



Haverling

LONDON BOROUGH

OVERVIEW & SCRUTINY BOARD AGENDA

7.00 pm

Wednesday
27 September 2023

Council Chamber,
Haverling Town Hall,
Main Road, Romford

Members 12: Quorum 5

COUNCILLORS:

Conservative Group (4)

Dilip Patel
Keith Prince
Timothy Ryan
David Taylor

Labour Group (2)

Mandy Anderson
Katharine Tumilty

Haverling Residents' Group (5)

Laurance Garrard
Gerry O'Sullivan (Chairman)
Philip Ruck (Vice-Chair)
Natasha Summers
Bryan Vincent

East Haverling Residents (1)

Martin Goode

For information about the meeting please contact:
Anthony Clements 01708 433065
anthony.clements@oneSource.co.uk

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

OVERVIEW AND SCRUTINY BOARD

Under the Localism Act 2011 (s. 9F) each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements.

The Overview and Scrutiny Board acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees can be coordinated to avoid duplication and to ensure that areas of priority are being reviewed. The Board also scrutinises general management matters relating to the Council and further details are given in the terms of reference below. The Overview and Scrutiny Board has oversight of performance information submitted to the Council's executive and also leads on scrutiny of the Council budget and associated information. All requisitions or 'call-ins' of executive decisions are dealt with by the Board.

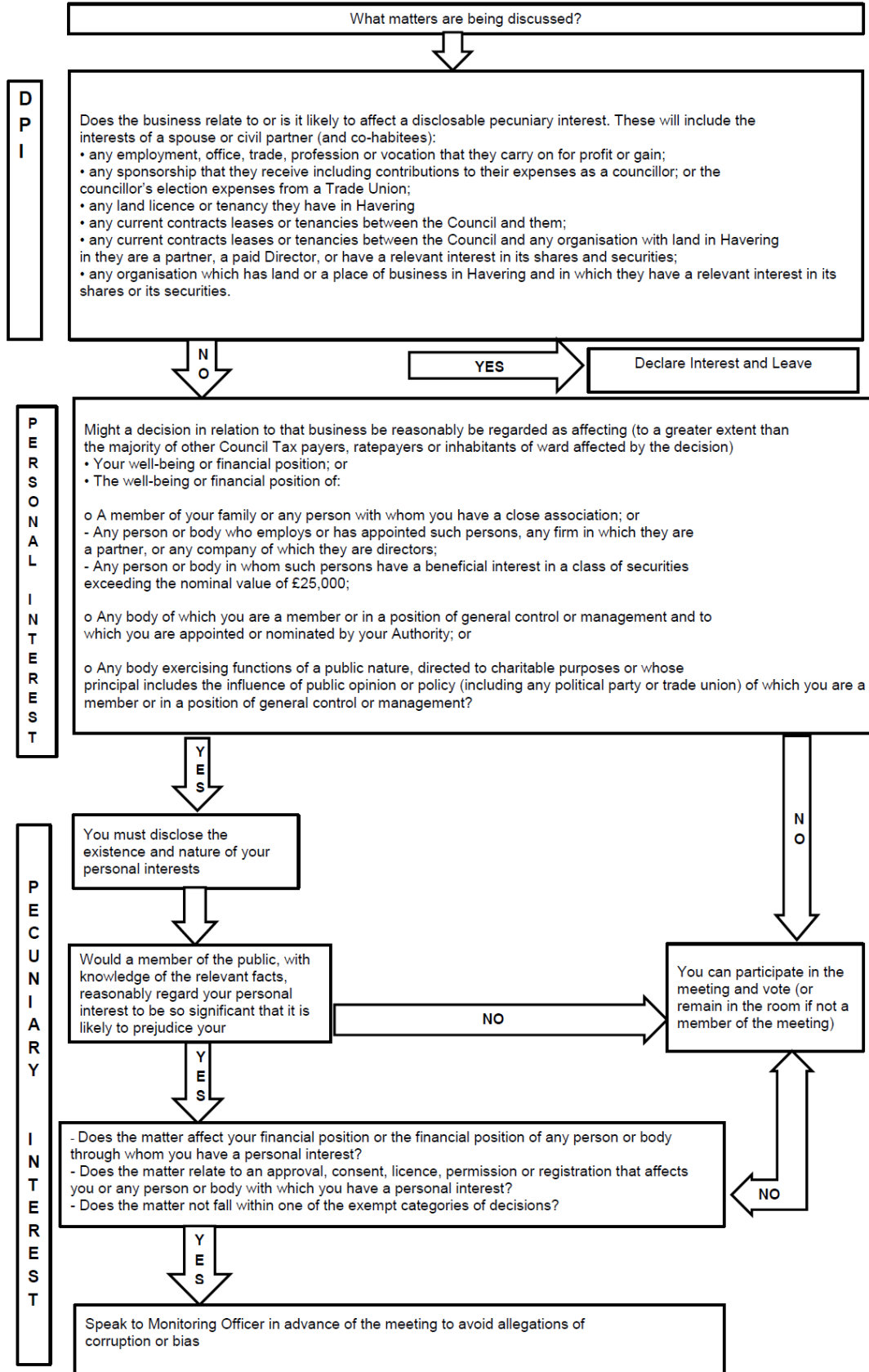
The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

Terms of Reference:

The areas scrutinised by the Board are:

- Strategy and commissioning
 - Partnerships with Business
 - Customer access
 - E-government and ICT
 - Finance (although each committee is responsible for budget processes that affect its area of oversight)
 - Human resources
 - Asset Management
 - Property resources
 - Facilities Management
 - Communications
 - Democratic Services
 - Social inclusion
 - Councillor Call for Action
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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies have been received from Councillor Laurance Garrard.

To receive any other apologies for absence.

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 6)

To approve as a correct record the open minutes of the meeting of the Board held on 4 July 2023 (attached) and to authorise the Chairman to sign them.

5 CALL-IN OF AN EXECUTIVE DECISION - ACCEPTANCE OF £6.3M FUNDING FROM THE GLA REFUGEE HOUSING PROGRAMME (Pages 7 - 108)

Report, grounds of call-in and Executive Decision attached.

6 CAPITAL PROGRAMME - RISKS AND THE IMPACT ON TREASURY MANAGEMENT (Pages 109 - 122)

Report and presentation attached.

7 ONESOURCE RETURNING SERVICES - POSITION STATEMENT (Pages 123 - 132)

Report attached.

8 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the proceedings, if members of the public were present during these items, there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on these grounds, the Board to resolve accordingly on the motion of the Chairman.

9 EXEMPT MINUTES (Pages 133 - 134)

To approve the exempt minutes of the meeting of the Board held on 4 July 2023 (attached – not available to press or public).

Zena Smith
Head of Committee and Election Services

Public Document Pack Agenda Item 4

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
4 July 2023 (7.30 - 8.35 pm)**

Present:

COUNCILLORS

Conservative Group	Dilip Patel, Keith Prince, Timothy Ryan and Damian White
Havering Residents' Group	Laurance Garrard, Jacqui McArdle and Gerry O'Sullivan (Chairman) and Philip Ruck (Vice-Chair)
Labour Group East Havering Residents' Group	Patricia Brown and Matthew Stanton Martin Goode

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies for absence were received from:

Councillor Mandy Anderson (Councillor Pat Brown substituting)
Councillor Natasha Summers
Councillor David Taylor (Councillor Damian White substituting)
Councillor Katharine Tumilty (Councillor Matt Stanton substituting)
Councillor Bryan Vincent (Councillor Jacqui McArdle substituting)

2 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

3 MINUTES

The minutes of the meeting held on 30 March 2023 were agreed as a correct record.

4 COMMENTS ON PRE-DECISION SCRUTINY REPORTS

The Board agreed that, having undertaken pre-decision scrutiny, it did not wish to make any specific comments on the following Cabinet reports:

- East London Waste Authority – Outline Business Case
- Procurement of Highways and Street Lighting Contracts

5 SCOPE OF PARKING ENFORCEMENT PROCESS TOPIC GROUP

The scope of the parking enforcement task and finish group was agreed by the Board. The scope is attached of the group is attached to these minutes.

6 ANNUAL REPORT OF BOARD

The annual report of the Board was noted.

7 COUNCIL RISK REGISTERS

Each directorate had its own risk register and the strategic risk register was a standing item at the Governance and Assurance Board, as well as being considered by the Council's Senior Leadership Team. Access was being arranged for Members to the strategic and directorate risk registers and officers would chase this up.

A Member asked why the entry in the register regarding the risk of being able to deliver a balanced budget did not reference the error in parking charges in the budget papers. Officers accepted that this had led to a £250k shortfall but this was in the context of a £180m budget. There was also a £2m provision for undelivered savings. Other savings initiatives in parking meant that a balanced budget could still be set. The parking charges issue had not invalidated the budget process as a whole and other Members felt that this was not so much a risk as an issue in the way budgets were prepared that officers would need to resolve. Officers accepted that an error had been made in processing the budget report. The results of an investigation into the parking charges issue could be brought to an exempt meeting of the Board.

Members were pleased at the higher level of detail in the register but noted that some dates were still absent. Officers would seek to confirm the remaining target dates. Review dates on the register were system-generated and officers would investigate those that should have already taken place.

Some risks on the housing risk register were housing-specific, others were more generic. Risks included the increasing demand for homeless services and not enough rent or service charges being received. More generic risks covered areas such as the recruitment and retention of staff, failure of IT systems, adult safeguarding issues and fire and flood risk due to climate change. Officers would look into the risk of the lack of cookers in homeless accommodation etc and whether this should be added to the register.

It was accepted that there were some risks of the property acquisition programme but assessments of each property were undertaken in order to

mitigate this. More detail such as control measures would be added to the risk register. It was confirmed that the Council had complied with the requirement for all social landlords to install fire alarms in their properties. Fire alarms were also checked annually.

Information on risks was reported regularly to the regeneration officer board and then fed into the regeneration risk register. Key risks included increased costs of climate change, sales values of properties (which were regularly monitored) and the need to maintain levels of private rented income.

There were also risks around the cost and availability of construction materials and the lack of well-trained labour. Officers were aware of the risks rising interest leading to a lowering of property values but 65 of 71 low cost home ownership properties at the New Green development had been sold. The development had seen good maintenance of value and there was currently no suggestion that values would drop. Any drop in values would assist the acquisition programme which had now been approved by Cabinet. A fund had been approved to purchase 150 properties for homeless people which would allow the Council to take advantage of falling prices.

The investment fund would also derive social value outputs with for example 270 local people trained as part of the New Green project. Work was in progress with Quantum Group to train installers, including local people, to fit Heat Source pumps. Quantum also offered apprenticeship opportunities. The risk of not building the projected number of properties was picked up through monthly monitoring and was reported to Cabinet on a quarterly basis. The risk of homelessness was monitored through the housing risk register to address any mismatch in housing supply and demand. Members felt that not meeting housing supply targets should be included as a specific risk.

The Board also scrutinised the risk and impact of the capital programme on the Medium Term Financial Strategy over the next 5 years.

The Board agreed that the remainder of the meeting should be held in exempt session due to the likelihood of it revealing information relating the financial or business affairs of any particular person (including the authority holding that information) as defined under Paragraph 3, Schedule 12A of the Local Government Act 1972.

Chairman



OVERVIEW AND SCRUTINY BOARD

SCOPING DOCUMENT FOR PARKING ENFORCEMENT PROCESS TOPIC GROUP

MEMBERS OF THE TOPIC GROUP:

Councillor Gerry O'Sullivan (Chairman)
Councillor Mandy Anderson
Councillor Laurance Garrard
Councillor Martin Goode
Councillor Keith Prince
Councillor Phil Ruck
Councillor Katharine Tumilty

Lead Officer Support: Imran Kazalbash/Mark Hodgson/Jo Anne Green

• Objectives of Review

- To review the relevant parking enforcement policies and regimes adopted by the Council.
- To make recommendations regarding the Council's Parking Enforcement policies and regimes going forward with a particular focus on
 - Improving customer experience
 - Maximising compliance
 - Reducing any confusion
 - Improve communications
 - Digital enabling

Key Considerations and Aspects for Investigation

The review will be broken into three sections:

CEO Arrangements

- Recruitment and induction
- Ongoing staff training, review and monitoring
- Performance and performance statistics
- Service and customer care
- Relevant London benchmarking statistics

Parking Regimes and Policy

- Local enforcement policy and "rules"
- Pay and Display machine issues and local approach to defective machines
- Time / stay duration and "no return" limits for on v off street

- Free parking offer
- Future pay and display machine provision
- Current income split (cash, cashless etc)

Appeals Process

- Process and statistics – key reasons for appeals, allowed appeals, cancellations, trends (officer, location etc)
- Communications / correspondence as part of appeals process
- Road marking maintenance arrangements
- Back office team training and qualifications
- Benchmarking – to include comparison of key statistics, any patterns for those with in / outsources services, comparison of last year v first quarter 2023/4

Key Dates and Target Date for Completion

This scoping document will be presented to the Overview and Places Scrutiny Board on 4 July 2023.

Key milestones:

Activity	Deadline / target date
Agree scope	23 June 2023
Allocate lead officer	End June
Share scope with O & S Board and adjust if needed	4 July 2023
First draft report	End October
Final report	End November
Present to O & S Board OSSB and agree report and recommendations	TBC (Autumn)

Witnesses to be consulted-

Elected members
 Business representatives
 Residents
 Staff – CEOs, supervisors, managers
 Members to observe enforcement on the ground
 Members to review appeal
 Consider speaking with other councils

Other sources of information-

London Councils and Adjudicator data
 Councils data bases

• Approximate Frequency of Meetings

- Suggested – fortnightly.

Overview & Scrutiny Board

27 September 2023

Subject Heading:

SLT Lead:

Report Author and contact details:

Policy context:

Financial summary:

REPORT

Call-in of an Executive Decision –
Acceptance of £6.3m funding from the
GLA Refugee Housing Programme
Gavin Milnthorpe – Deputy Director of
Legal Services

Anthony Clements - Committee Services
Manager
anthony.clements@onesource.co.uk

The report deals with a statutory process.

There is no significant financial impact
from the statutory processes as these
requirements are being met by existing
budgets.

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place X

SUMMARY

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by six Members representing more than one Group (Councillors Martin Goode, Dilip Patel, Keith Prince, David Taylor, Tim Ryan and Katharine Tumilty) have called-in the Key Executive Decision dated 31 August 2023.

The grounds for the requisition are attached as is the Executive Decision itself. A presentation giving a response to the grounds will be given by officers at the meeting.

RECOMMENDATION

That the Board considers the requisition of the Key Executive Decision and determines whether to uphold it.

REPORT DETAIL

As per Appendices

- Grounds for requisition
- Key Executive Decision report and appendix

IMPLICATIONS AND RISKS

Financial implications and risks: None of this covering report.

Legal implications and risks: None of this covering report.

Human Resources implications and risks: None of this covering report.

Equalities implications and risks: None of this covering report.

Environmental and Climate Change implications and risks: None of this covering report.

BACKGROUND PAPERS

None.

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Overview and Scrutiny Board, 27 September 2013 – Grounds of Call-in

We would like more information on the financial impact of this scheme on Havering's finances, given that the scheme will only fund up to 50% of the cost. We would like to know if this will mean a reduction in the number of homes purchased to house Havering residents, and what the plans are for rehousing supporting the refugees after their tenancy has expired.

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Notice of KEY Executive Decision

Subject Heading:	Acceptance of £6.3m Funding from the GLA Refugee Housing Programme
Decision Maker:	<i>S151 Officer – Kathy Freeman</i>
Cabinet Member:	<i>Councillor Paul McGeary – Cabinet Member for Housing</i>
SLT Lead:	<i>Patrick Odling-Smee – Director of Living Well</i>
Report Author and contact details:	<i>Troy Atkin – Refugee & Crisis Response Programme Manager</i> Troy.Atkin@havering.gov.uk
Policy context:	<i>This decision supports the Council’s ambitions for providing genuinely affordable housing</i>
Financial summary:	<i>This report requests acceptance of £6.3m GLA grant funding for 50 property acquisitions, capped at 40%-50% of the final cost</i>
Reason decision is Key	<i>(a) Expenditure or saving (including anticipated income) of £500,000 or more</i>
Date notice given of intended decision:	<i>12th July 2023</i>

Key Executive Decision

Relevant Overview & Scrutiny Committee:	<i>Places Overview & Scrutiny</i>
Is it an urgent decision?	<i>No</i>
Is this decision exempt from being called-in?	<i>No</i>

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy (X)

Resources - A well run Council that delivers for People and Place.

Place an X as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out within this report and its appendix, it is recommended that the S151 Officer accepts the grant funding of £6.3m from the Greater London Authority under the Refugee Housing Programme. The grant funding will be used to acquire circa 50 affordable homes.

AUTHORITY UNDER WHICH DECISION IS MADE

According to Part 3 of the Council's constitution "Responsibility for Functions" – S151 Officer Functions – (m) to accept grants and terms of conditions thereof for and on behalf of the Council

STATEMENT OF THE REASONS FOR THE DECISION

Background:

The Greater London Authority (GLA) recently announced £126m in funding for the Refugee Housing Programme (RHP). The programme aims to provide 630 homes for Afghan and Ukrainian refugees, recognising that longer-term good quality, affordable housing provides a foundation for families fleeing war and persecution to rebuild their lives.

The programme offers grant funding to affordable housing providers, such as local authorities, to acquire property to house refugee cohorts for a minimum of five years on an Assured Short hold Tenancy or until the refugee cohort leaves property. After five years the acquired properties may be used as general social housing and allocated in line with the Council allocation policy.

The programme presents an opportunity to utilise external grant funding towards the costs of acquisitions, which will provide suitable accommodation for refugees with housing needs and can later become available for UK families. The additional units delivered will increase the supply of good quality affordable housing in the borough, thereby improving housing conditions for all residents. It will also reduce demand for temporary accommodation and therefore the cost to the Council's general fund budget.

The Housing Services Team has a small team of officers already in place working on acquisitions of affordable housing, delivery of the additional homes in this grant bid would be contained within the existing team. The GLA affordable housing programme is overseen by the Head of Programme & Support in Regeneration, monitoring of this programme would also fall within the existing arrangements.

Key Executive Decision

Programme requirements:

- Acquisitions must be completed by 31 March 2024 (with an aim to complete as many as possible by November 2023)
- Properties will be self-contained, no shared accommodation will be funded
- Properties will be maintained to Decent Homes standard after acquisition
- Properties will reach EPC level D
- Furniture and white goods will be provided for residents (can be included in capital cost or through existing refugee support programmes)
- Rent levels must be affordable, London affordable or social rent

Eligible cohort definition

The eligible cohort for RHP homes is those who: are homeless, are at risk of homelessness or live in unsuitable temporary accommodation (including bridging accommodation); and meet any of the criteria given below.

The eligible cohort definition covers households or individuals on any of the following:

- Afghan Citizen Resettlement Scheme (ACRS), including eligible British nationals under this scheme
- Afghan Relocations and Assistance Policy (ARAP)
- Homes for Ukraine
- Ukraine Extension Scheme
- Ukraine Family Scheme.

An applicant can still be deemed homeless (under Part 7 of the Housing Act) regardless of the accommodation they are in if it is not reasonable for them to continue to occupy that accommodation

Demand for refugee accommodation:

There are currently 124 Ukrainian families living with sponsor families or in temporary accommodation in Havering. There is national demand for 8,000 homes for Afghan refugees, which are allocated as housing providers present suitable properties.

Demand from the Ukrainian cohort is as follows:

57 x 1 bedroom
25 x 2 bedrooms
20 x 3 bedrooms
2 x 4 bedrooms

The Afghan refugee cohort typically consists of larger families, requiring 3 or more bedrooms. Allocation of property should not lead to overcrowding.

Alternative housing solutions are not proving effective for refugee cohorts as private rented accommodation is unaffordable, even with the government support packages available, and hostel and hotel accommodation are not suitable long-term solutions for families.

Key Executive Decision

Where there is a statutory duty to house, a standard five-year fixed term tenancy agreement will be offered to provide longer-term certainty to refugee families.

OTHER OPTIONS CONSIDERED AND REJECTED

Option of not accepting the Grant for the Housing Refugee Programme

This option was rejected as it would be considered a missed opportunity to utilise additional funding towards the provision of affordable housing.

The grant funding reduces the Council's funding requirements from the Housing Revenue Account, as well as allowing alternative funding sources (like 1-4-1 Right to Buy receipts) to be diverted to other affordable housing delivery schemes where grant rates are not as competitive. By utilising competitive rates of external funding wherever possible, we are able to deliver more affordable housing overall.

Using grant funding from this programme also exempts the Council from paying SDLT on RHP acquisitions, in accordance with the government's 'Registered Social Landlord' exemption.

PRE-DECISION CONSULTATION

No formal consultation is required to accept the grant from the GLA.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Troy Aitken

Designation: Refugee and Crisis Response Programme Manager

Signature:



Date: 1st September 2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power and the Council has the power to receive grant funding.

Officers will ensure they are cognisant of the funding conditions associated to with the grant and agree the Council is able to accept and perform its obligations,

FINANCIAL IMPLICATIONS AND RISKS

Grant rates

There is £126m in capital grant funding available to deliver up to 630 affordable homes in London. There is no revenue funding available through the RHP.

The capital grant offer is differentiated by bedroom size as follows:

- smaller homes – defined as homes with one to three bedrooms
- larger homes – defined as homes with four or more bedrooms.

Grant per home will be capped at a proportion of total project costs, in accordance with the terms of the LAHF set nationally by government:

- smaller homes – grant per unit is capped at 40 per cent of total project costs
- larger homes – grant per unit is capped at 50 per cent of total project costs.

The GLA will review the value for money of total project costs prior to approving grant allocations; and make decisions about funding allocations on the basis of this assessment.

Additional GLA grant rate caps have been set to ensure the GLA secures value for money and manages performance against overall programme delivery targets. For the purposes of this arrangements Havering is listed an outer London borough:

- outer London, smaller home – £175,000
- Outer London, larger home – £250,000.

By accepting the Grant this will deliver 50 affordable homes, rental charges are capped at 80% of local market rent, including service charges. This would be eligible for Housing Benefit coverage.

Key Executive Decision

The HRA contribution will be up to £10m in 2023/24 to support the acquisitions programme, with up to £6.3m in grant funding being used in the project budget. The £10m HRA budget allocation was approved by Cabinet in February 2023 as part of the HRA Business Plan.

Average purchase and void costs are shown below, based on recent acquisitions data from 82 properties. The table represents average costs, noting that costs will change according to location, property condition and type.

	Average Purchase Cost	Average Void Costs / On Costs	GLA 40/50% Cap	Max Grant Rate	HRA Contribution
1 Bed	£211,650	£9,880	£88,612	£175,000	£ 132,918
2 Bed	£249,457	£10,116	£103,829	£175,000	£ 155,744
3 Bed	£307,145	£15,171	£128,926	£175,000	£ 193,390
4 Bed	£413,900	£38,559	£226,230	£250,000	£ 226,230
Averages	£295,538	£18,432			£ 177,070

The following table shows the expected overall costs, based on the acquisition of 50 properties. The GLA contribution is capped at 40% as the 50% cap only applies to larger properties of 4 bedrooms or more. Larger size properties are less frequently available on the local housing market.

	Average Cost	GLA Contribution @ 40%	HRA Contribution @ 60%
	£ 313,970	£ 125,588	£ 188,382
50 Properties	£ 15,698,475	£ 6,279,390	£ 9,419,085

Other Current Costs & Benefits

In the previous financial year, £48,000 was spent from the Afghan Resettlement Programme, and £3.1m supporting Ukrainian refugees, funded from Homes for Ukraine Grant, Public Health and Housing Benefit (including £900k wraparound support). Support will continue to be funded outside of this grant bid/programme, including an estimated £1.1m in wraparound support from the Homes for Ukraine grant.

Where Ukrainian families are being hosted in the borough, whilst there may be no current costs for the council, the acquisition of these properties would enable the families to be housed in council affordable homes, rather than more expensive temporary accommodation (TA). As such, this could be seen as a cost avoidance measure. There are 12 families currently in TA that have cost £54,962 so far this financial year, last financial year the cost was £135K. Costs were funded from Housing Benefit and the Homes for Ukraine Grant.

Key Executive Decision

It should be noted that whilst there are potential immediate savings on temporary accommodation (est. £2,500 per year, per property), there are no guarantees that refugee households will relocate from the social housing property after the initial tenancy term. Housing needs will be assessed in the usual way in accordance with council policies.

Grant Procedures

Property completions are monitored and grant claims are made through the GLA OPS system. Grant claims are made on completion of eligible properties, once checked and agreed by the GLA.

The GLA contract will include details of claw back provisions, where funding may be reclaimed in circumstances where funding conditions have been breached. This programme, as with all other GLA funding programmes, may be subject to compliance audit.

With the acceptance of the grant funding, the Council can bid for further rounds of the Local Authority Housing Fund (LAHF).

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no Human Resources implications arising from this proposed decision. Both the delivery of acquisitions and programme management functions required for this programme will be contained within existing staff structures in Housing and Regeneration

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

Key Executive Decision

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The grant funding will benefit individuals and families from Afghanistan and Ukraine that are currently in bridging accommodation or at risk of homelessness, allowing them access to safe and affordable housing through a five year fixed term tenancy. Wraparound support will continue to be provided through other support programmes.

These individuals could be considered at greater risk of exploitation due to language barriers, cultural differences and possible exposure to traumatic events in their country of origin. Many refugees will feel unsettled in a new country and have not yet developed support networks to assist them in times of need.

Benefits for other residents arise after the initial tenancy period where the properties will become available as general needs social housing, increasing the overall affordable housing stock for Havering.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Health & Wellbeing Benefits:

Havering Council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing. Inadequate housing and poorly designed housing is associated with increased risk of ill health including cardiovascular and respiratory diseases, depression and anxiety as well as risk of physical injury from accidents.

Housing conditions, quality, affordability and tenure (particularly for women due to safety issues) in relation to refugees plays an important part in pathways to integration as well as means through which people who are newly arrived in Havering can build a new life (e.g. access to employment, identity, living practices, creation of social networks etc.). A successful grant bid will support Havering's ambitions to provide more good quality, genuinely affordable homes, through the acquisition of 50 additional homes. Increased affordable housing supply will have a positive impact on wider health and wellbeing of the borough's residents.

Health & Wellbeing Risks:

The proposals to increase grant funding for this project do not give rise to any health and wellbeing risks, considerations to be made when allocating properties include safety, cultural appropriateness and equality.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental or climate change implications arising from this report.

As acquired properties will be maintained to Decent Homes Standard and EPC level D, properties are expected to be secure, warm and reasonably energy efficient.

BACKGROUND PAPERS

None

APPENDICES

Appendix A – Refugee Housing Programme (RHP) Capital Grant Agreement

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: **Kathy Freeman**

CMT Member title: **Strategic Director of Resources and S151 Officer**

Date: 31st August 2023

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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dated

2023

Greater London Authority

and

[Grant Recipient]

**Refugee Housing Programme (RHP) – Capital Grant
Agreement (Local Authority)**

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ
t +44 (0)20 7423 8000
f +44 (0)20 7423 8001
www.trowers.com

trowers & hamlins

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Grant Agreement

dated 2023

Parties

- (1) **Greater London Authority** of City Hall, Kamal Chunchie Way, London E16 1ZE (the **GLA**); and
- (2) [XXX] whose registered office is at [XXX] (the **Grant Recipient**).

Introduction

- (A) DLUHC has made available capital grant funding from its Local Authority Housing Fund (**LAHF**) to the GLA to be administered by the GLA as the Refugee Housing Programme (**RHP**).
- (B) The GLA has entered into a memorandum of understanding with DLUHC in relation to the administration and delivery of the LAHF in London, named by the GLA as the RHP.
- (C) The Grant Recipient has submitted a bid to the GLA for grant funding to assist the Grant Recipient in meeting the capital costs of the delivery of accommodation for individuals in the Target Client Group.
- (D) The GLA has agreed to advance grant funding to the Grant Recipient under the Refugee Housing Programme in response to that bid subject to and in accordance with the terms of this Agreement.
- (E) Capital grant paid by the GLA to the Grant Recipient pursuant to this Agreement is social housing assistance as defined in Section 32(13) Housing and Regeneration Act 2008.
- (F) The purpose of the grant provided under this Agreement is to fund affordable housing which will be owned and operated by a local authority and the parties have entered into this Agreement on the basis that no Subsidy therefore arises.

Agreed Terms

1 Definitions and interpretation

1.1 Definitions

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

Acceptance Date means the date upon which the GLA accepts a proposed scheme for the delivery of RHP Housing as a Named Project pursuant to Condition 7.3;

Acquisition means the acquisition by the Grant Recipient of:

- (a) a Completed Interest in a Named Project; or
- (b) where the GLA has provided the Drawdown Confirmation, a Contractual Interest in a Named Project;

Acquisition Date means the date on which the Grant Recipient achieves Acquisition;

Acquisition Tranche Grant means subject to Condition 7.6, such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Acquisition Year has the meaning attributed to it in limb (a) of the definition of Indicative Projects;

Acquisition (No Work Required) Project has the meaning attributed to it in the Agreed Principles;

Acquisition (Work Required) Project has the meaning attributed to it in the Agreed Principles;

Actual Project Costs means the amount of Project Costs actually incurred by the Grant Recipient in the Delivery of each Named Project as such amount is warranted and certified by the Grant Recipient pursuant to Condition 10.2.3;

Additional Indicative Project means an indicative project for the expected delivery of RHP Housing proposed by the Grant Recipient under Condition 18 in addition to those Indicative Projects comprised within the Original Approved Bid;

Additional Named Project means a project for the delivery of RHP Housing proposed by the Grant Recipient under Condition 18 in addition to those projects comprised within the Original Approved Bid;

Additional Project means an Additional Named Project or an Additional Indicative Project;

Additional Project Acceptance Date means the date upon which the GLA confirms acceptance of an Additional Project pursuant to Condition 18.3;

Affordable Housing Capital Funding Guide means the guide of that name published on www.london.gov.uk/CFG or any successor guide so published subject to such amendments variations or updates to the same as may be published from time to time;

Affordable Rent means a rent to be assessed and set in accordance with the applicable requirements of Legislation and the Rent Standard which represents the lower of:

- (a) 80% (eighty per centum) of the market rent (inclusive of service charges) for an equivalent property of the relevant size and location located in the Broad Market Rental Area in which the relevant RHP Dwelling is located; or
- (b) the relevant Local Housing Allowance figure (plus service charge) for an equivalent property located in the Broad Market Rental Area in which the relevant RHP Dwelling is located,

(unless the relevant RHP Dwelling qualifies as Exempt Accommodation in which case the above limb (a) shall apply);

Affordable Rent Level means a rent which does not exceed an Affordable Rent (subject to Condition 2.4);

Agreed Principles means the principles and terms set out in Schedule 1;

Agreed Purposes means the purposes for which each of the RHP Dwellings is to be used, being:

- (a) the provision of housing for individuals in the Target Client Group during the Initial Period;
- (b) the tenure (including the relevant rent levels) for which each of the RHP Dwellings is to be used during and after the Initial Period,

as such purposes are further described in the Named Project Details;

Agreement means this RHP Agreement (including its Schedules, Annexures and Appendices (if any));

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 GLA's [Affordable Homes Programme 2021-2026](#);

Allocated Grant means £[XXX], 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);

Applicable Tranche means (subject to Condition 11.3) the Tranche identified on OPS as payable once the Grant Recipient has achieved the Milestone set out on OPS which must be achieved prior to the Grant Recipient making a claim for such Tranche;

Approved Bid means the aggregate of the Named Projects and Indicative Projects (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);

Benchmark Rent Levels means the rent levels set out below as the same are updated and increased for each successive Financial Year in accordance with Condition 2.5:

Number of bedrooms	2022/23 Benchmark Rent Level (weekly rent, exclusive of service charges)
Bedsit and one bedroom	£168.34
Two bedrooms	£178.23
Three bedrooms	£188.13

Four bedrooms	£198.03
Five bedrooms	£207.93
Six or more bedrooms	£217.82

Benefit Cap means the amount of benefit to which the Tenant is entitled pursuant to part 8A Housing Benefit Regulations 2006;

Bridging Accommodation means all forms of accommodation procured by the Home Office for the purpose of providing temporary accommodation for those brought to the UK as a result of events in Afghanistan following the fall of Kabul in August 2021:

Bridging Household means an individual or household within the Target Client Group occupying Bridging Accommodation:

Broad Market Rental Area has the meaning specified in paragraph 4 of Schedule 3B Rent Officers (Housing Benefit Functions) Order 1997, or article 3 Rent Officers (Universal Credit Functions) Order 2013 as appropriate;

Building Contract means the contract entered into between the Grant Recipient and the Building Contractor relating to the construction, development, conversion, refurbishment, repair and/or Rehabilitation (as applicable) of a Named Project;

Building Contractor means the 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 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 Standards means the minimum design and sustainability standards specified on OPS in accordance with which the RHP Dwellings in a Named Project will be delivered as certified by the Grant Recipient on OPS as part of its bid;

CME Period means the period from the date of this Agreement until 30 November 2023 (or such other date as the GLA may in its absolute discretion approve);

Committed Number has the meaning ascribed to it in limb (b) of the definition of "Indicative Projects";

Change in Control means the Grant Recipient is or will be subject to a process of local government re-organisation approved by the Secretary of State which results in another

local authority obtaining the legal capacity, power and authority to become a party to and to perform the obligations of the Grant Recipient under this Agreement;

Competent Authority means the Competition Appeals Tribunal and/or the Competition and Markets Authority or such other entity or entities having responsibility for monitoring compliance with and/or legally enforcing the Subsidy Control Act or otherwise authorised to recover any Unlawful Subsidy and/or the courts of England and Wales;

Completed Interest means a Secure Legal Interest which meets the description of limbs (a) to (c) of the definition of Secure Legal Interest;

Completion means:

- (a) that stage in the Delivery of a Named Project when the Grant Recipient holds a Completed Interest in each RHP Dwelling comprised within the Named Project;
- (b) each RHP Dwelling comprised within the Named Project is fit for beneficial occupation as a residential development and meets the RHP Minimum Standards and the terms of this Agreement; and
- (c) when the Works have been completed in accordance with the terms of the Building Contract and the applicable NHBC or equivalent requirements current at the date of inspection (where relevant) and the dwellings are 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 **Complete** shall be construed accordingly;

Completion Tranche Grant means subject to Condition 7.6 such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Completion Year has the meaning attributed to it in limb (a) of the definition of Indicative Projects;

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 whether the Named Projects Delivered 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 (subject to such amendments, variations or updates to the same as the GLA may make from time to time) 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;

Compliant EDI Action Plan means an EDI Action Plan which has been developed, published and implemented at the date of this Agreement pursuant to the requirements of

an agreement entered into with the GLA under the Affordable Homes Programme 2021-26 or the Single Homelessness Accommodation Programme 2023 – 25;

Condition Precedent means receipt by the GLA of the Legal Opinion;

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

Contract Monitoring Outputs has the meaning given to it in Condition 5.1;

Contractual Interest means a Secure Legal Interest which meets the description of limb (d) of the definition of Secure Legal Interest;

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;

Decent Homes Standard means the Decent Homes Standard current at the Acceptance Date or Additional Project Acceptance Date (as applicable) of the relevant Named Project;

Default Event has the meaning given to it in Condition 5.1;

Delivery means the acquisition, development, conversion, refurbishment, repair and/or Rehabilitation (as applicable) of the Site and/or the Named Project (as the context requires) and **Delivered** shall be construed accordingly;

Delivery Period means the period from the date of this Agreement until 31 March 2024 (or such later date as the GLA may in its absolute discretion determine);

Differential Grant Amount is the difference between (1) the Named Project Grant sum in respect of a Named Project prior to a reduction pursuant to Condition 7.8.2 and (2) the Revised Named Project Grant Sum;

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

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

- (a) the nature of the Disposal;
- (b) the number and address of the RHP Dwellings and/or other property comprised within the Disposal;
- (c) the donee;

- (d) whether the disposal will occur before or after the expiry of the Initial Period for each RHP Dwelling comprised in the Disposal (and such evidence as the GLA may require to verify this); and
- (e) the amount of Named Project Grant allowed to the RHP Dwelling or property comprised within the Disposal and the quantum of such grant which is either proposed to be applied towards which the Grant Recipient will repay to the GLA in accordance with the terms of this Agreement and the Recovery Determination;

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

Drawdown Condition means any conditions identified by the GLA in writing which must be met by the Grant Recipient on terms satisfactory to the GLA (in its absolute discretion) prior to the Grant Recipient submitting an application for Acquisition Tranche Grant pursuant to Condition 10.1 which could include:

- (a) the provision of such evidence as the GLA may request (in form and substance satisfactory to the GLA) with respect to the Grant Recipient's Secure Legal Interest or the registration of the same at the Land Registry; and/or
- (b) entry into such additional or ancillary documentation as the GLA may determine;

Drawdown Confirmation means written confirmation from the GLA that the Grant Recipient may, subject to the satisfaction of any Drawdown Condition identified by the GLA, submit an application for Acquisition Tranche Grant pursuant to Condition 10.1 when it possesses a Contractual Interest;

EIR means the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such statutory instrument;

EIR Exemption means any applicable exemption to EIR;

Eligible Tenant means a Tenant who falls within the Target Client Group;

Estate Regeneration Default means any of the events or circumstances set out in Conditions 5.1.15 to 5.1.17 (inclusive) has occurred;

Estate Regeneration Funding Condition means the obligations set out in Condition 8.2;

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 8.2 and/or Condition 8.6.128.6.12;

Evaluation Data means information identified in the table set out at Schedule 7;

Exempt Accommodation has the meaning attributed to it in paragraph 4(10), of Schedule 3 Housing Benefit and Council Tax Benefit (Consequential Provisions) Regulations 2006;

Exempted Information means any Information that is designated as falling or potentially falling within the FOIA Exemptions or the EIR Exemptions;

Exemption means an exemption to the Resident Ballot Requirement agreed by the GLA pursuant to section 8.6 Affordable Housing Capital Funding Guide (subject to such amendments, variations or updates to the same as the GLA may make from time to time);

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;

Exemption Evidence means written evidence from the relevant local authority in a form acceptable to the GLA that the relevant RHP Dwelling is Exempt Accommodation;

Financial Year means 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;

FOIA Exemption means any applicable exemption to FOIA;

Funding Guidance means the "Refugee Housing Programme: funding guidance for London" dated April 2023 and any updates published or issued from time to time in relation thereto;

GDPR means the General Data Protection Regulation (EU) 2016/679) as amended or updated from time to time;

Geographical Area means Inner London or Outer London;

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 – the Mayor's Good Practice Guide to Estate Regeneration" published by the GLA in February 2018;

Grant Rate Cap means subject to Condition 7.10, the maximum amount of Named Project Grant that can be applied to each Unit Size depending on Geographical Area as set out in the following table

Geographical Area	Unit Size	Grant Rate Cap
Inner London	Smaller Home	£300,000 multiplied by number of RHP Dwellings in the Named Project

Inner London	Larger Home	£420,000 multiplied by number of RHP Dwellings in the Named Project
Outer London	Smaller Home	£175,000 multiplied by number of RHP Dwellings in the Named Project
Outer London	Larger Home	£250,000 multiplied by number of RHP Dwellings in the Named Project

Grant Recipient Party means:

- (a) the Grant Recipient, any Building Contractor, any member of the Professional Team, agent, employee or subcontractor of the Grant Recipient and the Grant Recipient's Representative; and
- (b) any subsidiary, associate or joint venture in which a local authority has a material interest sufficient to require group financial statements to be prepared which account for these interests, in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (as amended or updated) which is the Statement of Recommended Practice on local authority accounting or any code or other document which replaced it as the Statement of Recommended Practice;

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 any applicable guidance standards codes of conduct or directions with which a Registered Provider is from time to time required or expected to comply by the GLA, the Regulator and/or the Department for Levelling Up, Housing and Communities in relation to the RHP Dwelling;

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 to 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 Grant attributed to the Indicative Projects in OPS;

Indicative Dwelling means a prospective RHP Dwelling comprised within an Indicative Project;

Indicative Dwelling Allocation means the quantum of the Indicative Allocation which is attributed on OPS to the relevant Indicative Dwelling;

Indicative Dwelling Breach means the Grant Recipient is in breach of Condition 6.3 which affects one or more Indicative Dwellings;

Indicative Project means the Grant Recipient's proposal for the Delivery of a specified number of RHP Dwellings as set out in OPS including details of:

- (a) the Financial Year in which such dwellings will achieve Acquisition (**Acquisition Year**) Start on Site (**SoS Year**) and/or Completion (**Completion Year**);
- (b) the number (by tenure) of such dwellings (the **Committed Number**) comprised in a Named Project which will achieve Acquisition or Start on Site; and
- (c) the number of Larger Homes and Smaller Homes to be Delivered

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 Section 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;

Initial Period means in respect of each RHP Dwelling a period of 3 calendar years starting on the Occupation Date (as such period may be extended or reduced with the consent of the GLA in its absolute discretion);

Inner London means any of the areas listed in Appendix 1 of the Funding Guidance under the title "Inner London";

Insecurely Housed means the relevant individual or household is homeless, threatened with homelessness or is occupying unsuitable temporary accommodation (including Bridging Accommodation);

Intellectual Property Rights shall include without limitation all rights to, and any interests in, any patents, designs, trade marks, 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;

Investment Partner means a Registered Provider which has been confirmed by the GLA as having "Investment Partner Status" (whether on a full or restricted basis) 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 the 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;

Larger Home means a RHP Dwelling with four or more bedrooms;

Law means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate Legislation or notice of any Regulatory Body;

Legal Opinion means a legal opinion in the form set out in Schedule 6 given by the Grant Recipient's solicitor and dated prior to the date of this Agreement;

Legislation means:

- (a) any Act of Parliament;
 - (b) any subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978;
 - (c) any exercise of the Royal Prerogative; and
- in each case in the United Kingdom; and
- (d) any regulations, orders, bye-laws, regulatory policy, guidance or codes of practice of any local or statutory authority or Competent Authority (as the case may be) having jurisdiction over the territory in which the Named Project is situated;

Local Housing Allowance means an allowance determined in accordance with article 4B and Schedule 3B of Schedule 3B to the Rent Officers (Housing Benefit Functions) Order 1997, or article 4 and Schedule 1 to the Rent Officers (Universal Credit Functions) Order 2013, as appropriate;

London Affordable Rent means either:

- (a) a weekly rent which does not exceed the Benchmark Rent Level (exclusive of service charges); or
- (b) an Affordable Rent (inclusive of service charges, save in the case of an Affordable Rent set in accordance with limb (b) of the definition of Affordable Rent),

for an equivalent property of the relevant size and number of bedrooms such rent to be assessed and set in accordance with the applicable requirements of the Affordable Housing Capital Funding Guide, Legislation, the Rent Standard 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;

London Plan means the document entitled "The London Plan – Spatial Development Strategy for Greater London" published by the GLA in March 2021 (as the same may be amended, varied, updated or replaced 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 deliver the Approved Bid or a Named Project (as the context requires) on the basis agreed under this Agreement and/or within the time limits (if any) for doing so;

Milestone means each stage in the delivery of a Named Project agreed by the parties and set out in the Named Project Details (including (as applicable) the Acquisition Date, Start on Site Date and a Named Project Completion Date);

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 varied by the GLA pursuant to Condition 9.1);

Milestone Extension Events means any of the following:

- (a) exceptionally adverse weather conditions;
- (b) delay in receipt of any necessary permission or approval of any statutory body 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 any construction, repair or maintenance works necessary to the delivery of the Named Project in accordance with the RHP Minimum Standards by restricting the availability or use of labour which is essential to the proper carrying out of such works or preventing access to such goods or materials as are essential to the proper carrying out of such works or the Delivery of the Named Project;
- (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; or
- (l) any material failure by the Building Contractor under the terms of the Building Contract 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;
- (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 arises (directly or indirectly) as a result of any wilful default or wilful act of the Grant Recipient or any of its subcontractors; 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 Standards means the standards set out in paragraph 2 of Schedule 4;

Minimum Property Standards means the standards described in paragraph 1 of Schedule 4;

Monitoring Data means information identified in the table set out at Schedule 8;

Named Project means each project for the delivery of:

- (a) a single RHP Dwelling; or
- (b) multiple RHP Dwellings,

to accommodate individuals from the Target Client Group as detailed in the Named Project Details and accepted by the GLA as a Named Project pursuant to Condition 7.3 or 18.3;

Named Project Completion Date means the date set out in the Named Project Delivery Timetable by which Completion must have been achieved (and is achieved);

Named Project Delivery Timetable means the timetable for the Delivery of each Named Project as set out in the Named Project Details and agreed by the GLA through OPS;

Named Project Details means the descriptive and other details in respect of each Named Project as accepted 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 (subject to Condition 7.8 and Condition 11.3) the amount of grant payable by the GLA in respect of a Named Project as set out in the relevant Named Project Details;

New Build Project has the meaning ascribed to it in the Agreed Principles;

New Named Project means a proposed Named Project or an Indicative Project which the Grant Recipient wishes to profile as a Named Project, details of which are submitted by the Grant Recipient to the GLA pursuant to Condition 7.1;

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 Named Project Grant has been paid or utilised does not meet the Named Project Details;

Non-Compliant Dwelling means an Indicative Dwelling which is the subject of an Indicative Dwelling Breach;

Occupation Date means the date upon which the Original Tenant's tenancy (or other occupancy agreement) commences;

Off the Shelf Project has the meaning ascribed to it in the Agreed Principles;

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, purchase prices, 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 GLA reasonably requires;

Open Book Obligations mean the obligations set out in Condition 16;

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 proposed Named Projects and Indicative Projects accepted by the GLA at the date of this Agreement in OPS;

Original Tenant means in respect of a RHP Dwelling, the first Tenant from the Target Client Group to occupy such dwelling after it becomes available for residential occupation;

Outer London means any of the areas listed in Appendix 1 of the Funding Guidance under the title "Outer London";

Partial Termination Event means this Agreement is or could be terminated in relation to one or more particular Named Projects pursuant to Conditions 5.4.2 or 5.4.3;

Permitted Disposal means any of the following:

- (a) the grant of a tenancy compliant with Condition 8.6.6;
- (b) a disposal to a statutory undertaker for the purposes of the supply or transmission (whether exclusively or otherwise) of statutory services to the Site;
- (c) a disposal pursuant to or required by a planning obligation within the meaning of s106 or s299A of the TCPA in connection with the Named Project;
- (d) a disposal to a highway authority for the purposes of or in connection with the adoption of roads, footpaths or cycleways on the Site;
- (e) the grant of any mortgage or charge; or
- (f) the grant of an easement;

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

Policy Statement on Rents for Social Housing means the "Policy Statement" published on 14 December 2022 by DLUHC, as such document and/or associated guidance may be amended, updated or replaced from time to time;

Previous AHP Programme means any capital grant funding programme administered by GLA supporting the delivery of affordable housing and identified as an "Affordable Homes Programme";

Previous AHP Programme Funds means funding provided under any Previous AHP Programme;

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;

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;
 - 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 Costs means the capital costs relating to Site acquisition and/or Works in relation to a Named Project incurred or to be incurred in respect of such project by the Grant Recipient in respect of the heads of expenditure set out in Part 1 of Schedule 5 (as relevant) 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 5 shall not be capable of being treated as Project Costs;

Project Costs Cap means:

- (a) forty per centum (40%) for a Named Project which comprises only Smaller Homes; and
- (b) fifty per centum (50%) for a Named Project which comprises Larger Homes.

Project Type means the types of Named Projects described in paragraph 1.1 of the Agreed Principles;

Public Sector Funding means all funding in relation to a Named Project in money or money's worth (including the Named Project Grant) received or receivable by the Grant Recipient from public sector bodies including for this purpose funding from the European Union, government bodies (whether national or local) 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;

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

Recover has the meaning set out in the Recovery Determination;

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 the result of the following calculation:

Reduction Amount = number of Non-Compliant Dwellings x the Indicative Dwelling Allocation;

Refurbishment or Conversion Project has the meaning ascribed to it in the Agreed Principles;

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

Registered Provider means an English Local Authority entered on the Register pursuant to paragraph 3 of the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2010;

Regulator means the Regulator of Social Housing established pursuant to Chapter 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 RHP Dwellings delivered pursuant to this Agreement or any other affairs of the GLA;

Rehabilitated or Rehabilitation or Rehabilitating shall have the meaning ascribed in subsection 2.2 of the Affordable Housing Capital Funding Guide entitled "Rehabilitation project types";

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 or any actions necessary to the Delivery of the Named Project or perform the Grant Recipient's obligations under this Agreement;

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

Relevant FOIA Authority has the meaning given to it in Condition 21.2;

Remediation Plan has the meaning ascribed to it in Condition 25.4.1;

Rent Standard means any standard in relation to rent set by the Regulator from time to time under Section 194 of the HRA 2008, the Policy Statement on Rents for Social Housing, and any other associated explanatory notes or guidance;

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

Resident Ballot Requirement means the obligation to undertake a resident ballot on the basis set out in section 8 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;

Review Meeting means a meeting held pursuant to Conditions 3.3 or 3.4;

Revised Named Project Grant Sum means the sum that is equal to the lower of the Named Project Grant and the relevant Project Costs Cap of the Updated Total Scheme Costs;

RHP means the Refugee Housing Programme as described in the Funding Guidance and any updates published or issued from time to time in relation thereto;

RHP Dwelling means a house, flat or maisonette which was Delivered with the benefit of grant payable under this Agreement as RHP Housing and as more particularly described in the Named Project Details;

RHP Housing means subsidised housing provided by the Grant Recipient pursuant to this Agreement that will be made available initially to individuals within the Target Client Group and thereafter permanently as social rented housing in each case at either a:

- (a) London Affordable Rent; or
- (b) Social Rent;

RHP Minimum Standards means in respect of each Named Project the:

- (a) Minimum Building Safety Standards;
- (b) Minimum Property Standards (to the extent these are not comprised in the above limb (a));
- (c) Decent Homes Standard;
- (d) Certified Standards; and
- (e) any standards set out in the Funding Guidance,

subject to any exemptions approved by GLA (in its absolute discretion) and recorded on OPS;

RIDDOR means Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013;

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;

RTB Funds means receipts retained by the Grant Recipient pursuant to the exercise of the Right to Buy;

Section 15 Direction means a direction made by the Secretary of State under Section 15 Local Government Act 1999;

Section 106 Agreement means an agreement or unilateral undertaking in respect of and affecting any RHP Dwelling made pursuant to section 106 TCPA and/or section 1 Localism Act 2011 and/or section 111 Local Government Act 1972 and/or section 33 Local Government (Miscellaneous Provisions) Act 1982 and/or section 38 and/or section 278 Highways Act 1980 and/or section 104 Water Industry Act 1991 and/or the Housing Acts or any similar agreement or unilateral undertaking with any Competent Authority or body relating to other services;

Section 106 Project means a project where the RHP Housing is part of a larger scheme (controlled by a party other than the Grant Recipient) comprising accommodation which is non-residential and/or residential which is not RHP Housing which is subject to a Section 106 Agreement;

Section 114 Report means a report made under Section 114(3) or Section 114A Local Government Finance Act 1988;

Secure Legal Interest means the Grant Recipient has in respect of the Site:

- (a) a freehold title registered with title absolute;
- (b) a leasehold title (where the lease has at least 60 years unexpired duration) registered with title absolute;
- (c) a freehold title registered with possessory title or leasehold title registered with good leasehold title (where the lease has at least 60 years unexpired duration) 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,
- (d) a binding contract with the owner of the legal and beneficial interest in the Site to secure one of the interests in limbs (a) to (c) and that securing that interest is conditional only upon the matters that are within the direct and unilateral control of the Grant Recipient;

provided that in each case where the Grant Recipient possesses:

- (a) the freehold estate and one or more leasehold interests derived from the freehold estate; or
- (b) 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);

Shared Accommodation means a dwelling (including any common areas) comprised within non-self-contained accommodation for two or more households

Site means the site identified to the GLA as being the area of land or buildings comprised or to be comprised in a Named Project and/or the RHP Dwellings and common areas Delivered as part of such Named Project;

Smaller Home means a RHP Dwelling with at least 1 but no more than 3 bedrooms;

Social Rent means a rent calculated in accordance with the formula and related provisions for calculating social rents set out in the Rent Standard;

SoS Year has the meaning attributed to it in limb (a) of the definition of Indicative Projects;

Special Conditions means the conditions set out in Schedule 2;

Start on Site means the occurrence of:

- (a) with respect to a New Build Project or a Refurbishment or Conversion Project, all of the following:
 - i either:
 - A the Grant Recipient and Building Contractor have entered into the Building Contract and the Building Contractor has taken possession of the Site; or
 - B where the Works will be undertaken by the Grant Recipient, a purchase order has been raised with respect to the Works and the Grant Recipient has taken possession of the Site; and
 - ii the Start on Site Works have commenced;
- (b) with respect to an Acquisition (No Work Required) Project, Acquisition (Work Required) Project or Off the Shelf Project, the achievement of Acquisition;

Start on Site Date means the date identified on OPS on which Start on Site is projected to occur and does occur;

Start on Site Tranche Grant means subject to Condition 7.6 such sum as is equivalent to the percentage of the Named Project Grant recorded on and agreed by GLA through OPS;

Start on Site Works means the commencement of the Works in relation to any RHP Dwelling comprised in the relevant Named Project including:

- (a) in the case of a New Build Project:
 - i the digging of a trench which is to contain the foundations, or part of the foundations, of such dwelling;
 - ii 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;

- iii any operation in the course of laying out or constructing a road or part of a road; or
 - iv such works of demolition or service diversion as are set out in section 2 Affordable Housing Capital Funding Guide; or
- (b) in the case of a Refurbishment or Conversion Project, the substantive commencement of physical Works to the Site;

Subcontractor means any subcontractor appointed by the Grant Recipient to undertake all or part of the Grant Recipient's obligations under this Agreement;

Subsidy shall have the meaning given to it in section 2 of the Subsidy Control Act 2022;

Subsidy Control Act means the Subsidy Control Act 2022 and/or such other Legislation and/or regulations and/or guidance issued by a Secretary of State and/or approved by Parliament which is in force and/or applies in England which regulates Subsidy;

Target Client Group means individuals who are Insecurely Housed who are eligible for assistance under any of the following schemes or policies:

- (a) Afghan Citizen Resettlement Scheme (including eligible British nationals under such scheme);
- (b) Afghan Relocations and Assistance Policy;
- (c) Ukraine Family Scheme
- (d) Homes for Ukraine scheme
- (e) Ukraine Extension Scheme

and who have been referred as a Tenant by the Grant Recipient or by the Home Office pursuant to Condition 4.2;

TCPA means the Town and Country Planning Act 1990;

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;

Tenancy Type means either:

- (a) a non-secure tenancy as defined in section 79(2)(a) and Schedule 1 paragraphs (4), (4A), and/or (6) Housing Act 1985; or
- (b) an introductory tenancy, as defined in section 124 Housing Act 1996;
- (c) a contractual license or contractual tenancy; or
- (d) such other form of tenancy expressly agreed by the GLA,

as accepted by the GLA on OPS for each RHP Dwelling in a Named Project and set out in the Named Project Details;

Tenant means (as the context requires):

- (a) a tenant or licensee occupying a RHP Dwelling; or
- (b) a prospective tenant or licensee of a RHP Dwelling;

Total Scheme Costs means in respect of a Named Project the sum recorded against the "Total Scheme Costs" line entry in the "Summary" section of the Named Project Details as at the Acceptance Date or the Additional Project Acceptance Date (as applicable);

Total Termination Event means this Agreement is or could be terminated as a whole pursuant to Condition 5.4.1;

Tranche means in respect of a Named Project and as applicable any of the Acquisition Tranche Grant, Start on Site Tranche Grant, Completion Tranche Grant or any additional tranche approved by the GLA pursuant to Condition 7.7;

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;

Unit Size means a Smaller Home or a Larger Home;

Unlawful Subsidy means Subsidy which has been granted, or from time to time is, in contravention of the Subsidy Control Act;

Updated Total Scheme Costs means in respect of a Named Project the amount of Total Scheme Costs updated by the Grant Recipient on OPS pursuant to Condition 10.6 and notified to the GLA on OPS:

UK GDPR has the meaning given to it in section 3(10) of the Data Protection Act 2018;

Use Breach means either:

- (a) the Grant Recipient has failed to use a RHP Dwelling to accommodate individuals or households from the Target Client Group for the duration of the Initial Period;
- (b) the Grant Recipient has failed to let a Larger Home to a Bridging Household and the circumstances contemplated in Condition 4.3 do not apply; or
- (c) the GLA determines that the Grant Recipient has otherwise failed to comply with Condition 4 or to use any RHP Dwelling in accordance with the Agreed Purposes;

Use Termination Event means this Agreement is or could be terminated in relation to one or more particular RHP Dwellings pursuant to Condition 5.4.4;

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; or
- (b) a subcontractor (or any employee of a subcontractor not acting independently of the subcontractor); or
- (c) an employee of a subcontractor 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;

Withholding Event means an event or circumstance of the type described in Condition 13.1; and

Works means in relation to each applicable Named Project all of the works (including design, infrastructure works and all other works necessary for obtaining access to each RHP Dwelling) to be undertaken in order to ensure that the RHP Dwellings comprised in a Named Project meet the RHP Minimum Standards and are Delivered 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 or section heading 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 shall include (except where expressly stated otherwise) any variation, amendment or supplement to such document to the extent that such variation, amendment or supplement is not prohibited under the terms of this Agreement.
- 1.2.5 Any reference to any enactment, order, regulation or similar instrument shall (except where expressly stated otherwise) be construed as a reference to the enactment, order, regulation or instrument (including any EU 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 A paragraph in a Schedule shall be construed as references to a paragraph in that particular Schedule.
- 1.2.11 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.
- 1.2.12 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.
- 1.2.13 An obligation to do anything includes an obligation to procure its being done.
- 1.2.14 Any restriction includes an obligation not to permit infringement of the restriction.
- 1.2.15 The terms **Site, Indicative Project** and **Named Project** includes each and every part of it.
- 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 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.
- 1.2.18 If there is any ambiguity or conflict between the implied terms and the express terms of this Agreement then the express terms shall prevail.
- 1.2.19 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.
- 1.2.20 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.

- 1.2.21 The terms "Allocated Grant", "Capital Grant" and "Named Project Grant" (unless the context precludes such interpretation) include every Tranche thereof.
- 1.2.22 Any reference to section 8 Affordable Housing Capital Funding Guide in this Agreement refers to the section entitled "Resident Ballots for Estate Regeneration Projects" of such guide (and any successor, replacement or amendment of the same).
- 1.2.23 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.
- 1.2.24 In the event of any conflict between the information in the Approved Bid and the Named Project Details described in OPS, the Named Project Details shall prevail.
- 1.2.25 The use of the term "let" or "letting" in this Agreement shall be construed as including the grant or granting of licence.

2 Purpose and acknowledgements

- 2.1 In consideration of the sum of £1 (receipt of which the GLA hereby acknowledges), the GLA has agreed to make the Allocated Grant available to the Grant Recipient to provide the RHP Dwellings for the Agreed Purposes subject to and in accordance with the terms and conditions of this Agreement.
- 2.2 The Grant Recipient acknowledges and agrees that:
- 2.2.1 the Allocated Grant is being made available by the GLA on the express understanding that it is applied solely for the purposes of funding the Project Costs in respect of RHP Dwellings comprised in a Named Project which are to be let to individuals within the Target Client Group;
- 2.2.2 the Public Sector Funding in respect of a Named Project may not exceed an amount equal to the Actual Project Cost nor may the Public Sector Funding in respect of the Approved Bid exceed an amount equal to the aggregated Actual Project Costs incurred in respect of the delivery of the Approved Bid;
- 2.2.3 all funding under this Agreement is:
- (a) social housing assistance as defined in Section 32(13) of the HRA 2008; and
 - (b) 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 14 represent the events and principles determined by the GLA for the purposes of Sections 31-34 of the HRA 2008;
- 2.2.4 the Grant Recipient must hold Registered Provider status at the point at which the RHP Dwelling(s) comprised within each Named Project are made available for rent;

2.2.5 the provisions of this Agreement represent the conditions upon which the GLA makes the Allocated Grant available to the Grant Recipient for the purposes of section 19 and 31 of the HRA 2008 and 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 (or any successor provision to that paragraph); and

2.2.6 without prejudice to any other terms of this Agreement:

- (a) the period that each RHP Dwelling comprised in the Named Project is let to individuals within the Target Client Group for the Agreed Purposes must equal or exceed the Initial Period;
- (b) the aggregate of the Acquisition Tranche Grant, Start on Site Tranche Grant, the Completion Tranche Grant and any other tranche approved by GLA (having regard to Condition 7.7) in each Named Project will represent one hundred per centum (100%) of the Named Project Grant.
- (c) the terms of the Affordable Housing Capital Funding Guide are incorporated within this Agreement (mutatis mutandis); and
- (d) it will not advance or on-lend any Named Project Grant to a third party (in whole or in part);

2.3 The Grant Recipient shall comply with the Open Book Obligations.

2.4 The parties acknowledge that in setting the Affordable Rent Level, it may not be possible for the Grant Recipient to identify a comparable market rent for an equivalent property of the relevant size and location (an **Equivalent Property**) in the Broad Market Rental Area. In such a case the Grant Recipient will submit to the GLA a comparable market rent based on Equivalent Properties in alternative comparator areas (the **Alternative Market Rent**). If the GLA (acting reasonably) does not approve the Grant Recipient's proposed Alternative Market Rent, the Grant Recipient will engage a valuer to identify a comparable market rent from areas outside the Broad Market Rental Area and determine the market rent that will be applicable to the RHP Dwelling in the Broad Market Rental Area (the **Comparable Market Rent**). In the circumstance contemplated in this Condition 2.4 the Grant Recipient should set the Affordable Rent Level by reference to the Comparable Market Rent.

2.5 The parties agree that (subject to Condition 2.5.3) the Benchmark Rent Levels shall be increased in accordance with the following:

2.5.1 subject to Conditions 2.5.2 and 2.5.3, the Benchmark Rent Levels for each successive Financial Year (**New Financial Year**) after the Financial Year 2022/2023 shall be increased with effect from 1 April in such New Financial Year in accordance with the following formula:

$$\text{Benchmark Rent Level} = \text{ABRL} \times (\text{CPI} + 1.01)$$

Where

ABRL = the actual Benchmark Rent Level for the Financial Year prior to the New Financial Year for which the calculation is being carried out; and

CPIx = the 12-month inflation rate figure (drawn from the CPI and expressed as a decimal) published for September in the Financial Year prior to the New Financial Year for which the calculation is being carried out.

2.5.2 If for any New Financial Year the calculation of $(CPIx + 1.01)$ produces a figure less than 1 the product of the calculation shall be deemed to equal 1;

2.5.3 Where expressly approved by the GLA, the Benchmark Rent Level may be increased by such other methodology as may be published by the GLA from time to time.

2.6 Each party undertakes to co-operate with the other to facilitate the proper performance of this Agreement and the delivery of the Named Projects.

2.7 The Grant Recipient expressly acknowledges the Agreed Principles and agrees to observe, be bound by and interpret its obligations in this Agreement in consideration of them.

3 **Monitoring and Reporting**

3.1 The Grant Recipient acknowledges the high importance to the GLA of it being advised when any circumstance occurs which may:

3.1.1 impact on the Grant Recipient's ability to:

(a) achieve the Milestones by the Milestone Dates; or

(b) otherwise deliver any Indicative Project or Named Project in accordance with the terms of this Agreement;

3.1.2 change any assumptions in relation to any Named Project which would provide an opportunity for the Grant Recipient to deliver more RHP Dwellings with the Allocated Grant;

3.1.3 indicate that the GLA is making available more grant than is required to deliver a Named Project;

3.1.4 impact upon the availability of any RHP Dwellings and/or their use in accommodating individuals or households from the Target Client Group for the Initial Period;

3.1.5 constitute a Default Event or a Withholding Event; or

3.1.6 give rise to the making of a Section 114 Report or the issue of a Section 15 Direction,

(collectively the **Contract Monitoring Outputs**).

3.2 The Grant Recipient shall comply fully with the contract management and reporting obligations set out in this Condition 3.

- 3.3 **The GLA and the Grant Recipient shall attend a Review Meeting within ten Business Days of each Quarter Date (or within such longer period as the GLA may at its absolute discretion agree) to discuss (but without limitation):**
- 3.3.1 the Grant Recipient's performance against the information contained in the Named Project Details and any matters which may adversely impact on the Grant Recipient's performance against the same;
 - 3.3.2 progress updates in relation to each Indicative Project and Named Project including delivery forecasts, progress against previously given delivery forecasts, lettings forecasts and progress against previously given lettings forecasts;
 - 3.3.3 the occurrence of any Milestone Extension Event in respect of any Named Project;
 - 3.3.4 the Contract Monitoring Outputs;
 - 3.3.5 the information supplied pursuant to the Open Book Obligations;
 - 3.3.6 any RHP Dwellings which have or will become unavailable for occupation either permanently or for a continuous period of two weeks or more;
 - 3.3.7 any RHP Dwellings scheduled to achieve Completion within the upcoming three months;
 - 3.3.8 any anticipated reductions in Total Scheme Costs;
 - 3.3.9 any circumstances which could impact on the Grant Recipient's ability to use any RHP Dwelling for the Agreed Purposes; and
 - 3.3.10 such other matters in relation to the performance of this Agreement as are notified by either party to the other in writing at least five Business Days prior to the date of the Review Meeting.
- 3.4 The GLA or the Grant Recipient may also call a Review Meeting at any time outside of the quarterly cycle provided that the party requesting the meeting:
- 3.4.1 gives reasonable prior written notice to the other of such meeting; and
 - 3.4.2 includes with the notice an agenda for such meeting.
- 3.5 The GLA's Representative and the Grant Recipient's Representative (or, where agreed with the GLA in advance, such other member of the Grant Recipient's executive management team) shall attend all Review Meetings during the term of this Agreement or for such longer period as the GLA (acting reasonably) requires.
- 3.6 Save as otherwise agreed between the parties, any meeting under this Condition 3 shall be minuted by the Grant Recipient and such minutes shall be distributed within ten Business Days following the meeting to the GLA and any other attendee.
- 3.7 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 3 and shall use all reasonable endeavours to ensure the accuracy of any information provided.

3.8 The Grant Recipient shall:

3.8.1 promptly participate in any monitoring and/or evaluation of the RHP that DLUHC or GLA or its or their agents may require from time to time; and

3.8.2 supply (subject always to its data protection obligations under Condition 34) in such form as the GLA or DLUHC or its or their agents (as applicable) may require from time to time:

(a) the Evaluation Data to DLUHC in accordance with such timescales as specified in Schedule 7 (or such other timescales as may be notified by the GLA or DLUHC from time to time); and

(b) to the GLA promptly any other information or data requested by DLUHC, GLA or its or their agents in respect of any monitoring and/or evaluation of the RHP, which may include information/data pertaining to any RHP Dwellings (including, inter alia, addresses and tenures of such dwellings);

3.8.3 retain the Evaluation Data or any other data requested under Conditions 3.8.1 and/or 3.8.2 for at least five years following the expiry of the Delivery Period; and

3.8.4 accurately update OPS with such information as may be requested by GLA from time to time (acting reasonably) in connection with any monitoring and/or evaluation of the RHP and/or the terms of this Agreement (which the parties acknowledge may be required each month during the Delivery Period).

3.9 The Grant Recipient shall ensure that during the Delivery Period:

3.9.1 it provides the GLA (subject always to its data protection obligations under Condition 34) the Monitoring Data via OPS (or in such other form as the GLA may require) in accordance with such timescales as are specified in Schedule 8 (or such other timescales as may be notified by the GLA from time to time):

3.9.2 it shall at least each month review the Named Project Details and details of any Indicative Project (including for the avoidance of doubt any Milestones or Milestone Dates) and promptly and accurately update any such details which have changed or become out of date; and

3.9.3 the GLA is promptly provided with such information as the GLA shall reasonably require regarding the length and nature of the Secure Legal Interest which the Grant Recipient possesses or will possess.

3.10 The parties acknowledge and agree that information provided to the GLA and/or DLUHC in connection with this Agreement may be shared with (as applicable):

3.10.1 DLUHC; and

3.10.2 enforcement agencies for the preventing and detection of crime.

3.11 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.

4 Allocation of RHP Dwellings

4.1 The Grant Recipient must ensure that during the Initial Period it allocates RHP Dwellings in accordance with the following principles:

4.1.1 the Grant Recipient may allocate RHP Dwellings to those within the Target Client Group by any lawful means but must:

(a) do so in accordance with:

i the allocation arrangements identified in OPS as applicable to the relevant Named Project;

ii the requirements of Condition 8.6.7;

(b) use its reasonable endeavours to prioritise the allocation of RHP Dwelling to individuals or households in the greatest need; and

(c) subject only to Conditions 4.2 and 4.3, use its best endeavours to allocate Larger Homes to those in the Target Group currently occupying Bridging Accommodation.

4.2 If at the point at which a Larger Home becomes available for letting, the Grant Recipient is unable to identify a Bridging Household from its own records, it must submit a property offer request to the Home Office Local Authority Contact Officer and London Strategic Migration Partnership for central allocation by the Home Office.

4.3 If no suitable Bridging Household is identified within 4 weeks by means of the exercise referred to in Condition 4.2, the Grant Recipient shall be entitled to allocate the Larger Home to any household within the Target Client Group for whom the Grant Recipient (acting reasonably and with regard to the objectives set out in the Funding Guidance) considers that Larger Home to be suitable.

4.4 The parties acknowledge and agree that:

4.4.1 after the Initial Period (or earlier where the GLA provides prior written consent) the Grant Recipient shall be entitled to allocate each RHP Dwelling to individuals or households within the Target Client Group or otherwise for use as social rented housing or temporary accommodation which supports wider affordable housing and homelessness duties and need (in either case to be let at the relevant rent level specified on OPS in respect of such RHP Dwelling, being either a London Affordable Rent or a Social Rent); and

4.4.2 the terms of this Agreement will continue to apply after the Initial Period save that any changes necessary to reflect Condition 4.4.1 coming into effect shall be deemed to be made.

4.5 If the Original Tenant vacates an RHP Dwelling prior to the expiry of the Initial Period, the vacated RHP Dwelling must again be allocated in accordance with the terms of Conditions 4.1 to 4.3

4.6 The process set out in Condition 4.5 shall be repeated until such time as the RHP Dwelling has been let for the Agreed Purpose to individuals within the Target Client Group for the Initial Period.

5 **Default Events**

5.1 The following circumstances shall constitute a Default Event:

5.1.1 failure by the Grant Recipient to comply with its obligations in Condition 3 Condition 8.5 or Condition 12 and/or any information supplied in connection with its obligations in Condition 3 Condition 8.5 or Condition 12, whether in relation to the Contract Monitoring Outputs or otherwise is materially deficient, misleading or inaccurate;

5.1.2 the Grant Recipient is unable to make the representations and give the warranties set out in this Agreement (in any case in whole or in part) and there is a resulting Material Adverse Effect in relation to:

(a) the Approved Bid; or

(b) a Named Project;

5.1.3 the Grant Recipient is subject to a Section 15 Direction or a Section 114 Report which has or will have a Material Adverse Effect;

5.1.4 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);

5.1.5 a breach of the Open Book Obligations;

5.1.6 the GLA determines (acting reasonably) that proper progress against the Grant Recipient's projections in the Approved Bid has not been made by the Grant Recipient in delivering the Approved Bid;

5.1.7 the Grant Recipient ceases operating;

5.1.8 the Grant Recipient's status as a Registered Provider is lost, relinquished or removed;

5.1.9 the Grant Recipient's Investment Partner status is lost or removed in its entirety;

5.1.10 the Regulator directs or recommends that grant is not to be paid to the Grant Recipient or the GLA understands that such a direction or recommendation is likely to be made;

5.1.11 a breach of Condition 8 or Condition 16 or a breach of the RHP Minimum Standards in respect of a Named Project;

5.1.12 a failure or inability by the Grant Recipient to comply with:

- (a) the requirements of Condition 10; or
 - (b) any obligation to pay or repay any amounts due under this Agreement;
- 5.1.13 any other breach of the Agreement which has a Material Adverse Effect;
- 5.1.14 the Grant Recipient (either by its own actions or omissions, or those of its contractors or agents) harms the GLA's, the RHP's reputation or the Mayor of London's reputation or brings the GLA, the RHP or the Mayor of London into disrepute; and
- 5.1.15 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 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 the 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 the Site in order to avoid the application of the Resident Ballot Requirement;
- 5.1.16 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;
- 5.1.17 an Exemption Certificate expires or is withdrawn by the GLA;
- 5.1.18 any Drawdown Condition is not satisfied within the relevant timescales required by the GLA (in its absolute discretion);
- 5.1.19 the occurrence of a Use Breach;
- 5.1.20 a breach of the Special Conditions; and
- 5.1.21 the Grant Recipient's Investment Partner status has been restricted such that it does not extend to the relevant Named Project.
- 5.2 The Grant Recipient must notify the GLA immediately in writing on the occurrence of a Default Event.
- 5.3 Without prejudice to Condition 5.4, in the event of the occurrence of a 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 New Named Project or Additional Project on OPS.
- 5.4 Where the Default Event is:

5.4.1 an occurrence specified in Conditions 5.1.3, 5.1.4, 5.1.7, 5.1.8, 5.1.9 and/or 5.1.14 the GLA shall be entitled forthwith and without any liability to the Grant Recipient terminate the Agreement;

5.4.2 an occurrence specified in Conditions 5.1.1, 5.1.2(a), 5.1.5, 5.1.6, 5.1.10 to 5.1.13 (inclusive) 5.1.15 to 5.1.18 (inclusive) and/or 5.1.20 the GLA may serve notice on the Grant Recipient requiring the Grant Recipient to remedy the breach or failure and if within a period of 30 Business Days following service of such notice:

- (a) the breach or failure has not been remedied;
- (b) where so permitted by the GLA the Grant Recipient has not given an undertaking to remedy the breach on terms satisfactory to the GLA; or
- (c) if it becomes apparent that the Default Event is incapable of remedy either within such period or at all,

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

5.4.3 an occurrence specified in Conditions 5.1.2(b), 5.1.21 and/or Condition 14.3.4(d) the GLA shall be entitled forthwith and without any liability to the Grant Recipient but without determining the whole of this Agreement terminate the Agreement insofar as it relates to the Named Project to which the relevant Default Event relates;

5.4.4 an occurrence specified in Conditions 5.1.19 the GLA may serve notice on the Grant Recipient requiring the Grant Recipient to remedy or mitigate the effects of the Use Breach and if within a period of 30 Business Days following service of such notice:

- (a) the breach or failure has not been remedied;
- (b) where so permitted by the GLA the Grant Recipient has not given an undertaking to remedy or mitigate the effects of the breach on terms satisfactory to the GLA; or
- (c) if it becomes apparent that Use Breach is incapable of remedy either within such period or at all,

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

5.5 Where the GLA purports to terminate this Agreement in accordance with this Condition 5 and the Grant Recipient disputes its entitlement to do so the provisions of Condition 27 shall apply.

6 **Indicative Projects**

- 6.1 The Grant Recipient confirms that such details of the Indicative Projects comprised in the Original Approved Bid as are required by the GLA have been included in OPS by the date of this Agreement.
- 6.2 If the Indicative Projects are accepted by the GLA in OPS (pursuant to Condition 18.3.1 or otherwise) the Grant Recipient acknowledges that the terms of this Condition 6 apply from the date of that acceptance.
- 6.3 The Grant Recipient must ensure that the Indicative Projects are worked up so that the Committed Number of Indicative Dwellings are:
- 6.3.1 profiled into Named Projects on OPS in accordance with the procedures set out in Condition 7.1;
 - 6.3.2 achieve (as applicable):
 - (a) Acquisition in the relevant Acquisition Year;
 - (b) Start on Site in the relevant SoS Year; and/or
 - (c) Completion in the relevant Completion Year.
- 6.4 If the Grant Recipient fails to comply with its obligations in Condition 6.3 the GLA shall be entitled to reduce the Indicative Allocation by the Reduction Amount and shall have no further obligation to the Grant Recipient in relation to any Non-Compliant Dwellings whether profiled into a Named Project or otherwise.
- 6.5 If the number of Indicative Dwellings which are Larger Dwellings to be profiled pursuant to Condition 6.3 are fewer in number than those projected to be Delivered in the details of Indicative Projects on OPS, the GLA shall be entitled to adjust the Indicative Allocation having regard to the Grant Rate Cap.
- 6.6 Any reduction in the Indicative Allocation will result in a commensurate reduction in the Allocated Grant.
- 6.7 Once an Indicative Project has been profiled into a Named Project on OPS in accordance with Condition 7.1, the Indicative Allocation shall, notwithstanding the quantum of the Indicative Allocation which appears on OPS, be deemed to be reduced by an amount equal to the Named Project Grant allocated to that Named Project.

7 **Named Projects – Submission Procedures**

- 7.1 Where the Grant Recipient identifies a New Named Project, it must give to the GLA such details as the GLA may require, including any proposed Named Project Details required by OPS in respect of the New Named Project
- 7.2 In submitting the details of each New Named Project, the Grant Recipient is deemed to represent and warrant to the GLA that:
- 7.2.1 such project:

- (a) is consistent with the Approved Bid;
- (b) is or will at the point of Completion be compliant with the RHP Minimum Standards;
- (c) is in its opinion (acting reasonably) deliverable in accordance with the Named Project Delivery Timetable;
- (d) comprises no Public Sector Funding beyond that identified in the Named Project Details;
- (e) will deliver homes of the same Unit Size and in the same Geographical Area;

7.2.2 will comprise no dwellings which have not been specifically acquired, developed, converted, refurbished, repaired, Rehabilitated or designed for use by persons which meet the description in the Target Client Group;

7.2.3 the Grant Recipient:

- (a) possesses or will possess a Secure Legal Interest;
- (b) has obtained all Consents necessary for the lawful Delivery of the Named Project to the RHP Minimum Standards and in accordance with the Named Project Details (as are then required);
- (c) has complied with all applicable requirements of the Affordable Housing Capital Funding Guide and the Funding Guidance in relation to the Named Project;
- (d) is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued; and
- (e) has not nor have any of its officers made a Section 114 Report nor is it aware of any circumstances which would give rise to the making of a Section 114 Report;

7.2.4 the initial rent and service charge level for any RHP Dwelling shall be set at or below the level set out in the Named Project Details; and

7.2.5 subject to Condition 7.10, the Named Project Grant set out in the Named Project Details does not exceed the Grant Rate Cap; and

7.2.6 the Named Project Grant as a proportion of the Total Scheme Costs does not exceed the relevant Project Costs Cap.

7.3 If the GLA:

7.3.1 (acting reasonably) is satisfied with the details submitted under Condition 7.1;

7.3.2 considers that the New Named Project is consistent with the Approved Bid (including the project cost information and information in relation to the level of the Grant Recipient's contribution);

- 7.3.3 where relevant, is satisfied that the Grant Recipient has fulfilled or will fulfil any Drawdown Condition in the timescales required by the GLA;
- 7.3.4 is satisfied (in its absolute discretion) that the New Named Project will achieve (as applicable) Acquisition by the Acquisition Date, Start on Site by the Start on Site Date and Completion by the Named Project Completion Date,
- it will, subject to Condition 5.3, confirm its acceptance of the New Named Project to the Grant Recipient through OPS.
- 7.4 With effect from the Acceptance Date, the New Named Project shall constitute a Named Project and shall be subject to the whole terms and conditions of this Agreement.
- 7.5 The GLA has no obligation to make any payment of grant in respect of a Named Project unless and until it has confirmed its acceptance of it in the manner described in Condition 7.3.
- 7.6 **The GLA may at its absolute discretion vary the percentages attributed to Acquisition Tranche Grant, Start on Site Tranche Grant and Completion Tranche Grant from time to time save that, subject to Condition 7.7 and Condition 11.3, no such variation will take effect in relation to any Tranche that has already been paid.**
- 7.7 In exceptional circumstances, the GLA may consider providing an additional tranche of funding for a Named Project outside of the Acquisition Tranche Grant, Start on Site Tranche Grant and Completion Tranche Grant. 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 as a condition of such claim that the Grant Recipient makes such additional representations and warranties as the GLA considers necessary or desirable. Any claim for additional tranche shall have due regard to Condition 2.2.6(b) and the GLA's rights under Condition 7.6.
- 7.8 The Grant Recipient agrees that:
- 7.8.1 **the amount of Named Project Grant may be revised by the GLA if the Updated Total Scheme Costs are less than the Total Scheme Costs;**
- 7.8.2 in the circumstances contemplated in Condition 7.8.1 the Named Project Grant shall be reduced to the Revised Named Project Grant Sum; and
- 7.8.3 where the GLA has reduced the Named Project Grant to the Revised Named Project Grant Sum as a result of the circumstances set out in Condition 7.8.1 and Condition 7.8.2, the GLA shall be entitled to take the actions set out in Condition 11.3.
- 7.9 Under no circumstances shall the GLA be obliged to accept any New Named Project as a 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 RHP or other programme commitments) and to provide Named Project Grant in relation to the relevant project.
- 7.10 In exceptional circumstances, the GLA may (in its absolute discretion) allow the Named Project Grant to exceed the Grant Rate Cap. In such circumstances, the agreed Named

Project Grant shall be deemed to be compliant with the Grant Rate Cap for that Named Project.

8 **Named Project Obligations**

8.1 The Grant Recipient must in relation to each Named Project:

8.1.1 carry out the acquisition of the Site and procure the completion of the Works (as applicable) so that:

- (a) the Named Project is (subject to Condition 9.2) Delivered and made available for letting in accordance with the Named Project Delivery Timetable;
- (b) when Delivered, the Named Project fully complies with the Named Project Details and meets the RHP Standard;
- (c) any applicable requirements of the London Plan are satisfied;
- (d) any applicable requirements of Procurement Law and the Consents are complied with by the Grant Recipient and any Subcontractor;
- (e) procure that prior to any RHP Dwelling comprised in the relevant Named Project being occupied, any certifications required under any building safety Legislation arising out of the Building Safety Act 2022 in respect of the Named Project (or any part thereof) are obtained (including certification that the RHP Dwelling has passed "Gateway 3" (or any similar or comparable stage in construction identified in any applicable Legislation));
- (f) procure that the Named Project complies with the Minimum Building Safety Standards in all respects and the parties acknowledge and agree that the GLA shall be under no obligation to provide any exemption in respect of the Minimum Building Safety Standards;

8.1.2 take such steps as are necessary to ensure (as far as practicable) the letting of the RHP Dwellings to Eligible Tenants at the Named Project Completion Date (or as soon as reasonably possible thereafter); and

8.1.3 promptly notify the GLA in writing of any failure or likely failure to comply with Condition 8.1.1(a).

8.2 Where a Named Project is an Estate Regeneration Project the Grant Recipient must:

8.2.1 comply with the obligations set out in section 8 Affordable Housing Capital Funding Guide; and

8.2.2 provide GLA with either:

- (a) the Compliance Checklist, where the Resident Ballot Requirement applies; or
- (b) in any other circumstances, the Exemption Certificate,

before any Tranche is claimed pursuant to Condition 10.1.

- 8.3 In delivering the Named Project and in operating and administering the Named Project after Completion, the Grant Recipient must observe and comply with Legislation, the applicable terms of the Affordable Housing Capital Funding Guide, the Recovery Determination, the Funding Guidance and the Consents.
- 8.4 The Grant Recipient shall procure that the GLA's Representative (or any person nominated by them) shall (subject to the terms of the occupier's tenancy agreement or licence) have at all reasonable times and upon giving reasonable notice the right to enter a RHP Dwelling and to take such action as they consider appropriate to monitor compliance by the Grant Recipient with its obligations under this Agreement.
- 8.5 The Grant Recipient must notify the GLA in writing (save in respect of Conditions 8.5.1 and 8.5.4, where notification is required to be given through OPS):
- 8.5.1 immediately once Acquisition, Start on Site and Completion has occurred with respect to each Named Project;
 - 8.5.2 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 7.2;
 - 8.5.3 promptly of any Change in Control relating to the Grant Recipient which it anticipates will occur in the next following six month period;
 - 8.5.4 immediately upon becoming aware of any event or circumstance which may have a Material Adverse Effect; and
 - 8.5.5 of any other event or circumstance in relation to a Named Project as the GLA may reasonably require from time to time and within such timeframes as the GLA may reasonably require.
- 8.6 Without prejudice to Condition 8.3, the Grant Recipient must in operating and administering each Named Project after Completion:
- 8.6.1 not without the GLA's prior written consent (such consent to be given or withheld in the GLA's absolute discretion) use the RHP Dwellings for any purpose other than the Agreed Purposes;
 - 8.6.2 subject to any contrary requirement of Legislation comply with the Rent Standard and the Tenancy Standard to the extent applicable to the RHP Dwelling and with applicable Guidance;
 - 8.6.3 not charge a higher initial rent or service charge in relation to a RHP Dwelling than set out in the relevant Named Project Details and ensure that such rent and service charge is set and continues to be set and charged in accordance with the applicable criteria and requirements of the Rent Standard, applicable tenancy or licence and this Agreement;

- 8.6.4 ensure that the service charge set and/or charged in respect of each RHP Dwelling is reasonable and proportionate to the management services provided;
 - 8.6.5 comply at its own cost with the GLA's requirements in relation to Compliance Audit;
 - 8.6.6 procure and comply with all necessary Consents relevant to the nature and operation of the RHP Dwelling;
 - 8.6.7 offer to each Eligible Tenant of the RHP Dwellings a tenancy or licence which reflects the Tenancy Type agreed with the GLA on OPS and confers (or with any conversion from an introductory tenancy will confer) on the Eligible Tenant a right to occupy the RHP Dwelling for a minimum period of three years or such shorter period as is commensurate with their right to remain in the United Kingdom;
 - 8.6.8 comply with the provisions of Condition 12;
 - 8.6.9 observe and comply with applicable requirements of the Affordable Housing Capital Funding Guide in relation to:
 - (a) the purpose, client group, letting, management and disposal of the RHP Dwellings; and
 - (b) the nature of the housing and/or housing products (as described in the Affordable Housing Capital Funding Guide) being funded pursuant to this Agreement;
 - 8.6.10 provide the GLA with Exemption Evidence prior to any Eligible Tenant occupying any Exempt Accommodation (where applicable);
 - 8.6.11 where applicable, participate in the CORE system from time to time (including recording any lettings made);
 - 8.6.12 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
 - 8.6.13 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.
- 8.7 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.
- 8.8 In discharging its obligations under this Agreement 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 as appended to this Agreement and with proper regard to the need for efficiency in the use of public funds.
- 8.9 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.

8.10 Where the Grant Recipient is aware that it is in breach of an obligation under this Condition 8 it must promptly notify the GLA of the fact and take all such steps as are appropriate in the circumstances to remedy the breach.

8.11 Notwithstanding any other provision of this Agreement the Grant Recipient shall, unless otherwise agreed by the GLA, remain liable and responsible for the performance of its obligations under this Agreement in relation to each RHP Dwelling.

9 Changes to Named Projects

9.1 **The parties may from time to time agree changes to the Named Project Details** or the Indicative Projects and where such changes are agreed they shall be implemented by the Grant Recipient amending the Named Project Details or Indicative Projects in OPS and the electronic confirmation of that amendment by the GLA through OPS and in default of agreement the parties will be bound by the Named Project Details or Indicative Projects as they existed prior to the changes proposed under this Condition 9.1.

9.2 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 3, or 8 or otherwise) and:

9.2.1 where such failure is directly caused by a Milestone Extension Event the GLA shall, subject always to Condition 9.4, extend the relevant Milestone Date and any subsequent Milestone Dates 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

9.2.2 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 (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 in accordance with Condition 9.1; or

(b) where revised Milestone Dates are not agreed within such period the Milestone Failure shall be treated as a Default Event under Condition 5.1.11.

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

9.3.1 unless a Milestone Extension Event exists; or

9.3.2 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 RHP or AHP 2021/26) materially and adversely affect the GLA's projected expenditure profile in relation to any year of the RHP or AHP 2021/26 and in particular (but without limitation) such expenditure profile in relation to the last quarter of the relevant Financial Year.

9.4 The parties may agree to extend any Milestone Date in accordance with the process set out in Condition 9.2 provided that the GLA shall not under any circumstances be required or obliged to extend:

9.4.1 an Acquisition Date or a Start on Site Date beyond 30 November 2023 (but may at its sole discretion elect to do so); or

9.4.2 a Named Project Completion Date beyond 31 March 2024 (but may at its sole discretion elect to do so).

9.5 Without prejudice to any other term of this Agreement, the Grant Recipient will use its best endeavours to ensure that by 30 November 2023:

9.5.1 it has achieved Acquisition in respect of each Acquisition Project (Work Required), Acquisition Project (No Works Required) and Off the Shelf Project; and

9.5.2 each New Build Project and Refurbishment or Conversion Project has achieved Start on Site.

10 Grant Claim Procedures

10.1 Subject to:

10.1.1 a Named Project having reached the Acquisition Date;

10.1.2 where such Named Project is an Estate Regeneration Project, the Estate Regeneration Funding Condition having been satisfied; and

10.1.3 the Grant Recipient being in possession of a Completed Interest (save where the GLA has provided the Drawdown Confirmation, having regard to paragraphs 2.2 and 2.3 of the Agreed Principles),

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 relating to grant claims and payments set out in the Affordable Housing Capital Funding Guide.

10.2 In submitting an application pursuant to Condition 10.1 the Grant Recipient repeats the representations and warranties set out in Condition 7.2 and further represents and warrants to the GLA that:

10.2.1 the Site has been acquired and the Works have been or will be procured, designed and carried out (as applicable) in accordance with the RHP Minimum Standards and requirements of this Agreement;

- 10.2.2 the Acquisition Date has been reached and that such date is no later than that submitted in OPS by the Grant Recipient and accepted by the GLA (in its absolute discretion);
- 10.2.3 all confirmations and certifications made or to be made by the Grant Recipient, in OPS (or as otherwise required by this Agreement) in relation to the Named Project have been or will be correct in all material respects, including the projected Total Scheme Costs;
- 10.2.4 it has obtained all Consents necessary for the lawful design, construction refurbishment or remodelling of the Named Project in accordance with the Named Project Details and to the RHP Minimum Standards 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;
- 10.2.5 the Named Project comprises (or will comprise) no dwellings which have not been specifically designed for use by those in the relevant Target Client Group or do not meet the RHP Minimum Standards;
- 10.2.6 the Grant Recipient:
- (a) is a Registered Provider; and
 - (b) retains its status as an Investment Partner and such status extends to the Named Project in respect of which the application under Condition 10.1 has been made;
- 10.2.7 no Withholding Event or Default Event has occurred or arisen;
- 10.2.8 the Named Project is or will be compliant with the RHP Minimum Standards;
- 10.2.9 it has complied with (or will comply with) Conditions 4.1 and 4.2 within any timescales required in such provisions;
- 10.2.10 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; and
- 10.2.11 save where the GLA has provided the Drawdown Confirmation

- (a) the Grant Recipient possesses a Completed Interest; and
 - (b) the Grant Recipient is registered or has applied for registration as the proprietor of the Site at the Land Registry;
- 10.2.12 where applicable, the Grant Recipient has satisfied any Drawdown Conditions within any timescales required by the GLA (in its absolute discretion);
- 10.2.13 the Grant Recipient or (where relevant) their superior landlord does not appear on the London Rogue Landlord and Agent Checker database maintained by the GLA;
- 10.2.14 where a Named Project comprises any Exempt Accommodation, the Grant Recipient has provided (or will provide) the GLA with the Exemption Evidence before the Eligible Tenant occupies the relevant RHP Dwelling;
- 10.2.15 it is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued;
- 10.2.16 no Section 114 Report has been made nor is the Grant Recipient aware of any circumstances that would give rise to the making of any such report; and
- 10.2.17 in the terms of any additional representations and warranties that the GLA may require in respect of any additional tranche provided pursuant to Condition 7.7.
- 10.3 Subject to a Named Project having reached Start on Site, 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 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.
- 10.4 In submitting an application pursuant to Condition 10.3 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 repeats the representations and warranties at Condition 10.2.1, 10.2.3 to 10.2.6(a) (inclusive), 10.2.7 to 10.2.10 (inclusive), 10.2.12 to 10.2.17 (inclusive) and further represents and warrants to the GLA that:
- 10.4.1 Start on Site has (where applicable) been reached by such date that is no later than that submitted in OPS by the Grant Recipient and accepted by GLA (in its absolute discretion);
 - 10.4.2 the Grant Recipient retains its status as an Investment Partner and such status extends to the Named Project in respect of which the application under Condition 10.3 has been made;
 - 10.4.3 the Grant Recipient possesses a Completed Interest; and
 - 10.4.4 the Grant Recipient is registered or has applied for registration as the proprietor of the Site at the Land Registry.
- 10.5 Subject to a Named Project having reached Completion, the Grant Recipient may apply to the GLA for the 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 and must review and (if applicable) update the Total Scheme Costs.

10.6 In submitting an application pursuant to Condition 10.5 the Grant Recipient repeats the representations and warranties at Condition 10.2.1, 10.2.3 to 10.2.6(a) (inclusive), 10.2.7 to 10.2.10 (inclusive), 10.2.12 to 10.2.17 (inclusive) and further represents and warrants to the GLA that:

10.6.1 the Named Project has reached Completion (unless otherwise expressly agreed by the GLA on OPS) and meets the RHP Minimum Standards;

10.6.2 the Grant Recipient retains its status as an Investment Partner and such status extends to the Named Project in respect of which the application under Condition 10.310.5 has been made;

10.6.3 the Grant Recipient possesses a Completed Interest; and

10.6.4 the Grant Recipient is registered or has applied for registration as the proprietor of the Site at the Land Registry; and

10.6.5 the Updated Total Scheme Costs are accurately and fairly presented.

10.7 The Grant Recipient must provide the Updated Total Scheme Costs on OPS within ten (10) Business Days prior to making any application in respect of a Named Project pursuant to Condition 10.5 or Condition 10.8.

10.8 Where Completion has been achieved but no sum is payable by way of Completion Tranche Grant (as determined through OPS) the Grant Recipient:

10.8.1 must make an application on OPS in accordance with Condition 10.5 on OPS within ten (10) Business Days of Completion of the relevant Named Project as if it were applying for Completion Tranche Grant; and

10.8.2 will be deemed to make the representations and warranties set out in Condition 10.6 with respect to the relevant Named Project at the time of submitting such application in OPS.

11 **Payment of Grant**

11.1 Subject to:

11.1.1 the GLA (acting reasonably) being satisfied with the Grant Recipient's application for payment including the information warranted under this Agreement;

11.1.2 the GLA being satisfied that any applicable Drawdown Conditions have been fulfilled within any timescales required by the GLA (in its absolute discretion);

11.1.3 Conditions 9, 11.3 and 13; and

11.1.4 the Condition Precedent having been satisfied,

the GLA shall (resources permitting) pay the Applicable Tranche to the Grant Recipient within ten Business Days of receipt of the satisfactory application.

11.2 If the GLA is not satisfied with the Grant Recipient's application for payment and/or the matters identified in Condition 11.1, it must notify the Grant Recipient in writing as soon as reasonably practicable and in any event within ten 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 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 10 and this Condition 11 (as applicable) will be reapplied to the Grant Recipient's resubmitted or amended application for payment.

11.3 Where Condition 7.8.3 applies GLA shall be entitled to do any of the following:

11.3.1 reduce the Completion Tranche Grant claimed pursuant to Condition 10.6 by an amount equal to the Differential Grant Amount and if the reduction would result in the Completion Tranche Grant figure being a negative figure (and representing therefore an overpayment of grant), GLA shall also be entitled to reclaim a sum equivalent to the negative figure expressed as a positive sum; or

11.3.2 reclaim the Differential Grant Amount from the Grant Recipient

and where GLA exercises its rights to reclaim grant under this Condition 11.3 the Grant Recipient shall pay the amount due within 15 Business Days of receipt of GLA's demand for the same.

11.4 The GLA shall not be obliged to pay the Grant Recipient any Tranche before the date identified in the Named Project Details as the applicable forecast Milestone Date.

11.5 The GLA shall not be obliged to pay any Tranche if the Named Project has not:

11.5.1 been accepted by the GLA through OPS; and

11.5.2 achieved (as applicable):

(a) Acquisition;

(b) Start on Site;

(c) Completion; or

(d) where expressly agreed by the GLA, such other Milestone;

by the relevant Milestone Date identified in the Named Project Details which GLA has expressly agreed (subject to any extension to such date pursuant to Condition 9).

11.6 Where the GLA pays Named Project Grant to the Grant Recipient, the Allocated Grant shall be reduced by a commensurate amount.

11.7 The GLA shall not be obliged to make any payment by way of Named Project Grant or otherwise in respect of any Named Project which in its opinion is unlikely to achieve

Completion by the relevant Named Project Completion Date (but may at its sole discretion elect to do so).

11.8 The payment of Named Project Grant or any part thereof hereunder by the GLA to the Grant Recipient shall be regarded as exclusive of any VAT chargeable thereon.

12 Disposals

12.1 The Grant Recipient must provide a Disposal Notification to the GLA of any Disposal prior to such Disposal taking place.

12.2 The Grant Recipient will:

12.2.1 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

12.2.2 notify the GLA if:

- (a) it becomes aware that 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.

13 Withholding of Named Project Grant

13.1 **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 any Tranche where:**

13.1.1 the Named Project has not been Delivered in accordance with the Named Project Details or to the RHP Minimum Standards or in accordance with the Named Project Delivery Timetable (in circumstances where the GLA was unable to agree revised Milestone Dates);


13.1.2 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 this Agreement (in any case in whole or in part);

13.1.3 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;

13.1.4 the Grant Recipient is subject to a Section 15 Direction or a Section 114 Report which has or will have a Material Adverse Effect;

13.1.5 the Grant Recipient has ceased to operate or trade;

- 13.1.6 the Grant Recipient's status as:
- (a) a Registered Provider is removed or withdrawn; or
 - (b) an Investment Partner is withdrawn, removed or restricted such that it does not extend to a Named Project or GLA becomes aware that such status is likely to be withdrawn, removed or restricted;
- 13.1.7 the Regulator directs the GLA not to give grant to the Grant Recipient or formally recommends to it that it should not do so;
- 13.1.8 the Grant Recipient (either by its own actions or omissions, or those of its contractors or agents) harms reputation of the RHP or the GLA or brings the GLA or the RHP into disrepute;
- 13.1.9 the Grant Recipient has failed to comply with its obligations under any of Conditions 2, 3, 4, 5, 8, 12, 14 or 16;
- 13.1.10 any consent necessary to deliver a Named Project or the Approved Bid (as applicable) is revoked or withdrawn; and
- 13.1.11 where applicable, the Grant Recipient has failed to satisfy any Drawdown Condition within any timescales required by the GLA (in its absolute discretion);
- 13.1.12 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 Condition 25.425.4.
- 13.2 Without prejudice to any other term of this Agreement, where the GLA determines (acting reasonably) that proper progress against the Grant Recipient's projections in the Approved Bid has not been made by the Grant Recipient in Delivery of the RHP Dwellings in accordance with the Approved Bid, the GLA shall be entitled (acting reasonably) and without any liability to the Grant Recipient permanently to withhold any Named Project Grant and to reallocate it to a third party. Nothing in this Condition 13.2 shall preclude the GLA from withholding the relevant Named Project Grant on any other ground.
- 14 **Repayment of Grant**
- 14.1 The parties acknowledge and agree that:
- 14.1.1 the Recovery Determination has effect (mutatis mutandis) in respect of all grant funding paid to the Grant Recipient under this Agreement;
 - 14.1.2 for the purposes of the Recovery Determination the terms of this Agreement represent the conditions attached to the making of Capital Grant; and
 - 14.1.3 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 and paragraph 6.6.1 of Chapter 6 of the Affordable Housing Capital Funding Guide.
- 14.2 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) to recover from the Grant Recipient such sum or such part or aggregation thereof as is determined in accordance with Condition 14.3 (the **Recoverable Amount**) in circumstances where: 

- 14.2.1 a Prohibited Act has occurred and the Grant Recipient has not satisfied the Waiver Condition in respect of such Prohibited Act;
 - 14.2.2 the relevant Tranche has been paid to the Grant Recipient on the basis of a misrepresentation made by or on behalf of the Grant Recipient other than in the circumstances specified in Condition 14.2.4;
 - 14.2.3 the GLA has made an overpayment in relation to a Named Project or has made a payment in error to the Grant Recipient;
 - 14.2.4 the Named Project Grant or any Tranche thereof has been paid to the Grant Recipient but the GLA becomes aware (whether following the completion of a Compliance Audit or otherwise) that the Grant Recipient has failed or is (in the GLA's opinion) likely to fail to deliver the relevant Named Project in accordance with the agreed Named Project Details;
 - 14.2.5 the Grant Recipient has breached its obligations under Condition 8;
 - 14.2.6 the Grant Recipient is subject to a Section 15 Direction or a Section 114 Report which has or will have a Material Adverse Effect;
 - 14.2.7 a Partial Termination Event has occurred;
 - 14.2.8 a Total Termination Event has occurred;
 - 14.2.9 an Estate Regeneration Default has occurred;
 - 14.2.10 a Use Termination Event has occurred;
 - 14.2.11 the number of RHP Dwellings Delivered in a Named Project is less than the number of RHP Dwellings set out in the Named Project Details;
- 14.3 In the circumstances set out in:
- 14.3.1 any of Conditions 14.2.1, 14.2.6 or 14.2.8 the Recoverable Amount shall be a sum equivalent to the aggregate of all Named Project Grant paid to the Grant Recipient under or in connection with this Agreement;
 - 14.3.2 any of Conditions 14.2.2, 14.2.5, 14.2.7 or 14.2.9 the Recoverable Amount shall be a sum equivalent to the Named Project Grant for any affected Named Project;
 - 14.3.3 Condition 14.2.3, the Recoverable Amount shall be a sum equal to the amount of the overpayment or the sum paid in error;
 - 14.3.4 Condition 14.2.4, subject always to Condition 14.4, the Recoverable Amount shall be determined in accordance with the following procedure:
 - (a) the parties (acting in good faith) shall seek to agree within 15 Business Days of the Non Compliance Notification Date a revised figure for the

Named 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 Named Project Grant is agreed, the Recoverable Amount shall be the product of the following calculation:

$$RA = NPG - RTPG$$

where

RA is the Recoverable Amount;

NPG is the Named Project Grant paid pursuant to Condition 11.1 in respect of the relevant Named Project; and

RNPG is the revised Named Project Grant figure agreed pursuant to Condition 14.3.4(a);

- (c) the Grant Recipient shall immediately amend the relevant information on OPS in respect of the relevant Named Project to reflect the agreement made pursuant to Condition 14.3.4(a);
- (d) where the parties are unable to agree a revised Named Project Grant figure in accordance with Condition 14.3.4(a) the GLA shall be entitled to exercise its termination rights under Condition 5.4.3 and the Recoverable Amount shall be an amount equal to the Named Project Grant paid pursuant to Condition 11.1 in respect of the relevant Named Project;
- (e) under no circumstances will the GLA be required to make any payment to the Grant Recipient if the application of the calculation in Condition 14.3.4(b) results in RA being a negative figure;

14.3.5 Condition 14.2.10, the Recoverable Amount shall be an amount equal to the number identified in the column entitled "£ GRANT PER UNIT" in the "Amount Requested and Total Scheme Costs by Tenure Type" table in the "Affordable Homes" block on OPS in relation to the tenure type (being a London Affordable Rent or Social Rent) for the particular RHP Dwelling subject to the Use Breach or such lower amount as GLA specifies (in its absolute discretion); and

14.3.6 Condition 14.2.11, the Recoverable Amount shall be an amount equal to the number identified in the column entitled "£ GRANT PER UNIT" in the "Amount Requested and Total Scheme Costs by Tenure Type" table in the "Affordable Homes" block on OPS in relation to the tenure type (being a London Affordable Rent or Social Rent) for each RHP Dwelling which has not been Delivered in respect of the Named Project.

14.4 Where the GLA (acting reasonably) considers that the Grant Recipient acted fraudulently or dishonestly in claiming the Named Project Grant for the relevant Named Project, the GLA shall be entitled to treat such claim as a Prohibited Act for the purposes of Condition 5.1 and will not be bound by the terms of Condition 14.3.4.

- 14.5 The Grant Recipient acknowledges and agrees that the failure to use a RHP Dwelling for the Agreed Purposes (save where the GLA has provided consent in accordance with Condition 8.6.1) 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.
- 14.6 The Grant Recipient shall pay interest at two per centum (2%) above the base rate from time to time of the Royal Bank of Scotland plc on all sums which fall to be repaid pursuant to this Condition 14, such interest to run from the date upon which the Named Project Grant (or relevant part thereof), overpayment or payment in error (as applicable) was paid to the Grant Recipient until the date upon which the GLA receives the repayment required from the Grant Recipient under this Condition 14.
- 14.7 The parties acknowledge that the Late Payment of Commercial Debts (Interest) Act 1998 does not apply to this Agreement.
- 14.8 Notwithstanding any other term of this Condition 14, 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 14.6.

15 **VAT**

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

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

15.1.2 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.

15.2 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) 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.

16 **Open Book Obligations**

16.1 The Grant Recipient shall on an Open Book Basis:

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

16.1.2 at all times when reasonably required to do so by the GLA, provide a summary of any of the income and Project Costs referred to in Condition 16.1.1 as the GLA

may reasonably require to enable it to monitor the performance by the Grant Recipient of its obligations under this Agreement; and

16.1.3 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 16.

16.2 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 the relevant Named Project) in accordance with good accountancy practice with respect to each Named Project showing in detail:

16.2.1 income (including Public Sector Funding and receipts);

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

16.2.3 payments made to Subcontractors;

16.2.4 capital and revenue expenditure;

16.2.5 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 Competent Authority; and

16.2.6 such other item 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.

17 **Special Conditions**

The parties acknowledge and agree that the Special Conditions apply and have effect.

18 **Additional Projects**

18.1 The parties shall be entitled to agree to add Additional Projects to those comprised within the Original Approved Bid until the expiry of the CME Period.

18.2 Where Condition 18.1 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 details of any Additional Named Projects, the Grant Recipient makes the same representations and warranties in relation to the proposed Additional Named Project as it makes to the GLA pursuant to Condition 7.2.

18.3 The GLA shall consider the proposed Additional Project and if the GLA (in its absolute discretion) is satisfied (a) with the information provided, (b) with the description and suitability of the proposed Additional Project (c) with the Grant Recipient's performance in relation to the Approved Bid to date, (d) that no Default Event subsists, (e) that the Additional Project falls within the ambit of the Grant Recipient's Investment Partner status; (f) with such other matters as the GLA may from time to time determine (including whether Condition 7.3.4 is likely to be satisfied in respect of the Additional Project) and (g) that the GLA has sufficient financial resources available to it (taking account inter alia of its commitments under the RHP or other programme commitments), the GLA shall be entitled (but not obliged) to accept the proposed:

18.3.1 Additional Indicative Project into the Approved Bid as a new Indicative Project; or

18.3.2 Additional Named Project into the Approved Bid as a new Named Project,

and shall confirm its acceptance of such new Indicative Project or Named Project (as applicable) to the Grant Recipient through OPS.

18.4 With effect from the Additional Project Acceptance Date:

18.4.1 any:

(a) Additional Indicative Project shall be deemed to be a Indicative Project and immediately subject to Conditions 6.2 to 6.7 (inclusive) and any other terms and conditions of this Agreement which apply to Indicative Projects;

(b) Additional Named Project shall be deemed to be a Named Project for the purposes of this Agreement and immediately subject to its whole terms and conditions; and

(c) the details set out by the Grant Recipient in respect of any Additional Named 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;

18.4.2 the Grant Recipient must ensure that it complies with all of its obligations under this Agreement as they apply to such new Indicative Project or Named Project (as applicable).

18.5 If the GLA agrees to make available any grant funding in relation to Additional Project, the Allocated Grant will be deemed to be adjusted by the Named Project Grant agreed by the GLA in OPS in relation to the new Indicative Project or Named Project (as applicable).

19 **Subsidy**

19.1 The parties acknowledge that they have structured this Agreement with the objective that it is lawful and does not give rise to Subsidy.

19.2 Notwithstanding anything in this Agreement the GLA shall only provide Named Project Grant to the extent that such does not give rise to Unlawful Subsidy.

19.3 Notwithstanding Conditions 19.1 and 19.2 of this Agreement if any Named Project Grant is found to constitute Unlawful Subsidy (or is under investigation or subject to judicial

proceedings in relation to compliance with the requirements of the Subsidy Control Act) then:

19.3.1 the parties acting in good faith will promptly seek to restructure the arrangements surrounding the Named Project Grant and the terms of this Agreement to the extent necessary to ensure that no Unlawful Subsidy subsequently arises from it; and/or

19.3.2 the parties shall promptly cooperate in good faith to provide evidence that the Named Project Grant (or the restructured Named Project Grant) does not or will not give rise to Unlawful Subsidy.

19.4 If any Named Project Grant is found to constitute Unlawful Subsidy and/or is not capable of being restructured so as to be compliant then the Grant Recipient must repay any sum of Unlawful Subsidy plus such interest as may be prescribed by the Subsidy Control Act within 15 Business Days of the GLA issuing it with a written demand for payment.

19.5 If, following the date of this Agreement, the law requires the GLA to amend this Agreement to comply with the Subsidy Control Act 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.

19.6 The Grant Recipient shall promptly give written notice to GLA if it becomes aware of an allegation or a finding that Unlawful Subsidy has arisen in relation to this Agreement (including the delivery of the Grant Recipient's obligations under it) and/or the Named Project Grant, whether the same allegation or finding relates to the Grant Recipient or otherwise.

20 **Representations and Warranties**

Without prejudice to any other term of this Agreement, the Grant Recipient:

20.1 represents and warrants in the terms set out in Schedule 3 to the GLA on the date hereof and on each day during the currency of this Agreement; and

20.2 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.

21 **Information and confidentiality**

21.1 The parties to this Agreement are FOIA Authorities and:

21.1.1 are subject to legal duties which may require the release of Information under FOIA and/or EIR; and

21.1.2 FOIA Authorities may be under an obligation to provide Information subject to a Request for Information.

21.2 The FOIA Authority in receipt of or to receive the RFI (the **Relevant FOIA Authority**) shall be responsible for determining in its absolute discretion whether:

- 21.2.1 any Information is Exempted Information or remains Exempted Information; and/or
- 21.2.2 any Information is to be disclosed in response to a Request for Information,

and in no event shall any party, other than the Relevant FOIA Authority, respond directly to an RFI except to confirm receipt of the RFI and that the RFI has been passed to the Relevant FOIA Authority unless otherwise expressly authorised to do so by the Relevant FOIA Authority.
- 21.3 Subject to Condition 21.4 below, each party acknowledges that the Relevant FOIA Authority may be obliged under FOIA or EIR to disclose Information:
 - 21.3.1 without consulting the other; or
 - 21.3.2 following consultation with the other party and having taken (or not taken, as the case may be) its views into account.
- 21.4 Without in any way limiting Conditions 21.2 or 21.3, in the event that the Relevant FOIA Authority receives an RFI, the Relevant FOIA Authority will, where appropriate, as soon as reasonably practicable notify the other party.
- 21.5 Each party will assist and co-operate with the Relevant FOIA Authority as requested by the Relevant FOIA Authority to enable the Relevant FOIA Authority to comply with its disclosure requirements under FOIA and EIR within the prescribed periods for compliance and in particular without limitation will (and shall procure that its agents contractors and sub-contractors will), at their own cost:
 - 21.5.1 transfer any RFI received by the Relevant FOIA Authority to the GLA as soon as practicable after receipt and in any event within two Business Days of receiving an RFI;
 - 21.5.2 provide all such assistance as may be required from time to time by the Relevant FOIA Authority and supply such data or information as may be requested by the GLA;
 - 21.5.3 provide the Relevant FOIA Authority with any data or information in its possession or power in the form that the Relevant FOIA Authority requires within five Business Days (or such other period as the Relevant FOIA Authority may specify) of the GLA requesting that Information;
 - 21.5.4 permit the Relevant FOIA Authority to inspect such as requested from time to time.
- 21.6 Nothing in this Agreement will prevent the Relevant FOIA Authority from complying with any valid order, decision, enforcement or practice recommendation notice issued to it by the Information Commissioner under FOIA and/or EIR in relation to any Exempted Information.
- 21.7 The obligations under Condition 21.9 shall not apply to:
 - 21.7.1 information which at the time of disclosure is in the public domain;
 - 21.7.2 information which is required to be disclosed by law; or

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

21.8 The Grant Recipient acknowledges and agrees that the GLA:

21.8.1 is subject to the Transparency Commitment and accordingly, notwithstanding Condition 21.9, the Grant Recipient hereby gives its consent for the GLA to publish the Agreement Information to the general public; and

21.8.2 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 21.8. The GLA shall make the final decision regarding publication and/or redaction of the Agreement Information.

21.9 Subject to Conditions 3.10, 21.1 to 21.6, 21.7 and/or 21.8 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.

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 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 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 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.

23 **Grant Recipient's records and accounting**

23.1 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 or any Named Project a copy of each of:

23.1.1 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

23.1.2 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 Project and which have been supplied to the Grant Recipient for the purposes of this Agreement.

23.2 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 23 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 23.1.2 or as otherwise directed by the GLA.

23.3 The Grant Recipient must for a period of ten years from the date upon which it receives the Named Project Grant retain all of the data, documents, materials and accounts referred to in this Condition 23 and the Grant Recipient may retain such data, documents, materials and accounts in electronic form only.

23.4 The Grant Recipient acknowledges that the GLA's auditors (including The Comptroller and Auditor General) shall have unrestricted rights of access to the information referred to in Condition 23.1 pursuant to the National Audit Act 1983 and the Government Resources and Accounts Act 2000.

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 **Equality, Diversity and Inclusion**
- 25.1 Within 12 months from the notification of the Grant Recipient's funding allocation for RHP on OPS (the **Deadline**), the Grant Recipient must:
- 25.1.1 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
- 25.1.2 (save where the GLA has a Compliant EDI Action Plan in place) 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**).
- 25.2 The Grant Recipient shall provide evidence satisfactory to GLA (acting reasonably) of:
- 25.2.1 its compliance with Condition 25.1 within the five (5) Business Days following the Deadline; and

- 25.2.2 its continuing compliance with Condition 25.1, 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 25.2 or within such other timeframes as required by GLA (acting reasonably).
- 25.3 The Grant Recipient:
- 25.3.1 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 RHP Dwellings funded pursuant to this Agreement do likewise;
- 25.3.2 must have due regard to the public sector equality duty under Part 11 Equality Act 2010 and shall take reasonable steps to promote equality of opportunity in respect of access to the RHP Dwellings funded pursuant to this Agreement; and
- 25.3.3 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.
- 25.4 Where in the GLA's opinion (acting reasonably) the Grant Recipient commits a breach of this Condition 25 (an **EDI Breach**):
- 25.4.1 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;
- 25.4.2 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;
- 25.4.3 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 25.4.2 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 13.1.4 shall apply;
- 25.4.4 if the Remediation Plan is approved, the Grant Recipient must comply with the obligations set out in the Remediation Plan; and
- 25.4.5 within five (5) Business Days of the end of the three (3) 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 13.1.4 shall apply.

25.5 The parties acknowledge that they are both under a public sector equality duty pursuant to Section 149 Equality Act 2010 and they will assist and co-operate with each other in respect of each party's compliance with such duty including in respect of any amendment or re-enactment of Section 149 Equality Act 2010 and/or any guidance, enactment, order, regulation or instrument made pursuant to the same.

26 **Co-operation**

26.1 Each party undertakes to co-operate in good faith with the other to facilitate the proper performance of this Agreement and the delivery of the Named Projects. Without prejudice to the generality of the foregoing the Grant Recipient shall co-operate fully and in a timely manner with any reasonable request from time to time:

26.1.1 of any auditor (whether internal or external) of the GLA; and/or

26.1.2 of the GLA where the GLA is required under any legislation to provide any document relating to the Named Projects to any person.

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 Business Days (or such other longer period not exceeding 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 executives (or nominated deputies) of the Grant Recipient and the GLA (the **Senior Executives**).

27.1.4 The Senior Executives shall meet within ten Business Days (or such other longer period not exceeding 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 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 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;

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) email address: []

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 **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.

30 **No agency**

30.1 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.

30.2 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.

31 **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.

32 **Assignment and sub-contracting**

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

32.2 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).

33 **Construction Industry Scheme**

33.1 In this Condition 33 the following definitions shall apply:

CIS means the provisions of chapter 3 of part 3 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) Finance Act 2004; and

HMRC means HM Revenue & Customs.

33.2 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.

33.3 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.

34 **Data Protection**

34.1 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.

34.2 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 34 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.

34.3 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.

34.4 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.

35 **Further Assurance**

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

35.1 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

35.2 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.

36 **Entire agreement**

36.1 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 by agreement of the parties in writing by deed.

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

37 **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.

38 **Cumulative rights and enforcement**

38.1 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.

38.2 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 Law, 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.

39 **Waiver**

39.1 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 11.1 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.

39.2 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.

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

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

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

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

40 **Survival of this Agreement**

40.1 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.

40.2 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.

40.3 Without limitation the provisions of Conditions 2.3, 3.8, 3.10, 5, 8.3, 8.5, 8.6, 8.8, 8.10, 9, 12, 13, 14, 16, 18.5, 19, 20, 21 20.2, 22, 27, 34, 42 and this Condition 40 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.

41 **Execution**

41.1 This Agreement may be executed:

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

41.1.2 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.

42 **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.

43 **London Living Wage**

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

43.1 use all reasonable endeavours to ensure that no employees or workers engaged in the Delivery of the RHP Dwellings is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage;

43.2 use all reasonable endeavours to ensure that no employees or workers engaged in the Delivery of the RHP Dwellings is paid less than the amount to which they are entitled in their respective contracts of employment; and

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

Schedule 1

Agreed Principles

1 Named Projects

1.1 This Agreement contemplates the Delivery of five types of Named Projects:

1.1.1 the acquisition of one or more dwellings which require no work in order to meet the RHP Minimum Standards and are fit for occupation as RHP Housing immediately following such acquisition (**Acquisition (No Work Required) Project**);

1.1.2 the acquisition of one or more dwellings or non residential buildings which require repairs refurbishment or conversion works to be undertaken before such dwellings meet the RHP Minimum Standards and are fit for occupation as RHP Housing (**Acquisition (Work Required) Project**);

1.1.3 the development of one or more new build dwellings to the RHP Minimum Standards for use as RHP Housing on a site either owned by the Grant Recipient or acquired by the Grant Recipient for this purpose (**New Build Project**);

1.1.4 the refurbishment and/or conversion of dwellings or non residential buildings already owned by the Grant Recipient to the RHP Minimum Standards to be used as RHP Housing (**Refurbishment or Conversion Project**); and

1.1.5 the acquisition (on their completion) of one or more newly constructed dwellings from a third party developer unconnected with the Grant Recipient for use as RHP Housing (**Off the Shelf Project**).

1.2 OPS will identify certain Milestones which must be achieved before Named Project Grant may be claimed pursuant to Condition 10.

1.3 Start on Site will be deemed to have been achieved for Acquisition (No Work Required) Projects, Acquisition (Work Required) Projects and Off the Shelf Projects where the Grant Recipient achieves Acquisition.

2 Secure Legal Interest

2.1 The Grant Recipient must, subject to paragraphs 2.2 and 2.3, have a Completed Interest in each Named Project before the Acquisition Tranche Grant may be claimed under Condition 10.1.

2.2 The GLA may (in its absolute discretion) provide the Grant Recipient with a Drawdown Confirmation to permit the Grant Recipient to submit a claim for Acquisition Tranche Grant despite the Grant Recipient holding a Contractual Interest.

2.3 In permitting the Grant Recipient to hold a Contractual Interest at the point of claim for Acquisition Tranche Grant, the GLA may impose such Drawdown Conditions as it (in its absolute discretion) considers to be appropriate and require such Drawdown Conditions to be complied with within such timescales as may be determined by the GLA.

2.4 Other than where the GLA has provided the Drawdown Confirmation, the Grant Recipient must (at the point that it submits a claim for any Tranche pursuant to Condition 10) possess a Completed Interest and must represent and warrant to the GLA that it is either registered or has applied to register as the proprietor of the relevant Site at the Land Registry.

3 **RHP Dwellings**

3.1 Where the context requires, the obligations in this Agreement which apply to a Named Project will apply to each RHP Dwelling in that Named Project.

3.2 An RHP Dwelling will be deemed to have achieved Completion when it meets the criteria in the definition of Completion as if such RHP Dwelling was the Named Project in which it is comprised.

3.3 Each RHP Dwelling delivered will be self-contained and may not comprise Shared Accommodation

4 **Rent**

The Grant Recipient will use reasonable endeavours to deliver the RHP Dwellings in such a manner as to ensure that Tenants are not impacted by the Benefit Cap.

Schedule 2

Special Conditions

- 1 The Grant Recipient must use its reasonable endeavours to procure that each RHP Dwelling is delivered within the boundary of its borough unless otherwise approved by the GLA on OPS.
- 2 [xxxx]

¹ To be updated if any bespoke conditions are applicable.

Schedule 3

Representation and Warranties

1 Powers, vires and consents

- 1.1 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.
- 1.2 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 or Indicative Projects.
- 1.3 Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with its terms.
- 1.4 The execution, delivery and performance by it of this Agreement do not:
- 1.4.1 insofar as it is aware contravene any applicable law or directive or any judgement, order or decree of any court having jurisdiction over it;
 - 1.4.2 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
 - 1.4.3 contravene or conflict with standing orders or other constitutional documents binding upon it (as applicable) from time to time.
- 1.5 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.
- 1.6 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.
- 1.7 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.
- 1.8 It has not committed any Prohibited Act.

2 Deliverability

- 2.1 It has obtained or will by Completion of a Named Project have obtained all Consents and to the extent that such Consents have been obtained they have not been withdrawn.
- 2.2 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.

- 2.3 No Default Event has occurred and is continuing.
- 2.4 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.
- 2.5 It has informed the GLA of any material change that has occurred since:
- 2.5.1 the date of submission of the proposed Approved Bid prior to the date of this Agreement; and
- 2.5.2 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.
- 2.6 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.
- 2.7 The level of rent for any RHP Dwellings will be set at the Benchmark Rent Levels, at a Social Rent or at an Affordable Rent (as applicable and set out in the Named Project Details).
- 2.8 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.
- 2.9 The Grant Recipient will have a Secure Legal Interest in and be the immediate landlord of the Tenants of the RHP Dwellings to be provided pursuant to this Agreement.
- 2.10 The Grant Recipient will hold Registered Provider status at the point at which any RHP Dwelling provided pursuant to this Agreement is made available for rent.
- 2.11 None of the RHP Dwellings provided pursuant to this Agreement are being subsidised by RTB Funds or Previous AHP Programme Funds.
- 2.12 Save where expressly agreed by the GLA, no Named Project which is a Section 106 Project is being subsidised by Named Project Grant.
- 2.13 Save where expressly agreed by the GLA, all RHP Dwellings have been let in accordance with the terms of the Approved Bid and the applicable Named Project Details.
- 2.14 So far as the Grant Recipient is aware (having made all reasonable enquiries) each Named Project (including, inter alia, all Milestones and associated dates) is capable of being delivered without the need for a change to the Approved Bid and the applicable Named Project Details.
- 2.15 The Grant Recipient will comply with the Good Practice Guide to Estate Regeneration where applicable.

3 **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.

4 **Propriety**

4.1 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:

4.1.1 any person from whom the Grant Recipient is purchasing land or property for the purposes of or in connection with this Agreement;

4.1.2 any contractor engaged or to be engaged by the Grant Recipient in connection with this Agreement; and

4.1.3 any land or other property to be Delivered by the Grant Recipient for the purposes of or in connection with this Agreement.

4.2 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:

4.2.1 access to Delivered pursuant to this Agreement; or

4.2.2 the prices at which such properties are let.

5 **Local Government Act 1999**

The Grant Recipient is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued.

6 **Local Government Finance Act 1988**

No Section 114 Report has been made nor is the Grant Recipient aware of any circumstances which would give rise to the making of a Section 114 Report.

Schedule 4

Minimum Standards

In order to address the needs of the Target Client Group, the parties have agreed that any RHP Dwelling delivered by the Grant Recipient with the benefit of GLA grant funding must meet the following Minimum Standards (and the parties acknowledge that such standards do not constitute a specification):

1 Minimum Property Standard

All RHP Dwellings will require the provision of furniture and white goods.

2 Minimum Building Safety Standards

2.1 The RHP Dwellings at all times comply in all respects with all relevant building safety standards and legislative requirements that were in force when the RHP Dwellings were designed, constructed and, where applicable, refurbished, and which were intended to ensure their safe design, construction, occupation and building management. Where such standards and requirements change and/or are updated after completion of any construction or refurbishment work affecting the RHP Dwellings, the revised standards and requirements should nonetheless be applied to the RHP Dwellings in so far as these are reasonably applicable.

2.2 All of the Mayor's Building Safety Standards (set out below) must also all be met in any New Build Project. Off the Shelf Projects, Acquisition (No Work Required) Projects, Acquisition (Work Required) Projects and Refurbishment or Conversion Projects must comply with Standards 2, 4 and 5 (set out below).

Standard 1	The buildings must include Automatic Fire Suppression Systems, including (but not limited to) sprinklers.
Standard 2	No combustible materials may be used in the external walls of any homes or buildings, regardless of their height ²
Standard 3	All homes must include access to water supplies for firefighting in accordance with Water UK's national guidance document.: https://www.water.org.uk/guidance/national-guidance-document-on-the-provision-of-water-for-firefighting-3rd-edition-jan-2007/
Standard 4	For all homes, investment partners must register any in-built electrical products, such as white goods, with the manufacturers' registration service. Investment partners must also encourage residents to register white goods with manufacturers for every product where it is possible to do so.

² This will only allow materials that are Class A2-s1 rated and above under the European classification system, as set out in the standard BS EN 13501-1 and as reflected in UK Building Regulations

Standard 5	For all homes, investment partners must ensure that information about product registration, product recalls and electrical safety is made available to residents.
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Schedule 5

Part 1

Project 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 Surveying costs.
- 2.6 Costs associated with refurbishments, energy-efficiency measures, decoration, furnishings; or otherwise preparing the property for rent.
- 2.7 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.
- 3.11 Irrecoverable VAT on the above.

3.11.1 **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.

3.11.2 **Note 2**

Some items will not qualify as Project 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:

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

3.11.3 **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 RHP Dwelling 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 RHP Dwelling may be treated as a cost in respect of which grant under this Agreement may be paid.

Costs which are not Project Costs

1 Capital costs incurred

- 1.1 which are not eligible for social housing assistance as defined in Section 32(13) of the 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;
- 1.11 on separate commercial laundry blocks and related equipment.

Schedule 6

Legal Opinion

[TO BE TYPED ON COUNCIL NOTEPAPER]

Our ref []

Your ref []

Date []

Email address []

Greater London Authority
City Hall
Kamal Chunchie Way
London
E16 1ZE

To: Greater London Authority (the GLA)

Dear Sirs,

Legal Opinion re Refugee Housing Programme Grant Agreement and related matters

I refer to the proposed Refugee Housing Programme Grant Agreement to be entered into between [] (the **Council**) and the GLA (the **Agreement**) for the purposes of, inter alia, providing affordable housing which is dated on or about the date hereof. In connection with the giving of this opinion, I have examined:

- 1 the Agreement in its final form prior to execution and delivery thereof by the Council;
- 2 the Council's Standing Orders for approving entry into and the execution and delivery of contracts by the Council and for the delegation of its authority and the powers of the Council's Executive; and
- 3 such other documents I consider appropriate for the purposes of giving this opinion.

I do not express any opinion as to, nor have I investigated the law of any jurisdiction other than England.

I am of the opinion that, as at the date hereof, as a matter of English law, the Council has the power and authority to enter into, observe and perform the terms and obligations on its part to be observed and performed by it under the Agreement and has taken all necessary action and has obtained all relevant consents and approvals (statutory or otherwise) to authorise the execution and delivery of the Agreement and the performance and validity of the obligations under it.

Neither the execution and the delivery of, nor the performance by the Council of its obligations under the Agreement will violate any provisions of any existing application law, rule, regulation or agreement binding on the Council, and the Agreement constitutes a valid and legally binding obligation on the Council enforceable in accordance with its terms. I have given this opinion, taking into account the common law and statutory duties applicable to the exercise of power by the Council.

The above opinions are subject to the reservation that under English law, the power of the court to order or pursue performance of an obligation and any other equitable remedies is discretionary and, accordingly, an English court might make an award of damages where specific performance of an obligation at work or remedy is sought.

This opinion is given by virtue of my position as Solicitor to the Council and is only given as the holder of that office. I am not giving this opinion in a personal capacity, nor do I accept any private or personal liability for any error or omission in it or which may arise therefrom and the recipient, in seeking to place reliance on the contents of this letter, must duly acknowledge the same if any error or omission is later to be found. This opinion is addressed to the GLA and is solely for its benefit. It may not be disclosed to or relied upon by any other person or made public in any way without my prior consent. This opinion is limited to matters addressed herein and is not to be read as an opinion with respect to any other matter.

Yours faithfully

Council Solicitor

There follows the specimen electronic signatures and titles of those who will or may attest the execution of the Agreement referred to above.³

Name	Title	Specimen Signature

³ Please note that the Legal Opinion will not be in a form satisfactory to the GLA unless the person executing the Agreement is identified in this table.

Schedule 7

Evaluation Data

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In December 2023 and thereafter upon request to aid with evaluation of the fund
How the GLA/RP has funded its contributory share	
Breakdown of households housed by previous housing situation, e.g. emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of additional pledges made to provide housing for those in bridging accommodation	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	
Evaluation of additional pledges, number of individuals houses, number of properties occupied.	

Schedule 8

Monitoring Data

Item	Frequency
No. of properties where contracts exchanged, including bedroom size	Every 2 months
No. of properties occupied, including bedroom size	Every 2 months
Number of families housed, including which resettlement programme they belong to	Every 2 months
Number of individuals housed, including which resettlement programme they belong to	Every 2 months
Amount of Project Costs incurred by the Grant Recipient in the Delivery of each Named Project	Every 2 months

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]

[Grant Recipient]

EXECUTED as a **DEED** by affixing **THE COMMON**)
SEAL of **[LOCAL AUTHORITY]**)
In the presence of:)

.....
Authorised Officer

Print Name:

**OVERVIEW AND SCRUTINY BOARD, 27 SEPTEMBER
2023**

Subject Heading:	Capital Programme – Risks and the impact on Treasury Management
SLT Lead:	Kathy Freeman
Report Author and contact details:	Mark White Capital Strategy Manager 01708 433624
Policy context:	Within remit of Overview and Scrutiny Board

SUMMARY

Slides setting out the capital programme and the risks and impact on treasury management

RECOMMENDATIONS

Overview & Scrutiny Board to note the slides setting out the following:

- The approved capital programme
- The capital financing costs associated with the capital programme
- Note the Tri-Angulation process on how the capital programme impacts treasury decisions
- updated CFR forecasts

REPORT DETAIL

See accompanying slides

IMPLICATIONS AND RISKS

Financial implications and risks:

No Financial implications as a result of the slides

Legal implications and risks:

No Legal Implications as a result of the slides

Human Resources implications and risks:

No HR implications as a result of the slides

Equalities implications and risks:

No Equalities implications as a result of the slides

BACKGROUND PAPERS

None



Haverling

LONDON BOROUGH

O&SB Presentation
Capital
27th September 2023

- The Approved Capital Programme – Setting out the planned capital spend over the next 5 years
- Capital Financing Costs – What it costs to finance both existing spend and planned capital spend
- Tri-Angulation process for updating Forecasts
- Latest CFR and Borrowing position and forecasts

The Capital Programme sets out the Council's capital plans over the medium term

Linked to this is the Capital Strategy which sets out how **capital expenditure**, **capital financing** and **treasury management** activity contribute to the provision of local public services along with an overview of how **associated risk** is managed and the implications for **future financial stability**

The Capital Programme & Strategy is underpinned by the **strategic aims** of the Council and is approved by Members each year as part of the budget setting process

The Council has an extensive £1.8bn Capital Programme planned for the next 5 years of which £457m has already been spent.

This will deliver regeneration across the borough together with much needed new Housing through the HRA

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	Historic Budget Amount	2023- 24 Budget	2024-25 Budget	2025-26 Budget and onwards	Total Budget	Borrowing	Revenue & Reserves	Capital Receipts	Grants & Other External Funding
People	40.162	19.695	19.389	39.743	118.989	(44.470)	(0.519)	(0.757)	(73.244)
Place	72.997	55.897	134.809	279.520	543.223	(288.977)	(0.336)	(205.858)	(48.053)
Resource	18.254	23.967	17.165	8.650	68.036	(35.448)	(6.709)	(25.633)	(0.247)
Total GF	131.413	99.560	171.363	327.913	730.249	(368.894)	(7.563)	(232.248)	(121.543)
HRA	326.299	145.933	131.817	462.855	1,066.904	(644.365)	(135.333)	(241.579)	(45.628)
Total HF & HRA	457.712	245.493	303.180	790.768	1,797.153	(1,013.259)	(142.896)	(473.826)	(167.172)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt.

Capital financing costs are the on-going revenue costs associated with borrowing money to finance the capital programme and comprises 2 elements: MRP and Interest

Repayment of Principal (MRP)

- This is the money set aside by the Council to repay the debt once the loan has matured and needs to be paid back.

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The amount of money set aside each year is governed by accounting regulations

Typically asset lives used in the calculation of MRP are:

Infrastructure e.g. road resurfacing	25 years
Building work enhancements	40 to 50 years
Equity investments	20 years
Purchase of new vehicles or plant	5 years+
IT infrastructure and equipment	5 years



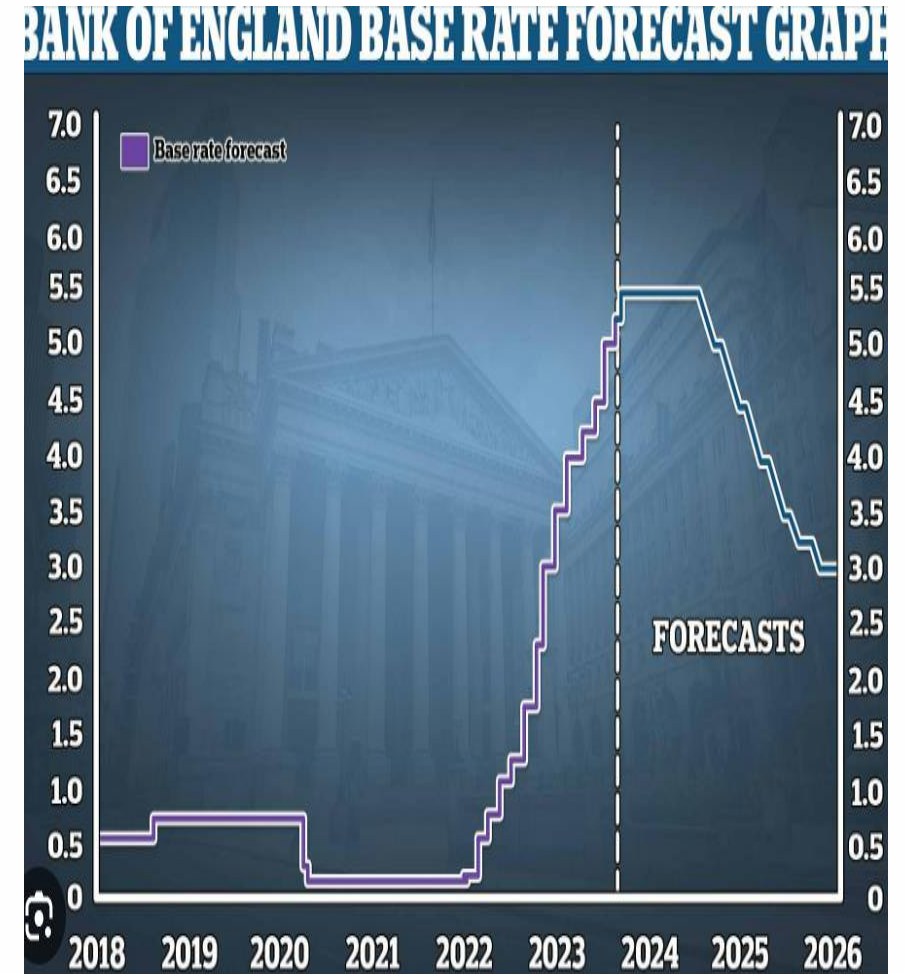
Interest

This is the annual interest costs associated with the borrowing of money. Whilst Councils can access cheaper money from central government (the Public Works Loan Board or PWLB) cheaper than say a private company can, there is still a cost of borrowing. Interest rates by the PWLB are set on daily basis and currently 25 year borrowing rates are around 5.75%*.

This is compared to 4.05%* 1 year ago and 1.90%* 2 years ago

In conjunction with our treasury adviser our treasury department continually monitor interest rate forecasts to ensure best possible timing of any new loans that are taken

*Rates include a discount of 0.20% given to Authorities that provide capital spending plans



Impact of Borrowing on Revenue

Historic capital decisions of the council to finance capital spend through borrowing mean that the Council is committed to repaying the following per year in relation to its capital financing costs:

- Minimum Revenue Provision = **£5.6M**
- General Fund Interest = **£2.9m**

This is expenditure that has already been incurred and is built into the base budget. Reducing the capital programme will not impact on these figures.

Future additional budget provision has been built into the 23/24 Budget and 24/28 MTFS to reflect the future assumed cost of borrowing and MRP as set out in the table below

	2023/24	2024/25	2025/26	2026/27	2027/28	4 Year Plan
	£m	£m	£m	£m	£m	£m
MRP	1.4	1.0	1.0	3.8	0.4	6.2
Borrowing	3.0	1.8	2.5	1.4	0.0	5.7
Underspend forecasted	-2.0					
Capital Financing	2.4	2.8	3.5	5.2	0.4	11.9

- The impact of borrowing on revenue is recalculated on a quarterly basis from information on timing of forecast spend obtained from the capital Project Managers (PM).
- From these latest forecasts provided by the PM's an updated capital financing requirement forecast is produced (the Authorities underlying need to borrow).
- Its important to distinguish between actual treasury borrowing undertaken by the Authority compared to it's CFR (or underlying need to borrow).
- Any difference between actual borrowing and the Authorities underlying need to borrow is often referred to as internal borrowing.
- Internal borrowing is effectively the Authorities temporary use of reserves held to finance the capital spend rather than physically borrowing the money

Decisions on timing of any new borrowing are made during tri-angulation meetings between the treasury team, capital strategy manager and senior finance officers in conjunction with the authorities treasury advisers.

Some of the factors taken into account when making decision on timing are:

- Interest rate projections
- Cash flow projections
- Accuracy of forecasts
- Authorities existing cash balances
- Cost of carry (difference between borrowing rates and rates achieved on existing cash balances)
- Pre existing levels of internal borrowing
- Treasury adviser information/advice

A key factor in deciding on the amount of new borrowing is the Authority's Capital Financing Requirement (CFR)

The CFR measures the Council's underlying need to borrow for capital purposes, i.e. it's borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

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Existing CFR Projections

Based on the latest period 3 forecasts the current Capital Financing Requirement (underlying need to borrow) projections are:

	General Fund	Regeneration	Total GF	HRA	Total
	£m	£m	£m	£m	£m
Actual CFR @ 31st March 2023	141.847	70.115	211.962	347.457	559.418
Forecast CFR @ 31st March 2024	160.827	87.604	248.431	440.061	688.492
Forecast CFR @ 31st March 2025	174.281	170.416	344.697	494.774	839.471
Forecast CFR @ 31st March 2026	180.536	287.522	468.058	542.034	1,010.092

*CFR is forecast to almost double over the next 3 years

Borrowing Position

Existing borrowing compared to the CFR (underlying need to borrow) for GF, Regen and HRA to show existing levels of internal borrowing are as follows:

	General Fund	Regeneration	Total GF	HRA	Total
	£m	£m	£m	£m	£m
Borrowing @ 31st March 2023	98.556	0.000	98.556	229.221	327.777
CFR @ 31st March 2023	141.847	70.115	211.962	347.457	559.418
Internal Borrowing Position	43.291	70.115	113.406	118.236	231.641

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The primary risks of internal borrowing are:

- Higher interest costs when borrowing is undertaken
- Limited access to borrowing when it is needed
- Missed opportunity of interest received on cash balances

The primary benefits of internal borrowing are:

- Reduced borrowing costs
- Reduced exposure to investment risk

Overview & Scrutiny Board

27th September 2023

REPORT

Subject Heading:

One source returning services - position statement

SLT Lead:

Kathy Freeman, Strategic Director of Resources, Havering
kathy.freeman@havering.gov.uk

Report Author and contact details:

Marie Dunworth, Programme Manager,
marie.dunworth@onesource.co.uk

Policy context:

This report provides an update on the return of a number of services within one source shared services, to sovereign borough control of Havering.

Financial summary:

There is no significant financial impact from the processes as these requirements are being met by existing budgets.

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy X

Resources - A well run Council that delivers for People and Place X

SUMMARY

On 12th April 2023, Cabinet approved the return of a number of one source shared services to borough control. The report provides the Board with a position statement on progress. to date A separate report will be presented to the Board on IT, and is therefore not included in this report.

RECOMMENDATION

That the Board notes the contents of this report, and makes any recommendations it considers appropriate.

REPORT DETAIL

1. Background

- 1.1 One Source was established in 2014 by way of a Joint Committee and Delegation Agreement (the "Agreement") as a joint arrangement between The London Borough of Newham and The London Borough of Havering to provide most of the back office support functions that the councils depend on to deliver services, including Exchequer & Transactional, Finance, Asset Management, Legal, HR & OD, Procurement, and ICT.
- 1.2 It was always the intention that the delegation of functions to One Source would be dynamic and change over time, and over the last eight years there have been several service changes to the delegated functions. For example, Audit and Strategic Property returned to Newham in 2020. The arrangement delivered considerable savings on inception and was considered a relatively ground-breaking innovation at the time.
- 1.3 The future of One Source was considered by both councils, culminating in proposals and recommendations approved by Newham Cabinet on 4th April, and Havering Cabinet on 12th April 2023.

<p>1. <u>Withdraw</u> delegation from One Source of the following shared services:</p> <ul style="list-style-type: none"> • Human Resources and Organisational Development (HROD) • Procurement • ICT • Asset Management • Finance: Pensions Accountancy and Treasury, Reconciliations 	<p>2. <u>Retain</u> existing delegations to those functions that remain within One Source, namely:</p> <ul style="list-style-type: none"> • Legal and Governance • Exchequer and Transactional • Corporate Business Systems Team • Print Services
<p>3. <u>Authorise</u> the Corporate Director of Resources (Newham) S151 Officer (Havering), in consultation with the Chief Executives, to make all necessary arrangements to give effect to 1 & 2 above.</p>	<p>4. <u>Waive</u> the right to any compensatory payments</p>

- 1.4 The arrangements to implement the withdrawal and retention of services in 1.3 include but are not limited to:
 - a. Implementing the HR and other operational processes to implement the recommendations.
 - b. Agreeing the dates for the withdrawal of those services listed.
 - c. Agreeing, amending and finalising any variation or variations to the Agreement and the delegations contained therein as necessary to give effect to the recommendations, and thereafter to sign and complete any variation on behalf of Havering.
 - d. Making arrangements to receive staff into Havering as a result of the amendments to the Agreement

- e. Making arrangements to allow Havering to share some of the proposed withdrawn services for a transitional period beyond the agreed date of implementation whilst permanent arrangements are put in place within Havering.
- f. Making arrangements to provide a support service to the retained One Source services.
- g. To prepare and / or receive and thereafter agree and set the investment case for the ICT function.

2. Implementation progress

- 2.1 Delivery has been underway since April, mapping and implementing the return of services to boroughs, and the work required for the remaining services within one source. The overall programme plan is being monitored via an officer Programme Board, attended by senior officers from each Council and by the oneSource Directors. Progress is reported to both councils internally as requested, and to Joint Committee. See Appendix 1 for current roadmap.
- 2.2 Underpinning the return of services to each borough and the reshaping of the remaining one source services is transition and change management, including communications and engagement with staff, trade unions, and each borough.

3. Return of services to boroughs

- 3.1 Employees will return to their employing borough and within the revised and signed off organisation structure that is implemented after due consultation and application of the organisational change policies for each council. Should future further changes be necessary these will be made with the required consultation and change process and policy applied. All the usual HR processes are being applied, including consultation with Trade Unions, and with staff (45 days).
- 3.2 Almost all of the services which the two councils agreed to remove from the oneSource arrangement will have returned to each borough by December 2023. Formal consultation for services commenced from April, and most have completed the formal staff consultation and selection processes required to effect the practical change. The exceptions are the small reconciliations team, where some necessary software upgrades are being applied first, and the ICT function, which is on a longer time-frame.
- 3.3 Given the nature of shared IT infrastructure, ICT is being managed as a separate programme, and is operating to a different timeline. ICT internal restructure consultation launches in November 2023, with indicative go live date of March 2024. This includes Print Services and Information Assurance. The IT modernisation and split programme will be reported on to this Board at a future date.
- 3.4 Property returned to borough 4th September, and HROD will return 2nd October 2023.

Service	Consultation launch	Consultation close	Return to borough
Property	28 th April	9 th June	4 th September
HROD	24 th April	19 th June	2 nd October

- 3.5 Capital Development and Corporate Estate, Pensions and Treasury, and Procurement have completed staff consultation, and are due to return to the individual boroughs between November and December.

Service	Consultation launch	Consultation close	Return to borough
Capital Delivery and Corporate Estate	10 th July	29 th August	Late October
Pensions and Treasury	12 th July	15 th September	Early November
Procurement	19 th July	4 th September	Early December

- 3.5 All services returning to Havering will be located within 'Place' and 'Resources' Directorates. All Havering non-shared services will be assimilated into the new Havering structure, and is being managed as part of the Havering Operating Model Programme. The remaining one source services will report to the Resources Directorate. See Appendix 2 Havering Structure.

4. Services remaining within one source

- 4.1 The remaining one source services have confirmed their support requirements, and proposals have been developed for the future provision of a central support function appropriate to the remaining size of oneSource. The future governance arrangements are also being completed.
- 4.2 Legal Services continue to operate as normal and is undertaking a service improvement exercise. This plans to complete by December 2023, with a report measuring the success of the plan following thereafter. The progress of the plan is reported to the OneSource Programme Board on a monthly basis.

5. Next steps

- 5.1 To complete the return of shared services to each borough, and finalise the governance arrangements for one source.
- 5.2 To implement the transition plan, and communications and engagement plan, to support the return of staff and services to each borough, and for the remaining shared services.
- 5.3 To continue to engage with staff and trade unions, by service, and all-staff briefings.
- 5.4 To report back to Joint Committee on 10th November.

Financial implications and risks:

- A finance work-stream working group was established to oversee the smooth transition of services from oneSource to the sovereign boroughs and to ensure due consideration is being given to the ongoing financial arrangement for those areas remaining within the sharing partnership.
- Although some references to ICT costs are made here for contextual purposes, ICT will be reported separately to Board.
- Financial principles being worked to include (but are not limited to):

Each borough returns its share of its oneSource budget back on the date of the split to reside within which ever directorate is most appropriate	Post-split structures to be designed to be containable within existing budgetary envelope and where that was not possible budget will be transferred from the £1m provision made for this purpose as part of 23/24 budget setting (Havering only)
Actuals will be shared up to the date of split in line with agreed cost share percentages and then post-split each borough picks up 100% of its own costs.	Final cost share invoicing to take place on a service by service basis on the date they exit the sharing arrangement rather than one net invoice capturing all services.
All redundancy costs will be shared in line with the relevant cost share percentage for that area, however, pension strain costs will be born 100% by the employing authority	No compensation/penalties are being levied by one authority or the other as a result of returning services to sovereign control

Ongoing Budgetary Implications

- Havering included within its 23/24 budget a provision of £1m to meet the ongoing costs arising from the split of oneSource. The table below outlines the ongoing financial impact which will be met via budget transfer from this £1m budget:
 - £90k Asset Management;
 - £230k Procurement;
 - £300k HR;
- It is expected that the pensions and treasury and the oneSource finance business partnering restructures will be contained within the existing budget envelope, however, this cannot be confirmed until close of consultation;
- It is expected that the business services restructure will deliver a significant saving to Havering; this will be used to offset unmet prior years savings which are currently being held in this area. It's possible a residual £50k saving will remain unmet and compensating savings will be identified to redress this shortfall.
- Fusion Subject Matter Expert funding requests have arisen during the course of the year totalling approx. £70k for Havering; these will be met from the £1m allocation and will be used to improve business processes pertaining to the Fusion system.
- The financial implications pertaining to the post-split structure of transactional reconciliations are not yet known.

- The total likely call on the £1m to date is £680k with the remainder being earmarked to contribute towards the anticipated growth required within the ICT service.

One-off Costs

Delivery of the split essentially takes the form of a series of complex restructures in a relatively short space of time and therefore some additional HR, establishment/hierarchies, payroll and programme management support will be required to ensure services are returned within agreed timeframes. Where possible these costs are being managed within existing resources but there may be the need to fund a small amount from one-off funding where demand exceeds existing capacity.

Legal implications and risks:

Whilst there are no implications arising from the recommendations in this report the following sets out some of the legal background on the arrangements between the two councils.

The agreement

By way of an agreement dated 1 September 2014 (the "Agreement"), Havering and Newham established the Joint Committee under s.101(5) of the Local Government Act 1972 for the discharge of various functions via a shared service, known as OneSource.

Once the Returning Services have been returned to Newham and Havering, it is envisaged that the Agreement will be restated in its entirety so as to properly reflect the governance and management processes required to administer the Retained Services.

Clause 13 of the Agreement allows for the Agreement to be varied from time to time with the consent of the parties. It is envisaged that the Agreement will be restated in accordance with this clause.

In the meantime, the Joint Committee shall continue to apply to the Retained Services and those Returning Services until the date upon which they are formally returned to Newham and / or Havering, as notified by the s.151 officers.

The Agreement shall continue in full force and effect except as detailed in this report. Where there is any discrepancy or contradiction within the Agreement, arising for whatever reason, the s.151 officers from Newham and Havering shall jointly determine the issue. If they are unable to resolve the issue between themselves, the dispute resolution mechanism within the Agreement shall apply.

The Scheme

The Scheme shall continue in full force and effect in relation to the Retained Services and any of those Returning Services up to and until they are formally returned to Havering and / or Newham as notified by the s.151 officers.

As both Newham and Havering are currently undergoing internal constitutional reviews and given the reduced scope of OneSource with the Retained Services, it is envisaged that the Scheme shall no longer be necessary.

The variation to the Agreement as referred to above shall formally bring the Scheme to an end.

Human Resources implications and risks:

All staff within the One Source service remain employed by their "home" borough under the joint committee arrangements and there are no "One Source employed" staff.

In the majority, staff in the affected services will start to work for a single borough (where their contract states is their base) once the agreement is implemented and a number of organisational changes will need to be made to staffing structures. The necessary corporate HR policies and procedures will be followed when implementing these changes. Union engagement has already begun and will continue throughout the consultation and implementation process. Appointment procedures that applies in each council are applied. Continuous service and green book provisions that apply to contractual and employment matters are all adhered to as appropriate and applicable.

People are being supported through the organisational change with interview preparations, inductions, teambuilding and cultural change development. An Employee Assistance Programme is also available for individuals should they feel they need to avail themselves of this.

The principles for change underpinning this return of services to sovereign boroughs are as follows:

Where teams are returning to Boroughs they will return to their employing borough (stated in their contract of employment)	TU meetings continue as is including One Source and will be chaired by one of the Directors of One Source and both HRD/Head HR or delegated officers for HR will attend
No one will be forced to go to the other Borough	Each council team will provide a lead point of contact for One Source
If someone wants to move (or stay in a role they have been doing) to the other Borough they will need to apply, we will do our best to accommodate	During the period of change and transition all vacancies will be advertised internally first ahead of external recruitment
Any move to the other Borough will be done on the receiving borough's standard terms and conditions. Pay protection will not apply neither will mileage allowances	Secondments and acting up provisions will be reviewed and if change is needed notice periods will be given for change
A standard 45-day consultation period will apply	It's possible some teams will split back in phases
2017 protocol was for the creation of One Source and does not need to apply for the disbanding of teams – council policies will apply	VR applications not in scope for this change at the outset.



Equalities implications and risks:

Under section 149 of the Equality Act 2010, Havering has a duty when exercising its functions to have “due regard” to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

“Due regard” is the regard that is appropriate in all the circumstances. The weight to be attached to each need is a matter for Havering. As long as Havering is properly aware of the effects and has taken them into account, the duty is discharged.

Any staffing implications are being assessed in accordance with procedure. As all One Source employees have remained as employees of their “home” borough, there is very limited impact on employment rights and any staffing changes will be carried out in accordance with HR procedures and following an assessment of the Council’s public sector equality duty. It is unlikely that there will be any significant impact on the Council’s equalities duties.

Environmental and Climate Change Implications and Risks: None of this covering report.

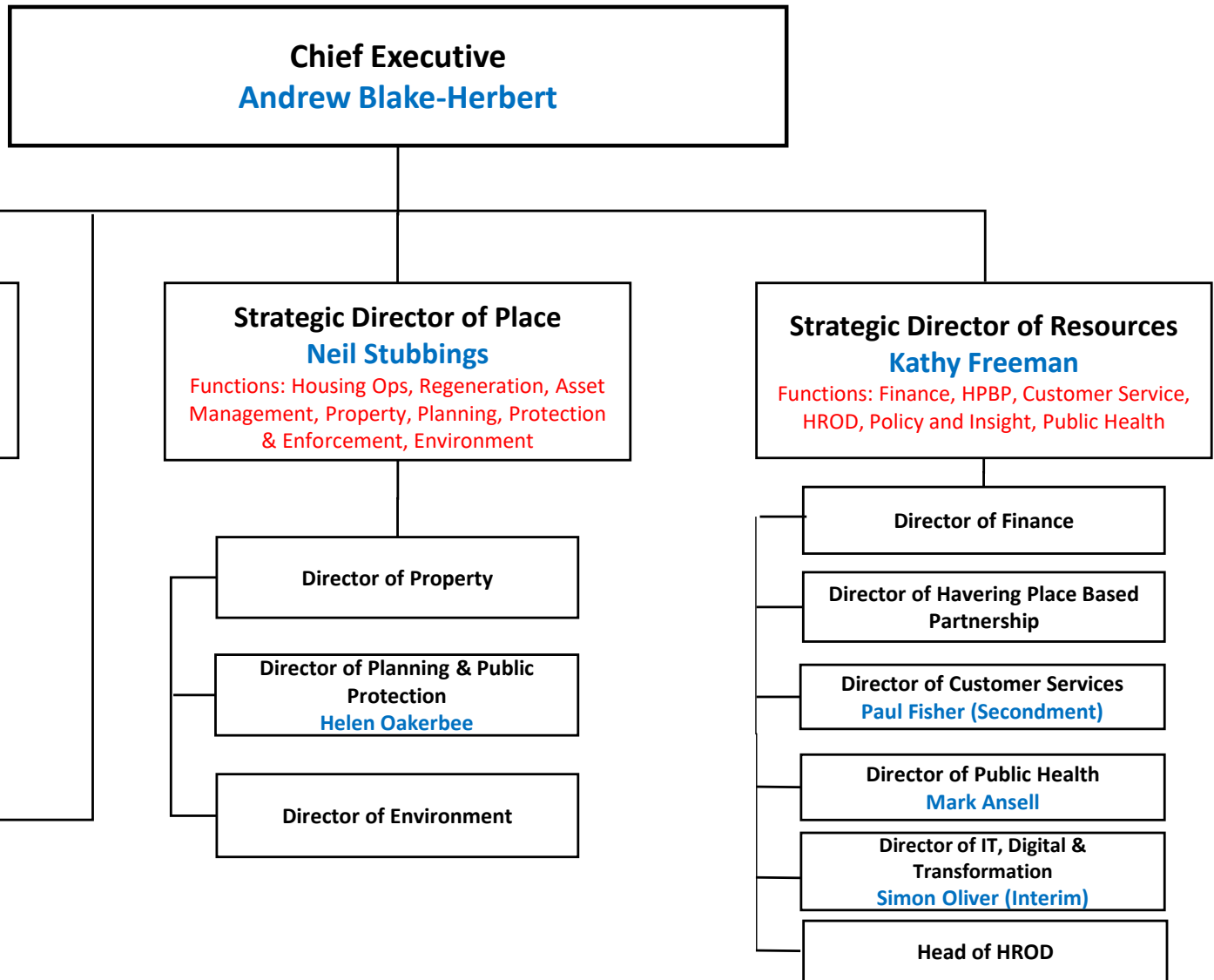
Background documents:

- Future of one source cabinet report 12th April 2023
- Future of one source programme update to Joint Committee 28th July 2023
- OneSource – amendment to the joint committee agreement and scheme of delegations – Joint Committee 28th July 2023

Appendix 1 – Programme Roadmap

Work-streams			JUL - SEP			OCT - DEC			JAN - MAR			
			JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
RETURNING SERVICES	1	Property			◆ Go Live 4 th Sep							
	2	Capital Delivery and Corporate Estate					◆ Go Live Early Nov					
	3	Human Res Org Dev				◆ Go Live 2 nd October						
	4	Procurement						◆ Go Live End Dec				
	5	Pensions & Treasury						◆ Go Live End Dec				
	6	Reconciliations			◆ position paper to Programme Board 18 th Sept							
	7	IT internal restructure					◆ Consultation launch Nov			◆ Go Live March '24		
REMAINING SERVICES	8	Business Systems Team			◆ Moved to IT Sep							
	9	Business Services / one source Finance BPs			◆ Consultation launch Sep			◆ Go Live Jan				
	10	Legal Improvement Plan						◆ Implemented Dec				
COMMS AND ENGAGEMENT	11	All staff briefings			◆ Staff briefing Sep		◆ Staff briefing Nov			◆ Staff briefing Feb		
	12	Endings and beginnings, Induction sessions				◆	◆	◆	◆	◆		
BOROUGH TRANSITION	13	borough engagement and briefings – pre return		→								
	14	borough engagement and briefings – post return			→							
	15	Borough service initial review – 3 months after return						→				

Appendix 2 – Havering Structure



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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