If the GLA becomes entitled to exercise its rights under Clause 20 and/or 23 it may nevertheless decide not to exercise those rights, or not to exercise them to the fullest extent possible, or to delay in exercising those rights. Any decision not to exercise the GLA's rights under Clause 20 and/or 23, or to exercise them only partially or to delay in exercising them, may be made on conditions which will be notified to You provided always that any such decision by the GLA shall not prevent the subsequent enforcement of any subsequent breach of that provision, and shall not be deemed to be a waiver of any subsequent breach of that or any other provisions.
25. For the purposes of Clauses 26 and 27:

- a) **“Agreement Information”** means (i) this letter of agreement in its entirety (including from time to time agreed changes to the letter of agreement) and (ii) data extracted from the claims made under this letter of agreement which shall consist of Your name, the expenditure account code, the expenditure account code description, the document number, the clearing date and the claim amount;
- b) **“Enterprise”** means an entity or a group of entities constituting a single economic entity, regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market;
- c) **“Subsidy”** means any direct or indirect financial assistance which:
- i. arises from the resources of the United Kingdom Government, devolved government, other public authority in the United Kingdom or an emanation of any of these, including:
 - (A) a direct or contingent transfer of funds such as direct grants, loans or loan guarantees;
 - (B) the forgoing of revenue that is otherwise due;
 - (C) the provision of goods or services, or the purchase of goods or services; or
 - (D) a measure analogous to these,
 - ii. confers an economic advantage on one or more Enterprises;
 - iii. is specific insofar as it benefits, as a matter of law or fact, certain Enterprises over others in relation to the production of certain goods or services; and
 - iv. has, or could have, an effect on trade or investment between the United Kingdom and any part of the European Economic Area and/or any other country or countries which the United Kingdom has entered into a trade agreement with which has provisions in respect of public sector funding arrangements;
- d) **“Subsidy Control Requirements”** means the Subsidy Control Act 2022 and/or such other Legislation and/or regulations and/or guidance issued by the Secretary of State and/or approved by Parliament which is in force and/or applies in England which regulates Subsidy, including (but not limited to):
- i. the terms of the Trade and Cooperation Agreement between the European Union, European Atomic Energy Community and the United Kingdom of Great Britain and Northern Ireland to the extent they are applicable in England;
 - ii. European Union (Withdrawal Agreement) Act 2020; and
 - iii. European Union (Future Relationship) Act 2020;

- e) **“Transparency Commitment”** means the GLA’s commitment to publishing its agreements, contracts, tender documents and data from invoices and claims received in accordance with the Local Government Transparency Code 2015 and the GLA’s Contracts and Funding Code;
 - f) **“Unlawful Subsidy”** means Subsidy which has been granted, or from time to time is, in contravention of the Subsidy Control Requirements;
26. You agree that You shall use the Funding in a manner which is compliant with Subsidy Control Requirements. If the Funding is found to constitute Unlawful Subsidy and/or is not capable of being restructured so as to be compliant then You must repay any sum of Unlawful Subsidy plus such interest as is prescribed by Subsidy Control Requirements within fifteen (15) business days of the GLA issuing You with a written demand for payment.
27. You acknowledge and agree that the GLA:
- a) is subject to the Transparency Commitment and hereby give Your consent for the GLA to publish the Agreement Information to the general public; and
 - b) may in its absolute discretion redact all or part of the Agreement Information prior to its publication. In so doing and in its absolute discretion the GLA may take account of the exemptions/exceptions that would be available in relation to information requested under the Freedom of Information Act 2000. The GLA may in its absolute discretion consult with You regarding any redactions to the Agreement Information to be published pursuant to this Clause 26. The GLA shall make the final decision regarding publication and/or redaction of the Agreement Information.

Please acknowledge acceptance of the terms and conditions of this letter by signing and returning the enclosed duplicate.

Yours sincerely

[Name]

[Position]

[Directorate]

For and on behalf of the Greater London Authority

Signed for and on behalf of [the Mayor and Burgesses of the London Borough of xxx] to accept the terms and conditions of this letter in relation to the GLA providing the Funding.

Signature:

Print Name:

Position:

Date:

APPENDIX 1

Project Funding Timetable

For each Project, the amount of the Funding for that Project (as specified on OPS) shall be paid in accordance with the following timetable:

1. 50% of the Funding for the relevant Project (as specified on OPS) shall be available to be drawn down from the date of this letter of agreement, subject to all details required by the GLA having been uploaded onto OPS in respect of the Project and Milestones, and provided that a valid claim must have been received no later than 31 March 2027.
2. Subject to the paragraph immediately below, up to the remaining 50% of the Funding for the relevant Project (as specified on OPS) shall be available to be drawn down on or after the achievement of the "Completion of due diligence" Milestone on OPS and the provision of supporting evidence in accordance with Clause 3(m), provided that a valid claim must have been received no later than 31 March 2027.

The amount of Funding claimed for a Project under paragraph 2 above shall not exceed the expected costs of the Project. For this purpose, the costs of the Project do not include costs of the Site investigations, due diligence and/or feasibility works already covered by the Funding paid under paragraph 1 above or to be covered by any contribution to be made by You or other sources, as set out on OPS.

APPENDIX 2

The GLA's Logo

SUPPORTED BY
MAYOR OF LONDON