



Llywodraeth Cymru
Welsh Government

RSL In advance offer letter – Construction only

Wales & West Housing Association Limited
Archway House
77 Parc Ty Glas
Llanishen
Cardiff
CF14 5DU

Welsh Government Registration Number: L032

Attention: **[Redacted]**

27 February 2025

Dear Wales & West Housing Association Limited

Award of Compensation in relation to Social Housing Grant (SHG) Programme

New Mill Road – CER/23/7239

1. Award of Compensation

- (a) We are pleased to inform you that your Application has been successful and compensation of up to £8,746,127 (*eight million, seven hundred and forty six thousand, one hundred and twenty seven pounds*) (the “**Compensation**”) is awarded to you for the Purposes (as defined in Condition 4(a)).
- (b) The Funding relates to the period 27 February 2025 to 3 November 2027 (“**Compensation Period**”) and must be claimed annually in full in accordance with the timescales set out in the Indicative Payment Profile. If you fail to claim the Funding annually in full in accordance with the timescales set out in the Indicative Payment Profile any unclaimed part of the annual Funding will cease to be available to you.
- (c) This letter shall become effective on the date of signature evidencing acceptance by you as set out in the acceptance page below.

- (d) If you have any queries in relation to this award of Compensation or the Conditions please contact the Welsh Government Official who will be happy to assist you.

2. **Statutory authority and Subsidy Control**

- (a) This award of Compensation is made on and subject to the Conditions and under the authority of the Cabinet Secretary for Housing and Local Government, one of the Welsh Ministers, acting pursuant to functions transferred under section 58A of the Government of Wales Act 2006 and section 60 of the Government of Wales Act 2006, Part II of the Housing (Wales) Act 2014 and Part VI of the Housing Act 1996.
- (b) You must ensure that the use of the Compensation is compatible with the Subsidy Control Act 2022 (insofar as it is applicable to the Compensation) and the applicable agreements contained in the World Trade Organisation rules, UK-EU Trade and Cooperation Agreement and any Free Trade Agreement involving the UK and the Northern Ireland Protocol. Please refer to Schedule 6 for further details.

3. **Interpreting the Conditions**

Any reference in the Conditions to:

'Account' is to the bank account opened and maintained by you with a UK clearing bank, in your own name and in respect of which you have sole signing rights as notified and approved by us (at our absolute discretion) from time to time or such other account as we may approve for the purpose of the Conditions and at our discretion from time to time;

'Actual Completion Date' is to the date on which the works are certified as complete, as specified in the Practical Completion Certificate;

'Affordable Housing' is to housing provided to those whose needs are not met by the open market, to include the provision of Social Rented Housing and Intermediate Rented Housing, and for the purpose of the SHG, includes Shared Ownership;

'Application' is to your application (or applications, as the case may be) for Social Housing Grant in respect of the Schemes, as set out in your Capital Funding Application Form 2023-24 or 2024-25;

'Approval' is to an approval in writing from us to you in respect of your claim(s) for Compensation, as will more particularly be set out in a Capital Funding Approval Form 2023-24 or 2024-25. The procedure for gaining approvals in respect of your claim(s) for

Compensation is set out in the [Social Housing Grant Guidance for Registered Social Landlords and Local Authorities September 2019](#) including any subsequent revisions or replacement versions, as applicable;

‘Assurance Statement’ is to the Assurance Statement: counter fraud and governance contained in Schedule 5;

‘Business Day’ is to a day other than a Saturday, Sunday, Christmas Day, Good Friday or a bank holiday in Wales under the Banking and Financial Dealings Act 1971;

‘Change of Use’ is to a change in the approved use of a property, as specified in the Capital Funding Approval Form, where the property has received funding and/or compensation from the SHG.

‘Conditions’ is to the terms and conditions set out in this letter and the Schedules;

‘Costs Incurred’ is to the cost of goods and/or services you have received regardless of whether you have paid for them by the date of your claim;

‘Costs Incurred and Paid’ is to the invoiced cost of goods and/or services you have received and which have been paid for by you in cleared funds by the date of your claim;

‘Estimated Completion Date’ is to the estimated completion date of the works specified in the Main Contract and outlined in the Programme Delivery Plan as of the date of this letter. In the event of any conflict, the completion date stated in the Main Contract shall take precedence.

‘Extra Care Housing’ is to housing with care primarily for older people where occupants have specific tenure rights to occupy self-contained dwellings, and where they have agreements that cover the provision of care, support, domestic, social, community or other services;

‘General Needs Housing’ is to social or intermediate rented self-contained housing that is provided for a wide range of people, including singles, couples, and families;

‘Indicative Payment Profile’ is to the indicative payment profile set out in Schedule 4;

‘Intermediate Rented Housing’ is to housing where rents are above those of social rented housing but below market housing rents;

‘Legal Charge’ is to the legal charge in the form annexed to this letter;

‘Main Contract’ is to the principal works contract entered into between you and the appointed contractor for the execution of the works, with the works as more particularly described in your Application in relation to a Scheme;

‘Mortgage Rescue’ is to housing purchased by registered social landlords to help homeowners avoid mortgage repossession, where this will result in homelessness. The former owner will become a tenant of the registered social landlord and the property will be subject to the Welsh Government Rent and Service Charge Standard 2020 to 2025 and the Welsh Housing Quality Standards.

‘Notification Event’ is to any of the events listed in Schedule 3;

‘Older Persons Housing’ is to housing for residents who are over 55 and comprises self-contained homes with either no communal facilities or a limited amount of communal space desirable for the cost effective operation of the accommodation;

‘Personnel’ is to your management/employees and suppliers or any other person appointed or engaged by you in relation to the Purposes;

‘Practical Completion Certificate’ is to the completion certificate you must provide to us to evidence completion of the works in relation to a Scheme;

‘Programme Delivery Plan’ or **‘PDP’** is to a local authority’s 3 – 5 year programme of Affordable Housing schemes which will be prioritised for Social Housing Grant;

‘Project Manager’ is to your project manager who is responsible for the day to day management of this award of Compensation:

[Redacted]

Archway House
77 Parc Ty Glas
Llanishen
Cardiff
CF14 5DU

Tel: **[Redacted]**

Email: **[Redacted]**

‘Schedule’ is to the schedules attached to this letter;

‘Scheme’ is to an Affordable Housing development funded by Social Housing Grant (and **Schemes** is to more than one of them);

‘Shared Ownership’ is to a form of tenure to help people on lower incomes to purchase an equity share in a home of between 25% and

75% and paying rent to the registered social landlord on the unpurchased equity;

‘Social Housing Grant’ or **‘SHG’** is to the capital grant notionally allocated to local authorities in Wales by the Welsh Government which is payable to registered social landlords and local authorities to partially fund investment in affordable housing;

‘Social Housing Grant Procedures’ is to the [Social Housing Grant Guidance for Registered Social Landlords and Local Authorities September 2019](#) including any subsequent revisions or replacement versions, as applicable;

‘Social Rented Housing’ is to housing provided by local authorities where rent levels for general needs and sheltered housing must comply with the Welsh Government’s rent policy (including any subsequent revisions or replacement versions, as applicable);

‘Supported Housing’ is to any housing scheme where housing, support and sometimes care services are provided as an integrated package.

‘we’, **‘us’**, **‘our’** is to the Welsh Ministers;

‘Welsh Government Official’ is to

[Redacted]

More Homes Division
Welsh Government
Rhydycar
Merthyr Tydfil
CF48 1UZ

Email: **[Redacted]**

or such other Welsh Government official as we may notify you;

‘you’, **‘your’** is to Wales & West Housing Association Limited, Archway House, 77 Parc Ty Glas, Llanishen, Cardiff, CF14 5DU and L032;

any reference to any legislation whether domestic or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

4. Use of the Compensation

- (a) You must use the Compensation solely for the purposes set out in Schedule 1 (the **“Purposes”**).

- (b) You must achieve the targets and outcomes set out in Schedule 2 (the “**Targets**”).
- (c) Any change to the Indicative Payment Profile, Purposes or Targets will require our written consent which must be obtained from us in advance of implementing any change. Please note that we are not obliged to give our consent but we will consider all reasonable written requests.
- (d) You must not use any part of the Compensation for any kind of activity which in our opinion could bring us into disrepute, including but not limited to (1) party political purposes, (2) the promotion of particular secular, religious or political views; (3) gambling, (4) pornography, (5) offering sexual services, or (6) any kind of illegal activities.
- (e) You must not use any part of the Compensation for: (1) purchasing capital equipment (other than as specified in the Purposes), (2) your legal fees in relation to this letter, (3) Costs Incurred or Costs Incurred and Paid by you in the delivery of the Purposes prior to the period referred to in Condition 1 (b).

5. Compensation pre-conditions

- (a) We will not pay any of the Compensation to you until you have provided us with the following information and documentation:
 - i) this letter signed by you;
 - ii) the completed Assurance Statement;
 - iii) a completed Application;
 - iv) a completed grant claim form together with decision notices for planning and SAB (as appropriate);
 - v) written confirmation that the Legal Charge will be granted to the Welsh Ministers;
 - vi) a copy of the articles of agreement and contract particulars to the Main Contract (including any subsequent variations to the articles of agreement and contract particulars to the Main Contract); and
 - vii) updated the milestones tab on the portal, to accurately reflect the scheme delivery;
 - viii) any other information, document, opinion or assurance which we consider to be necessary or desirable (if we have notified you accordingly) in connection with this award of

Compensation or the Purposes or in connection with the entry into and performance of this award of Compensation or its validity and enforceability.

- (b) Where you are required to provide any information and/or documentation to us as evidence that you have satisfied a particular pre-condition, Condition or otherwise in support of a claim, the information and/or documentation must be in form and substance acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us, and/or request any further or additional information and/or documentation in support of the request for Compensation.

6. How to claim the Compensation

- (a) You may claim the Compensation in advance as detailed in the Indicative Payment Profile.
- (b) You must claim the Compensation in accordance with the dates set out in the Indicative Payment Profile. You must claim the Compensation promptly. We reserve the right to withdraw any part of the Compensation that you do not claim promptly.
- (c) You must submit your claims for payment of Compensation to the Welsh Government Official.
- (d) You must use our claim pro-forma (which is available from the Welsh Government Official) and attach the following information and documentation to each claim:
 - i) items listed in the Indicative Payment Profile;
 - ii) items listed in section 5(a) i) to 5(a) viii);
 - iii) that you are operating in all respects in accordance with your constitution; and
 - iv) confirmation that you have appropriate financial, risk and control systems in place before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
- (e) Any Compensation claimed but unspent from the previous period (as set out in the Indicative Payment Profile) may be carried forward into the next available period, provided this remains within the Compensation Period.
- (f) Any Compensation claimed but unspent by the end of the Compensation Period must be repaid to us.
- (g) You must provide evidence in form and substance satisfactory to us that you have appropriate systems in place to ensure that ongoing

due diligence is undertaken in respect of any part of the Compensation being utilised by you to provide a grant and/or to procure any goods or services from a third party.

- (h) You must provide us with any other information, document, opinion or assurance which we consider to be necessary or desirable (if we have notified you accordingly) in connection with your claim for the Compensation.
- (g) We will aim to pay all valid claims as soon as possible and typically within 20 Business Days of receipt of a valid claim being made in accordance with the provisions of this letter, and provided always that the Compensation pre-conditions set out in Condition 5 above have been satisfied and that on both the date of the claim and the date the Compensation is to be paid to you:
 - i) the declarations made in Condition 8 below are true and correct and will be true and correct immediately after the relevant Compensation has been paid to you; and
 - ii) no Notification Event is continuing or might result from the proposed Compensation.
- (h) Any payments of the Compensation will be made to the Account and will not be paid to any other bank account.

7. Your general obligations to us

You must:

- (a) safeguard the Compensation against fraud generally and, in particular, fraud on the part of your Personnel and notify us immediately if you have reason to suspect that any fraud within your organisation has occurred or is occurring or is likely to occur whether or not it relates to the Compensation. You must also participate in such fraud prevention initiatives as we may require from time to time;
- (b) maintain appropriate procedures for dealing with any conflicts of interest in relation to the Compensation whether actual, potential or perceived;
- (c) comply with all applicable domestic or international laws or regulations or official directives;
- (d) maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purposes. We reserve the right to require you to provide proof of your insurance;

- (e) maintain appropriate financial, risk and control systems when utilising any part of the Compensation for any purpose;
- (f) maintain appropriate financial, risk and due diligence systems when utilising any part of the Compensation to provide a grant and/or to procure any goods or services from a third party;
- (g) co-operate fully with the Welsh Government Official and with any other employee of the Welsh Government or consultant appointed by us to monitor your use of the Compensation and your compliance with the Conditions;
- (h) inform us immediately if any of the declarations made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
- (i) notify us of any compensation or funding received by you from any source which is procured or utilised in conjunction with the Compensation to directly support the Purposes including but not limited to your insurance provider (cancellation/business disruption insurance), the UK Government's Coronavirus Job Retention Scheme and/or any Welsh Government fund/scheme and any other funders. The intention of this Condition is to avoid any duplication of compensation or funding in respect of the Purposes.
- (j) within 6 (six) months of the date of this letter, grant the Legal Charge to the Welsh Ministers as referred to in Condition 5(a)(v)). A copy of the completed Legal Charge must be provided to us and you must also apply for the registration of the Legal Charge immediately following its completion.

8. Declarations

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in the Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under the Conditions;
- (b) no limit on your powers will be exceeded as a result of claiming the Compensation, or the grant of any security contemplated by the Conditions;
- (c) the entry into and performance by you of any of the transactions contemplated by this letter do not, and will not, contravene or conflict with:
 - i) your constitutional documents;

- ii) any agreement or instrument binding on you or your assets or constitute a default or termination event (however described) under any such agreement or instrument; or
 - iii) any law or regulation or judicial or official order, applicable to you;
- (d) no Notification Event is continuing or might reasonably be expected to result from the provision of the Compensation and no other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on you or to which any of your assets is subject;
- (e) no litigation or arbitration or administrative proceeding is current or pending or, so far as you are aware, threatened, which has or could have an adverse effect on your ability to perform and comply with any of the Conditions;
- (f) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing compensation or funding to you;
- (g) any information, in written or electronic format, supplied by you to us in connection with the Compensation was, at the time it was supplied or at the date it was stated to be given (as the case may be):
 - i) if it was factual information, complete, true and accurate in all material respects;
 - ii) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;
 - iii) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
 - iv) not misleading in any material respect, nor rendered misleading by a failure to disclose other information, except to the extent that it was amended, superseded or updated by more recent information supplied by you to us.
- (h) you have discussed and agreed the Targets with us and you are confident that they are realistic and achievable;
- (i) there are no conflicts of interest in relation to the Compensation whether actual, potential or perceived;

- (j) acceptance of this award of Compensation will not result in duplicate compensation or funding in respect of the activities required to deliver the Purposes. This includes but is not limited to any payments received by you in relation to the effects of the spread of the Coronavirus (COVID-19) from your insurance provider (cancellation/business disruption insurance), the UK Government's Coronavirus Job Retention Scheme and/or any Welsh Government fund/scheme and any funders.
- (k) You will be deemed to repeat the declarations in this Condition 8 on:
 - 1) Each date on which you submit a claim for payment of Compensation pursuant to the Conditions; and
 - 2) each date on which you may have any liability to us under or in relation to the Conditions or the award of Compensation, and in each case by reference to the facts and circumstances existing on each such date.
- (l) the information contained in the Assurance Statement is complete, true and accurate.

9. Notification Events and their consequences

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will either:
 - i) notify you that we, at our absolute discretion, consider the Notification Event is not capable of remedy; or
 - ii) if we consider, at our absolute discretion, that the Notification Event is capable of being remedied, seek to discuss the Notification Event with you with a view to agreeing a course of action to be taken to address the Notification Event.
- (c) We will be entitled to take any of the actions listed in Condition 9(d) if:
 - i) despite our efforts we have been unable to discuss the Notification Event with you; or
 - ii) we notify you that the Notification Event is not, in our opinion, capable of remedy; or
 - iii) a course of action to address and/or remedy the Notification Event is not agreed with you; or
 - iv) a course of action to address and/or remedy the Notification Event is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action) to our satisfaction; or

- v) the course of action fails to remedy the Notification Event to our satisfaction.
- (d) If any of the circumstances set out in Condition 9(c) occurs we may, at our absolute discretion, by notice to you:
 - i) withdraw the award of Compensation; and/or
 - ii) require you to repay all or part of the Compensation; and/or
 - iii) suspend or cease all further payment of Compensation; and/or
 - iv) make all further payments of Compensation subject to such conditions as we may specify; and/or
 - v) deduct all amounts owed to us under the Conditions from any other compensation or funding that we have awarded or may award to you; and/or
 - vi) exercise any other rights against you which we may have in respect of the Compensation.
- (e) All repayments of Compensation must be made to us within 20 Business Days of the date of our demand.

10. Monitoring requirements

You must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions including :
 - i) case studies in the format provided by Welsh Government of completed Social Housing Grant funded schemes as requested;
 - ii) retain and make available to us for review, a post completion review file for every Scheme in accordance with the Social Housing Grant Procedures, which must include a copy of the Main Contract, together with any subsequent variations to the Main Contract;
 - iii) those documents required to be provided to us as more particularly set out in Schedule 4.
- (b) meet with the Welsh Government Official and such other of our representatives as we may from time to time reasonably require; and
- (c) ensure that the Project Manager (or such other person as we may agree) together with any other person we may require attends all meetings with the Welsh Government Official.

11. Audit Requirements

- (a) You must:

- i) maintain complete, accurate and valid accounting records identifying all income and expenditure in relation to the Purposes;
 - ii) without charge, permit any officer or officers of the Welsh Government, Audit Wales or any UK subsidy enforcement body at any reasonable time and on reasonable notice (in exceptional circumstances, such as the prevention or detection of fraud, it may not be practicable to provide you with reasonable notice) being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to your use of the Compensation. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Audit Wales or any UK subsidy enforcement body or any officer, servant or agent of any of the above;
 - iii) retain this letter and all original documents relating to the Compensation for ten years from the date of the last payment of the Compensation;
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. They and their officials have the power to require relevant persons who control or hold documents to give any assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and their staff may exercise this right at all reasonable times.

12. Third party obligations

- (a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, your employees and contractors).
- (b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly arising as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party from time to time.

13. Intellectual property rights and publicity

- (a) Nothing in the Conditions transfers to us any rights in any intellectual property created by you as a result of the Purposes.
- (b) You must acknowledge our support in relation to the Purposes, to include, but not limited to Scheme signage. Such acknowledgement(s) must be in a form approved by us and must

comply with the [Welsh Government's branding guidelines](#). Any queries on the guidance must be directed to our Branding team at: BrandingQueries@gov.wales.

- (c) You must acknowledge our support in all social media, press releases and any other communications related to Welsh Government supported schemes.
- (d) You must provide the Welsh Government Official with details of all the acknowledgement(s) referred to in Condition 13(b) and 13(c) for our approval before any such acknowledgements are used and you may not use such acknowledgments without our prior written approval. We will endeavour to respond to all written requests for approval within 15 Business Days.
- (e) You agree that from the date of this letter until 5 years from the date of the final payment of Compensation we may include details about your organisation and business, the Compensation and the Purposes in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.

14. Information

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the "FOIA"), the Environmental Information Regulations 2004 (the "EIR"), the Data Protection Act 2018 (the "DPA") and the retained EU law version of the General Data Protection Regulation ((EU) 2016/679) (the "UK GDPR").
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
 - i) to disclose any information which we have obtained under or in connection with the Compensation to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/or
 - ii) any information is exempt from disclosure under the FOIA or the EIR.
- (c) You acknowledge that we may share any data you provide to us with fraud prevention agencies and third parties for the purposes of preventing and detecting fraud. Any personal data we collect will be managed in accordance with our Privacy Notice which is available to view here: [Privacy notice: Welsh Government grants](#)

15. Buying goods and services

- (a) If you decide to buy any goods and/or services to deliver the Purposes, they must be purchased in a competitive and sustainable way so as to demonstrate that you have (i) achieved best value in the use of public funds, and (ii) complied with your conflict of interest policy at the relevant time.
- (b) We may from time to time request evidence from you to demonstrate your compliance with this Condition 15. Such evidence may take the form of evidence of your:
 - i) compliance with any procurement regulations, legislation or guidance in place from time to time to which you, or any person carrying out a business or function of the same or similar nature to you, is subject; or
 - ii) compliance with your procurement policy in place at the relevant time; or
 - iii) obtaining a minimum of three written quotations for the relevant goods and/or services.

You must supply such evidence to us promptly following our written request for such evidence.

16. Giving notice

- (a) Where notice is required to be given under the Conditions it must be in writing (this does not include email but may include a PDF copy of a letter attached to an email) and must prominently display the following heading:

“Notice in relation to the Social Housing Grant (SHG) Programme New Mill Road – CER/23/7239”

- (b) The address and contact details for the purposes of serving notice under the Conditions are as follows

You: the Project Manager at the address stated in Condition 3.

Us: the Welsh Government Official at the address stated in Condition 3.

- (c) A notice will be deemed to have been properly given as follows:-

Prepaid first class post:	on the second Business Day after the date of posting.
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By hand:	upon delivery to the address or the next Business Day if after 4pm or on a weekend or public holiday.
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By email attachment:

upon transmission or the next Business Day if after 4pm or on a weekend or public holiday.

17. Equality

You must have in place and apply equality policies covering employment, use of volunteers and provision of services, in accordance with the Equality Act 2010.

18. Welsh language

- a) The Welsh Government is committed to supporting the Welsh language and culture and The Cymraeg 2050: A million Welsh speakers Welsh language strategy (Cymraeg 2050) provides a vision for the growth and further development of the Welsh language.
- b) Where the Purposes include or relate to the provision of services in Wales, they must be provided in Welsh and English unless it would be unreasonable or disproportionate to do so. They must be provided in such a way as to not treat the Welsh language less favourably than English, in accordance with the Welsh Language (Wales) Measure 2011.
- c) Where the provision of services forms part of the Purposes, you must act in accordance with the Welsh Language (Wales) Measure 2011 and the aims of Cymraeg 2050. In practice, this will include the following:
 - i) Ensure that any written material produced, including digital material, is bilingual.
 - ii) Ensure that any signage is bilingual.
 - iii) Ensure that any training or public events are held bilingually.
 - iv) Actively promote and facilitate the Welsh language (including providing services and increasing opportunities to use the Welsh language) within funded activities.
- d) For general advice on providing services bilingually and for information on which organisations are able to support you, please contact the Welsh language advice service “Helo Blod” on 03000 258888 or e-mail heloblod@gov.wales with your query.

19. Sustainable development

Your use of the Compensation must contribute to the achievement of the Welsh Government’s well-being objectives contained in the Welsh Government’s Programme for Government. You must work in a sustainable way (sustainable development principle) in delivering the Purposes so as to ensure you are working in a preventative, integrated, long-term and collaborative way that involves people that reflect the diversity of Wales. Please refer to Schedule 1 for further information.

20. Welsh Ministers' functions

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in, or arising under or in connection with, the Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

21. General

- (a) If at any time any of the Conditions are deemed to be or become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under the Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to the Conditions must be in writing and signed by us and you in the same manner as this letter (or as otherwise agreed by us in writing from time to time).
- (d) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under the Conditions.
- (e) Conditions 7, 9, 11, 13, 14, and 21(e) and such other Conditions which by implication need to continue in force beyond the final payment of Compensation will so continue in full force and effect.
- (f) The award of the Compensation is to you alone and no one else is entitled to make any claim in respect of the Compensation or seek to rely on or enforce any of the Conditions.
- (g) In circumstances where you comprise two or more persons or bodies, the liabilities of such persons or bodies shall be joint and several and the default of one of such persons or bodies shall be deemed to be the default of all.
- (h) The Conditions and any disputes or claim (including any non-contractual disputes or claims) arising out of or in connection with it its formation or its subject matter are to be governed by and

construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

22. How to accept this award of Compensation

- (a) To accept this award of Compensation you must sign and return a copy of this letter to the Welsh Government Official. None of the Compensation will be paid to you until we have received your signed letter and the completed Assurance Statement.
- (b) We must receive your signed letter within 14 days of the date of this letter, or this award of Compensation will automatically be withdrawn.

Yours faithfully

Signed by:

[Redacted]

Print name: **[Redacted]**

Job title: **[Redacted]**

Department: More Homes Division

under authority of the Cabinet Secretary for Local Government and Housing

SCHEDULE 1 The Purposes

The Purpose of the Compensation is to provide a contribution to the cost to enable you to deliver the Scheme(s), as more particularly set out below, and with the works to be undertaken in accordance with your Application, our Approval and any relevant policies and guidance as is applicable to the Social Housing Grant (including any subsequent revisions or replacement versions, as applicable).

Scope

Compensation is available to support you with the following Schemes:

Scheme Name	Number of homes of Affordable Housing	Any other specifications	Compensation (£)
New Mill Road	51	<u>None</u>	£8,746,127
Total Compensation			£8,746,127

Affordable Housing

The Social Housing Grant programme includes the following tenures and specific needs. Housing provided can be settled, temporary (including move-on) accommodation:

Tenure

- Social Rented Housing (at social rent).
- Social Rented Housing (not at social rent).
- Intermediate Rented Housing.
- Shared Ownership.

Need

- General Needs Housing.
- Mortgage Rescue.
- Older Persons Housing.
- Extra Care Housing.
- Supported Housing - domestic violence, substance misuse, ex-offenders, homelessness, learning disabilities, mental health, physical disabilities refugees, substance misuse, young vulnerable or any other categories agreed by us.

Type of Activity

- Building of Affordable Housing including the demolition and rebuild of existing local authority and registered social landlord housing stock.
- The development of non-domestic buildings e.g. offices, hotels, care homes, student accommodation etc into Affordable Housing.

Allocation of accommodation

Except for existing dwellings and off the shelf properties, all properties funded by the Social Housing Grant must be let in accordance with the allocation policy currently in place for the local authority area or where a specific agreement between the local authority and registered social landlord is in place for the scheme.

You must apply the following allocation principles for existing dwellings and off the shelf properties:

- i) Priority should be given to applicants currently residing in temporary accommodation, including within resettlement schemes, for whom the property is both suitable and meets their housing need.
- ii) Where the property cannot be allocated to applicants in temporary accommodation, second priority should be given to applicants who are homeless at home and would otherwise need to occupy temporary accommodation. Again, the property must be suitable and meet their housing need.
- iii) Where the property cannot be allocated to applicants who are homeless at home, third priority should be given to those who are under a S66 duty who would otherwise need to occupy temporary accommodation, and for whom the property is suitable and meets their housing need.
- iv) Allowable exceptions to existing dwelling and off the shelf properties allocations.

For existing dwellings and off the shelf properties, allowable exceptions are included within the Welsh Government Existing Dwelling (ED) and Off the Shelf (OTS) Property Guidance for Registered Social Landlords and Local Authorities

Use of Compensation

The Compensation must be used in respect of Affordable Housing and includes:

- a) Works comprising:
 - i) Main Contract costs (including the cost of the sign referred to in Condition 13).

- ii) major site development works (where applicable), including piling, soil stabilisation, road and sewer construction, demolition, costs in connection with statutory agreements including associated bonds.
 - iii) Sustainable urban drainage.
 - iv) Section 106 contributions for areas other than affordable housing e.g. public realm, education, highways contributions etc., where applicable.
- b) Fixed or "structural" items relating to the specific needs of individual tenants or groups of tenants which require provision beyond the standard normally required by the current version of the Welsh Government Design Standards. Examples of such items are given in 'Table D - Exceptional Provision' in the document [Acceptable Cost / On Costs For Use With Social Housing Grant Funded Housing In Wales](#) dated June 2023 (including any subsequent revisions or replacement versions, as applicable).
- c) **Standard on-costs** related to purchase and works costs referred to above at a "specified rate". Rates are as set out in the latest version of the [Acceptable Cost / On Costs For Use With Social Housing Grant Funded Housing In Wales](#) dated June 2023 (including any subsequent revisions or replacement versions, as applicable)

The Compensation **must not** be used for:

- a) Purchase of land/property.
- b) Non-residential premises.
- c) Vehicles and equipment.
- d) District mains sewers and sewage disposal works.
- e) Communal facilities other than those specifically approved by us.
- f) Planning gain.

Change of use

You must notify us in advance of any proposed Change of Use, providing full details of the intended change. We will discuss the proposed changes with you, and no Change of Use may proceed without our prior written approval.

Disposal

Any disposal by you of any Affordable Housing (save as otherwise set out below), other than a dwelling, must be carried out in strict compliance with the "*Direction about Notification of Disposals of Social Housing Dwellings and Land (Other than a Dwelling)*" (including any subsequent directions or replacement directions, as applicable) (the "**Direction**") as issued by us, and as may be updated or replaced by a subsequent direction from time to time. This includes, without limitation, adherence to all notification requirements, procedural guidelines, and any necessary approvals set forth in the Direction. You must

ensure that no disposal occurs without fulfilling all obligations stipulated in the Direction.

Without prejudice to any other rights we may have in relation to the Funding, on disposal, and at our absolute discretion, the Funding must either be recycled into the Recycled Capital Grant fund, repaid to us, or utilised for any other purpose we deem necessary.

Shared Ownership

In accordance with Welsh Government policy requirements and the Shared Ownership procedures in place from time to time, where the shared owner acquires an ownership stake exceeding 70% in the property, recycling of funds must be undertaken in compliance with the guidelines outlined in the Shared Ownership procedures and the requirements of the Recycled Capital Grant annual return.

Welsh Development Quality Requirements

New homes and homes being rehabilitated must be developed in accordance with [Welsh Development Quality Requirements 2021 Creating Beautiful Homes and Places \(WDQR 2021\) July 2021](#), including any subsequent revisions or replacement versions, as applicable. Schemes must be submitted in accordance with our technical scrutiny process for concept, pre-planning and post completion review.

Grant Value For money - Standard Viability Model

The Standard Viability Model (“**SVM**”) determines the appropriate level of grant required to provide scheme viability whilst ensuring value for money is achieved. The model calculates level of grant required (Compensation for the purpose of this letter) using rental income, costs of build as well as standard operating and economic assumptions.

We reserve the right to recalculate the level of Compensation required at any time during and after the award of Compensation.

In the event that the SVM recalculates a reduced level of Compensation, this will constitute a Notification Event. Without prejudice to any other rights we may have, any amounts previously awarded and claimed in excess of the recalculated level must be refunded to us in accordance with Condition 9. Alternatively, at our discretion, we may vary this letter to reflect the reduced amount of Compensation if this adjustment occurs during the Compensation Period and where we determine it is appropriate to do so.

Welsh Housing Quality Standard

You must maintain each home in accordance with the [Welsh Housing Quality Standard](#) (including any subsequent revisions or replacement versions, as applicable).

Rent Policy

All Social Rented Housing, General Needs Housing and Older Persons Housing must comply with the [Welsh Government Rent and Service Standard 2020-2025](#) (including any subsequent revisions or replacement versions, as applicable).

All Intermediate Rented Housing must comply with our [Intermediate Rent guidance](#) (including any subsequent revisions or replacement versions, as applicable).

Community Benefits Toolkit (Value Wales Toolkit)

A Community Benefits Toolkit (also known as the Value Wales Toolkit) submission is required to be completed by the relevant contractor for all schemes with a Main Contract value in excess of £2m. The Community Benefits Toolkit can be found at Procurement: [Procurement: community benefits measurement tool \(v10\) | GOV.WALES](#) Guidance on the Community Benefits Toolkit can be found at Procurement: [can be found at Procurement: social value / community benefits | GOV.WALES](#). Toolkits must be submitted to: CommercialPolicy@gov.wales

SCHEDULE 2 The Targets

Targets applicable to all Schemes:

Description of the Target	Target deadline	Evidence required
Completing the number of homes specified in Schedule 1 and in accordance with any additional specifications set out in Schedule 1 and/or our Approval.	The Estimated Completion Date.	A Practical Completion Certificate. You must also update the Milestones in the Portal to reflect the Actual Completion Date.
Provision of all reconciliation documentation as more particularly set out in Schedule 4.	Those dates set out in Schedule 4.	Those documents and information as set out in Schedule 4.
Where applicable to the relevant Scheme, submit a completed Appendix 2 (Part 1) – Technical Review Submission Form (with all post completion sections updated and completed accordingly) to us at SHGSSchemeDelivery@gov.wales	Within 12 (twelve) weeks of the Actual Completion Date.	A completed Appendix 2 (Part 1) – Technical Review Submission Form, with all post completion sections updated and completed accordingly, to our satisfaction.
Ensure that the relevant contractor completes the Communities Benefit Toolkit (also known as the Value Wales Toolkit) or any other reporting mechanism required by Welsh Government	3 (three) months from the Actual Completion Date	Reporting by the contractor via the Communities Benefit Toolkit (also known as the Value Wales Toolkit) or any other reporting mechanism required by Welsh Government. Confirmation via the Portal that the Communities Benefit Toolkit has been submitted by the contractor.

SCHEDULE 3

Notification Events

The Notification Events referred to in Condition 9 are listed below:

1. repayment of any part of the Compensation is required in accordance with any relevant legislation;
2. you fail to comply with any of the Conditions;
3. the Compensation, in full or in part, is not being used for the Purposes;
4. you fail to achieve any or all of the Targets;
5. there is unsatisfactory progress towards completing the Purposes, including meeting the Targets;
6. you fail to provide information about the Purposes requested by us or any UK subsidy enforcement body or any of its auditors, agents or representatives;
7. we have reason to believe that you and/or any of your Personnel are involved in fraudulent activity or have been involved in fraudulent activity whether or not it relates to or is in any way connected to the Compensation;
8. we have made an overpayment of Compensation to you;
9. there is a duplication of compensation in respect of any part of the Purposes. This includes but is not limited to any payments received by you in relation to the effects of the spread of the Coronavirus (COVID-19) from your insurance provider (cancellation/business disruption insurance), the UK Government's Coronavirus Job Retention Scheme and/or any Welsh Government fund/scheme;
10. any declaration made in Condition 8 is, or proves to be, incomplete untrue or misleading, incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
11. there has been a modification (qualification, adverse or disclaimer) to the auditor's opinion on your financial statements;
12. an event or circumstance has occurred and is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on you or to which any of your assets is subject;
13. a moratorium in respect of all or any of your debts or assets or a composition or an agreement with your creditors is agreed, applied for, ordered or declared;

14. you stop or suspend payment of any debts or are unable, or admit in writing your inability, to pay your debts as they fall due;
15. the value of your assets is less than your liabilities (taking into account contingent and prospective liabilities);
16. you commence negotiations, or enter into any composition, compromise, assignment or arrangement, with one or more of your creditors with a view to rescheduling any of your indebtedness (because of actual or anticipated financial difficulties).
17. any action, proceedings, procedure or step is taken in relation to you in relation to:
 - (a) the suspension of payments, a moratorium in respect of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise); or
 - (b) a composition, compromise, assignment or arrangement with any of your creditors; or
 - (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of you or any of your assets.
18. a statutory demand is issued against you;
19. you cease, or threaten to suspend or cease, to carry on all or a material part of your business;
20. there is a change in your constitution, status, control or ownership and/or your external auditors resign;
21. you fail to comply with any statutory reporting obligations which are applicable to you (including, but not limited to, filing requirements at Companies House, the Charity Commission, the Financial Conduct Authority);
22. there is any change, whether permanent or temporary, in your shareholders, directors, trustees or partners and/or Personnel which may affect your ability to deliver the Purposes;
23. any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that providing the Compensation and/or the continuation of the arrangements contemplated by this letter could bring us into disrepute;

- 24.any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under the Conditions;
- 25.any event or circumstance arises that necessitates a recalculation of the Compensation for subsidy purposes;
- 26.if, or if there is a possibility that, the Actual Completion Date will occur prior to the end of the Compensation Period and prior to the claim of the full amount of Compensation; and
- 27.if, or if there is a possibility that, there is a Change of Use.

SCHEDULE 4
Indicative Payment Profile
(refer to Conditions 5(b), 6(a) and (b))

Instalment number	Maximum amount of instalment	Earliest date for claim	Last date for claim	Documents which must accompany claim pro-forma (in addition to those set out elsewhere in this letter)
1	£2,676,067	27 February 2025	31 March 2025	- A copy of the articles of agreement and contract particulars to the Main Contract (including any subsequent variations to the articles of agreement and contract particulars to the Main Contract) to evidence the Estimated Completion Date as at the date of claim. - All documents and evidence as is more particularly set out in Condition 5.
2	£1,686,158	2 June 2025	31 March 2026	- any subsequent variations to the articles of agreement and contract particulars to the Main Contract to evidence any change to the Estimated Completion Date as at the date of claim. - All documents and evidence as is more particularly set out in Condition 5.
3.	£1,629,378	1 June 2026	31 March 2027	As above
4.	£2,752,524	1 June 2027	3 November 2027	As above

The above payment profile is indicative only, and claim dates may vary in alignment with the payment schedule outlined in the relevant local authority's Programme Delivery Plan, as amended from time to time. However, the final claim date shall not extend beyond the last day of the Compensation Period.

Reconciliation Process

1. During the Compensation Period

- a. You are required to complete a template form (as provided by us) detailing Costs Incurred and forecasted Costs Incurred for each

Scheme. This template must be submitted at least annually for multi-year awards and must include detail of Costs Incurred and forecasted Costs Incurred in accordance with the following timetable:

Deadline for submission	Costs incurred	Forecast Costs
13 December 2024	From: 01 April 2024 To: 31 October 2024	From: 01 November 2024 To: 31 March 2025
14 March 2025	From: 01 April 2024 To: 28 February 2025	From: 01 March 2025 To: 31 March 2025

- b. For multi-year awards, additional submissions will be required on reporting dates determined by us, covering Costs Incurred and forecasted Costs Incurred as of each reporting date.

2. After the Actual Completion Date

- a. Within six (6) months of the Actual Completion Date, you must provide evidence of Scheme completion (to include a Practical Completion Certificate), along with detailed records of all associated Costs Incurred. This submission must include the actual final account for each Main Contract to allow comparison with the original Main Contract values.
- b. If actual Costs Incurred are lower than originally estimated, the Compensation shall be recalculated using the Standard Viability Model. Any Compensation previously awarded and claimed in excess of the recalculated level must be refunded to us in accordance with Condition 9. Alternatively, and without prejudice to any other rights we may have, at our absolute discretion, we may amend this letter to reflect the reduced Compensation amount if the adjustment is made during the Compensation Period and if it is deemed appropriate by us to do so.
- c. Failure to meet any Targets, and/or to provide adequate evidence (as determined by us) of Scheme completion and Costs Incurred, will constitute a Notification Event.

3. Completion dates and unclaimed Compensation

- a. You must notify us immediately if, or if there is a possibility that, the Actual Completion Date will occur prior to the end of the Compensation Period and prior to the claim of the full amount of Compensation.
- b. You must promptly notify us of any changes to the Estimated Completion Date and ensure the PDP is updated accordingly.

SCHEDULE 5

Assurance Statement: Counter fraud and Governance

The Welsh Government has a duty to protect public funds, ensuring they are handled with probity and in the public interest. It is important that people in Wales are able to have confidence in the Welsh Government and the organisations it funds. Welsh Government officials require assurance that reasonable and adequate governance and counter fraud procedures exist in the organisations funded by the Welsh Government.

Are you in receipt of any other compensation of funding from any other organisation to support the Purposes? If so please provide details including amounts of other compensation or funding, posts funded and source of compensation or funding. This includes applications that are pending.	<div style="display: flex; justify-content: space-between;"> Yes No </div> Further details can be provided in the table below		
Please name the personnel within your organisation who has/have specific responsibility for financial management in respect of the Purposes.	Name: Position:		
Who is responsible for the supervision of the personnel named above?	Name: Position:		
You declare that your employees, officials, directors, trustees and board members: <ul style="list-style-type: none"> where applicable, fully understand their duties and responsibilities under the relevant legislation relating to companies and charities; have sufficient knowledge about governance issues to carry out their roles in a manner which is fully compliant with the relevant legislation; properly scrutinise and oversee the work of those with primary responsibility for your financial management. 			
Please provide details of any other compensation or funding, both capital and revenue, (including other Welsh Government compensation and funding streams) from any organisation to support the Purposes as detailed in Schedule 1. You must include details of capital items, posts funded, amounts of other compensation or funding and source of compensation or funding. This includes applications that are pending.			
Type of compensation/funding and purpose	Amount of compensation/funding received (including pending applications) £	% of post cost/capital item	Source of compensation/funding
<i>e.g. 3 full time development officer posts</i>	<i>e.g. £150,000</i>	<i>e.g. 100%</i>	<i>e.g. Big Lottery</i>
<i>e.g. Purchase of capital equipment</i>	<i>e.g. £30,000</i>	<i>e.g. 70%</i>	<i>e.g. Barclays Bank</i>

Schedule 6

Subsidy Control

Of the Compensation £8,746,127 has been awarded in accordance with the Subsidy Control Act 2022 pursuant to scheme ref no SC.11189.

Full details of the Scheme can be found at: [GOV.UK - Public user search subsidy scheme details page \(beis.gov.uk\)](https://gov.uk/public-user-search/subsidy-scheme-details-page/beis.gov.uk)

The services (as set out in Schedule 1) are being provided in: Wales.

Calculation of the subsidy:

The amount of subsidy is calculated as follows:

Using the Welsh Government's Standard Viability Model.

TWO SIGNATORIES ARE REQUIRED

We declare we are duly authorised to accept the award of Compensation
Social Housing Grant (SHG) Programme New Mill Road – CER/23/7239
and the Conditions relating to the Compensation.

_____ Signature
An authorised signatory of **Wales & West Housing Association Limited**

_____ Name

_____ Job Title

_____ Signature
An authorised signatory of **Wales & West Housing Association Limited**

_____ Name

_____ Job Title

Effective date:

H.M. LAND REGISTRY

LAND REGISTRATION ACT 2002

ADMINISTRATIVE AREA :

TITLE NUMBER :

PROPERTY :

THIS DEED OF LEGAL CHARGE is made the day of Two Thousand and Twenty between (hereinafter called "the Mortgagor") of the one part and **THE WELSH MINISTERS** of Cathays Park Cardiff CF10 3NQ (hereinafter referred to as "the Mortgagee") of the other part

WHEREAS:-

- (1) The Mortgagor is the estate owner of ("the Property")
- (2) The Property is held by the Mortgagor, an exempt charity
- (3) The Mortgagee has agreed to provide monies by way of grant to Mortgagor in relation to the Property subject to conditions which include (but not by way of limitation) securing the sums which may become due and payable to the Mortgagee in the manner hereinafter appearing. The Mortgagee has in addition made available other monies (by loan, grant or otherwise) to the Mortgagor

NOW THIS DEED WITNESSETH as follows:-

1. Covenant to Repay

The Mortgagor hereby covenants to pay to the Mortgagee:-

- 1.1 All monies provided or advanced to the Mortgagor by the Mortgagee by way of grant in relation to the Property and any further or additional monies provided or advanced by way of grant or otherwise to the Mortgagor by the Mortgagee in relation to the Property and to discharge all such monies (or any part thereof) when the same shall become due and repayable to the Mortgagee whether pursuant to the terms of this charge or pursuant to a determination now or at any time hereafter made by the Mortgagee under Section 52 of the Housing Act 1988 or otherwise together with interest commission charges and legal and other costs charges and expenses incurred by the Mortgagee in relation to the Property on a full indemnity basis such interest being at the rate which the Mortgagee may from time to time determine and notify to the Mortgagor and the Mortgagee may determine different rates of interest for any part or parts of the monies referred to in this sub-clause 1.1
- 1.2 all other monies provided or advanced to the Mortgagor by the Mortgagee whether by way of grant, loan or otherwise and all liabilities which now are or may at any time hereafter be due owing or incurred to the Mortgagee by the Mortgagor whether pursuant to the terms of this charge or to any determination now or any time hereafter made by the Mortgagee under Section 52 of the Housing Act 1988 or otherwise together with interest commission charges and legal and other costs incurred by the Mortgagee in relation to the Property on a full indemnity basis such interest being at the rate which the Mortgagee may from time to time determine and notify to the Mortgagor and the Mortgagee may determine different rates of interest for any part or parts of the monies referred to in this sub-clause 1.2

2. Charge

As continuing security for the payment and discharge of all sums covenanted to be paid and liabilities assumed as provided in clause 1 the Mortgagor with full title guarantee hereby charges to the Mortgagee by way of fixed legal charge the Property and for the avoidance of doubt the Mortgagor hereby declares that the fixed charge hereby constituted includes all and singular the buildings erections fixed plant and machinery and other fixtures and fittings now or hereafter erected on or affixed to the Property or any part thereof

3. Discharge

Subject to the Mortgagee's right of consolidation hereinafter referred to if the Mortgagor shall pay to the Mortgagee all monies secured hereunder in accordance with the covenants herein contained the Mortgagee at the request and cost of the Mortgagor will duly discharge this security

4. Mortgagor's Covenants

The Mortgagor hereby further covenants with the Mortgagee that at all times during the continuance of this security:-

4.1 To pay rates and taxes etc.

The Mortgagor will pay or cause to be paid all rents rates taxes levies assessments impositions and outgoings whether governmental municipal or otherwise imposed upon or payable in respect of the Property or any part thereof as and when the same shall become payable

4.2 To repair and insure

The Mortgagor will protect all buildings fixtures and fittings and other property now or for the time being comprised in or subject to this security and keep them in good and substantial repair and insured against loss or damage by fire and any other risk which the Mortgagee reasonably considers ought to be insured against with the interest of the Mortgagee noted on the policies thereof to the full reinstatement value thereof or such other value as may be agreed by the Mortgagee (to include professional fees and loss of rent) with insurers nominated from time to time by the Mortgagee and will duly and punctually pay all premiums and other monies necessary for effecting and keeping up such insurance immediately on the same becoming due and will on demand produce to the Mortgagee the policy or policies of such insurance or certified copies thereof and the receipt for every such payment

4.3 Proceeds of Insurance

If the Mortgagee so requests all monies received on any insurance whatsoever in respect of loss or damage by fire or otherwise (as aforesaid) to the Property or any part thereof shall be applied in or towards the discharge of money for the time being owing on this security and otherwise shall be applied in making good the loss or damage sustained

4.4 Inspection and view

The Mortgagor shall permit the Mortgagee and any other person appointed by it to enter and view the state and condition of the Property at all reasonable times (without the Mortgagee thus becoming liable to account as mortgagee in possession) and shall comply forthwith with any list of defects or want of repair thereafter for which the Mortgagor is liable served by the Mortgagee

4.5 Perform covenants and conditions

The Mortgagor will observe and perform all restrictive and other covenants all building regulations and all restrictions conditions and stipulations (if any) for the time being affecting the Property or the mode of user or enjoyment of the same or any part thereof and will at all times keep the Mortgagee effectually indemnified against any breach non-observance or non-performance of the same or any of them and against all resulting damages liabilities and expenses

4.6 To carry out Works

The Mortgagor will execute and do at the expense of the Mortgagor all such works and things whatever as may now or any time during the continuance of this security be directed or required by any national or local or other public authority to be executed or done upon or in respect of the Property or any part thereof or by the owner or occupier thereof

4.7 To comply with Legislation

The Mortgagor will obtain all licences permissions and consents and execute and do all works and things and bear and pay all expenses required or imposed by an existing or future legislation in respect of any works carried out by the Mortgagor on the Property or any part thereof or of any user thereof during the continuance of this security

4.8 Not to apply for Consents

Without the previous consent in writing of the Mortgagee the Mortgagor will not make any election serve any notice or take any other steps or proceedings in relation to or in connection with the Property under or for the purposes of any statutory enactments or public or local regulations or by-laws

4.9 To provide details of Notices

Within seven days of the service of any notice order direction permission proposal or other instrument given made or issued under or by virtue of any legislation for the time being relating to Town and Country Planning or otherwise affecting or capable of affecting the Mortgagee's interest in the Property the Mortgagor will give full particulars thereof to the Mortgagee and without delay will comply with the same or if the Mortgagee so requires in writing will if appropriate in conjunction with the Mortgagee but at the expense in all respects of the Mortgagor object to contest or otherwise respond to the same

4.10 Prohibition on Disposals

The Mortgagor will not without the previous written consent of the Mortgagee convey assign transfer mortgage charge or otherwise howsoever whether at law or in equity dispose or agree to dispose of the Property or any part thereof or interest therein

4.11 Right of Mortgagee to perform obligations in default

If at any time the Mortgagor shall fail or shall be believed by the Mortgagee to have failed in the performance of any of the covenants of positive obligation contained in this clause it shall be lawful for but not obligatory upon the Mortgagee to perform the same and pay all costs and damages occasioned by such default with power in the case of failure to protect or repair buildings to enter upon the Property for the purpose of protecting it or carrying out repairs without becoming liable to account as mortgagee in possession AND all monies expended by the Mortgagee for any such purpose including architects' surveyors' consulting engineers' and other professional fees incurred in connection therewith with interest thereon from the time of the same having been expended or incurred at the rate chargeable from time to time on the principal monies hereby secured shall on demand be repaid to the Mortgagee by the Mortgagor and until such repayment shall be charged upon the Property PROVIDED that the charge hereby conferred shall be in addition and without prejudice to any and every other remedy lien or security which the Mortgagee may or but for the said charge would have for the recovery of the monies thereby secured or any part thereof PROVIDED FURTHER that no action taken by the Mortgagee under the terms of this paragraph shall render it liable to account as mortgagee in possession

4.12 Devaluation of Security

The Mortgagor shall not do or cause or permit to be done anything which may in any way depreciate jeopardise or otherwise impair the value of the Property or the realisation of the proceeds of sale thereof

5. Payment

Notwithstanding any previous agreement or arrangement the Mortgagee shall be entitled by notice in writing to the Mortgagor to demand the payment and discharge of:-

- 5.1 the monies or any part thereof referred to in sub-clause 1.1 upon the occurrence of a Relevant Event as may be now or hereafter determined by the Mortgagee under Section 52 of the Housing Act 1988 in relation to the Property or upon the occurrence of any of the Events of Default listed in clause 6
- 5.2 all other monies and liabilities referred to in sub-clause 1.2 upon the occurrence of any of the Events of Default listed in clause 6 (the happening of which shall be deemed to be a breach of condition attaching to a grant)

6. Events of Default

Each of the following events shall be an Event of Default for the purposes of clause 5 and this Charge:-

- 6.1 if the Mortgagor makes default in the repayment of any monies referred to in sub-clause 1.1 which may have become due hereunder or otherwise

- 6.2 if the Mortgagor shall commit or shall have committed a breach of the terms of this Charge or of any condition attached to the making of any grant (whether in relation to the Property or any other property or otherwise) and (if such breach or omission is capable of remedy) shall fail to remedy the same within 14 days of receiving written notification from the Mortgagee of such breach
- 6.3 if the Mortgagor is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or certifies that it is unable to pay its debts as and when they fall due
- 6.4 if an encumbrancer takes possession or a receiver is appointed over all or any part of the Mortgagor's undertaking property assets or revenues or if any distress execution or other process is levied enforced or sued out on or against its assets
- 6.5 if a proposal is made to the Mortgagor and its creditors for a voluntary arrangement or if any proposal is made for any arrangement or composition with the Mortgagor's creditors
- 6.6 if an effective resolution is passed for the voluntary winding up of the Mortgagor
- 6.7 if a petition is issued for the winding up of the Mortgagor by the Court or if a meeting of creditors is convened pursuant to Section 98 of the Insolvency Act 1986
- 6.8 if any steps are taken to dissolve the Mortgagor
- 6.9 if the Mortgagor ceases to carry on its business or substantially the whole of its business or threatens to cease to carry on the same or substantially changes the nature of its business
- 6.10 if the Mortgagor fails to pay to the Mortgagee any sum payable by the Mortgagor from time to time to the Mortgagee

7. Further Provisions

The Mortgagor hereby further covenants with the Mortgagee and it is hereby agreed and declared as follows:-

7.1 Mortgagee's Powers

Section 103 of the Law of Property Act 1925 shall not apply to this security. The statutory power of sale under Section 101 of the Law of Property Act 1925 shall become immediately exercisable upon the making of a demand under clause 5. The power of appointing or removing a Receiver (as hereby extended) shall only be exercisable by writing under the hand or seal of the Mortgagee at any time after any monies or liabilities have become payable pursuant to clause 5

7.2 Sale of Fixtures

On any sale under the said power the Mortgagee may sell fixtures and materials either together with or detached from the remainder of the Property and may sell the Property or any part thereof either as a whole or in lots and either outright or by way of lease or underlease whether at a premium or otherwise and for such term and upon such conditions as the Mortgagee may in its uncontrolled discretion think fit and the Mortgagee may effect any such sale either by public auction or private contract in such manner and for such consideration as the Mortgagee shall think fit and either for a lump sum or for a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulation as to title or evidence or commencement of title or otherwise as the Mortgagee shall deem proper and with full power to buy in or rescind or vary any contract for sale and to resell without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such assurances and things as the Mortgagee shall think fit PROVIDED ALWAYS that the powers hereby granted shall not operate so as to constitute this Deed a bill of sale in respect of such fixtures after they may have been severed from the Property

7.3 Powers to go out of possession

At any time after taking possession of the Property or appointing a Receiver the Mortgagee may give up possession or remove the Receiver on giving notice to the Mortgagor

7.4 Goods left on Property

With a view to exercising any of its statutory powers or any of the other powers hereby conferred the Mortgagee or any Receiver appointed by the Mortgagee may as agent for the Mortgagor and at the Mortgagor's expense remove store sell or otherwise deal with any furniture or goods found upon the Property (and the Mortgagee shall account to the Mortgagor in respect of any net proceeds of sale) PROVIDED THAT neither the Mortgagee nor such Receiver shall be liable for any loss or damage thus occasioned to the Mortgagor and they shall be indemnified by the Mortgagor against any claims by third parties in respect thereof PROVIDED FURTHER THAT the Mortgagee shall not have any charge or security over such furniture or goods as to constitute this Deed a bill of sale

7.5 Power of Leasing

The Mortgagee in extension and by way of addition to the powers of leasing conferred on it by the Law of Property Act 1925 may without being required or deemed to be in possession of the Property let the same or any part thereof to any tenant either from year to year or for a term of years and whether by way of lease or otherwise with or without a fine or premium and at such rent for such term of years or other period and upon and subject to such terms and conditions as the Mortgagee thinks fit and may accept surrenders of any lease or tenancy or make allowances to and re-arrangements with any tenants or occupiers of the property or any part thereof by whom rents and profits thereof may be payable

7.6 Power to Improve

The Mortgagee may complete any building in the course of erection on the Property and do any repairs and make structural alterations or improvements in or to the buildings on the Property or any part thereof and do such other things as the Mortgagee may think desirable for increasing the market value of the Property but without the Mortgagee being under any duty to expend any money on the property or being deemed a mortgagee in possession by reason of the exercise of any power conferred by this sub-clause and so that all monies which the Mortgagee in its discretion may expend hereunder with interest thereon from the time of the same having been expended at the rate referred to in clause 1.1 hereof shall on demand be repaid to the Mortgagee by the Mortgagor and until such repayment shall be charged upon the Property

7.7 Powers of Mortgagee

The Mortgagee may in extension and by way of addition to the powers conferred on a Mortgagee by the Law of Property Act 1925 have such powers and authorities as the Mortgagee thinks fit and as though the Mortgagee were absolute owner of the Property including (but without prejudice to the generality of the foregoing words) any or all of the powers or authority conferred on the Mortgagee by this Deed or by the Law of Property Act 1925 and shall have the power to:-

- 7.7.1 take possession of sell let and/or terminate or accept surrenders grant licences or otherwise dispose of or deal with or manage or reconstruct the Property or any part thereof and carry on or complete thereon any works of demolition building repair construction furnishing or equipment
- 7.7.2 take possession of collect get in and give receipts binding on the Mortgagor for the Property and all rents and other income thereof whether accrued before or after the date of his appointment in such manner as he may think fit and bring defend or discontinue proceedings in the name of the Mortgagor or otherwise as may seem expedient
- 7.7.3 enter into any agreement or make any arrangement or compromise as he shall think expedient in respect of the Property
- 7.7.4 operate any rent review clause in respect of the Property or grant or apply for any new or extended tenancy thereof

- 7.7.5 insure the Property or any part thereof in such manner as he shall think fit or as the Mortgagee shall from time to time direct
- 7.7.6 make and effect such repairs renewals and improvements to the Property or any part thereof as he may think fit and maintain renew take out or increase insurances
- 7.7.7 assign and transfer the licences held in respect of the Property to any purchaser or purchasers thereof or to such other person or persons as the Mortgagee shall direct
- 7.7.8 appoint solicitors surveyors accountants managers agents officers servants employees and workmen for any of the aforesaid purposes at such salaries fees or commissions and for such periods as he may determine and dismiss the same
- 7.7.9 sign any document execute any deed and do all such other things as may be incidental or as he may think conducive to the realisation of the Mortgagee's security. And for any of the purposes aforesaid such Receiver may borrow from the Mortgagee in priority to all monies hereby secured. Any sum so borrowed shall be treated as immediately owing by the Mortgagor to the Mortgagee shall bear interest at the highest rate payable by the Mortgagor and shall be secured hereby
- 7.7.10 do all things as may be necessary for the realisation of the Property
- 7.7.11 establish subsidiaries of the Mortgagor
- 7.7.12 to transfer the whole or any part of the Property to subsidiaries of the Mortgagor

Section 109(8)(iv) of the Law of Property Act 1925 shall apply as if it read "in payment of the monies (whether for interest or otherwise) in arrear or accruing due under the mortgage"

7.8 Co-operation by Mortgagor

The Mortgagor shall from time to time and at all times execute and do all such deeds assurances and things as the Mortgagee may reasonably require for perfecting the security intended to be created by this Deed and for facilitating the realisation of the Property and the exercise by the Mortgagee or any receiver of all the powers authorities and discretions conferred on them by or under the Law of Property Act 1925 or this Deed and in particular without prejudice to the generality of the covenant for further assurance deemed to be included by virtue of Section 76 of the Law of Property Act 1925 shall execute all transfers conveyances assignments and assurances whether to the Mortgagee or its nominees and shall give all notices orders and directions which the Mortgagee may think expedient

7.9 Expenses of exercise of powers

Any costs charges or expenses incurred by the Mortgagee or any Receiver in or about the exercise of any of its statutory powers or any of the other powers conferred by this Deed consequent upon any non-payment on the part of the Mortgagor of any sums due and payable pursuant hereto shall be repaid by the Mortgagor to the Mortgagee on demand with interest thereon from the time of the same having been incurred at the rate of four per centum (4%) per annum above the base rate from time to time of Barclays Bank Plc and until such payment of such costs charges or expenses and interest the same shall be charged upon the Property

7.10 No Liability to Mortgagor

- 7.10.1 The mortgagee shall not incur any liability to the Mortgagor for negligence or other breach of duty in respect of any act or omission of it or any of its officers servants or agents in or about the management or realisation or otherwise in respect of the Property or of any other real or personal security for the monies hereby secured
- 7.10.2 No Receiver appointed hereunder shall incur any liability to the Mortgagor for negligence or other breach of duty in respect of any act or omission of himself or any of his servants or agents in or about the management or realisation or otherwise in respect of the Property

7.11 Delegation of Powers

The Mortgagee may delegate any of its powers hereunder to such person as it may think fit but no delegation of its powers shall preclude the exercise by the Mortgagee itself of such powers or any further delegation thereof and may be revoked at any time

7.12 Set Off

The Mortgagee may at any time without notice after an Event of Default or on making demand set-off or transfer any sum standing to the credit of any one or more of the then existing in or towards satisfaction of any monies obligations and liabilities of the Mortgagor or to the Mortgagee whether such liabilities be present future actual contingent primary collateral several or joint

8. Powers of Receiver

8.1 Any receiver appointed by the Mortgagee in accordance with this charge shall have in extension to and by way of addition to the powers conferred on receivers by the Law of Property Act 1925 any or all of the powers or authorities conferred on the Mortgagee by this Deed or by the Law of Property Act 1925

8.2 Any such Receiver shall be deemed to be the agent of the Mortgagor who shall be solely responsible for his acts or defaults whether such acts or defaults purport to be done or made under any of the powers and authorities conferred upon him as aforesaid or otherwise but in case nevertheless the Mortgagee shall be required to or shall undertake to indemnify him the cost of so doing shall be borne by the Mortgagor

8.3 Any such Receiver shall be entitled to remuneration at a rate to be fixed by the Mortgagee without being limited to any maximum rate specified by Statute or otherwise and whether or not such Receiver is an employee or officer of the Mortgagee or any person or body associated with the Mortgagee

9. Power of Attorney

9.1 The Mortgagor hereby irrevocably appoints the Mortgagee and any person nominated in writing under the hand of the Mortgagee including every Receiver appointed under or pursuant to the provisions of the Law of Property Act 1925 or this Deed jointly and severally its Attorney and Attorneys for the Mortgagor and in its name and on its behalf and as its act and deed to execute seal and deliver and otherwise perfect any deed assurance agreement instrument or act which may be required or deemed necessary by the Mortgagee or any such person or Receiver for any of the purposes of this Deed

9.2 The power of attorney hereby granted is irrevocable and for value as part of the security constituted by this Deed

10. General

IT IS FURTHER AGREED AND DECLARED as follows:-

10.1 Service of Notices

Any demand or notice made by the Mortgagee hereunder whether for payment or otherwise shall be made by a notice in writing signed on behalf of the Mortgagee and shall be sufficiently served (notwithstanding the prior death or dissolution of the Mortgagor) if sent by prepaid first class letter post addressed to the Mortgagor by name at the address given in this deed or at its last known place of business (or its registered office) and any demand or notice served by post shall be deemed to have been made or served on the day following posting

10.2 Protection of third parties

No purchaser mortgagor mortgagee debtor or other person dealing with the Mortgagee or any Receiver appointed by the Mortgagee or with its or his attorneys or agents shall be concerned to enquire whether any power exercised or purported to be exercised whether granted by this Deed or otherwise has become exercisable or whether any monies remain due on the security of this Deed or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been contracted or made or otherwise as to the propriety or regularity of any contract for sale conveyance or sale or other dealing by the Mortgagee or such Receiver and in the absence of conscious mala fides on the part of such purchaser mortgagor mortgagee debtor or other person such contract for sale conveyance or sale or other dealing shall be deemed so far as regards the safety and protection of and its enforceability by such purchaser mortgagor mortgagee debtor or other person to be within the powers conferred by this Deed or otherwise and to be valid and effectual accordingly

10.3 Consolidation

Section 93 of the Law of Property Act 1925 (relating to consolidation) shall not apply to this security

10.4 Giving of time to third parties

The rights of the Mortgagee under this Deed shall not be prejudiced or affected by notice of any present or future financial arrangement between the Mortgagor and any third party and where under any such arrangement any payment is to be made by a third party to the Mortgagee or its nominee for or on account of the Mortgagor the Mortgagee may at its discretion give to such third party time for payment or otherwise vary any term of the said arrangement so far as it affects the Mortgagee and neither such giving of time nor any such variation shall prejudice or affect the rights of the Mortgagee against the Mortgagor under this Deed

10.5 Jurisdiction and forum

The relationship between the Mortgagor and the Mortgagee shall be governed in all respects material to this security or the Mortgagee's rights and remedies hereunder by English Law and the Mortgagor shall not bring any proceedings or assert any claim counterclaim or set-off against the Mortgagee in respect of this security or the indebtedness hereby secured in any tribunal other than the High Court of Justice in England

10.6 Joint and Several Liability

Where there are two or more persons included in the expression "the Mortgagor" covenants expressed to be made by the Mortgagor shall be deemed to be made by such persons jointly and severally and the Mortgagee may release or discharge any one or more of them from all or any liability or obligation hereunder or may make any arrangement or composition with any such person without thereby releasing any other or others of them or otherwise prejudicing any of its rights hereunder or otherwise

10.7 Clause Headings

The clause headings contained in this deed are for the convenience of the parties and shall not affect the construction hereof

10.8 Consents

Any consent required hereunder may be withheld by the Mortgagee or granted subject to such conditions as the Mortgagee may in its absolute discretion think fit

10.9 Successors in Title

Where the context so admits the expressions "the Mortgagor" and "the Mortgagee" shall include their successors in title

10.10 Severance of Provisions

Each provision contained in this Deed shall be severable from the remainder of such provisions and if at any time any one or more of these provisions shall be or become invalid illegal unlawful or unenforceable none of the remaining provisions shall in any way be affected prejudiced or impaired

10.11 Effectiveness of Security

The Charge created hereby shall be in addition and without prejudice to any lien to which the Mortgagee is by law entitled and to any security which the Mortgagee may at any time have and any right or remedy of the Mortgagee thereunder shall continue in full force and effect as a continuing security until discharged

10.12 Rights Cumulative

All rights powers and remedies hereunder are in addition to and shall not be construed as exclusive of any other rights powers and remedies provided by the general law or otherwise

10.13 Payments to be free of deduction

Any payment to be made hereunder shall be made without deduction whatsoever save for such deductions as the Mortgagor may by statute be required to make

10.14 Conflict of terms

If any provision hereof shall conflict with any term of any other written agreement between the Mortgagor and the Mortgagee now or from time to time in force relating to any sum hereby secured or to the Property then unless otherwise stated therein and subject to Section 31 of the Land Registration Act 1925 the relevant term of that agreement shall prevail but without prejudice to any other provision hereof and in particular the protection afforded to any purchaser under sub-clause 9.2 hereof

10.15 Statutory Provisions

Unless the context otherwise requires, references to statutory provisions include reference to the corresponding provisions of any earlier legislation (whether repealed or not) amended consolidated or replaced thereby and any later modifications or re-enactments thereof and reference to statutes include the schedules thereto and any regulations or subordinate legislation made thereunder

11. Warranties and Undertakings

The Mortgagor hereby undertakes and warrants to the Mortgagee:-

- 11.1 that none of the provisions of this Deed contravene or involve any contravention of any public or private obligation of the Mortgagor whether in relation to the Property or otherwise or exceed or involve any excess of any requisite power of the Mortgagor and
- 11.2 that the Mortgagor has complied with every formality and obtained every licence or consent and satisfied every other requirement (statutory or otherwise) which may be necessary in order to procure the effectiveness of this Deed according to its terms

12. Restriction on Registers of Title

The Mortgagor hereby applies to the Registrar for a restriction in the following terms to be entered on the register of the Mortgagor's title relating to the Property:-

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before entry of this restriction, is to be registered without a written consent signed by the Welsh Ministers of Legal Services, Crown Building, Cathays Park, Cardiff, CF10 3NQ or their conveyancer"

IN WITNESS whereof this Deed has been executed but remains undelivered until the day and year first before written

THE COMMON SEAL OF acting by two board members was hereunto affixed in the presence of: Director Director/Secretary	<i>Common seal of company</i>
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