

GREATER**LONDON**AUTHORITY

dated **2021**

Greater London Authority

and

[Grant Recipient]

Grant Agreement (single private Registered Provider (Not for Profit and For Profit))

in relation to the Homes for Londoners: Affordable Homes Programme 2021-26

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Grant Agreement

dated

Parties

- (1) **Greater London Authority** whose address is, or is shortly to be, City Hall, Kamal Churchie Way, London E16 1ZE (the **GLA**); and
- (2) [] [a registered society as defined in Section 1 of the Co-operative and Community Benefit Societies Act 2014 (with FCA registration number [])] [a company (with registered number [])] [a limited liability partnership registered in England and Wales (with registered number [])] whose registered office is at [] (the **Grant Recipient**).

Introduction

- (A) The Localism Act 2011 devolved the housing and regeneration functions of the Homes and Communities Agency in London to the GLA.
- (B) The Grant Recipient has submitted a bid to the GLA for grant funding to assist the Grant Recipient in the delivery of affordable housing.
- (C) The GLA has agreed to advance grant funding to the Grant Recipient pursuant to the GLA's Homes for Londoners: Affordable Homes Programme 2021-2026 to facilitate the delivery of certain affordable housing projects subject to and in accordance with the terms of this Agreement.
- (D) In addition to the Named Projects submitted on OPS at the date of this Agreement, the Grant Recipient may have submitted indicative proposals in respect of dwellings which it expects to bring forward to be delivered as Affordable Housing during the AHP 2021-26 period. The parties record their intention that the indicative proposals are to be incorporated into Named Projects by reference to the Average Grant Rate. Alternative rates agreed by GLA (in its absolute discretion) may be used provided always that once the final Unprofiled Indicative Dwelling is incorporated into a Named (Indicative) Project in accordance with the requirements of this Agreement, the average of the grant rates for all AHP Dwellings (based on Tenure Type) comprised within the Named (Indicative) Projects will be equal to or lower than the Average Grant Rates.
- (E) Grant paid by the GLA to the Grant Recipient pursuant to this Agreement is social housing assistance as defined in Section 32(13) of the Housing and Regeneration Act 2008.
- (F) This Agreement, together with any other relevant GLA decisions places a public service obligation on the Grant Recipient to provide affordable homes for such persons who are failed by the housing market and require accommodation suited for their needs.
- (G) This Agreement together with statutory and other instruments constitutes an entrustment of a public service obligation (in compliance with the United Kingdom Competition Requirement) from the GLA to the Grant Recipient to provide suitable accommodation for families and residents in London who are failed by the housing market.

(H) The grant funding provided under this Agreement is (at its date) made in compliance with the United Kingdom Competition Requirement.

1 Definitions and interpretations

1.1 Definitions

In this Agreement unless the context otherwise requires the following terms shall have the meanings given to them below:

Acquisition Milestone means the acquisition by the Grant Recipient of a Secure Legal Interest in a Named Project;

Acquisition Tranche Grant means, where GLA has accepted an Acquisition Milestone on OPS (in its absolute discretion) and subject to Condition 6.3, such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Acquisition Tranche Payment Date means in relation to a Named Project such date as the GLA may have accepted in OPS as the date on which a claim for Acquisition Tranche Grant may be made;

Actual Development Costs means in respect of each Named Project the amount of Development Costs actually incurred by the Grant Recipient in acquiring, developing and/or Rehabilitating that Named Project as such amount is warranted and certified by the Grant Recipient pursuant to Condition 14.4.4 and Condition 14.6.3;

Additional Project means a project for the delivery of AHP Housing proposed by the Grant Recipient under Condition 9 in addition to those projects or proposals comprised within the Original Approved Bid;

Additional Project Acceptance Date means the date upon which the GLA confirms acceptance of an Additional Project pursuant to Condition 9.3;

Additionality Condition means the condition that all the AHP Dwellings comprised within a Named Project meet the definition of "additional" homes as detailed in the Guidance and set out in Section 2 (*Net Additionality for GLA Grant*) of the Affordable Housing Capital Funding Guide;

Additional Affordable Housing Dwelling means a house, flat or maisonette to be provided by the Grant Recipient as Affordable Housing in London during the period from 1 April 2021 to 31 March 2026 in respect of which the Grant Recipient did not seek grant funding from GLA under any GLA programme (including any Previous AHP Programme) or utilise any RCGF Funds;

Affiliate means any subsidiary or holding company of the Grant Recipient or any subsidiary to any such holding company as subsidiary and holding company are defined in Section 1159 of the Companies Act 2006;

Affordable Habitable Room means a Habitable Room within an Affordable Dwelling;

Affordable Housing has the meaning given to it under the Glossary within the London Housing Strategy issued in May 2018 (as the same may be amended, updated or replaced from time to time);

Affordable Housing Capital Funding Guide means the guide of that name published on www.london.gov.uk/CFG or any successor guide so published;

Affordable Percentage Condition means the requirement that at Practical Completion of a Named Project, the number of Affordable Habitable Rooms provided or to be provided (as the context requires) on the Development Site when expressed as a percentage of the total number of Habitable Rooms provided or to be provided on the Development Site pursuant to the relevant Planning Permission represents no less than the Required Affordable Percentage;

Affordable Dwelling means a dwelling within a Development Site which is to be provided as Affordable Housing;

Agreed Principles means the terms set out in Part 1 of Schedule 1;

Agreed Purposes means the tenures for which each of the AHP Dwellings is to be used as such tenures are described in the Named Project Details;

Agreement means this grant agreement (including its Schedules and Appendix);

Agreement Funding means the aggregate of all Named Project Grant paid to and all RCGF Funds used by the Grant Recipient under or in connection with this Agreement;

Agreement Information means:

- (a) this Agreement in its entirety (including changes to the Agreement that may be agreed from time to time); and
- (b) data extracted from the claims made under this Agreement which shall consist of the Grant Recipient's name, the expenditure account code, the expenditure account code description, the document number, the clearing date and the claim amount;

AHP 2021-26 means the programme described in the publication entitled "Homes for Londoners: Affordable Homes Programme 2021-26 Funding Guidance" issued by the GLA in November 2020 (as the same may be amended or updated from time to time);

AHP Dwelling means a house, flat or maisonette which is developed (or is to be developed) with the benefit of RCGF Funds and/or grant funding payable under this Agreement and in relation to each relevant Named Project as more particularly described in the relevant Named Project Details;

AHP Housing means housing provided by the Grant Recipient pursuant to this Agreement that will be made available:

- (a) permanently on Shared Ownership Lease terms;
- (b) at a London Living Rent; and
- (c) at a Social Rent,

in accordance with the terms of this Agreement;

Allocated Net Grant means £[]¹, being the maximum amount of grant payable by the GLA to the Grant Recipient in respect of the Approved Bid (as the same may be amended from time to time in accordance with the terms of this Agreement);

Allocated RCGF Funds means the RCGF Funds that the GLA has agreed in OPS will be applied towards the Approved Bid (as the same may be amended from time to time in accordance with the terms of this Agreement);

Allocated Total Grant means the aggregate of the Allocated Net Grant and Allocated RCGF Funds;

Annual Committed Number has the meaning ascribed to it in limb (b) of the definition of "Indicative Proposals" as such numbers may be updated from time to time on OPS and accepted by GLA (in its absolute discretion);

Approved Bid means the aggregate of the Named Projects and Indicative Proposals (if any) accepted by the GLA in OPS as at the date of this Agreement (as the same may be amended, added to, supplemented, substituted or varied in accordance with the terms of this Agreement);

Average Grant Rate means the notional average grant rate for each Tenure Type as set out by GLA on OPS and which must be equal to or higher than the average of the actual grant rates (inclusive of any RCGF Funds used) applied to all AHP Dwellings of that Tenure Type being delivered under any Named (Indicative) Project as such rate may be adjusted from time to time in accordance with the terms of this Agreement;

Building Contract means a contract entered into between the Grant Recipient and a Building Contractor relating to the construction and development and/or Rehabilitation of a Named Project;

Building Contractor means any building contractor or developer appointed or to be appointed by the Grant Recipient in respect of a Named Project;

Business Day means any day other than a Saturday, Sunday or a statutory Bank Holiday in England;

Capital Grant has the meaning set out in the Recovery Determination;

Capital Grant Recoverable means such amount of Capital Grant, Uplift Amount and interest thereon as the GLA is entitled to Recover under the Recovery Determination;

CDM Regulations means the Construction (Design and Management) Regulations 2015 S.I. No. 2015/51;

CEDR means the Centre for Effective Dispute Resolution;

Certified Design Standards means the minimum design standards in accordance with which the AHP Dwellings in a Named Project will be delivered as certified by the Grant Recipient on OPS as part of its bid;

¹ Insert funding allocation

Certified Standards means the Certified Design Standards, the Certified Sustainability Standards (subject in each case to any exemptions approved by GLA (in its absolute discretion) and recorded on OPS) and the Minimum Building Safety Standard;

Certified Sustainability Standards means the sustainability standards which the AHP Dwellings in a Named Project will be delivered to as certified by the Grant Recipient on OPS as part of its bid;

Change in Control means a change in the power of a person (or persons acting together) to secure that the affairs of another are conducted directly or indirectly in accordance with the wishes of that person (or those persons acting together) which in the case of a corporate body shall include:

- (a) being the beneficial owner of more than 50% of the issued share capital, membership rights or voting rights in that corporate body; or
- (b) having the right to appoint or remove a majority of the board of management; or
- (c) otherwise controlling the votes at board meetings of that corporate body by virtue of any powers conferred by:
 - i the corporate body's governing document;
 - ii any shareholder or members' agreement; or
 - iii any other document regulating the affairs of that corporate body;

Competent Authority means (as the case may be):

- (a) such persons officeholders and bodies (however constituted) that are specified under any United Kingdom Competition Requirement as having responsibility for monitoring compliance with and/or legally enforcing Subsidy or the United Kingdom Competition Requirement or otherwise authorised to recover any Unlawful Subsidy; or
- (b) the courts of England and Wales;

Completed Interest means a Secure Legal Interest which meets the description in limbs (a), (b) or (c) of the definitions of SLI (SO/LLR Accommodation) or SLI (Rented Accommodation);

Compliance Audit means the procedure (in a form advised by the GLA from time to time) by which an auditor independent of the Grant Recipient certifies (at the Grant Recipient's cost) whether the Named Projects developed or Rehabilitated pursuant to this Agreement satisfy the GLA's procedural compliance requirements (as described in the Affordable Housing Capital Funding Guide);

Compliance Checklist means a document in the form identified as the "GLA Resident Ballot Compliance Checklist" in Section 8.5.19 of the Affordable Housing Capital Funding Guide completed (such that each response to the questions posed in the Compliance Checklist is in the affirmative) and signed by the Grant Recipient, counter-signed by the Independent Body and in a form satisfactory to the GLA;

Consents means any necessary approval, authorisation, consent, exemption, licence, permit, permission or registration by or from any Relevant Authority;

CORE means the national information source "Continuous Recording" that records information on new occupiers of affordable housing and the properties they rent or buy;

Council means a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government in England established as a successor to principal councils exercising the functions of a local housing authority;

CPI means the general index of consumer prices (for all items) published by the Office for National Statistics or, if that index is not published for any month, any substituted index or index figures published by that Office;

Data Controller has the meaning ascribed to it in the Data Protection Legislation;

Data Protection Legislation means the UK GDPR, the Data Protection Act 2018 and any other relevant national Legislation implementing or supplementing the UK GDPR, and any formal guidance or Codes of Conduct issued by the Information Commissioner (or other Relevant Authority) in each case as amended, superseded or replaced from time to time;

Data Subject has the meaning ascribed to it in the Data Protection Legislation;

DLUHC means the Department for Levelling Up, Housing and Communities (or any successor body with similar or equivalent jurisdiction or authority);

Deduction Amount has the meaning ascribed to it in Condition 19.8.1;

Default Event means a General Default, a Project Default or an Interim Reconciliation Default;

Development Costs means the costs relating to Site acquisition and/or Works in relation to a Named Project incurred or to be incurred in respect of such Named Project by the Grant Recipient in relation to the heads of expenditure set out in Part 1 to Schedule 2 or such other heads of expenditure as the GLA may in its absolute discretion agree in respect of any Named Project **provided that** any costs falling within the heads of expenditure set out in Part 2 to Schedule 2 shall not be capable of being treated as Development Costs;

Development Site means the Site, unless such Site forms part of a wider connected development or redevelopment proposal whether or not such site is geographically contiguous to the Site, in which case "Development Site" shall encompass the site of that wider connected development or redevelopment;

Direction means a direction to the Regulator in relation to rent given by the Secretary of State from time to time pursuant to Section 197 of the HRA 2008;

Disposal means, other than a Permitted Disposal, a transaction the effect of which is that the legal or beneficial interest in any AHP Dwelling or property comprised in a Named Project on which any AHP Dwellings have been or are to be developed (as the case may be) transfers to becomes vested in or is leased to or reverts to another person;

Disposal Notification means a written notification addressed to GLA which identifies:

- (a) the nature of the Disposal;
- (b) the number and address of the AHP Dwellings and/or other property comprised within the Disposal;
- (c) the donee other than in the case of an individual purchaser of an AHP Dwelling which is for use as his/her only or principal home; and
- (d) the amount of Total Project Grant attributed to the AHP Dwelling or property comprised within the Disposal and the quantum of such grant which the Grant Recipient will repay to the GLA and/or recycle into the Grant Recipient's RCGF in accordance with the terms of this Agreement and the Recovery Determination;

DQHAP means the "Delivering Quality Homes Action Plan" to be submitted by the Grant Recipient on OPS (in a form satisfactory to GLA, acting reasonably);

DQHAP/POE Breach has the meaning ascribed to it in Condition 10.6;

EDI Breach has the meaning ascribed to it in Condition 23.4;

EIR means the Environmental Information Regulations 2004 and any subordinate legislation made under the Environmental Information Regulations 2004 from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation;

Estate Regeneration Default means the occurrence of any of the events or circumstances set out in Conditions 19.2.11 to 19.2.13 (inclusive);

Estate Regeneration Funding Condition means the obligations set out in Condition 10.2;

Estate Regeneration Project means a Named Project which in whole or in part comprises or entails regeneration or another arrangement which satisfies the description of a Strategic Estate Regeneration Project set out in Section 8.3 of the Affordable Housing Capital Funding Guide;

Estate Regeneration Requirement means the obligations set out in Condition 10.2 and/or Condition 11.4.11;

Exemption means an exemption to the Resident Ballot Requirement agreed by the GLA pursuant to Section 8.6 of the Affordable Housing Capital Funding Guide;

Exemption Certificate means a certificate identified as an "Exemption Certificate" on GLA letter headed paper and signed by a senior officer of the GLA which confirms that the delivery of the Named Project is subject to an Exemption;

Final Claim Stage means the date at which the relevant Named Project reaches Practical Completion;

Final Reconciliation Exercise has the meaning ascribed to it in Condition 12.9;

Financial Year means the period from the date of this Agreement to the next 31 March and thereafter from 1 April to 31 March in each year;

FOIA means the Freedom of Information Act 2000, and any subordinate Legislation made under such Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such Legislation;

General Default has the meaning given to it in Condition 19.1;

General Termination Event means an event pursuant to which this Agreement may be terminated pursuant to Condition 19.5;

GLA's Representative means such person or persons as the GLA may nominate to act as its representative from time to time for the purposes of this Agreement;

Good Practice Guide to Estate Regeneration means the guidance entitled "Better homes for local people" published by the GLA in February 2018;

Grant means any and all sums paid by the GLA to the Grant Recipient pursuant to this Agreement;

Grant Rate Default has the meaning ascribed to it in Condition 12.10;

Grant Recipient Party means:

- (a) the Grant Recipient, the Building Contractor, any member of the Professional Team, agent, employee or Subcontractor of the Grant Recipient and the Grant Recipient's Representative; or
- (b) an Affiliate;

Grant Recipient's Representative means the Grant Recipient's Development Director or such other person agreed by the GLA to act as the Grant Recipient's representative from time to time for the purposes of this Agreement;

Guidance means the publication entitled "Homes for Londoners: Affordable Homes Programme 2021-26 Funding Guidance" issued by the GLA in November 2020;

Habitable Room means a room within a dwelling the intended purpose of which is for sleeping, living or dining and which has a minimum width of 2.13 metres (7 ft.) and includes:

- (a) a living room;
- (b) a dining room;
- (c) a bedroom; and
- (d) a kitchen/diner (provided that for the purposes of this Agreement the kitchen/diner is 13 sqm or greater in size).

Homes and Communities Agency means the body corporate established under Section 1 of the HRA 2008 (and any successor body or agency carrying out the same or similar functions in whole or in part);

HRA 2008 means the Housing and Regeneration Act 2008;

HS Act means the Health and Safety at Work etc. Act 1974;

Independent Body means an entity which is independent of the Grant Recipient and has been appointed in accordance with the principles set out in Section 8.5.2 of the Affordable Housing Capital Funding Guide;

Indicative Allocation means such part of the Allocated Total Grant attributed to the Indicative Proposals and agreed by GLA on OPS;

Indicative Proposals means the Grant Recipient's proposals for the development of a specified number of further SR Dwellings, LLR Dwellings and/or SO Dwellings accepted by the GLA and set out on OPS in accordance with any of Conditions 5.2 and 5.9 (as may be updated in accordance with the terms of this Agreement) including details of:

- (a) the Financial Year in which such dwellings will achieve Start on Site (the **Start Year**); and
- (b) the number (by Tenure Type) of such dwellings to achieve Start on Site in each Start Year (the **Annual Committed Number**);

Information has the meaning in relation to:

- (a) the FOIA, given under Section 84 of the FOIA and which is held by the GLA or the Grant Recipient (as appropriate) at the time of receipt of an RFI; and
- (b) EIR, given under the definition of environmental information in Regulation 2 of the EIR and which is held by the GLA or Grant Recipient (as appropriate) at the time of receipt of an RFI;

Information Commissioner has the meaning set out in Section 114 of the Data Protection Act 2018 and for the avoidance of doubt is the UK's independent body set up to uphold and enforce Information rights;

Insolvency Event means the occurrence of any of the following in relation to the Grant Recipient:

- (a) it is unable or admits an inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (c) a moratorium is declared in respect of any indebtedness and/or any moratorium pursuant to Section 145 of the HRA 2008;

- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - i the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation on terms previously approved by the GLA (such approval not to be unreasonably withheld or delayed);
 - ii a composition, compromise, assignment or arrangement with any of its creditors;
 - iii the appointment of a liquidator (other than in respect of a solvent liquidation on terms previously approved by the GLA, such approval not to be unreasonably withheld or delayed), receiver, administrative receiver, housing administrator, administrator, compulsory manager or other similar officer;
 - iv enforcement of any Security over any assets of the Grant Recipient;
 - v any analogous procedure or step is taken in any jurisdiction;other than any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within ten (10) Business Days of commencement; or
- (e) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Grant Recipient which has a Material Adverse Effect in relation to the Approved Bid or any Named Project;

Intellectual Property Rights shall include without limitation all rights to, and any interests in, any patents, designs, trademarks, copyright, know-how, trade secrets and any other proprietary rights or forms of intellectual property (protectable by registration or not) in respect of any technology, concept, idea, data, program or other software (including source and object codes), specification, plan, drawing, schedule, minutes, correspondence, scheme, formula, programme, design, system, process logo, mark, style, or other matter or thing, existing or conceived, used, developed or produced by any person;

Interest means interest at a rate per annum equal to two percentage points (2%) above the base rate from time to time of The Bank of England;

Interim Reconciliation Default has the meaning ascribed to it in Condition 12.8;

Interim Reconciliation Exercise has the meaning ascribed to it in Condition 12.7;

Investment Partner means an organisation which has been confirmed by the GLA as having "Investment Partner Status" under the GLA's Investment Partner qualification procedure from time to time;

Landlord Offer means the offer identified by that name and more particularly described in Sections 8.5.11 to 8.5.16 of the Affordable Housing Capital Funding Guide which is in the

form issued to GLA pursuant to Section 8.5.14 of the Affordable Housing Capital Funding Guide and which is the subject of the confirmations provided by the Grant Recipient and the Independent Body in the Compliance Checklist;

Legislation means:

- (a) any Act of Parliament;
- (b) any delegated or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978;
- (c) any exercise of the Royal Prerogative;
- (d) rule of court or directives or requirements of any Regulatory Body or notice of any Regulatory Body,

in each case in the United Kingdom; and

- (e) any regulations, orders, bye-laws, regulatory policy, guidance or codes of practice of any local or statutory or Competent Authority (as the case may be) having jurisdiction over the territory in which the Named Project is situated;

LLR Dwelling means an AHP Dwelling let or to be let at a London Living Rent and on terms which comply with the applicable provisions of Condition 11.4;

LLR Rent Level means a rent which does not exceed the rent level published by GLA at www.london.gov.uk/londonlivingrent as adjusted by GLA from time to time;

LLR Tenant means an individual who fulfils the criteria for an occupant of an LLR Dwelling set out in the Affordable Housing Capital Funding Guide;

London means the administrative area of the Greater London Authority from time to time;

London Living Rent means a rent which does not exceed the LLR Rent Level (inclusive of service charges) for an equivalent property of the relevant size and number of bedrooms in the relevant Ward and which is set in accordance with the applicable requirements of Legislation and the Affordable Housing Capital Funding Guide and any other relevant guidance issued by the Regulator (as any of the same may be amended, replaced or updated from time to time);

London Living Wage means the basic hourly wage (before tax, other deductions and any increase for overtime) calculated annually by the Resolution Foundation and overseen by the Living Wage Commission, or any successor body carrying out the relevant calculation as such hourly wage may be updated from time to time;

Material Adverse Effect means the effect of any event or circumstance which is reasonably likely to be materially adverse to the ability of the Grant Recipient to comply with the terms of this Agreement or (as the context requires) to deliver the Approved Bid or a Named Project on the basis agreed under this Agreement and/or within the time limits (if any) for doing so;

MHCLG means the Ministry of Housing, Communities & Local Government (or any successor body with similar or equivalent jurisdiction or authority);

Milestone means the Acquisition Milestone (where agreed by GLA in its absolute discretion in respect of a Named Project), Start on Site, Practical Completion and such other stages of a Named Project labelled as a "milestone", in each case as set out in OPS and agreed by the parties;

Milestone Date means the date agreed by the GLA through OPS by which the relevant Milestone must have been achieved (as the same may be extended by the GLA pursuant to Condition 8.1);

Milestone Extension Event means any of the following:

- (a) exceptionally adverse weather conditions;
- (b) delay in receipt of any necessary permission or approval of any statutory body or other person which the Grant Recipient has taken all practicable steps to avoid or reduce;
- (c) the exercise after the date of this Agreement by the United Kingdom Government of any statutory power which directly affects the execution of the Works necessary to the delivery of the Named Project by restricting the availability or use of labour which is essential to the proper carrying out of such Works or preventing the Grant Recipient from, or delaying in, securing such goods or materials or such fuel or energy as are essential to the proper carrying out of such Works;
- (d) the use or threat of terrorism and/or the activity of the relevant authorities in dealing with such use or threat;
- (e) fire, explosion, lightning, storm, tempest, flood, bursting or overflowing of water tanks, apparatus or pipes, ionising radiation, earthquakes, riot and civil commotion;
- (f) failure by any statutory undertaker, utility company or other like body to carry out works or provide services;
- (g) any accidental loss or damage to the development or any roads servicing it;
- (h) any failure or shortage of power, fuel or transport;
- (i) any blockade or embargo;
- (j) any:
 - i official or unofficial strike;
 - ii lockout;
 - iii go-slow; or

- iv other dispute,

generally affecting the house building industry or a significant sector of it;
- (k) the appointment of the Building Contractor under the Building Contract has been terminated or the Building Contract has been terminated (where applicable); or
- (l) any material failure by the Building Contractor under the terms of the Building Contract (where applicable) which has the direct result of delaying the Grant Recipient's compliance with a Milestone Date and which did not result from the Grant Recipient's failure effectively to manage the Building Contract; or
- (m) any impediment, prevention or default, whether by act or omission by the GLA except to the extent caused or contributed to by any default, whether by act or omission, of the Grant Recipient,

unless:

- A any of the events arise (directly or indirectly) as a result of any wilful or negligent default or wilful or negligent act of the Grant Recipient or, save in respect of the event referred to in (k) above, any of its Subcontractors of any tier; or
- B in respect of the event referred to in (f) above, such event arises as a result of any failure by the Grant Recipient (whether wilful or otherwise) to notify the relevant statutory undertaker or utility company of the requirement for works or services to be completed by the date required to enable the Grant Recipient to complete the Named Project by the Named Project Completion Date;

Milestone Failure means a failure by the Grant Recipient fully to achieve any Milestone by the relevant Milestone Date;

Minimum Building Safety Standard means the five standards set out in paragraph 40 of the Guidance;

Minimum SO Lease and LLR Term means a lease with a term of at least nine hundred and ninety (990) years (save where expressly agreed otherwise with the prior written consent of the GLA in its absolute discretion);

Minimum Unexpired Term means the relevant lease has an unexpired term of, having regard to the acknowledgment set out in paragraph 16 of the Agreed Principles, at least one hundred and twenty five (125) years;

MMC Project means a Named Project comprised exclusively of dwellings constructed using one of the Modern Methods of Construction;

Modern Methods of Construction means the methods of construction identified in Section 2.3.35 (*Modern Methods of Construction (MMC) categories for schemes*) in the

Chapter of the Affordable Housing Capital Funding Guide entitled "Procurement and Scheme issues";

Named (Indicative) Project means a Named Project which comprises solely of dwellings Profiled pursuant to Condition 6.1.2 and accepted by the GLA as a Named Project²;

Named Project means each project for the development of AHP Dwellings as has been fully detailed in OPS and accepted by the GLA through OPS as a Named Project as at the date hereof or in accordance with any of Conditions 6.1 or 9.4 and, for the avoidance of doubt, includes any Named (Indicative) Projects;

Named Project Completion Date means the date set out in the Named Project Delivery Timetable by which the Site acquisition (if applicable) and Practical Completion must have been achieved;

Named Project Delivery Timetable means the timetable for the acquisition, construction, development (and/or Rehabilitation) and delivery (including delivery of the Milestones) of each Named Project as agreed by the GLA through OPS;

Named Project Details means the descriptive and other details in respect of each Named Project as agreed by the GLA through OPS (as the same may be varied from time to time in accordance with the terms of this Agreement);

Named Project Grant means the amount of grant payable by the GLA in respect of a Named Project as set out in the relevant Named Project Details, which for the avoidance of doubt excludes RCGF Funds;

Named Project Practical Completion Date means the date set out in the Named Project Delivery Timetable by which the Named Project must have achieved Practical Completion;

Named Project Start Date means the date set out in the Named Project Delivery Timetable by which the Named Project must have achieved Start on Site;

NHBC means the National House-Building Council;

Non Compliance Notification Date means the date on which the GLA notifies the Grant Recipient that it has become aware that a Named Project in respect of which Total Project Grant has been paid or utilised does not meet the Named Project Details;

Non Start Indicative Dwelling means an Unprofiled Indicative Dwelling which does not or will not achieve Start on Site in the relevant Start Year;

Open Book Basis means the full and transparent disclosure and declaration of all information which the Grant Recipient or a Grant Recipient Party is required to maintain, keep or disclose under this Agreement including all price components including profit margins, central office overheads, Site overheads, preliminaries, contingencies and the cost of all materials, goods, equipment, work and services, apportionments of such items together with all and any books of accounts together with such other information as the

²Grant Recipients to note: the intention is for all Indicative Proposals to be profiled into "Named Projects". The delineation between a Named Project and a Named (Indicative) Project is seeking to distinguish between the origins of that Named Project. If the dwellings in a Named Project are from the Indicative Proposals, the term Named (Indicative) Projects will be used as some provisions of this Agreement relate specifically to Named Projects which originated from the Indicative Proposals.

GLA reasonably requires to monitor compliance with the United Kingdom Competition Requirement;

Open Book Obligations mean the obligations set out in Condition 20;

OPS means the "GLA Open Project System", being the GLA's on-line investment management system from time to time or any successor system;

Original Approved Bid means the aggregate of the Indicative Proposals and Named Projects accepted by the GLA pursuant to Conditions 5 and 6 at the date of this Agreement;

Other Affordable Housing means Affordable Housing (but excluding LLR Dwellings, SR Dwellings and SO Dwellings) of the type described in the Affordable Housing Capital Funding Guide which, if accepted by GLA on OPS (in its absolute discretion), is more particularly described in the Named Project Details;

Permitted Disposal means any of the following:

- (a) the grant of a tenancy (compliant with Condition 11.4) in respect of a LLR Dwelling or a SR Dwelling;
- (b) the grant of a Shared Ownership Lease (which, for the avoidance of doubt, does not include the subsequent acquisition by the occupier of an increased share of the equity of the relevant SO Dwelling) that has not been granted pursuant to the RTSO or is as a result of a conversion from an LLR Dwelling to a SO Dwelling;
- (c) a disposal to a statutory undertaker for the purposes of the supply or transmission (whether exclusively or otherwise) of statutory services to the Site;
- (d) a disposal pursuant to or required by a planning obligation within the meaning of Section 106 or Section 299A of the Town and Country Planning Act 1990 in connection with the Named Project;
- (e) a disposal to a highway authority for the purposes of or in connection with the adoption of roads, footpaths or cycleways on the Site;
- (f) the grant of any mortgage or charge; or
- (g) the grant of an easement;

Personal Data has the meaning ascribed to it in the Data Protection Legislation;

Planning Permission means the grant of detailed planning permission either by the local planning authority or the Secretary of State;

POE means the Post-Occupancy Evaluation, initial details of which are set out on the following website https://www.london.gov.uk/sites/default/files/poe_pilot_information_sheet.pdf (or any successor website notified to the Grant Recipient by the GLA) as the same may be

updated or replaced by provisions within the Affordable Housing Capital Funding Guide or such other guidance issued by the GLA and notified to the Grant Recipient;

Practical Completion means that stage in the execution of a Named Project when the Works have been completed in accordance with the terms of the relevant Building Contract and/or the terms of this Agreement such that the AHP Dwellings comprised within the Named Project are fit for beneficial occupation as a residential development in accordance with any applicable NHBC or equivalent requirements current at the date of any required inspection subject only to the existence of minor defects and/or minor omissions at the time of inspection which are capable of being made good or carried out without materially interfering with the beneficial use and enjoyment of the Named Project and which would be reasonable to include in a snagging list, and Practically Complete shall be construed accordingly;

Practical Completion Tranche Grant means subject to Condition 6.3 such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Practical Completion Tranche Payment Date means in relation to a Named Project such date as the GLA may have accepted in OPS as the date on which a claim for Practical Completion Tranche Grant may be made;

Previous AHP Programme means any capital grant funding programme administered by GLA supporting the delivery of affordable housing other than AHP 2021/26;

Process has the meaning ascribed to it in the Data Protection Legislation and **Processing** shall be construed accordingly;

Procurement Law means the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 (insofar as the same are applicable) together with any statutory modification or replacement regulations or Legislation on procurement by public bodies;

Professional Team means (as applicable) the architect, civil & structural engineer, the mechanical & electrical engineer and any other consultant appointed by the Grant Recipient in connection with a Named Project;

Profile means the incorporation of one or more Unprofiled Indicative Dwelling(s) into a Named Project accepted by GLA pursuant to the procedures set out in Condition 6.1;

Profit Making Organisation means a body designated on the Register as a profit-making organisation as such term is defined under Section 115 of the HRA 2008;

Prohibited Act means:

- (a) offering, giving or agreeing to give to any servant of the GLA any gift or consideration of any kind as an inducement or reward:
 - i for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement; or
 - ii for showing or not showing favour or disfavour to any person in relation to this Agreement;

- (b) entering into this Agreement or any other agreement with the GLA relative to this Agreement in connection with which commission has been paid or has been agreed to be paid by the Grant Recipient or on its behalf, or to its knowledge, unless before the relevant agreement is entered into particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the GLA;
- (c) committing any offence:
 - i under Legislation creating offences in respect of fraudulent acts;
 - ii at common law in respect of fraudulent acts in relation to this Agreement; or
 - iii under the Bribery Act 2010 or the Criminal Finances Act 2017; or
- (d) defrauding or attempting to defraud or conspiring to defraud the GLA or the Regulator;

Project Default has the meaning given to it in Condition 19.2;

Project Termination Event means an event pursuant to which this Agreement may be terminated in relation to a particular Named Project pursuant to Condition 19.6;

Protected Characteristics has the meaning ascribed to it in the Equality Act 2010;

Public Sector Funding means all funding or subsidy in relation to a Named Project in money or money's worth (including the Agreement Funding) received or receivable by the Grant Recipient from public sector bodies including for this purpose funding from government bodies (whether national or local), the European Union or bodies in receipt of lottery funds from the National Lottery Distribution Fund pursuant to the National Lotteries Acts 1993 and 1998 and any further funding by the GLA not provided under this Agreement;

Purchase Point means the date upon which a SO Dwelling is sold to its first purchaser or in relation to a LLR Dwelling a date which is not earlier than ten (10) years after the point at which such LLR Dwelling first becomes available for letting;

Quarter means the period between each Quarter Date;

Quarter Date means 31 March, 30 June, 30 September or 31 December;

RCGF means the Recycled Capital Grant Fund maintained by the Grant Recipient in accordance with the Recovery Determination;

RCGF Funds means that amount of the Grant Recipient's RCGF which the parties have agreed will be applied towards the Development Costs;

Recover has the meaning set out in the Recovery Determination;

Recoverable Amount has the meaning ascribed to it in Condition 18.2;

Recoverable Project Grant means the aggregate of the Named Project Grant paid to and the RCGF Funds used by the Grant Recipient in relation to a Named Project;

Recovery Determination means the Recovery of Capital Grants from Registered Providers and Recycled Capital Grant Fund (Greater London) General Determination 2017 and any successor determination or other instrument;

Reduction Amount means an amount equal to the sum of the following calculation:

Reduction Amount = Indicative Year Allocation – Profiled Amount

Where:

Indicative Year Allocation means the aggregate amount of grant allocated to the Indicative Proposals that are to have been Profiled into Named Projects by 30 June (or such later date agreed by the GLA, in its absolute discretion) in the relevant Start Year as set out on OPS;

Profiled Amount means the aggregate grant allocated to the Indicative Proposals which have been Profiled into Named Projects by 30 June in the relevant Start Year (or such later date agreed within the relevant Start Year by the GLA, in its absolute discretion);

Register means the register maintained by the Regulator pursuant to Section 111 of the HRA 2008;

Registered Provider means a Profit Making Organisation and/or a non-profit organisation (as such term is defined in Section 115 of the HRA 2008);

Regulator means the Regulator of Social Housing established pursuant to Chapter 2 of Part 2 of the HRA 2008 or any similar future authority (including any statutory successor) carrying on substantially the same regulatory or supervisory functions;

Regulatory Body means any government departments or regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Agreement, the AHP Dwellings delivered pursuant to this Agreement or any other affairs of the GLA;

Rehabilitated or **Rehabilitation** or **Rehabilitating** shall have the meaning ascribed in sub-section 2.3 of the Affordable Housing Capital Funding Guide entitled "Procurement and Scheme Issues";

Relevant Authority means any governmental or other authority, court with relevant jurisdiction, the local planning authority, landlord, funder, adjoining landowner or any other person whose consent is required to undertake the Works necessary to the delivery of the Named Project or perform the Grant Recipient's obligations under this Agreement;

Relevant Event has the meaning attributed to it in the Recovery Determination;

Remediation Plan has the meaning ascribed to it in Condition 23.4.1;

Rent Standard means any standard set by the Regulator in relation to rent (including any associated explanatory notes or guidance) from time to time under Section 194 of the HRA 2008 pursuant to any then applicable Direction;

Request for Information/RFI shall have the meaning set out in FOIA or any request for information under EIR which may relate to the Named Projects, this Agreement or any activities or business of the GLA;

Required Affordable Percentage means the percentage set out in respect of each Named Project on OPS and approved by GLA (in its absolute discretion) which represents the total the number of Affordable Habitable Rooms that must be provided on the Development Site when expressed as a percentage of the total number of Habitable Rooms, as such percentage may be amended from time to time in accordance with Condition 7;

Resident Ballot Requirement means the obligation to undertake a resident ballot on the basis set out in Section 8 of the Affordable Housing Capital Funding Guide where the Named Project is an Estate Regeneration Project and GLA has not provided the Grant Recipient with an extant Exemption Certificate;

Restructure means any merger or de-merger or consolidation or reconstruction or amalgamation or a transfer of its engagements to any person or the acceptance of any transfer of engagements from any person or any other arrangement having an equivalent effect to these;

RIDDOR means Reporting of Injuries Diseases and Dangerous Occurrences Regulations 1995;

Right to Buy means the right to purchase a dwelling at a discount conferred on tenants of Councils by Part V of the Housing Act 1985;

Right to Shared Ownership means the right for eligible tenants of the AHP Dwellings (other than any RTSO Exempted Dwellings) to purchase such AHP Dwelling on Shared Ownership Lease terms as more particularly described in the RTSO Guidance;

RTSO Exempted Dwelling means:

- (a) a LLR Dwelling; or
- (b) any dwelling which is identified in the RTSO Guidance as exempted from the Right to Shared Ownership from time to time;

RTSO Guidance the guidance entitled "Right to Shared Ownership: initial guidance for registered providers" <https://www.gov.uk/government/publications/right-to-shared-ownership-initial-guidance-for-registered-providers/right-to-shared-ownership-initial-guidance-for-registered-providers> published by MHCLG on 8 September 2020 (as the same may be supplemented, amended or updated from time to time);

RTB Funds means receipts retained by a Council pursuant to the exercise of the Right to Buy;

Section 106 Agreement means an agreement in respect of and affecting any AHP Dwelling (or prospective AHP Dwelling) made pursuant to Section 106 of the TCPA and/or Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 and/or Section 38 and/or Section 278 of the Highways Act 1980 and/or Section 104 of the Water Industry Act 1991 or an agreement with any Relevant Authority or body relating to other services;

Section 106 Project means a Named Project where the development of AHP Housing forms or will form part of a wider non AHP Housing project and is required pursuant to:

- (a) a Section 106 Agreement; and/or
- (b) any condition attached to or imposed upon any decision by a Relevant Authority to grant planning permission or reserved matters approval under Part III of the Town and Country Planning Act 1990 (including any approvals issued pursuant to conditions);

Secure Legal Interest means:

- (a) with respect to each Named Project which comprises only SO Dwellings, a SLI (SO/LLR Accommodation); or
- (b) with respect to each Named Project which comprises at least one SO Dwelling or LLR Dwelling and at least one SR Dwelling:
 - i a SLI (SO/LLR Accommodation) in relation to each SO Dwelling or LLR Dwelling; and
 - ii a SLI (Rented Accommodation) in respect of each SR Dwelling; or
- (c) with respect to each Named Project which comprises only of SR Dwellings, a SLI (Rented Accommodation);

provided that in each case, where the Grant Recipient possesses:

- (d) the freehold estate and one or more leasehold interests derived from the freehold estate; or
- (e) more than one leasehold interest in a chain of leases,

in any Named Project, the interest which is the lowest leasehold interest owned by the Grant Recipient in the chain of leases must satisfy limb (a), (b) or (c) above (as applicable);

Security means a mortgage charge pledge lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (such as a sale or lease and leaseback, a blocked account set off or similar arrangement);

Shared Ownership Lease means a shared ownership lease that:

- (a) satisfies the definition of "Shared ownership arrangements" as set out in Section 70 of the HRA 2008; and
- (b) meets any applicable requirements of the Affordable Housing Capital Funding Guide;

Site means the site identified to the GLA in OPS as being the area of land, buildings or dwelling-houses comprised or to be comprised in a Named Project;

SLI (SO/LLR Accommodation) means the Grant Recipient has in respect of the Site;

- (a) freehold title registered with title absolute;
- (b) leasehold title registered with title absolute where the lease has an unexpired term which is sufficient for the Minimum SO Lease and LLR Term to be granted at the Purchase Point; or
- (c) either:
 - i freehold title registered with possessory title; or
 - ii leasehold title registered with good leasehold title where the lease has an unexpired term which is sufficient for the Minimum SO Lease and LLR Term to be granted at the Purchase Point;

and, in each case defective title indemnity insurance in favour of the Grant Recipient with a limit of indemnity to at least the Named Project Grant for that Site; or
- (d) a binding contract with the owner of the legal and beneficial interest in the Site to acquire one of the interests in limbs (a), (b) or (c) and that acquiring that interest is conditional only upon matters that are within the direct and unilateral control of the Grant Recipient;

SLI (Rented Accommodation) means the Grant Recipient has in respect of the Site;

- (a) freehold title registered with title absolute;
- (b) leasehold title registered with title absolute where the lease has a Minimum Unexpired Term; or
- (c) either:
 - iii freehold title registered with possessory title; or
 - iv leasehold title registered with good leasehold title where the lease has a Minimum Unexpired Term,

and, in each case defective title indemnity insurance in favour of the Grant Recipient with a limit of indemnity to at least the Named Project Grant for that Site; or
- (d) a binding contract with the owner of the legal and beneficial interest in the Site to acquire one of the interests in limbs (a), (b) or (c) and that acquiring that interest is conditional only upon matters that are within the direct and unilateral control of the Grant Recipient;

SO Consultation Outcome means the document entitled "New model for Shared Ownership: technical consultation - summary of responses" published by MHCLG on 1 April 2021 (as may be supplemented, amended or updated from time to time);

SO Dwelling means an AHP Dwelling to be disposed of on Shared Ownership Lease terms;

Social Rent means a rent calculated in accordance with the formula for calculating social rents set out in the Rent Standard (subject to any contrary Legislation);

SPEI Allowable Costs means those costs incurred by the Grant Recipient in providing the AHP Housing as specified in OPS (calculated using generally acceptable accounting principles) as follows:

- (a) the Development Costs;
- (b) all other direct costs of providing the AHP Housing;
- (c) a proper proportion of costs (including for common infrastructure) if these are shared between AHP Housing and other construction on Sites where the AHP Housing is situated; and/or
- (d) other costs permitted under the United Kingdom Competition Requirement of operating the AHP Housing as affordable housing;

SPEI Information means such information about or relating to the SPEI Allowable Costs, the SPEI Revenue, the SPEI Necessary Subsidy and such other information as the GLA may reasonably request;

SPEI Necessary Subsidy means under the United Kingdom Competition Requirement the maximum amount of Subsidy which may be provided without Unlawful Subsidy arising;

SPEI Overpayment means the extent to which Public Sector Funding (including Agreement Funding) exceeds the SPEI Necessary Subsidy;

SPEI Revenue means all income (including all Public Sector Funding but excluding Agreement Funding) which the Grant Recipient or an Affiliate receives for the purposes of or earns from the AHP Housing;

SPEI Review means a review by the GLA of the provision or use of Agreement Funding to determine whether an SPEI Overpayment has arisen in relation to any Named Project;

SR Dwelling means an AHP Dwelling let or to be let at a Social Rent and on terms which comply with the applicable provisions of Condition 11.4.8;

Start on Site means the occurrence of all of the following in relation to a Named Project:

- (a) the Building Contract has been entered into;
- (b) the Building Contractor has taken possession of the Site; and
- (c) the Start on Site Works to the Site have commenced;

Start on Site Tranche Grant means subject to Condition 6.3 such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Start on Site Tranche Payment Date means in relation to a Named Project such date as the GLA may have accepted in OPS as the date on which a claim for Start on Site Tranche Grant may be made;

Start on Site Works means any work of construction or demolition in relation to any dwelling including:

- (a) the digging of a trench which is to contain the foundations, or part of the foundations, of such dwelling;
- (b) the laying of any underground main or pipe to the foundations, or part of the foundations, of such dwelling or to any such trench as per (a) above;
- (c) any operation in the course of laying out or constructing a road or part of a road; or
- (d) such works of demolition or service diversion as are set out in Section 2 of the Affordable Housing Capital Funding Guide;

Start Year has the meaning ascribed to it in limb (a) of the definition of "Indicative Proposals";

Subcontractor means any subcontractor including without limitation any Building Contractor appointed by the Grant Recipient to undertake all or part of the Works;

Subsidy means any direct or indirect financial assistance which:

- (a) 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:
 - i a direct or contingent transfer of funds such as direct grants, loans or loan guarantees;
 - ii the forgoing of revenue that is otherwise due;
 - iii the provision of goods or services, or the purchase of goods or services; or
 - iv a measure analogous to these,
- (b) confers an economic advantage on one or more economic actors;
- (c) is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services; and
- (d) 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;

Tenancy Standard means the tenancy standard published by the Regulator from time to time pursuant to its power under Section 193 of the HRA 2008;

Tenure Type means one of the following tenure types:

- (a) a letting on Shared Ownership Lease terms;
- (b) a letting at a London Living Rent; or
- (c) a letting permanently at a Social Rent;

The London Plan means the document entitled "The London Plan – The Spatial Development Strategy for Greater London" published by the GLA in March 2021 (as the same may be amended or updated from time to time);

Total Project Grant means the aggregate of the Named Project Grant paid to and the RCGF Funds used by the Grant Recipient under or in connection with a Named Project;

Tranche means (as applicable) any of the Acquisition Tranche Grant, Start on Site Tranche Grant or the Practical Completion Tranche Grant;

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;

UK GDPR means the retained EU law version of the General Data Protection Regulation ((EU) 2016/679), defined in the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019, as amended, updated or replaced from time to time;

United Kingdom Competition Requirement means as provided for in Section 29 of the European Union (Future Relationship) Act 2020 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;

Unlawful Subsidy means Subsidy which is in contravention of or is an infringement of the United Kingdom Competition Requirement;

Unprofiled Indicative Dwelling means an LLR Dwelling, SR Dwelling or SO Dwelling forming part of the Indicative Proposals that has not yet been Profiled into a Named Project in accordance with the requirements of this Agreement;

Uplift Amount means an amount of the type described in the Recovery Determination and calculated for the purposes of Condition 18.9 in accordance with the methodology set out from time to time in the Affordable Housing Capital Funding Guide;

VAT means Value Added Tax as presently charged under the Value Added Tax Act 1994 or any tax of a similar nature;

Waiver Condition means provision of satisfactory evidence by the Grant Recipient to the GLA that the relevant Prohibited Act was committed by:

- (a) an employee acting independently of the Grant Recipient;
- (b) a Subcontractor of any tier (or any employee of a Subcontractor not acting independently of the Subcontractor);
- (c) an employee of a Subcontractor of any tier acting independently of such Subcontractor; or

- (d) any person not specified in parts (a), (b) or (c),

and the GLA is satisfied that the Grant Recipient and/or the Subcontractor (as applicable) has taken such action as is appropriate taking in to account the nature and the circumstances of the relevant Prohibited Act. "Acting independently" for these purposes means not acting with the authority or knowledge of any one or more of the directors of the Grant Recipient or relevant Subcontractor;

Ward means each of the electoral wards in London in respect of which GLA will determine the LLR Rent Level;

Withholding Event means an event or circumstance of the type described in Condition 17.1; and

Works means in relation to each Named Project all of the works (including the Start on Site Works, the design, infrastructure works and all other works necessary for obtaining access to the AHP Dwellings) (if any) to be undertaken in order to ensure that the AHP Dwellings are constructed, developed, repaired, converted, refurbished and/or Rehabilitated (as applicable) in accordance with the Named Project Details.

1.2 Interpretation

1.2.1 Words denoting any gender include all other genders.

1.2.2 The singular includes the plural and vice versa.

1.2.3 Any reference in this Agreement to any condition, sub-condition, paragraph, schedule, section heading or annexure is, except where it is expressly stated to the contrary, a reference to such condition, sub-condition, paragraph, schedule or section heading of this Agreement.

1.2.4 Any reference to this Agreement or to any other document or publication shall include (except where expressly stated otherwise) any variation, amendment or supplement to or restatement of such document or publication to the extent that such variation, amendment, supplement or restatement is not prohibited under the terms of this Agreement.

1.2.5 Any reference to any enactment, order, direction, determination, regulation or similar instrument shall (except where expressly stated otherwise) be construed as a reference to the enactment, order, direction, determination, regulation or instrument as amended, replaced, consolidated or re-enacted.

1.2.6 A reference to a person includes firms, partnerships and corporate bodies and their successors and permitted assignees or transferees.

1.2.7 Headings are for convenience of reference only.

1.2.8 A party means a party to this Agreement.

1.2.9 The words includes or including are to be construed without limitation.

- 1.2.10 Where any discretion is granted by this Agreement to any party, that party shall be entitled to exercise that discretion freely and without fetter (implied or otherwise).
- 1.2.11 A paragraph in a Schedule shall be construed as reference to a paragraph in that particular Schedule.
- 1.2.12 A deliberate act or omission of any person shall exclude acts or omissions which were within the contemplation of the parties or which were otherwise provided for in this Agreement.
- 1.2.13 In any case where the consent or approval of the GLA (or any officer of the GLA) is required or a notice is to be given by the GLA, such consent or approval or notice shall only be validly given if it is in writing (including by email) and signed (or sent, if by email) by (if relevant) the officer stipulated in this Agreement or such other person as may be specified by the GLA by notice in writing to the Grant Recipient.
- 1.2.14 An obligation to do anything includes an obligation to procure its being done.
- 1.2.15 Any restriction includes an obligation not to permit infringement of the restriction.
- 1.2.16 When there are two or more persons affected by the obligations under this Agreement such obligations are to bind each such person jointly and severally.
- 1.2.17 The terms "Site" "Named Project" and "Named (Indicative) Project" include each and every part of it.
- 1.2.18 Save where a contrary intention is shown, any reference to the GLA acting reasonably shall be interpreted as requiring the GLA to act in a commercially reasonable manner and any reference to the exercise of discretion by GLA shall be construed as permitting GLA to exercise its discretion freely and without constraint of any kind.
- 1.2.19 If there is any ambiguity or conflict between the implied terms and the express terms of this Agreement then the express terms shall prevail.
- 1.2.20 The Grant Recipient shall in relation to the delivery of its obligations under this Agreement be responsible as against the GLA for the acts or omissions of any Grant Recipient Party as if they were the acts or omissions of the Grant Recipient.
- 1.2.21 Neither the giving of any approval, consent, examination, acknowledgement, knowledge of the terms of any agreement or document nor the review of any document or course of action by or on behalf of the GLA shall, unless otherwise expressly stated in this Agreement or agreed in writing by the GLA, relieve the Grant Recipient of any of its obligations under this Agreement or of any duty which it may have hereunder to ensure the correctness, accuracy or suitability of the matter or thing which is the subject of the approval, consent, examination, acknowledgement or knowledge nor confer impose or imply any liability or responsibility on or on behalf of the GLA in respect of or in connection with the

matter to or in relation to which such approval consent examination acknowledgement was given or review made.

- 1.2.22 The terms "Agreement Funding" "Allocated Total Grant" "Allocated Net Grant" "Capital Grant", "Named Project Grant" "Recoverable Project Grant" and "Total Project Grant" shall (unless the context precludes such interpretation) include every Tranche thereof.
- 1.2.23 Any reference to Section 8 of the Affordable Housing Capital Funding Guide in this Agreement refers to the section entitled "Resident Ballots for Estate Regeneration Projects" of such guide.
- 1.2.24 Any terms used in the definition of "Subsidy" shall, unless the context requires otherwise, be construed as having the meaning given to them in the EU-UK Trade and Cooperation Agreement.
- 1.2.25 Any reference to a Section and/or a Chapter of the Affordable Housing Capital Funding Guide in this Agreement shall refer to any successor, replacement or amendment of such Section or Chapter from time to time.
- 1.2.26 A reference to "average" under this Agreement is a reference to the calculation of the mean average.
- 1.2.27 Where the term "average of the grant rates" is used, each grant rate shall be treated as including any RCGF Funds used in respect of the relevant AHP Dwelling.

2 **Purpose**

- 2.1 In consideration of the sum of £1 (receipt of which the GLA hereby acknowledges), the GLA has agreed to:
 - 2.1.1 make the Allocated Net Grant available to the Grant Recipient; and
 - 2.1.2 permit the Grant Recipient to use the Allocated RCGF Funds,to enable the Grant Recipient to provide the AHP Dwellings subject to and in accordance with the terms and conditions of this Agreement.
- 2.2 Each party undertakes to co-operate with the other to facilitate the proper performance of this Agreement and the delivery of the Named Projects.

3 **Acknowledgements, Representations and Warranties**

- 3.1 Without prejudice to any other term of this Agreement, the Grant Recipient:
 - 3.1.1 expressly acknowledges the Agreed Principles and agrees to observe them and to be bound by them;
 - 3.1.2 represents and warrants in the terms set out in Part 2 of Schedule 1 to the GLA on the date hereof and on each day during the currency of this Agreement; and

3.1.3 acknowledges and agrees that the GLA is relying on such representations and warranties and that each of such warranties and representations shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to any of them or by any other provisions of this Agreement.

4 **Subsidy**

4.1 This Agreement is drafted with the intention that it is lawful and complies with the requirements of the United Kingdom Competition Requirement (if applicable).

4.2 If the Agreement Funding gives rise to an SPEI Overpayment or otherwise constitutes Unlawful Subsidy then the GLA shall be entitled to recover from the Grant Recipient the amount of such SPEI Overpayment and/or Unlawful Subsidy together with such interest as it is required by Legislation to recover and the Grant Recipient must pay such amount(s) within ten (10) Business Days of the GLA requesting repayment.

4.3 The Grant Recipient shall promptly give written notice to the GLA of any Public Sector Funding it receives from a third party in relation to any AHP Housing.

4.4 If Legislation requires the GLA to amend this Agreement to comply with a United Kingdom Competition Requirement then the GLA may, acting reasonably, provide written notice to the Grant Recipient to vary this Agreement to the extent necessary to comply with such change in law.

5 **Indicative Proposals**

5.1 The Grant Recipient confirms that such details of its proposals for the development of a specified number of further SR Dwellings, LLR Dwellings and/or SO Dwellings, including delivery timescales, as are required by the GLA have been uploaded onto OPS by the date of this Agreement.

5.2 Where the proposals referred to in Condition 5.1 are accepted by the GLA through OPS, they will become Indicative Proposals for the purposes of this Agreement with effect from the date of their acceptance by the GLA in OPS and the provisions Conditions 5.3 to 5.11 (inclusive) shall apply.

5.3 The Grant Recipient must ensure that the Indicative Proposals are worked up so that the Annual Committed Number of Unprofiled Indicative Dwellings are:

5.3.1 Profiled into Named Projects on OPS in accordance with the procedures set out in Condition 6.1; and

5.3.2 achieve Start on Site in the relevant Start Year.

5.4 If the Grant Recipient fails (or in the opinion of the GLA, acting reasonably, is likely to fail) to comply with its obligations under Condition 5.3, the GLA shall (without prejudice to its other rights under this Agreement) be entitled to:

5.4.1 reduce the Indicative Allocation by the Reduction Amount and shall have no further obligation to the Grant Recipient in relation to any Non Start Indicative Dwelling (or any aggregation thereof); and/or

- 5.4.2 instigate an Interim Reconciliation Exercise.
- 5.5 Once Unprofiled Indicative Dwellings have been Profiled into one or more Named Projects on OPS in accordance with Condition 6.1.2 and accepted by GLA, the Indicative Allocation shall be reduced by an amount equal to the Named Project Grant allocated to those Named (Indicative) Projects.
- 5.6 Any reduction in the Indicative Allocation made pursuant to Condition 5.4.2 will result in a commensurate reduction in the Allocated Total Grant.
- 5.7 The Grant Recipient confirms that it has received, through OPS, confirmation of the Average Grant Rate for each Tenure Type and the Grant Recipient acknowledges and agrees that it will use all reasonable endeavours to ensure that by the date that the final Unprofiled Indicative Dwelling is Profiled into a Named Project in accordance with the requirements of this Agreement, the average of the grant rates (set out on OPS) applied to all AHP Dwellings comprised in Named (Indicative) Projects by Tenure Type will be equal to or less than the Average Grant Rate for that Tenure Type.
- 5.8 The Grant Recipient may, with the consent of the GLA (to be provided in its absolute discretion), be entitled to upload additions to the Indicative Proposals on OPS.
- 5.9 In accepting any additions to the Indicative Proposals, the GLA shall be entitled to adjust OPS to reflect the additions to the Indicative Proposals including adjustment to:
- 5.9.1 the Allocated Net Grant;
 - 5.9.2 the Average Grant Rates;
 - 5.9.3 the Indicative Allocation; and
 - 5.9.4 the Annual Committed Number for the applicable Start Year(s).
- 5.10 If the GLA (in its absolute discretion) rejects the submission of additions to the Indicative Proposals on OPS, such additions shall be disregarded and the Agreement shall continue on the basis of the Indicative Proposals set out on OPS prior to the submission of any additions pursuant to Condition 5.8.
- 5.11 If the GLA has exercised its rights under Condition 5.4.1, such Non Start Indicative Dwellings shall be deemed to be removed from the Indicative Proposals.

6 **Named Projects**

- 6.1 The Grant Recipient must ensure:
- 6.1.1 that it has uploaded such details as are required for each proposed Named Project forming part of the Original Approved Bid onto OPS prior to the date of this Agreement; and
 - 6.1.2 that the Annual Committed Number of Unprofiled Indicative Dwellings within a Start Year are incorporated into one or more Named Projects and uploaded onto OPS by no later than the 30 June in the relevant Start Year

in each case such details to include (but not be limited to) the anticipated Development Costs, the relevant grant rates for each Tenure Type, the proposed Milestones and where the relevant project is accepted by the GLA through OPS, it will become a Named Project for the purposes of this Agreement with effect from the date of its acceptance by the GLA in OPS.

6.2 The Grant Recipient represents and warrants to the GLA in relation to each Named Project that:

6.2.1 the Named Project:

- (a) is in its opinion (acting reasonably) deliverable in accordance with the Named Project Delivery Timetable; and
- (b) comprises no Public Sector Funding beyond that identified in the Named Project Details;

6.2.2 the Grant Recipient:

- (a) possesses or will possess a Secure Legal Interest in the Site;
- (b) has obtained all necessary Consents as are then required for the lawful development and/or Rehabilitation of the Named Project and for the delivery of the Named Project in accordance with the Named Project Details; and
- (c) has complied with all applicable requirements of the Affordable Housing Capital Funding Guide in relation to the Named Project;

6.2.3 the rent levels for any:

- (a) SR Dwelling within the Named Project shall be set at or below a rent calculated in accordance with the formula for calculating social rents set out in Legislation and (to the extent applicable) in the Rent Standard applicable at the point of letting; and
- (b) LLR Dwelling within the Named Project will be set at or below the LLR Rent Levels applicable at the point of letting;

6.2.4 the Additionality Condition is satisfied and the Affordable Percentage Condition is or will be satisfied at Practical Completion;

6.2.5 it is making proper progress against its Indicative Allocation, assessed by reference to the Grant Recipient's progress against:

- (a) its annual Profiling of the Annual Committed Number set out on OPS;
- (b) the number of AHP Dwellings comprised within Named (Indicative) Projects which have achieved Start on Site; and

6.2.6 the grant attributed to each AHP Dwelling comprising any Named (Indicative) Project will not prejudice the ability of the Grant Recipient to ensure that the average of the grant rates for the AHP Dwellings delivered or to be delivered

would be consistent with the Average Grant Rate for each Tenure Type having regard to paragraph 15 of the Agreed Principles.

- 6.3 The GLA may in its absolute discretion vary the percentages attributed to Acquisition Tranche Grant, Start on Site Tranche Grant and Practical Completion Tranche Grant from time to time save that, subject to Condition 6.4, no such variation will take effect in relation to any Tranche which has already been paid.
- 6.4 In exceptional circumstances, the GLA may consider providing an additional tranche of funding for a Named Project outside of the Tranches. In allowing the Grant Recipient to claim an additional tranche (which shall be in GLA's absolute discretion), the GLA shall be entitled to require the Grant Recipient to make additional representations and warranties as a condition of such claim. Any claim for additional tranche shall have due regard to paragraph 12 of Part 1 of Schedule 1 and GLA's rights under Condition 6.3.
- 6.5 Under no circumstances shall the GLA be obliged to accept any Named Project if the GLA (acting reasonably) believes that it does not, will not or is unlikely to have sufficient financial resources available to it (taking account inter alia of its commitments under the AHP 2021-26 or other programme commitments) to provide Named Project Grant in relation to the relevant project.
- 6.6 The GLA shall not be obliged to accept any project uploaded onto OPS pursuant to Condition 6.1.2 where the Grant Recipient is failing to perform against the Approved Bid and/or any Previous AHP Programme.

7 Changes to Named Projects and Required Affordable Percentage

The parties may from time to time agree changes to the Named Project Details and/or the Required Affordable Percentage and where such changes are agreed they shall be implemented by the Grant Recipient amending the Named Project Details and/or the Required Affordable Percentage in OPS and the confirmation of that amendment by the GLA through OPS and in default of agreement the parties will be bound by the Named Project Details and/or the Required Affordable Percentage as they existed prior to the changes proposed under this Condition 7.

8 Time extensions

- 8.1 Where a Milestone Failure occurs or is in the opinion of the GLA reasonably likely to occur (having regard to any information provided pursuant to any of Conditions 10.1.4, 11.3 or 12) and:
- 8.1.1 where such failure is directly caused by a Milestone Extension Event the GLA shall, subject always to Condition 8.3, extend the relevant Milestone Date and associated Named Project Completion Date by such period as it (acting reasonably) considers appropriate to take account of the delay caused or likely to be caused by the Milestone Extension Event; or
- 8.1.2 where such failure is not directly caused by a Milestone Extension Event, the GLA shall notify the Grant Recipient of the Milestone Failure and the parties shall within thirty (30) Business Days of such notification seek to agree revised Milestone Dates and:

- (a) where revised Milestone Dates are agreed within such period the Grant Recipient shall promptly amend the Milestone Dates on OPS in accordance with Condition 7; or
- (b) where revised Milestone Dates are not agreed within such period the Milestone Failure shall be treated for grant recovery purposes as a Project Default under Condition 19.2.17.

8.2 The GLA shall not be obliged to extend a Milestone Date:

8.2.1 unless a Milestone Extension Event exists; or

8.2.2 in circumstances where such extension would (when taken individually or together with other extensions in relation to the Grant Recipient) in the GLA's reasonable opinion materially and adversely affect the delivery of the Approved Bid or (when taken individually or together with other extensions allowed in relation to the Grant Recipient or other grant recipients of the AHP 2021-26) materially and adversely affect the GLA's projected expenditure profile in relation to any year of the AHP 2021-26 and in particular (but without limitation) such expenditure profile in relation to the last Quarter of the relevant Financial Year.

8.3 Save where GLA has accepted a later date on OPS, the GLA shall not under any circumstances be required or obliged to extend a Named Project Start Date beyond 31 March 2026 and/or a Named Project Practical Completion Date beyond 31 March 2028 but may in its absolute discretion elect to do so.

9 **Additional Projects**

9.1 The parties shall be entitled from time to time to agree to add Additional Projects to those Named Projects comprised within the Original Approved Bid.

9.2 Where Condition 9.1 applies, the Grant Recipient shall submit to the GLA through OPS such details of the proposed Additional Project as the GLA may require. In submitting such details, the Grant Recipient makes the same representations and warranties in relation to the proposed Additional Project as it makes to the GLA pursuant to Condition 6.2.

9.3 The GLA shall consider the Additional Project and if the GLA (in its absolute discretion) is satisfied:

9.3.1 with the information provided;

9.3.2 the level of grant funding requested;

9.3.3 with the Grant Recipient's performance in relation to the Approved Bid and any Previous AHP Programme;

9.3.4 that no Default Event subsists; and

9.3.5 with such other matters as the GLA may from time to time determine,

the GLA shall be entitled (but not obliged) to accept the Additional Project into the Approved Bid and shall confirm such acceptance to the Grant Recipient through OPS.

- 9.4 With effect from the Additional Project Acceptance Date:
- 9.4.1 the Additional Project shall be deemed to be a Named Project for the purposes of this Agreement and immediately subject to its whole terms and conditions;
 - 9.4.2 the details set out by the Grant Recipient in respect of the Additional Project in OPS and as confirmed by the GLA through OPS shall be deemed to be Named Project Details for the purposes of this Agreement; and
 - 9.4.3 the Grant Recipient must ensure that it complies with all of its obligations under this Agreement as they apply to such new Named Project.
- 9.5 If the GLA agrees to make available any grant funding in relation to an Additional Project, the Allocated Total Grant will be deemed to be adjusted by the Total Project Grant agreed by the GLA in OPS in relation to the new Named Project but the Indicative Allocation will remain unchanged.

10 **Delivery Obligations**

- 10.1 The Grant Recipient must in relation to each Named Project:
- 10.1.1 carry out the acquisition of the Site (where applicable), procure and diligently pursue the completion of the Works so that:
 - (a) the Named Project is (subject to Condition 8.1) constructed, delivered and/or Rehabilitated (as applicable) in accordance with the Named Project Delivery Timetable;
 - (b) when delivered, the Named Project fully complies with the Named Project Details; and
 - (c) any applicable requirements of Procurement Law and of the Consents are satisfied.
 - 10.1.2 actively market or allocate the SO Dwellings and LLR Dwellings with a view to ensuring (as far as practicable) the disposal or letting of such dwellings to individuals as AHP Housing at Practical Completion (or as soon as reasonably possible thereafter);
 - 10.1.3 advertise all SO Dwellings and LLR Dwellings through the portal at <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners/search/> or such other website address notified by the GLA to the Grant Recipients from time to time;
 - 10.1.4 promptly notify the GLA in writing of any failure or likely failure to comply with Condition 10.1; and
 - 10.1.5 procure that prior to any AHP Dwelling comprised in such Named Project being occupied, any certifications required under any building safety legislation arising out of the Building Safety Bill 2021 in respect of the Named Project (or any part thereof) are obtained (including certification that the AHP Dwelling has passed "Gateway 3", if implemented).

- 10.2 Where a Named Project is an Estate Regeneration Project the Grant Recipient must:
- 10.2.1 comply with the obligations set out in Section 8 of the Affordable Housing Capital Funding Guide; and
 - 10.2.2 provide GLA with either:
 - (a) the Compliance Checklist, where the Resident Ballot Requirement applies; or
 - (b) in any other circumstances, the Exemption Certificatebefore the Start on Site Tranche Grant is claimed pursuant to Condition 14.1.
- 10.3 The Grant Recipient must (subject to any contrary Legislation) offer and continue to offer the Right to Shared Ownership to the current resident of each AHP Dwelling other than any RTSO Exempted Dwelling in accordance with any applicable requirements of the RTSO Guidance and the Affordable Housing Capital Funding Guide.
- 10.4 The Grant Recipient must deliver the Named Projects in compliance with the Certified Standards.
- 10.5 The Grant Recipient acknowledges that until 31 March 2023 (or such other date as the GLA determines as necessary), the GLA will be piloting the implementation of a DQHAP and/or POE process in respect of its AHP 2021-26 funding arrangements and agrees that, if GLA deems the pilot to be successful, the Grant Recipient will comply with any subsequent requirements of GLA in respect of the implementation and operation of DQHAP and POE processes and in particular the Grant Recipient shall:
- 10.5.1 where notified by GLA in writing (including through electronic means), provide GLA with a copy of the DQHAP within such timeframe as is specified in the notice;
 - 10.5.2 implement the DQHAP and provide evidence (satisfactory to GLA, acting reasonably) of such implementation within 12 months from the date of acceptance of the DQHAP by GLA or within such other timeframe that GLA agrees in its absolute discretion;
 - 10.5.3 where notified by GLA in writing (including through electronic means), carry out a POE (at the Grant Recipient's own cost) within the timeframes set out in such notification; and
 - 10.5.4 provide the results of a POE to GLA as soon as practicable following the conclusion of the POE pursuant to Condition 10.5.3.
- 10.6 Where in the GLA's opinion (acting reasonably) the Grant Recipient fails to comply with the provisions of Condition 10.5 (a **DQHAP/POE Breach**):
- 10.6.1 the Grant Recipient must submit for approval its proposed remediation plan (the **Remediation Plan**) to the GLA within fifteen (15) Business Days of the GLA's written notice of the requirement for such Remediation Plan setting out the Grant Recipient's proposals for the steps to be taken to remedy or mitigate the effects of the DQHAP/POE Breach and a basis for testing whether this has

been achieved within the three month period following the DQHAP/POE Breach;

- 10.6.2 the GLA will notify the Grant Recipient as to whether the Remediation Plan is approved as submitted within ten (10) Business Days of its receipt;
 - 10.6.3 if the Remediation Plan is not approved, senior representatives of the parties must meet as soon as practicable (and in any event within ten (10) Business Days of the GLA's notification under Condition 10.6.2 or such later date as the GLA may agree) to try to agree a revised Remediation Plan. In default of agreement, or where no Remediation Plan is submitted to GLA within the requisite timeframe, Condition 17.1.14 shall apply;
 - 10.6.4 if the Remediation Plan is approved, the Grant Recipient must comply with the obligations set out in the Remediation Plan; and
 - 10.6.5 within five (5) Business Days of the end of the three month period from the date of the DQHAP/POE Breach, senior representatives of the parties must meet to review the efficacy of the Remediation Plan in remedying or mitigating the effects of the breach. If in the opinion of the GLA (acting reasonably) the Remediation Plan has not been effective or has not been complied with, the GLA shall be entitled in its absolute discretion either to extend the timeframe for the Remediation Plan's operation or to declare that the Remediation Plan has failed in which case Condition 17.1.14 shall apply.
- 10.7 The Grant Recipient acknowledges that data collected as a result of the POE will be published by GLA on the London Datastore and the Grant Recipient consents to such publication.

11 **Operational Obligations**

- 11.1 In delivering the Named Projects and in operating and administering the Named Project after Practical Completion, the Grant Recipient must observe and comply with Legislation, the applicable terms of the Affordable Housing Capital Funding Guide, the Recovery Determination and the Consents.
- 11.2 The Grant Recipient shall procure that the GLA's Representative (or any person nominated by him) shall have at all reasonable times and upon giving reasonable notice the right to enter onto the Site and to take such action as they consider appropriate to inspect the progress of the Named Project and to monitor compliance by the Grant Recipient with its obligations under this Agreement.
- 11.3 The Grant Recipient must notify the GLA in writing (save in respect of Conditions 11.3.1 and 11.3.2, where notification is required to be given through OPS):
 - 11.3.1 immediately once a Milestone has been achieved with respect to each Named Project;
 - 11.3.2 immediately, in the event of the receipt by it of any other Public Sector Funding or guarantees of it, or the offer of the same, in respect of a Named Project (or any part of it) beyond any amount of Public Sector Funding notified to the GLA by the Grant Recipient pursuant to Condition 6.1 or Condition 9.2;

- 11.3.3 immediately upon becoming aware of any event or circumstance which may have a Material Adverse Effect;
 - 11.3.4 promptly of any Restructure relating to the Grant Recipient which it anticipates will occur in the next following six month period;
 - 11.3.5 promptly of any Change in Control relating to the Grant Recipient which it anticipates will occur in next following six month period;
 - 11.3.6 in the case of the Grant Recipient being a Profit Making Organisation, promptly of any change in the board of management of the Grant Recipient;
 - 11.3.7 of any other event or circumstance in relation the Named Project as the GLA may reasonably require from time to time and within such timeframes as the GLA may reasonably require; and
 - 11.3.8 immediately as soon as the Grant Recipient becomes aware that the Additionality Condition or the Affordable Percentage Condition will no longer be satisfied.
- 11.4 Without prejudice to Condition 11.1, the Grant Recipient must in operating and administering the Named Project after Practical Completion:
- 11.4.1 not use the AHP Dwellings for any purpose other than the Agreed Purposes without the GLA's prior written consent;
 - 11.4.2 subject always to compliance with the applicable LLR Rent Level, not charge a higher initial rent in relation to a LLR Dwelling than the London Living Rent as set out in the relevant Named Project Details, review the LLR Rent Levels each Financial Year and ensure that the rent for each LLR Dwelling:
 - (a) continues to be:
 - i set and charged in accordance with the criteria of the London Living Rent; and
 - ii increased by no more than the percentage increase in CPI over the twelve (12) month period which ends three (3) calendar months prior to the relevant rent increase date; and
 - (b) on any re-let is set in accordance with the then applicable LLR Rent Level (or lower);
 - 11.4.3 subject to any contrary requirement of Legislation comply with the Rent Standard in respect of the SR Dwellings;
 - 11.4.4 comply with the Tenancy Standard in respect of the SR Dwellings and the LLR Dwellings;
 - 11.4.5 observe and comply with the requirements of the Affordable Housing Capital Funding Guide (and where applicable, the SO Consultation Outcome and the RTSO Guidance) in relation to:

- (a) any disposal of an SO Dwelling and ensure that such disposal takes effect only at arm's length and on market terms;
 - (b) (save where expressly agreed with the prior written consent of the GLA, in its absolute discretion) the form and content of any Shared Ownership Lease granted by or to be granted by the Grant Recipient in relation to an AHP Dwelling, including through the Right to Shared Ownership;
 - (c) the purpose, target group (including any eligibility requirement), letting, rents, management or disposal of SR Dwellings and/or LLR Dwellings (as applicable);
 - (d) the operation of the Right to Shared Ownership; and
 - (e) the nature of the housing and/or housing product (as described in the Affordable Housing Capital Funding Guide) being funded pursuant to this Agreement;
- 11.4.6 comply at its own cost with the GLA's requirements in relation to Compliance Audit;
- 11.4.7 in relation to AHP Housing, participate in the CORE system from time to time (including recording any lettings made together with any sales of stock including outright sales and shared ownership sales but excluding any sales of additional equity to the current shared owner);
- 11.4.8 in relation to each SR Dwelling use the most appropriate form of tenancy having regard to the terms of the Tenancy Standard and the efficient use of public funds;
- 11.4.9 ensure that all LLR Dwellings are made available solely to LLR Tenants as LLR Dwellings and ensure that prior to any change to that purpose or to any disposal they are offered for sale to the then current LLR Tenant;
- 11.4.10 ensure that all SR Dwellings are made available on terms which comply with the applicable requirements of the Affordable Housing Capital Funding Guide, Legislation and any other relevant guidance issued by the Regulator (as any of the same may be amended or updated from time to time);
- 11.4.11 ensure that where a Named Project is subject to the Resident Ballot Requirement, the proposals set out in the Landlord Offer are complied with; and
- 11.4.12 comply with any Legislation, instructions, direction, conditions, regulations and guidance issued by any Regulatory Body which are in force and apply in England in relation to building safety.
- 11.5 The Grant Recipient shall ensure that the GLA's requirements from time to time in relation to public relations and publicity for capital projects (including Site signage) as notified to the Grant Recipient from time to time or otherwise as included in the Affordable Housing Capital Funding Guide are observed and implemented in respect of each Named Project.

- 11.6 In discharging its obligations or making any representation or warranty under this Agreement, the Grant Recipient must act at all times with the utmost good faith, with the intent to deliver the Approved Bid and with proper regard to the need for efficiency in the use of public funds.
- 11.7 The Grant Recipient must comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and comply with the GLA's anti-fraud and corruption policies, a copy of which is available here: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/our-procedures>, in each case as the GLA or the relevant industry body may update from time to time.
- 11.8 Where the Grant Recipient is aware that it is in breach of an obligation under this Condition 11 it must promptly notify the GLA of the fact and take all such steps as are appropriate in the circumstances to remedy the breach.
- 12 **Review, Monitoring and Reporting**
- 12.1 The Grant Recipient must promptly advise GLA when any circumstance occurs which may:
- 12.1.1 impact adversely on the Grant Recipient's ability to deliver any Named Project in accordance with the terms of this Agreement; and/or
 - 12.1.2 impact adversely on the Grant Recipient's ability to Profile the Unprofiled Indicative Dwellings into Named Projects; and/or
 - 12.1.3 constitute a Default Event or a breach of any term of this Agreement.
- 12.2 The Grant Recipient shall attend a review meeting when required to do so by the GLA acting reasonably and the GLA shall provide the Grant Recipient with written details of the matters to be discussed at the review meeting timeously in advance of such meeting.
- 12.3 The Grant Recipient shall provide the GLA as soon as reasonably practicable with such information as the GLA shall reasonably require to support or facilitate the discussions referred to in this Condition 12 and shall use all reasonable endeavours to ensure the accuracy of any information provided.
- 12.4 The Grant Recipient must keep OPS fully updated and ensure that it accurately reflects the agreed Approved Bid and Named Project Details from time to time.
- 12.5 The Grant Recipient shall ensure that it and any Affiliate (at its or their cost) co-operates with the GLA during an SPEI Review and it shall if requested promptly provide the GLA with SPEI Information and such other information, evidence and/or explanation as the GLA may reasonably require.
- 12.6 The Grant Recipient shall promptly:
- 12.6.1 participate in any evaluation of AHP 2021-26 that DLUHC or GLA or its or their agents may require from time to time;
 - 12.6.2 supply (subject always to its data protection obligations under Condition 21) any information and data required by DLUHC, GLA or its or their agents in respect

of any such evaluation, which may include information/data pertaining to any AHP Dwellings (including, inter alia, addresses and tenures of such dwellings); and

12.6.3 update OPS accurately with such information as may be requested by GLA from time to time (acting reasonably) in connection with the terms of this Agreement.

12.7 The GLA is entitled from time to time to conduct a review and reconciliation exercise (**Interim Reconciliation Exercise**) to:

12.7.1 assess the Grant Recipient's progress in the Profiling of the Unprofiled Indicative Dwellings to Named Projects and in delivering the resulting Named (Indicative) Projects as against each Annual Committed Number; and/or

12.7.2 assess the average of the grant rates applied to the AHP Dwellings of each Tenure Type comprised in each Named (Indicative) Project against the Average Grant Rates.

12.8 If, as a result of an Interim Reconciliation Exercise, the GLA determines, acting reasonably, that either:

12.8.1 the Grant Recipient is failing, or in the opinion of the GLA (acting reasonably) is likely to fail, to Profile the Annual Committed Number into Named Projects in any Start Year in accordance with the timeframes set out in Condition 6.1 or is unlikely to achieve Start on Site in respect of the Annual Committed Number in any Start Year; or

12.8.2 it is unlikely in the opinion of the GLA that by 31 March 2026 the average of the grant rates attributed to the AHP Dwellings (by Tenure Type) in the Named (Indicative) Projects will equal or be lower than the Average Grant Rates for each Tenure Type,

a default shall be deemed to occur (**Interim Reconciliation Default**) and the provisions of Condition 19.7 and 19.8 shall apply.

12.9 Within 3 months following 31 March 2028 (or such later date as GLA may specify), the GLA shall carry out a final reconciliation exercise (**Final Reconciliation Exercise**) to determine whether:

12.9.1 the figure which results from the aggregate grant paid and any RCGF Funds used in respect of the LLR Dwellings in all Named (Indicative) Projects being divided by the number of LLR Dwellings actually delivered in all Named (Indicative) Projects is equal to or less than the Average Grant Rate for an LLR Dwelling specified on OPS;

12.9.2 the figure which results from the aggregate grant paid and any RCGF Funds used in respect of the SO Dwellings in all Named (Indicative) Projects being divided by the number of SO Dwellings actually delivered in all Named (Indicative) Projects is equal to or less than the Average Grant Rate for a SO Dwelling specified on OPS; and

- 12.9.3 the figure which results from the aggregate grant paid and any RCGF Funds used in respect of the SR Dwellings in all Named (Indicative) Projects being divided by the number of SR Dwellings actually delivered in all Named (Indicative) Projects is equal to or less than the Average Grant Rate for an SR Dwelling specified on OPS.
- 12.10 Where the reconciliation exercise carried out under Condition 12.9 confirms that the average of the actual grant paid and RCGF Funds used across the Named (Indicative) Projects delivered for a Tenure Type is more than the Average Grant Rate allocated to that Tenure Type (**Grant Rate Default**), the provisions of Condition 18.2.8 shall apply.
- 12.11 The parties acknowledge and agree that GLA may from time to time review whether the Grant Recipient continues to meet the requirements for Investment Partner status and the Grant Recipient will co-operate with such review and will provide GLA with such further information, evidence and/or explanation with respect to any such review as GLA may request.
- 12.12 The Grant Recipient shall, on request from GLA, upload such details GLA may require onto OPS (or provide such details in another format as agreed by the GLA in its absolute discretion) of any Additional Affordable Housing Dwellings being delivered by the Grant Recipient.

13 **Disposals**

- 13.1 The Grant Recipient must provide the GLA with a Disposal Notification prior to a Disposal taking place.
- 13.2 The Grant Recipient will:
- 13.2.1 use all reasonable endeavours to ensure that that any person providing the Disposal Notification, Compliance Checklist or any other notifications or certificates from the Grant Recipient to the GLA (the **Grant Recipient Notifications**) is a senior officer of the Grant Recipient with access to the information and knowledge needed accurately to give the information required; and
- 13.2.2 notify the GLA if it becomes aware that:
- (a) the Grant Recipient Notifications are erroneous in any material respect;
 - (b) the facts or circumstances upon which a Compliance Checklist or Exemption Certificate was provided (as applicable) have changed so that such document is no longer correct in all material respects; or
 - (c) an Exemption Certificate expires.

14 **Grant Claim Procedures**

- 14.1 Subject to a Named Project having reached the Acquisition Tranche Payment Date, the Grant Recipient may apply to the GLA for the Acquisition Tranche Grant payable in respect of that Named Project to be paid to it. The Grant Recipient must make its application through OPS in accordance with the requirements of OPS from time to time

and in compliance with the applicable procedures set out in the Affordable Housing Capital Funding Guide.

14.2 In submitting an application pursuant to Condition 14.1, the Grant Recipient is deemed to:

14.2.1 represent and warrant to the GLA that it possesses a Secure Legal Interest;

14.2.2 represent and warrant to the GLA that the Acquisition Milestone has been achieved and that such date is no later than that submitted in OPS by the Grant Recipient and accepted by GLA (in its absolute discretion);

14.2.3 repeat the representations and warranties set out in Condition 6.2;

14.2.4 represent and warrant to the GLA that all notifications, confirmations and certifications made or to be made by the Grant Recipient in OPS in relation to the Named Project have been, are or will be correct in all material respects;

14.2.5 represent and warrant to the GLA that the Grant Recipient is a Registered Provider and retains its status as an Investment Partner; and

14.2.6 represent and warrant to the GLA that no Withholding Event or Default Event has occurred or arisen and the Grant Recipient is in compliance with the terms of this Agreement in all material respects;

14.2.7 represent and warrant that, save where otherwise agreed with the GLA (in its absolute discretion), the Named Project is or will be compliant with the Minimum Building Safety Standard;

14.2.8 represent and warrant that the Named Project is or will be compliant with the Certified Standards; and

14.2.9 represent and warrant that it is not aware of any circumstance which may materially impact its ability to deliver the Annual Committed Number within each Start Year.

14.3 Subject to a Named Project having reached the Start on Site Tranche Payment Date and where such Named Project is an Estate Regeneration Project, the Estate Regeneration Funding Condition having been satisfied, the Grant Recipient may apply to the GLA for the Start on Site Tranche Grant payable in respect of that Named Project to be paid to it. The Grant Recipient must make its application through OPS in accordance with the requirements of OPS from time to time and in compliance with the applicable procedures set out in the Affordable Housing Capital Funding Guide.

14.4 In submitting an application pursuant to Condition 14.3 or in the case where Start on Site has been achieved but no sum is payable by way of Start on Site Tranche Grant as determined through OPS, the Grant Recipient is deemed to:

14.4.1 repeat the representations and warranties set out in Condition 6.2 (save for Condition 6.2.2(a));

14.4.2 represent and warrant to the GLA that it possesses a Secure Legal Interest;

- 14.4.3 represent and warrant to the GLA that Start on Site has been achieved and that such date is no later than that submitted in OPS;
- 14.4.4 represent and warrant to the GLA that all notifications, confirmations and certifications made or to be made by the Grant Recipient pursuant to Condition 12.9.2 or otherwise in OPS in relation to the Named Project have been, are or will be correct in all material respects;
- 14.4.5 represent and warrant to the GLA that the Grant Recipient is a Registered Provider and retains its status as an Investment Partner;
- 14.4.6 represent and warrants to the GLA that no Withholding Event or Default Event has occurred or arisen and the Grant Recipient is in compliance with the terms of this Agreement in all material respects;
- 14.4.7 represent and warrant to the GLA that either:
- (a) the Named Project is not an Estate Regeneration Project; or
 - (b) the Estate Regeneration Requirement has been or will be complied with and to the best of the Grant Recipient's knowledge (having made all reasonable and proper enquiries):
 - i no material facts or circumstances exist which prejudice such compliance or mean that the Compliance Checklist or the Exemption Certificate (as applicable) is no longer correct in all material respects; and
 - ii the Exemption Certificate remains extant and has not been withdrawn by the GLA;
- 14.4.8 represent and warrant that the Additionality Condition is satisfied and the Affordable Percentage Condition will be satisfied by Practical Completion of a Named Project;
- 14.4.9 represent and warrant that the Grant Recipient is likely to meet its Annual Committed Number for each Start Year; and
- 14.4.10 represent and warrant that the Named Project is or will be compliant with the Certified Standards.
- 14.5 Subject to a Named Project having reached the relevant Final Claim Stage by the Practical Completion Tranche Payment Date, the Grant Recipient may apply to the GLA for the Practical Completion Tranche Grant payable in respect of that Named Project to be paid to it. The Grant Recipient must make its application through OPS and in accordance with the requirements of OPS from time to time and in compliance with the applicable procedures set out in the Affordable Housing Capital Funding Guide.
- 14.6 In submitting an application pursuant to Condition 14.5 or in the case where Practical Completion has been achieved but no sum is payable by way of Practical Completion Tranche Grant as determined through OPS, the Grant Recipient is deemed to repeat the

representations and warranties set out in Condition 14.4 (save for Condition 14.4.2 and 14.4.8) and to further represent and warrant to the GLA that:

- 14.6.1 the Named Project has been procured, designed, constructed and delivered (as applicable) in accordance with the requirements of this Agreement (including in compliance with the Certified Standards);
- 14.6.2 the Named Project has reached Practical Completion;
- 14.6.3 all confirmations and certifications made or to be made by the Grant Recipient in OPS in relation to the Named Project have been are or will be correct in all material respects;
- 14.6.4 it is a Registered Provider and retains its status as an Investment Partner;
- 14.6.5 it has obtained all Consents necessary for the lawful development of the Named Project in accordance with the Named Project Details as are then required or to the extent that they are not obtained that the Grant Recipient has taken all necessary steps to obtain them, is waiting only for the Relevant Authority to issue them and is not aware (having made all reasonable enquiries) of any reason why such Consents will not be given or issued; and
- 14.6.6 it possesses a Completed Interest in the Site; and
- 14.6.7 the Named Project satisfies the Additionality Condition and the Affordable Percentage Condition.

14.7 Where any Named Project is identified on OPS as being an MMC Project, the parties may agree alternative dates for the payment of Named Project Grant and/or Milestones (which better reflect the nature and characteristics of Modern Methods of Construction) in OPS or in such other medium as GLA may specify and where this Condition 14.7 applies the GLA reserves the right to:

- 14.7.1 require that the Grant Recipient makes additional representations and warranties as a condition of any claim for Named Project Grant; and
- 14.7.2 include any additional delivery obligations having regard to the use of the Modern Methods of Construction.

15 **Payment of Grant**

15.1 Subject to:

- 15.1.1 the GLA (acting reasonably) being satisfied with the Grant Recipient's application for payment including the information warranted pursuant to Conditions 14.2, 14.4 and 14.6; and
- 15.1.2 Conditions 15.3 and 17,

the GLA shall (resources permitting) pay the Acquisition Tranche Grant, Start on Site Tranche Grant or the Practical Completion Tranche Grant (as applicable) to the Grant Recipient within fifteen (15) Business Days of receipt of a relevant and satisfactory application.

- 15.2 If the GLA is not satisfied with the Grant Recipient's application for payment, it must notify the Grant Recipient in writing as soon as reasonably practicable and in any event within ten (10) Business Days of receipt of the application for payment identifying the reason for its dissatisfaction. The GLA must allow the Grant Recipient a period of up to ten (10) Business Days to address the issues identified in the notification and to resubmit or amend its application accordingly in which case the provisions of Condition 14 and this Condition 15 (as applicable) will be reapplied to the Grant Recipient's resubmitted or amended application for payment.
- 15.3 The GLA shall not be obliged to pay the Grant Recipient in respect of a Named Project any:
- 15.3.1 Acquisition Tranche Grant before the Acquisition Tranche Payment Date (as confirmed by the GLA through OPS) has occurred;
 - 15.3.2 Start on Site Tranche Grant before the Start on Site Tranche Payment Date (as confirmed by the GLA through OPS) has occurred;
 - 15.3.3 Practical Completion Tranche Grant before the Practical Completion Tranche Payment Date (as confirmed by the GLA through OPS) has occurred;
 - 15.3.4 Tranche if the Named Project has not been accepted by the GLA through OPS;
 - 15.3.5 Tranche if the Named Project has not reached:
 - (a) the Acquisition Milestone; or
 - (b) Start on Site; or
 - (c) Practical Completion,by the Milestone Date identified in OPS (subject to any extension to such date pursuant to Condition 8.3); or
 - 15.3.6 Tranche if the Named Project does not satisfy the Additionality Condition or is unlikely (in the opinion of GLA acting reasonably and having regard to the relevant Planning Permission relating to delivery of the dwellings on the Development Site) to satisfy the Affordable Percentage Condition.
- 15.4 Where the GLA pays Named Project Grant to the Grant Recipient, the Allocated Net Grant shall be reduced by a commensurate amount.
- 15.5 The payment of Named Project Grant or any part thereof hereunder by the GLA to the Grant Recipient shall be regarded as inclusive of any VAT chargeable thereon.
- 16 **Records and Accounting**
- 16.1 The Grant Recipient shall, as and when requested by the GLA, make available in a timely manner to the GLA where required in connection with this Agreement or the Approved Bid a copy of each of:

- 16.1.1 all data, materials, documents and accounts of any nature created, acquired or brought into existence in any manner whatsoever by or on behalf of the Grant Recipient for the purposes of this Agreement; and
- 16.1.2 all such data, materials, documents and accounts created, acquired or brought into existence by the Grant Recipient's officers, employees, agents or consultants relating to the Named Projects and which have been supplied to the Grant Recipient for the purposes of this Agreement.
- 16.2 On the expiry of this Agreement or (if earlier) upon termination thereof, the Grant Recipient shall if requested to do so deliver up to the GLA all the data, materials, documents and accounts referred to in this Condition 16 which it has in its possession, custody or control and shall procure the handing over to the GLA such data, materials, documents and accounts referred to in Condition 16.1.2 or as otherwise directed by the GLA.
- 16.3 The Grant Recipient must for a period of ten (10) years from the date upon which it receives or uses the Total Project Grant retain all of the data, documents, materials and accounts referred to in this Condition 16 and the Grant Recipient may retain such data, documents, materials and accounts in electronic form only.
- 16.4 The Grant Recipient acknowledges that The Comptroller and Auditor General shall have rights of access to the information referred to in Condition 16 pursuant to the National Audit Act 1983 and the Government Resources and Accounts Act 2000.
- 16.5 The Grant Recipient shall co-operate fully and in a timely manner with any reasonable request from time to time of:
- (a) any auditor (whether internal or external) of the GLA; and/or
 - (b) the GLA where the GLA is required under any Legislation to provide any document relating to the Named Projects to any person.

17 **Withholding of grant**

- 17.1 Notwithstanding any other term of this Agreement the GLA shall not be obliged to make any payment to the Grant Recipient whether by way of Acquisition Tranche Grant, Start on Site Tranche Grant or Practical Completion Tranche Grant or otherwise where:
- 17.1.1 the Named Project has not been delivered in accordance with the Named Project Details or in accordance with the Named Project Delivery Timetable (in circumstances, where applicable, in which the GLA was unable to agree revised Milestone Dates);
- 17.1.2 the Grant Recipient is unable to give the confirmations or certifications required by OPS or to make the representations and give the warranties referred to in Condition 14.2, 14.4 and Condition 14.6 (in any case in whole or in part);
- 17.1.3 a Prohibited Act has been committed by or on behalf of the Grant Recipient and the Grant Recipient has not satisfied the Waiver Condition in respect of such Prohibited Act;
- 17.1.4 an Insolvency Event has occurred in relation to the Grant Recipient;

- 17.1.5 the Grant Recipient has ceased to operate;
- 17.1.6 the Grant Recipient's status as a Registered Provider or Investment Partner is removed or withdrawn;
- 17.1.7 the Regulator directs the GLA not to give grant to the Grant Recipient or formally recommends to it that it should not do so;
- 17.1.8 where the Grant Recipient is in material breach of this Agreement and has not taken steps to remedy it to the GLA's satisfaction (acting reasonably);
- 17.1.9 the Grant Recipient (either by its own actions or omissions or those of its contractors or agents) harms the GLA's, the AHP 2021-26's or the Mayor of London's reputation or brings the GLA, the AHP 2021-26's or the Mayor of London into disrepute;
- 17.1.10 the Grant Recipient has breached its obligations under any of Conditions 12 or 18;
- 17.1.11 it has become apparent to the GLA that the Grant Recipient is unable to deliver the Approved Bid;
- 17.1.12 It has become apparent to the GLA that Additionality Condition or Affordable Percentage Condition is not or will not be satisfied in relation to a Named Project;
- 17.1.13 the GLA is not satisfied (acting reasonably) with the information provided pursuant to Condition 19.7; or
- 17.1.14 the Grant Recipient has failed to submit or, in the opinion of the GLA, failed to implement a Remediation Plan within the requisite timeframes pursuant to Conditions 10.6 or 23.4.

18 **Repayment of grant**

- 18.1 The parties acknowledge and agree that notwithstanding any other term of this Agreement:
 - 18.1.1 the Recovery Determination has effect (mutatis mutandis) in respect of grant paid under this Agreement and that each party has the respective rights and obligations described in such determination;
 - 18.1.2 for the purposes of the Recovery Determination the terms of this Agreement represent the conditions attached to the making of Capital Grant; and
 - 18.1.3 on the occurrence of a Relevant Event the Grant Recipient must recycle or repay (as applicable) the Capital Grant Recoverable in each case in accordance with the terms of the Recovery Determination.
- 18.2 Without prejudice to any other term of this Agreement, the GLA reserves the right whether following termination of this Agreement or otherwise (which right the Grant Recipient expressly acknowledges and agrees) at its discretion to recover from the Grant Recipient

such sum or such part or aggregation thereof as is determined in accordance with Condition 18.3 (the **Recoverable Amount**) in circumstances where:

- 18.2.1 the relevant Tranche has been paid to the Grant Recipient or RCGF Funds have been applied to the Named Project on the basis of a misrepresentation made by or on behalf of the Grant Recipient other than in the circumstances specified in Condition 18.2.3;
- 18.2.2 the GLA has made an overpayment in relation to a Named Project or has made a payment in error to the Grant Recipient;
- 18.2.3 the relevant Tranche has been paid to the Grant Recipient or RCGF Funds have been applied to the Named Project but the GLA becomes aware (whether following the completion of a Compliance Audit or otherwise) that the Grant Recipient has failed to deliver the relevant Named Project in accordance with the agreed Named Project Details;
- 18.2.4 the Grant Recipient has breached its obligations under any of Conditions 10, 12, or 20;
- 18.2.5 a General Termination Event has occurred;
- 18.2.6 a Project Termination Event has occurred; or
- 18.2.7 the GLA exercised its rights under Condition 19.8.2;
- 18.2.8 a Grant Rate Default has occurred; or
- 18.2.9 an Estate Regeneration Default has occurred.

18.3 In the circumstances set out in:

- 18.3.1 Condition 18.2.5, the Recoverable Amount shall be a sum equivalent to the Agreement Funding;
- 18.3.2 Conditions, 18.2.1, 18.2.4, 18.2.6 or 18.2.9 the Recoverable Amount shall be a sum equivalent to the Recoverable Project Grant for any affected Named Project;
- 18.3.3 Conditions 18.2.2, the Recoverable Amount shall be a sum equal to the amount of the overpayment or the sum paid in error as applicable;
- 18.3.4 Condition 18.2.3, subject always to Condition 18.4 the Recoverable Amount shall be determined in accordance with the following procedure:
 - (a) the parties (acting in good faith) shall seek to agree within fifteen (15) Business Days of the Non Compliance Notification Date a revised figure for the Total Project Grant figure reflecting the changed nature of the delivered Named Project as against that described in the Named Project Details;
 - (b) where a revised figure for Total Project Grant is agreed, the Recoverable Amount shall be the product of the following calculation:

$$RA = TPG - RTPG$$

where

RA is the Recoverable Amount;

TPG is the Named Project Grant paid pursuant to Condition 15.1 together with the RCGF Funds applied in respect of the relevant Named Project; and

RTPG is the revised Total Project Grant figure agreed pursuant to Condition 18.3.4(a);

- (c) the Grant Recipient shall immediately amend the relevant information on OPS to reflect any agreement reached made pursuant to Condition 18.3.4(a);
- (d) where the parties are unable to agree a revised Total Project Grant figure in accordance with Condition 18.3.4(a) the GLA shall be entitled to terminate this Agreement in accordance with Condition 19.6.1 and the Recoverable Amount shall be an amount equal to the Recoverable Project Grant paid pursuant to Condition 15.1 in respect of the relevant Named Project.

Under no circumstances will the GLA be required to make any payment to the Grant Recipient if the application of the calculation in Condition 18.3.4(b) results in RA being a negative figure.

18.3.5 Condition 18.2.7, the Recoverable Amount shall be:

- (a) for any Named (Indicative) Project where Practical Completion Tranche Grant has been paid or utilised, an amount equal to the sum of the applicable Deduction Amount (based on Tenure Type), if any, for each AHP Dwelling within such Named (Indicative) Project; and
- (b) for any Named (Indicative) Project in respect of which Practical Completion Tranche Grant has not been paid or utilised, an amount equal to the product of the following calculation:

$$RA = Grant\ Paid - \left(\left(\frac{Grant\ Paid}{Grant\ Allocated} \right) \times Revised\ Grant\ Amount \right)$$

Where

RA means the Recoverable Amount

Grant Paid is the amount equal to the Named Project Grant that has been paid and RCGF Funds utilised in respect of the Named (Indicative) Project

Grant Allocated is the amount of the Total Grant that was allocated to the Named (Indicative) Project prior to the Interim Reconciliation Exercise

Revised Grant Amount is the revised Named Project Grant amount as a result of the Interim Reconciliation Exercise

18.3.6 Condition 18.2.8, the Recoverable Amount shall be the product of the following calculation:

$RA = \text{Total London Living Rent} + \text{Total Shared Ownership} + \text{Total Social Rent}$

Where:

RA is the Recoverable Amount

$\text{Total London Living Rent} = \text{LLR Paid} - (\text{Average LLR} \times \text{LLR Delivered})$

LLR Paid is the total grant paid and RCGF Funds used in respect of all LLR Dwellings within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

Average LLR is the Average Grant Rate attributed to the London Living Rent Tenure Type on OPS

LLR Delivered means the number of LLR Dwellings that have achieved Practical Completion within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

$\text{Total Shared Ownership} = \text{SO Paid} - (\text{Average SO} \times \text{SO Delivered})$

SO Paid is the total grant paid and RCGF Funds used in respect of all SO Dwellings that have achieved Practical Completion within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

Average SO is the Average Grant Rate attributed to the Shared Ownership Lease terms Tenure Type on OPS

SO Delivered means the number of SO Dwellings that have achieved Practical Completion within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

$\text{Total Social Rent} = \text{SR Paid} - (\text{Average SR} \times \text{SR Delivered})$

SR Paid is the total grant paid and RCGF Funds used in respect of all SR Dwellings that have achieved Practical Completion within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

Average SR is the Average Grant Rate attributed to the Social Rent Tenure Type on OPS

SR Delivered means the number of SR Dwellings that have achieved Practical Completion within each completed Named (Indicative) Project at the date of the Final Reconciliation Exercise

Provided always that if Total London Living Rent, Total Shared Ownership or Total Social Rent is a negative number, it shall be deemed to be zero

- 18.4 Where the GLA (acting reasonably) considers that the Grant Recipient acted fraudulently or dishonestly in claiming the Named Project Grant for or in applying the RCGF Funds to the relevant Named Project, such claim shall be deemed to be a Prohibited Act and the GLA will not be bound by the terms of Condition 18.3.4.
- 18.5 The Grant Recipient must pay the Recoverable Amount to the GLA within ten (10) Business Days of demand together with Interest such Interest to run from the date upon which the Named Project Grant (or relevant part thereof) overpayment or payment in error was paid to the Grant Recipient and/or the RCGF Funds were applied to the Named Project by the Grant Recipient until the date upon which the GLA receives the repayment required from the Grant Recipient under this Condition 18.
- 18.6 The Grant Recipient acknowledges and agrees that the Disposal or letting of an AHP Dwelling to any person for any purpose other than the relevant Agreed Purpose constitutes a failure to comply with a condition attached to the making of Capital Grant for the purposes of paragraph 8(e) of the Recovery Determination.
- 18.7 The parties acknowledge that the Late Payment of Commercial Debts (Interest) Act 1998 does not apply to this Agreement.
- 18.8 Notwithstanding any other term of this Condition 18, where a payment has been made following an administrative error by the GLA, the Grant Recipient shall not be liable for interest on the amount repayable under Condition 18.5.
- 18.9 Save where the GLA agrees (in writing) to the contrary, the GLA hereby directs the Grant Recipient (where it is a Profit Making Organisation) to pay the Uplift Amount to the GLA within ten (10) Business Days of the occurrence of a Relevant Event.

19 **Default Events and Termination**

- 19.1 Each of the following circumstances shall constitute a General Default:
- 19.1.1 an Insolvency Event has occurred in relation to the Grant Recipient;
 - 19.1.2 a Prohibited Act has been committed by or on behalf of the Grant Recipient (in respect of which the Waiver Condition has not been satisfied);
 - 19.1.3 the Grant Recipient ceases operating;
 - 19.1.4 the Grant Recipient's status as a Registered Provider is lost or removed;
 - 19.1.5 the Grant Recipient's Investment Partner status is lost or removed; or
 - 19.1.6 the Grant Recipient has made any representation or given any warranty under Part 2 of Schedule 1 that is inaccurate, untrue or misleading in any material respects.

- 19.2 Each of the following circumstances shall constitute a Project Default:
- 19.2.1 failure by the Grant Recipient to comply with its obligations in Conditions 12 or 13 and/or any information supplied in connection with its obligations in Conditions 12 or 13, whether in relation to the Open Book Obligations or otherwise, is materially deficient, misleading or inaccurate;
 - 19.2.2 a breach of the Open Book Obligations;
 - 19.2.3 the Grant Recipient is unable to make the representations and give the warranties set out in this Agreement and there is a resulting Material Adverse Effect;
 - 19.2.4 the Regulator directs or recommends that grant is not to be paid to the Grant Recipient;
 - 19.2.5 the Grant Recipient (either by its own actions or omissions, or those of its contractors or agents) harms the GLA's, the AHP 2021-26's or the Mayor of London's reputation or brings the GLA, the AHP 2021-26's or the Mayor of London into disrepute;
 - 19.2.6 failure by the Grant Recipient to comply with any repayment obligation under this Agreement;
 - 19.2.7 failure or inability of the Grant Recipient to comply with the requirements of Conditions 14.1 to 14.7 (inclusive);
 - 19.2.8 a breach of Condition 10;
 - 19.2.9 failure by the parties to agree the matter referred to in Condition 18.3.4(d);
 - 19.2.10 any other breach of or failure to comply with the Agreement which has a Material Adverse Effect;
 - 19.2.11 any of the following events or circumstances occur:
 - (a) a breach of the Estate Regeneration Requirement;
 - (b) the Grant Recipient has failed to comply with the Estate Regeneration Requirement in circumstances where in the GLA's reasonable opinion the Estate Regeneration Requirement ought to have been complied with (having regard to Section 8 of the Affordable Housing Capital Funding Guide);
 - (c) having regard to any planning permission obtained for the Site or reports issued to residents affected by the delivery of a Named Project, in the GLA's reasonable opinion, a breach of the Estate Regeneration Requirement is likely to occur; or
 - (d) in the GLA's opinion the Grant Recipient has partitioned a Site in order to avoid the application of the Resident Ballot Requirement;

- 19.2.12 the facts or circumstances upon which a Compliance Checklist or Exemption Certificate was provided (as applicable) change so that such certificate is no longer correct in all material respects;
 - 19.2.13 an Exemption Certificate expires or is withdrawn by the GLA;
 - 19.2.14 the Grant Recipient has failed to satisfy the Additionality Condition in respect of a Named Project;
 - 19.2.15 the Grant Recipient fails to satisfy or, in the opinion of GLA acting reasonably, is unlikely (having regard to the relevant Planning Permission relating to delivery of the dwellings on the Development Site) to satisfy the Affordable Percentage Condition in respect of a Named Project;
 - 19.2.16 the Grant Recipient has made any representation or given any warranty under Condition 6.2 that is inaccurate, untrue or misleading; or
 - 19.2.17 failure to agree revised Milestone Dates pursuant to Condition 8.1.2(b);
- 19.3 The Grant Recipient must notify the GLA immediately in writing on the occurrence of a Default Event.
- 19.4 Without prejudice to Conditions 19.5 or 19.6, in the event of the occurrence of Default Event and for so long as that Default Event subsists (or another Default Event has occurred and is continuing) the GLA shall be entitled to reject the submission of any Named Project on OPS.
- 19.5 On the occurrence of a General Default the GLA shall be entitled forthwith and without any liability to the Grant Recipient to terminate this Agreement.
- 19.6 Where a Project Default is:
- 19.6.1 an occurrence specified in Condition, 19.2.5, 19.2.8, 19.2.9, 19.2.16 and 19.2.17 the GLA shall be entitled forthwith and without any liability to the Grant Recipient but without determining the whole of this Agreement to terminate the Agreement in so far as it relates to the Named Project to which the Project Default relates;
 - 19.6.2 an occurrence specified in Condition 19.2.1, 19.2.2, 19.2.3, 19.2.4, 19.2.6, 19.2.7 or 19.2.10 to 19.2.15 inclusive the GLA may serve notice on the Grant Recipient requiring the Grant Recipient to remedy the breach and if within a period of thirty (30) Business Days following service of such notice:
 - (a) the breach has not been remedied or is not capable of remedy;
 - (b) the Grant Recipient has not given an undertaking to remedy the breach on terms satisfactory to the GLA where it has been permitted to do so by the GLA; or
 - (c) if it becomes apparent that the Project Default is incapable of remedy either within such period or at all,

the GLA shall be entitled on giving not less than ten (10) Business Days' notice and without any liability to the Grant Recipient but without determining the whole of this Agreement to terminate the Agreement insofar as it relates to the Named Project to which the Project Default relates.

19.7 On an occurrence of an Interim Reconciliation Default the GLA may serve notice on the Grant Recipient requiring the Grant Recipient to evidence to GLA, in a form satisfactory to GLA, within a period of thirty (30) Business Days following service of such notice:

19.7.1 when the Grant Recipient will Profile any Unprofiled Indicative Dwellings into Named Projects; and

19.7.2 how, once all Named Projects have been delivered, the average of the grant rates which have been or will be allocated for the Named (Indicative) Projects by Tenure Type will not exceed the Average Grant Rates.

19.8 If the GLA is not satisfied (acting reasonably) with the information provided pursuant to Condition 19.7 the GLA shall be entitled (in its absolute discretion) on giving not less than ten (10) Business Days' notice to:

19.8.1 reduce the Named Project Grant allocated to each AHP Dwelling on OPS by Tenure Type comprised in a Named (Indicative) Project by an amount equal to the sum of the following calculation (**Deduction Amount**) (or such other calculation as may be agreed in writing between the parties from time to time):

For each LLR Dwelling comprised within a Named (Indicative) Project:

$$\text{Deduction Amount} = \frac{\text{Total London Living Rent} - \text{Average London Living Rent}}{\text{Number of London Living Rent}}$$

Where:

Total London Living Rent means the aggregate Named Project Grant allocated at the date of the Interim Reconciliation to the LLR Dwellings within all Named (Indicative) Projects

Average London Living Rent means the Average Grant Rate for the LLR Dwellings multiplied by the aggregate number of LLR Dwellings comprised within all Named (Indicative) Projects

Number of London Living Rent means the aggregate number of LLR Dwellings comprised within all Named (Indicative) Projects

For each SO Dwelling comprised within a Named (Indicative) Project:

$$\text{Deduction Amount} = \frac{\text{Total Shared Ownership} - \text{Average Shared Ownership}}{\text{Number of Shared Ownership}}$$

Where:

Total Shared Ownership means the aggregate Named Project Grant allocated at the date of the Interim Reconciliation to the SO Dwellings within all Named (Indicative) Projects

Average Shared Ownership means the Average Grant Rate for the SO Dwellings multiplied by the aggregate number of SO Dwellings comprised within all Named (Indicative) Projects

Number of Shared Ownership means the aggregate number of SO Dwellings comprised within all Named (Indicative) Projects

For each SR Dwelling comprised within a Named (Indicative) Project:

$$\text{Deduction Amount} = \frac{\text{Total Social Rent} - \text{Average Social Rent}}{\text{Number of Social Rent}}$$

Where:

Total Social Rent means the aggregate Named Project Grant allocated at the date of the Interim Reconciliation to the SR Dwellings within all Named (Indicative) Projects

Average Social Rent means the Average Grant Rate for the SR Dwellings multiplied by the aggregate number of SR Dwellings comprised within all Named (Indicative) Projects

Number of Social Rent means the aggregate number of SR Dwellings comprised within all Named (Indicative) Projects

Provided always that, if the Deduction Amount for any Tenure Type is a negative number, it shall be deemed to be zero for that Tenure Type;

- 19.8.2 recover Named Project Grant paid and RCGF Funds used in respect of Named (Indicative) Projects (in which case, Conditions 18.2.7 and 18.3.5 shall apply); and/or
- 19.8.3 without incurring any liability to the Grant Recipient and without determining the whole of this Agreement to terminate the Agreement in so far as it relates to any Indicative Proposals; and/or
- 19.8.4 adjust:
 - (a) the Indicative Allocation; and/or
 - (b) Average Grant Rate; and
 - (c) the Indicative Proposals having regard to the amendments made to the Indicative Allocation and/or the Average Grant Rates, if any, pursuant to (a) and (b) above,

and for illustrative purposes and to aid interpretation only, a worked example of the operation of this Condition 19.8 is set out at Appendix 1.

- 19.9 Where an Interim Reconciliation Default has occurred, the GLA shall be entitled to suspend the acceptance of any further Named (Indicative) Projects on OPS until such time as GLA is satisfied with evidence provided under Condition 19.7.

20 **Open Book Obligations**

20.1 The Grant Recipient shall on an Open Book Basis:

20.1.1 at all times maintain a full record of particulars of all the income (including Public Sector Funding) received and Development Costs incurred by the Grant Recipient in respect of each Named Project;

20.1.2 at all times when reasonably required to do so by the GLA, provide a summary of any of the income and Development Costs referred to in Condition 20.1.1 as the GLA may reasonably require to enable it to monitor the performance by the Grant Recipient of its obligations under this Agreement; and

20.1.3 at all times provide such access or facilities as the GLA may reasonably require for its representatives to visit any place where the records are held and examine the records maintained under this Condition 20.

20.2 Compliance with the above shall require the Grant Recipient to keep (and where appropriate to procure that any Subcontractor shall keep) separate books of account (from those relating to any business, activity or operation carried on by the Grant Recipient or Subcontractor and which do not directly relate to any Named Project) in accordance with good accountancy practice with respect to all Named Projects showing in detail:

20.2.1 income (including Public Sector Funding and receipts);

20.2.2 administrative overheads where directly attributed or where apportioned on a pro rata basis;

20.2.3 payments made to Subcontractors;

20.2.4 capital and revenue expenditure;

20.2.5 VAT incurred on all items of expenditure where the Grant Recipient has received grant under this Agreement in respect of such VAT, including the rate of such VAT and full details of the recovery (or not) by the Grant Recipient of such VAT as input tax from HM Revenue & Customs or other Relevant Authority; and

20.2.6 such other items as the GLA may reasonably require to conduct (itself or through a third party) cost audits for verification of income, cost expenditure or estimated expenditure, for the purpose of any of the provisions of this Agreement,

and the Grant Recipient shall have (and procure that to the extent expressly agreed the Subcontractors shall have) the books of account evidencing the items listed in this Condition available for inspection by the GLA (and any person appointed pursuant to the dispute resolution provisions at Condition 27 to determine a dispute or otherwise authorised by the GLA) upon reasonable notice, and shall submit a report of these to the GLA as and when requested.

20.3 The Grant Recipient must provide the GLA with access on an Open Book basis to all information held by it, its Affiliates, Subcontractors and consultants which relates to the

viability of the Development Site and such other information as the GLA may reasonably require to conduct (itself or through a third party) to verify income, expenditure or estimated expenditure for the purposes of any of the provisions of this Agreement.

21 Data Protection, Freedom of Information, Confidentiality and Transparency

21.1 The parties acknowledge that they will each act in the capacity of Data Controller in respect of any Personal Data processed under this Agreement and each will Process the Personal Data as independent Data Controllers.

21.2 The Grant Recipient (including their employees agents or officers) shall at all times during the period of this Agreement comply with the provisions and obligations imposed by this Condition 21 and the Data Protection Legislation generally, including any requirement to obtain registrations, consents, and provide notifications and relevant privacy information to Data Subjects as required for the purposes of their obligations under this Agreement.

21.3 Whilst each party shall be responsible for responding to any complaint in relation to the Personal Data Processed pursuant to this Agreement, or any request by individuals to exercise the Data Subject's rights, the parties will co-operate with each other and provide reasonable assistance with any request, proceedings or inquiry by any affected Data Subject and/or the Information Commissioner.

21.4 Each party shall notify the other without undue delay on becoming aware of any breach of the Data Protection Legislation in relation to the Personal Data Processed under this Agreement.

21.5 The Grant Recipient represents and warrants that they have in place appropriate technical and organisational measures to protect the Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and which provide a level of security appropriate to the risk represented by the processing and the nature of the data to be protected.

21.6 The FOIA gives a general right of access to information held by a public authority. Subject to any exemptions applicable, the Grant Recipient shall co-operate fully with the GLA as reasonably requested by the GLA in respect of any request for information made to the GLA in connection with this Agreement pursuant to the FOIA.

21.7 Subject to Conditions 21.6, 21.8 and/or 21.9 the parties shall keep confidential any information exchanged between the parties which either party has specified as confidential or which would be likely to prejudice the interests of either party commercially or otherwise.

21.8 The obligations under Condition 21.7 above shall not apply to:

21.8.1 information which at the time of disclosure is in the public domain;

21.8.2 information which is required to be disclosed by law; or

21.8.3 information which is disclosed with the consent of the disclosing party.

21.9 The Grant Recipient acknowledges and agrees that the GLA:

21.9.1 is subject to the Transparency Commitment and accordingly, notwithstanding Condition 21.7, the Grant Recipient hereby gives its consent for the GLA to publish the Agreement Information to the general public; and

21.9.2 the GLA 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 FOIA. The GLA may in its absolute discretion consult with the Grant Recipient regarding any redactions to the Agreement Information to be published pursuant to this Condition 21.9. The GLA shall make the final decision regarding publication and/or redaction of the Agreement Information.

21.10 For the avoidance of doubt in the event that the GLA consents to the Grant Recipient's disposal or cessation of use of a Site relating to a Named Project the Grant Recipient shall ensure all data collected used or in any way related to or connected with the Named Project is erased (so that it cannot be recovered there from) from the Site to which such consent relates.

21.11 The Grant Recipient acknowledges and agrees by entering into this Agreement that it consents to the GLA sharing such information as GLA considers appropriate in connection with this Agreement with a local authority, the Regulator and DLUHC.

22 **Intellectual Property**

22.1 Subject to Condition 22.5 the Grant Recipient shall, to the extent that it is able to do so without incurring material cost, grant to the GLA a perpetual, transferable, non-exclusive, royalty-free licence (carrying the right to grant sub-licences) to copy and use (from computer disk or otherwise) all and any Intellectual Property Rights in any, drawings, reports, specifications, calculations and other documents provided by the Grant Recipient or which are or become owned by the Grant Recipient and which relate to the Named Projects, for any purpose relating to this Agreement.

22.2 To the extent that any of the data, materials and documents referred to in Condition 22.1 are generated by or maintained on a computer or in any other machine readable format, the Grant Recipient shall if requested by the GLA use its reasonable endeavours (without having to incur material cost) procure for the benefit of the GLA for the duration of this Agreement at the cost of the Grant Recipient the grant of a licence or sub-licence and supply any relevant software and/or database to enable the GLA making such request to access and otherwise use such data for the purposes referred to in Condition 22.1.

22.3 Neither party shall infringe any third party's Intellectual Property Rights in connection with this Agreement.

22.4 The Grant Recipient shall fully indemnify the GLA within five (5) Business Days of demand under this Condition 22.4 against any action, claim, demand, proceeding, cost, charge or expense arising from or incurred by it by reason of any infringement or alleged infringement of any Intellectual Property Rights of any third party by the activities described in this Condition 22, any breach by the Grant Recipient of this Condition 22 and against all costs and damages of any kind which the GLA may incur in connection with any actual or threatened proceedings before any court or adjudication body.

22.5 The Grant Recipient shall only be entitled to revoke the licence granted to the GLA under Condition 22.1 in the following circumstances and upon the following terms:

22.5.1 on the termination of the whole of this Agreement in circumstances where no Allocated Total Grant has been paid to or utilised by the Grant Recipient; or

22.5.2 on the termination of this Agreement (in whole or in part) in circumstances where some Allocated Total Grant has been paid to or utilised by the Grant Recipient **provided that** nothing in this Condition 22.5.2 shall entitle the Grant Recipient to revoke such licence insofar as it relates to Named Projects in respect of which Named Project Grant has been paid or in respect of which a valid entitlement to claim Named Project Grant has arisen or RCGF Funds have been used.

23 **Equality, Diversity and Inclusion**

23.1 Within 12 months from the notification of the Grant Recipient's funding allocation for AHP 2021-26 on OPS (the **Deadline**), the Grant Recipient must:

23.1.1 comply (and thereafter continue to comply) with the five minimum equality, diversity and inclusion standards found on the following website: <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes/homes-londoners-affordable-homes-programme-2021-2026/guidance-meeting-edi-funding-conditions>; and

23.1.2 develop, publish and implement on a continuing basis, an equality, diversity and inclusion action plan which complies with the guidance found on the following website <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes/homes-londoners-affordable-homes-programme-2021-2026/guidance-meeting-edi-funding-conditions> (**EDI Action Plan**)

23.2 The Grant Recipient shall provide evidence satisfactory to GLA (acting reasonably) of:

23.2.1 its compliance with Condition 23.1 within the five (5) Business Days following the Deadline; and

23.2.2 its continuing compliance with Condition 23.1, such evidence to be provided no later than 12 months but no earlier than 10 months from the date the last evidence was provided pursuant to this Condition 23.2 or within such other timeframes as required by GLA (acting reasonably).

23.3 The Grant Recipient:

23.3.1 must comply in all material respects with all relevant Legislation including but not limited to Legislation relating to equality and diversity and will use its reasonable endeavours to procure that all parties engaged by it in the delivery of the AHP Dwellings funded pursuant to this Agreement do likewise;

23.3.2 must have due regard to the public sector equality duty under Part 11 of the Equality Act 2010 insofar as its activities under this Agreement could reasonably be deemed to be functions of a public nature for the purposes of

that Part and shall take reasonable steps to promote equality of opportunity in respect of access to the AHP Dwellings funded pursuant to this Agreement; and

23.3.3 must take reasonable steps to monitor the representation of those who share Protected Characteristics within its undertaking and shall take appropriate steps to remedy any under-representation in its workforce (of those sharing a Protected Characteristic as compared to the population of London) involved in projects within London funded (partly or wholly) by the GLA.

23.4 Where in the GLA's opinion (acting reasonably) the Grant Recipient commits a breach of this Condition 23 (a **EDI Breach**):

23.4.1 the Grant Recipient must submit for approval its proposed remediation plan (the **Remediation Plan**) to the GLA within fifteen (15) Business Days of the GLA's written notice of the requirement for such Remediation Plan setting out the Grant Recipient's proposals for the steps to be taken to remedy or mitigate the effects of the EDI Breach and a basis for testing whether this has been achieved within the three month period following the EDI Breach;

23.4.2 the GLA will notify the Grant Recipient as to whether the Remediation Plan is approved as submitted within ten (10) Business Days of its receipt;

23.4.3 if the Remediation Plan is not approved, senior representatives of the parties must meet as soon as practicable (and in any event within ten (10) Business Days of the GLA's notification under Condition 23.4.2 or such later date as the GLA may agree) to try to agree a revised Remediation Plan. In default of agreement, or where no Remediation Plan is submitted to GLA within the requisite timeframe, Condition 17.1.14 shall apply;

23.4.4 if the Remediation Plan is approved, the Grant Recipient must comply with the obligations set out in the Remediation Plan; and

23.4.5 within five (5) Business Days of the end of the three month period from the date of the EDI Breach, senior representatives of the parties must meet to review the efficacy of the Remediation Plan in remedying or mitigating the effects of the breach. If in the opinion of the GLA (acting reasonably) the Remediation Plan has not been effective or has not been complied with, the GLA shall be entitled in its absolute discretion either to extend the timeframe for the Remediation Plan's operation or to declare that the Remediation Plan has failed in which case Condition 17.1.14 shall apply.

23.5 The Grant Recipient acknowledges that the GLA is under a public sector equality duty pursuant to Section 149 of the Equality Act 2010 and it will assist and co-operate with the GLA in respect of the GLA's compliance with such duty including in respect of any amendment or re-enactment of Section 149 of the Equality Act 2010 and/or any guidance, enactment, order, regulation or instrument made pursuant to the same.

24 **Health and Safety**

24.1 The Grant Recipient will comply in all material respects with all relevant Legislation including but not limited to Legislation relating to health and safety, welfare at work, equality and diversity, modern slavery and other relevant employment matters and will use

reasonable endeavours to procure that all Grant Recipient Parties engaged in the delivery of the Approved Bid do likewise.

24.2 To the extent that the GLA is a 'client' for the purposes of the CDM Regulations:

24.2.1 where the Grant Recipient is engaging consultants and a contractor or contractors as Subcontractors to deliver the Named Project the Grant Recipient elects to be the only client in relation to such Named Project; or

24.2.2 where the Grant Recipient is contracting with a developer as a Subcontractor to deliver a Named Project the Grant Recipient shall procure that such developer shall elect to be the only client in relation to the Named Project on or before the date that such project becomes a Named Project;

and the GLA hereby agrees to such election.

24.3 The Grant Recipient shall not seek to withdraw, terminate or in any manner derogate from such election pursuant to Condition 24.2.1 or (if appropriate) shall procure that any developer/employer shall not withdraw, terminate or in any manner derogate from any election pursuant to Condition 24.2.2 without the GLA's prior written consent, which the GLA may in its absolute discretion withhold.

24.4 The Grant Recipient shall at all times comply with all obligations, requirements and duties arising under the HS Act, the regulations under the HS Act, RIDDOR and the CDM Regulations in connection with the Works.

24.5 The Grant Recipient will procure that all its Subcontractors and Professional Team comply at all times with the HS Act, the regulations under the HS Act, RIDDOR and the CDM Regulations.

25 **Construction Industry Scheme**

25.1 In this Condition 25, the following definitions shall apply:

CIS means the provisions of chapter 3 of part 3 of the Finance Act 2004 together with any regulations made pursuant to those provisions including (without limitation) the Income Tax (Construction Industry Scheme) Regulations 2005;

Construction Contract has the same meaning as in Section 57(2) of the Finance Act 2004; and

HMRC means HM Revenue & Customs.

25.2 The Grant Recipient warrants to the GLA that it holds gross payment status for the purposes of the CIS (pursuant to paragraph CISR13040 of the Construction Industry Scheme Reform manual or otherwise) such that the Grant Recipient is entitled to receive payments under Construction Contracts without any deduction under the CIS. The Grant Recipient undertakes to notify the GLA within two (2) Business Days of ceasing to hold gross payment status.

25.3 The Grant Recipient will, on demand, pay to the GLA an amount equal to any tax liability, interest or penalties imposed on the GLA under the CIS as a result of, or in connection with, any payments made by the GLA pursuant to this Agreement, together with any

reasonable costs incurred by the GLA in connection with such tax liability, interest or penalty.

26 **Assignment and sub-contracting**

26.1 The GLA will be entitled to transfer or assign all or part of this Agreement.

26.2 The Grant Recipient will not be entitled to transfer or assign all or part of this Agreement without prior written consent from the GLA (to be provided or withheld in GLA's absolute discretion).

27 **Dispute resolution**

27.1 All disputes and differences arising out of or in connection with this Agreement including in relation to any non-contractual obligation (a **Dispute**) shall be resolved pursuant to the terms of this Condition 27.

27.1.1 In the event that the Grant Recipient or the GLA consider that a Dispute exists, such party shall serve a notice upon the other party (a **Notice of Dispute**) giving brief details of the Dispute and in the first instance the parties shall use their reasonable endeavours to resolve such Dispute amicably and in good faith and in accordance with this Condition 27.

27.1.2 Representatives of the parties shall meet within five (5) Business Days (or such other longer period not exceeding twenty (20) Business Days as the parties may agree) of receipt of a Notice of Dispute.

27.1.3 Where either no representatives of both parties are available to meet within the period set out in Condition 27.1.2 or the representatives fail to agree a unanimous resolution of the Dispute at such meeting, the Dispute shall be referred to the chief executive officers (or nominated deputies) of the Grant Recipient and the GLA (the **Senior Executives**).

27.1.4 The Senior Executives shall meet within ten (10) Business Days (or such other longer period not exceeding twenty (20) Business Days as the parties may agree) of such referral to attempt to resolve the Dispute. Any unanimous resolution of the Senior Executives shall be recorded in writing and signed by them and shall be final and binding unless the parties agree otherwise.

27.1.5 If the Dispute remains unresolved after ten (10) Business Days following referral to the Senior Executives, such Dispute must be dealt with in accordance with Condition 27.2.

27.2 In the circumstances contemplated in Condition 27.1.5, the parties will attempt to settle the Dispute by mediation in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed by the parties, the mediator will be nominated by CEDR. The parties agree that:

27.2.1 to initiate the mediation a party must give notice in writing (**ADR Notice**) to the other party to the Dispute requesting a mediation. A copy of the request should be sent to CEDR;

27.2.2 the mediation shall start not later than twenty eight (28) days after the date of the ADR Notice; and

27.2.3 except where the right to issue proceedings would be prejudiced by a delay, no party may commence any court proceedings in relation to any dispute arising out of this Agreement until it has attempted to settle the dispute by mediation and either the mediation has terminated or the other party has failed to participate in the mediation.

28 Notices

28.1 Any notice to be given hereunder shall be in writing and shall be sufficiently served if:

28.1.1 sent by electronic mail (but not by facsimile) in the case of either party to the other party's email address set out in Condition 28.3 provided that the party includes in the subject line of the email words sufficient to identify the contents of the email as a notice given under this Agreement; or

28.1.2 delivered by hand and receipted for by the recipient; or

28.1.3 sent by a recorded delivery service addressed:

(a) in the case of the GLA, to City Hall, Kamal Chunchie Way, London E16 1ZE

(b) in the case of the Grant Recipient, to its registered office as set out at the beginning of this Agreement; or

(c) to such other addresses as either party may from time to time notify to the other by email or in writing provided that such other address is within England and Wales.

28.2 Any notice shall be deemed to be given by the sender and received by the recipient:

28.2.1 if sent by email, on the date that the email is received at the relevant email address set out in Condition 28.3;

28.2.2 if delivered by hand, when delivered to the recipient; or

28.2.3 if delivered by a recorded delivery service, three Business Days after delivery including the date of postage;

provided that if the delivery or receipt is on a day which is not a Business Day or is after 4 pm it is to be regarded as received at 9 am on the following Business Day.

28.3 The email addresses for service of notices given pursuant to Condition 28.2 are:

28.3.1 for the GLA:

(a) email address: affordablehomes@london.gov.uk.

28.3.2 for the Grant Recipient:

(a) [redacted] email address: [redacted]³

or to such other email addresses as either party may from time to time notify to the other in writing to the other party's email addresses set out in this Condition 28.3.

29 Further assurance

29.1 At any time upon the written request of the GLA the Grant Recipient:

29.1.1 shall promptly execute and deliver or procure the execution and delivery of any and all such further instruments and documents as may be necessary for the purpose of obtaining for the GLA the full benefit of this Agreement and of the rights and powers herein granted and the Grant Recipient hereby irrevocably appoints the GLA as its attorney solely for that purpose; and

29.1.2 shall perform and use its reasonable endeavours to procure that any third party performs such acts as may be reasonably required for the purposes of giving full effect to this Agreement.

30 No fetter on statutory functions

Notwithstanding anything apparently or impliedly to the contrary in this Agreement or any of the deeds and documents referred to herein, in carrying out its statutory duties or functions the discretion of the GLA shall not be fettered, constrained or otherwise unlawfully affected by the terms of this Agreement or any such other deed or document.

31 No agency

31.1 Nothing in this Agreement or otherwise shall be held, implied or deemed to constitute a partnership, joint venture or other association or, save as expressly provided, the relationship of principal and agent between the parties.

31.2 The Grant Recipient shall at all times be independent and nothing in this Agreement shall be construed as creating the relationship of employer and employee between the GLA and the Grant Recipient. Neither the Grant Recipient nor any of its employees shall at any time hold itself or themselves out to be an employee of the GLA.

32 Exclusion of third party rights

Except as otherwise expressly provided no person who is not a party to this Agreement shall be entitled to enforce any terms of this Agreement solely by virtue of the Contracts (Rights of Third Parties) Act 1999.

33 Entire Agreement

33.1 This Agreement and the conditions herein contained together with the Schedules constitute the entire agreement between the parties and may only be varied or modified in writing by deed.

33.2 The Grant Recipient hereby acknowledges that save as set out or referred to in the Agreement there are and have been no representations made by or on behalf of the GLA

³ Grant Recipient should provide two email addresses.

of whatsoever nature on the faith of which the Grant Recipient is entering into this Agreement.

34 **Severability**

If any term, condition or provision contained in this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall to that extent be omitted from this Agreement and shall not affect the validity, legality or enforceability of the remaining parts of this Agreement.

35 **Cumulative rights and enforcement**

35.1 Any rights and remedies provided for in this Agreement whether in favour of the GLA or the Grant Recipient are cumulative and in addition to any further rights or remedies which may otherwise be available to those parties.

35.2 The parties acknowledge that money damages alone may not properly compensate the GLA for any breach of the Grant Recipient's obligations hereunder and the parties hereby expressly agree that in the event of the breach or threatened breach of any such obligation in addition to any other rights or remedies the GLA may have in Legislation, in equity or otherwise the GLA shall be entitled to seek injunctive or other equitable relief compelling specific performance of and other compliance with the terms of such obligations.

36 **Waiver**

36.1 Neither the failure of any party at any one time to enforce any provision of this Agreement nor the payments by the GLA of Named Project Grant under Condition 15.1 in any way affects the relevant party's right thereafter to require complete performance by the other party, nor may the waiver of any breach or any provision be taken or held to be a waiver of any subsequent breach of any provision or be a waiver of the provision itself.

36.2 Where in this Agreement any obligation of a party is to be performed within a specified time that obligation shall be deemed to continue after that time if the party fails to comply with that obligation within the time.

36.3 Any waiver or release of any right or remedy of either party must be specifically granted in writing signed by that party and shall:

36.3.1 be confined to the specific circumstances in which it is given;

36.3.2 not affect any other enforcement of the same or any other right; and

36.3.3 (unless it is expressed to be irrevocable) be revocable at any time in writing.

37 **VAT**

37.1 Except where expressly stated to the contrary in this Agreement:

37.1.1 the amount of any payment or the value of any supply is expressed exclusive of VAT properly chargeable on it; and

37.1.2 where any payment or taxable supply falls to be made pursuant to this Agreement VAT properly chargeable on it will be paid in addition by the

recipient of the supply for which payment (if any) is consideration on the provision of a valid VAT invoice for it.

37.2 The Grant Recipient considers that the payment of grant funding under or in connection with this Agreement is outside the scope of VAT. In the event that the GLA is the recipient of a supply or supplies of specified services (as such term is defined in the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2019 (the **Order**)) under or in connection with this Agreement, the GLA confirms that the requirements specified in article (8)(1)(b) of the Order are satisfied in respect of the supply or supplies with the result that section 55A(6) of the Value Added Tax Act 1994 will not apply to such supply or supplies. The Grant Recipient acknowledges that it will account for and pay any VAT on any taxable supply or supplies it makes to the GLA under or in connection with this Agreement.

38 **Survival of this Agreement**

38.1 Insofar as any of the rights and powers of the GLA provided for in this Agreement shall or may be exercised or exercisable after the termination or expiry of this Agreement the provisions of this Agreement conferring such rights and powers shall survive and remain in full force and effect notwithstanding such termination or expiry.

38.2 Insofar as any of the obligations of the Grant Recipient provided for in this Agreement remain to be discharged after the termination or expiry of this Agreement the provisions of this Agreement shall survive and remain in full force and effect notwithstanding such termination or expiry.

38.3 Without limitation the provisions of any of Conditions 3, 7, 10 to 14 (inclusive), 16 to 21.1 (inclusive), 27, 35, 36, 40 and this Condition 38 and such other provisions of this Agreement as are necessary to give effect to such Conditions are expressly agreed by the parties to survive the termination or expiry of this Agreement.

39 **London Living Wage**

39.1 Without prejudice to any other provision of this Agreement, the Grant Recipient shall (and will ensure that its consultants, contractors and sub-contractors shall):

39.1.1 use all reasonable endeavours to ensure that no employees engaged in the provision of the Works is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage;

39.1.2 use all reasonable endeavours to ensure that no employees engaged in the provision of the Works is paid less than the amount to which they are entitled in their respective contracts of employment; and

39.1.3 provide to the GLA such information concerning the London Living Wage as the GLA or its nominees may reasonably require from time to time.

40 **Execution**

This Agreement may be executed:

40.1 by the electronic application of a party's authorised signatory's signature and provision of an electronic copy of the same; and

40.2 in any number of counterparts and each counterpart will when executed be an original of this Agreement and all counterparts together will constitute one instrument.

41 **Governing law**

This Agreement shall be governed by and construed in accordance with the laws of England and Wales and subject to the provisions of Condition 27 the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

Schedule 1

Acknowledgements, Representations and Warranties

Part 1

Agreed Principles

- 1 The provisions of this Agreement represent the conditions upon which the GLA:
 - 1.1 makes the Allocated Net Grant available to the Grant Recipient; and
 - 1.2 permits the Grant Recipient to use the Allocated RCGF Funds.
- 2 The GLA has made the Allocated Net Grant available and permitted the Grant Recipient to use the Allocated RCGF Funds on the express understanding that they are applied solely for the purposes of funding the Development Costs in respect of AHP Dwellings which are to be let or sold to individuals as AHP Housing.
- 3 All RCGF Funds identified in the Named Project Details must be applied solely for the purposes of funding the Development Costs in respect of the relevant Named Project and used in accordance with the applicable requirements of the Affordable Housing Capital Funding Guide.
- 4 The Public Sector Funding in respect of a Named Project may not exceed an amount equal to the Actual Development Costs incurred by the Grant Recipient in respect of the delivery of that Named Project nor may the Public Sector Funding in respect of the Approved Bid exceed an amount equal to the aggregated Actual Development Costs in respect of the delivery of the Approved Bid.
- 5 All Named Project Grant paid under this Agreement is:
 - 5.1 social housing assistance as defined in Section 32(13) HRA 2008; and
 - 5.2 subject to the provisions of Sections 30, 34 and 333ZE of the Greater London Authority Act 1999 and any determinations made under such provisions, and the provisions of Condition 18 represent the events and principles determined by the GLA for the purposes of Sections 31-34 of the HRA 2008.
- 6 All RCGF Funds used for the purposes of funding (in whole or in part) the Development Costs constitute social housing assistance for the purposes of Section 32 of the HRA 2008 and are subject to the terms of the Recovery Determination.
- 7 Any failure by the Grant Recipient to comply with the terms of this Agreement or the occurrence of a Default Event or Withholding Event constitutes a failure to comply with a condition attached to the making of Capital Grant for the purposes of paragraph 8(e) of the Recovery Determination.
- 8 The terms of the Affordable Housing Capital Funding Guide are incorporated within this Agreement (*mutatis mutandis*).
- 9 The Grant Recipient must hold Registered Provider status at the point at which any SR Dwelling or LLR Dwelling provided pursuant to this Agreement is made available for rent.

- 10 Without prejudice to any other term of this Agreement, the parties expressly acknowledge that any LLR Dwellings delivered pursuant to this Agreement constitute "intermediate rent accommodation" for the purposes of the Rent Standard;
- 11 The parties acknowledge and agree that the LLR Dwellings delivered pursuant to this Agreement are a rent to buy product for the purposes of the AHP 2021-26.
- 12 The aggregate of the Acquisition Tranche Grant, Start on Site Tranche Grant, the Practical Completion Tranche Grant and any other tranche approved by GLA (having regard to Condition 6.4) in each Named Project will represent one hundred per centum (100%) of the Named Project Grant.
- 13 In exceptional circumstances the GLA may in its absolute discretion agree to provide grant funding for the delivery of Other Affordable Housing. Any Other Affordable Housing to be delivered under this Agreement shall be submitted on OPS as an Additional Project in compliance with the procedures set out in Condition 99.
- 14 For the purposes of Condition 9.3.5, the other matters which GLA needs to be satisfied of (in its absolute discretion) when considering an Additional Project containing any Other Affordable Housing, (**OAH Project**) include (but shall not be limited to):
- 14.1.1 the dates for payment of Named Project Grant;
 - 14.1.2 the Secure Legal Interest required to be held by the Grant Recipient on a claim for each Tranche of Named Project Grant in respect of the OAH Project; and
 - 14.1.3 the Milestones for the OAH Project,
- and where this paragraph 14 applies the GLA reserves the right to:
- 14.1.4 require that the Grant Recipient makes additional representations and warranties as a condition of any claim for Named Project Grant in respect of the OAH Project; and
 - 14.1.5 include any additional delivery or operational obligations having regard to the use of the Other Affordable Housing; and
 - 14.1.6 to enter into such documentation as GLA may deem necessary to reflect any of GLA's requirements under this paragraph 14.
- 15 The Grant Recipient acknowledges that on completion of the final Named (Indicative) Project to be delivered under this Agreement, the average of the grant rates attributed to all AHP Dwellings (by Tenure Type) within the Named (Indicative) Projects must equal the Average Grant Rate for each Tenure Type.
- 16 The Grant Recipient acknowledges that, pursuant to the programme requirements of the AHP 2021-26, where the Grant Recipient possesses or will possess a SLI (Rented Accommodation) in the form of a lease, the unexpired term of such lease must be of the longest duration that the Grant Recipient can reasonably negotiate and comply with any applicable requirements of the Affordable Housing Capital Funding Guide.

Part 2

Representations and Warranties

1 Powers, vires and consents

- 1.1 It is duly incorporated under the law of England and Wales and has the corporate power to own its assets and to carry on the business which it conducts or proposes to conduct.
- 1.2 It has the power to enter into and to exercise its rights and perform its obligations under this Agreement and has taken all necessary action to authorise the execution by it of and the performance by it of its obligations under this Agreement.
- 1.3 It is not subject and will not become subject to any other obligation, compliance with which will or is likely to, have a Material Adverse Effect in relation to the Approved Bid or any Named Project.
- 1.4 Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with its terms.
- 1.5 The execution, delivery and performance by it of this Agreement do not:
- 1.5.1 insofar as it is aware contravene any applicable law or directive or any judgement, order or decree of any court having jurisdiction over it;
 - 1.5.2 conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which it is a party or any licence or other authorisation to which it is subject or by which it or any of its property is bound; or
 - 1.5.3 contravene or conflict with its memorandum and articles of association or rules (as applicable) from time to time.
- 1.6 All consents, required by it in connection with the execution, delivery, issue, validity or performance or enforceability of this Agreement have been obtained and have not been withdrawn.
- 1.7 So far as it is aware, it is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which has or could have a Material Adverse Effect.
- 1.8 To the best of its knowledge, no claim is presently being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of its knowledge, pending or threatened against it or any of its assets which will or might have a Material Adverse Effect in relation to the Approved Bid or any Named Project.
- 1.9 To the best of its knowledge, no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge threatened) for its winding-up or dissolution or for the appointment of a receiver, administrative receiver, administrator, liquidator or similar officer in relation to any of its assets or revenues and without limitation no Insolvency Event has occurred in relation to it.
- 1.10 It has not committed any Prohibited Act.

2 Deliverability

- 2.1 No person having any Security over the property or any other assets of the Grant Recipient has enforced or given notice of its intention to enforce such Security.
- 2.2 It has obtained or will by Practical Completion of a Named Project have obtained all Consents and to the extent that such Consents have been obtained they have not been withdrawn.
- 2.3 It is not aware, after due enquiry, of anything which materially threatens the success or successful completion of the intention or purpose of this Agreement.
- 2.4 No Default Event has occurred and is continuing.
- 2.5 All information supplied by or on behalf of it to the GLA or its agents or employees in connection with the Grant Recipient's initial application for grant funding or in the course of the subsequent discussions was at the time of submission and as far as it was aware (or ought to have been aware) having made all reasonable and proper enquiries true, complete and accurate in all respects.
- 2.6 It has informed the GLA of any material change that has occurred since:
- 2.6.1 the date of submission of the proposed Approved Bid prior to the date of this Agreement; and
 - 2.6.2 the Approved Bid, as the same may be amended, added to, supplemented, substituted or varied in accordance with this Agreement, on each occasion of its amendment, addition, supplementation, substitution or variation of which it is aware (or ought to be aware) having made all reasonable and proper enquiries which would render such information untrue, incomplete or inaccurate in any material respect including without limitation the provision or offer of any additional Public Sector Funding.
- 2.7 It is not aware of any material fact or circumstance that has not been disclosed to the GLA and which might, if disclosed materially, adversely affect the decision of anyone considering whether or not to contract with it.
- 2.8 The level of rent for any LLR Dwellings will be set at the LLR Rent Levels and the Grant Recipient will review and, if applicable, adjust the rent of any LLR Dwelling in accordance with Condition 11.4.2 each Financial Year.
- 2.9 All data or other information supplied to the Regulator or the GLA in connection with, or related to the Approved Bid or this Agreement is accurate.
- 2.10 The Grant Recipient will own and be the landlord of the AHP Dwellings to be provided pursuant to this Agreement.
- 2.11 The AHP Dwellings funded under this Agreement meet the Additionality Condition.
- 2.12 All information supplied by or on behalf of it to the GLA or its agents or employees in connection with this Agreement (through OPS or otherwise) was at the time of submission and as far as it was aware (or ought to have been aware) having made all reasonable and proper enquiries true, complete and accurate in all respects.

3 **Application of Approved Bid Capacity**

- 3.1 None of the AHP Dwellings provided pursuant to this Agreement are being subsidised by RTB Funds.
- 3.2 Save where expressly agreed by the GLA, no Named Project which is a Section 106 Project is being subsidised by Named Project Grant or RCGF Funds.
- 3.3 Save where expressly agreed by the GLA, all AHP Dwellings have been let or disposed of (as applicable) in accordance with the terms of the Approved Bid.
- 3.4 So far as the Grant Recipient is aware (having made all reasonable enquiries) the Approved Bid (including, inter alia, all projected Start on Site and Practical Completion dates) is capable of being delivered without the need for a change to the Approved Bid.
- 3.5 The Grant Recipient will comply with the Good Practice Guide to Estate Regeneration where applicable.

4 **Authority of Grant Recipient's Representative**

The Grant Recipient's Representative is empowered to act on behalf of the Grant Recipient for all purposes connected with this Agreement.

5 **Propriety**

- 5.1 No member, employee, agent or consultant of the Grant Recipient or of any partner organisation of the Grant Recipient has any personal, proprietary or pecuniary interest in:
 - 5.1.1 any person from whom the Grant Recipient is purchasing land or property for the purposes of or in connection with this Agreement;
 - 5.1.2 any contractor engaged or to be engaged by the Grant Recipient in connection with this Agreement;
 - 5.1.3 any land or other property to be acquired or developed refurbished or improved by the Grant Recipient for the purposes of or in connection with this Agreement.
- 5.2 No member, employee, agent or consultant of the Grant Recipient or any partner organisation of the Grant Recipient is, has or will be entitled to any preferential treatment by virtue of their position or associations whether in terms of:
 - 5.2.1 access to properties developed, Rehabilitated or, disposed of pursuant to this Agreement; or
 - 5.2.2 the prices at which such properties are let or disposed of.

Schedule 2

Development Costs

Part 1

Development Costs

Heads of expenditure

1 Acquisition

- 1.1 Purchase price of land/Site/buildings.
- 1.2 Stamp Duty Land Tax on the purchase price of land/Site.

2 Works Costs

- 2.1 Main works contract costs (excluding any costs defined as on costs).
- 2.2 Major Site development works (where applicable). These include piling, soil stabilisation, road/sewer construction, major demolition.
- 2.3 Statutory agreements, associated bonds and party wall agreements (including all fees and charges directly attributable to such works) where applicable.
- 2.4 Additional costs associated with complying with archaeological works and party wall agreement awards (including all fees, charges and claims attributable to such works) where applicable.
- 2.5 Irrecoverable VAT on the above (where applicable).

3 On costs

- 3.1 Legal fees and disbursements.
- 3.2 Net gains/losses via interest charges on development period loans.
- 3.3 Building society or other valuation and administration fees.
- 3.4 Fees for building control and Planning Permission.
- 3.5 Fees and charges associated with compliance with Legislation, and the GLA's requirements relating to energy rating of dwellings and Eco-Homes certification.
- 3.6 In-house or external consultants' fees, disbursements and expenses (where the development contract is a design and build contract) (see note below).
- 3.7 Insurance premiums including building warranty and defects/liability insurance (except contract insurance included in Works costs).
- 3.8 Contract performance bond premiums.
- 3.9 Borrowing administration charges (including associated legal and valuation fees).

- 3.10 An appropriate proportion of the Grant Recipient's development and administration costs as set out in Note 3 below.
- 3.11 Irrecoverable VAT on the above.

Note 1

Where the development contract is a design and build contract, the on-costs are deemed to include the builder's design fee element of the contract sum. The amount included by the builder for design fees should be deducted from the Works cost element referred to above, as should other non-works costs that may be submitted by the builder such as fees for building and Planning Permission, building warranty, defects liability insurance, contract performance bond and energy rating of dwellings.

Note 2

Some items will not qualify as Development Costs unless the Grant Recipient can clearly demonstrate that such costs are properly chargeable to the housing development, i.e. for the sole use of the residents or to comply with any statutory obligations that may have been imposed.

Examples of these are as follows:

- works to any roads which do not exclusively serve the housing development;
- landscaping to areas of land which lie outside the boundaries of the Site;
- district heating systems;
- trunk sewers and sewage disposal works;
- special refuse treatment buildings;
- public conveniences;
- community halls, club rooms, recreation rooms.

Note 3

Subject to the above, where any cost incurred or to be incurred by the Grant Recipient is common both to the development of the AHP Dwellings within any Named Project and to any other activity, asset or property of the Grant Recipient, only such part of that cost as is attributable to the development of the AHP Dwellings may be treated as a cost in respect of which grant under this Agreement may be paid.

Part 2

Costs which are not Development Costs

- 1 Capital costs incurred:
 - 1.1 which are not eligible for social housing assistance as defined in Section 32(13) HRA 2008;
 - 1.2 on land (forming part of the total site acquired) which will not be used exclusively for housing provision purposes directly related to the Named Project;
 - 1.3 on estate offices, factories, letting offices;
 - 1.4 on stores;
 - 1.5 on medical or dental surgeries, clinics;
 - 1.6 on police stations, public libraries, bus shelters;
 - 1.7 on shops, restaurants, public houses, offices;
 - 1.8 on transformer and other related buildings;
 - 1.9 on maintenance depots, tools, plant and vehicles;
 - 1.10 on garages (other than integral garages on market purchase scheme types) and greenhouses; and
 - 1.11 on separate commercial laundry blocks and related equipment.

This Agreement has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

[**EXECUTED** as a **DEED** by affixing)
the common seal of the)
GREATER LONDON AUTHORITY)
In the presence of:

Authorised Signatory]

[DN: Include if using wet ink signatures]

[**EXECUTED** and delivered)
for and on behalf of the)
GREATER LONDON AUTHORITY by:)

Authorised Signatory

.....

NAME (BLOCK)

.....

Position

.....

Authorised Signatory

.....

NAME (BLOCK)

.....

Position]

[DN: include if using electronic signatures]

EXECUTED as a **DEED** by affixing)
the common seal of)
[GRANT RECIPIENT])
in the presence of:)

Authorised signatory

Authorised signatory

Appendix 1

Indicative Proposals Worked Example

- 1 Potters Fields HA had an Indicative Allocation of £2.4m to deliver 20 homes, all of which were Social Rent homes. The Average Grant Rate for the Social Rent homes was £120,000.
- 2 Potters Fields HA profiled 15 homes into two Named (Indicative) Projects on OPS. GLA approved the two Named (Indicative) Projects at the following rates:
 - Project 1:
 - 7 Social Rent homes at grant rates of £120k per home
 - £840,000 grant in total
 - The scheme had reached Practical Completion and 100 per cent of grant had been paid.
 - Project 2:
 - 8 Social Rent homes at grant rates of £140k per home
 - £1,120,000 grant in total
 - The scheme had achieved Start on Site and 50 per cent of the grant had been paid.
- 3 Potters Fields HA therefore had a remaining Indicative Allocation of £440,000 to deliver 5 Social Rent homes. This equated to £88,000 per home. Over the course of the programme, the GLA developed concerns about Potters Fields' ability to profile the 5 remaining Social Rent homes into Named (Indicative) Project(s) with its remaining Indicative Allocation, and reviewed this with the partner via an Interim Reconciliation Exercise as set out in condition 12.7.
- 4 Following this Interim Reconciliation Exercise, it was determined that Potters Fields would be unlikely to profile out the remaining Social Rent homes at a level of £88,000 (or less) by 31 March 2026. This meant that the average grant rate of all the Social Rent homes in Potters Fields' Named (Indicative) Projects would be above the £120,000 Average Grant Rate agreed for Social Rent homes at the start of programme. This constituted an Interim Reconciliation Default as defined in condition 12.8.2.
- 5 Following a service of notice by the GLA, Potters Fields failed to provide satisfactory information as required under condition 19.7, and therefore the provisions of condition 19.8 applied. The grant level on each Social Rent home within Potters Fields' Named (Indicative) Projects on OPS was reduced by the Deduction Amount to bring the total level of funding in line with the Average Grant Rate for Social Rent homes.

Calculating the Deduction Amount

- 6 The Deduction Amount, which is per home, was calculated in line with the formula set out in condition 19.8.1:

$$\text{Deduction Amount} = \frac{\text{Total Social Rent} - \text{Average Social Rent}}{\text{Number of Social Rent}}$$

In this example:

Total Social Rent = total grant allocated to all Social Rent homes in all Named (Indicative) Projects = £840,000 (for project 1) + £1,120,000 (for project 2) = £1,960,000.

Average Social Rent = Average Grant Rate for Social Rent x total number of Social Rent homes in all Named (Indicative) Projects = £120,000 x 15 = £1,800,000

Number of Social Rent = total number of Social Rent homes in all Named (Indicative) Projects = 15

$$\text{Deduction Amount} = \frac{\text{£1,960,000} - \text{£1,800,000}}{15}$$

$$\text{Deduction Amount} = \frac{\text{£160,000}}{15}$$

$$\text{Deduction Amount} = \text{£10,667 per Social Rent home}^4$$

Amending Named (Indicative) Project grant on OPS

- 7 As per condition 19.8.1, the Named Project Grant for each Named (Indicative) Project was reduced by the Deduction Amount per Social Rent Home.
- 8 For Project 1, the Named Project Grant allocated to the project on OPS was reduced by £10,667 x 7 = £74,667.
- 9 For Project 2, the Named Project Grant allocated to the project on OPS was reduced by £10,667 x 8 = £85,333.

Calculating the Recovery Amount

- 10 As per condition 19.8.2, the GLA recovered grant in line with conditions 18.2.7 and 18.3.5.
- 11 Project 1 had completed, and 100 per cent of the grant had been paid by the GLA. The approach outlined in condition 18.3.5 (a) was therefore used to calculate the Recovery Amount:
- The Recovery Amount for Project 1 was £10,667 x 7 = £74,667
- 12 Project 2 had only started on site, and therefore only 50 per cent of the grant had been paid by the GLA. The approach outlined in condition 18.3.5 (b) was therefore used to calculate the Recovery Amount:

$$RA = \text{Grant Paid} - \left(\left(\frac{\text{Grant Paid}}{\text{Grant Allocated}} \right) \times \text{Revised Grant Amount} \right)$$

⁴ Rounded to nearest £1.

Where:

RA = the Recovery Amount

And in this example:

Grant Paid = the total grant paid out = £560,000

Grant Allocated = the total grant allocated = £1,120,000

Revised Grant Amount = change in grant caused by Interim Reconciliation Exercise =
£1,120,000 – (£10,667 x 8) = £1,120,000 - £85,333 = £1,034,667

$$RA = £560,000 - \left(\left(\frac{£560,000}{£1,120,000} \right) \times £1,034,667 \right)$$

$$RA = £560,000 - ((0.5) \times £1,034,667)$$

$$RA = £560,000 - £517,333$$

$$RA = £42,667$$

- The Recovery Amount for Project 2, against the 50 per cent tranche already paid, was therefore £42,667. The remaining 50 per cent grant payable at Practical Completion is now £517,333 (50 per cent of the revised grant amount).

13 In total therefore, Potters Fields HA repaid £117,333 in line with condition 18.5.