

GLA response to the matters raised following its consultation on the Recovery of Capital Grants and Recycled Capital Grant Fund (Greater London) General Determinations 2017

- *Does the DPF historic fund remain or does it get transferred into the RCGF fund?*
The process for dealing with the winddown of DPF has been set out by the Social Regulator and this, along with any further guidance issued on the HCA's website, should be followed until the longstop date for closure of the Fund in April 2020.
- *It is not clear from the consultation paper what the terms and timetable for notification of disposals are. Can you provide more information on what are the "specified circumstances" that would lead to a breach of an "anticipated occurrence" We would expect the GLA to be reasonable in their approach to these conditions?*

The Explanatory Note at the end of the General Determination states that where the Determination says the GLA will publish or specify detail this will be done within the Capital Funding Guide or within the terms of any grant agreement relating to the provision of Capital Grant. The Capital Funding Guide (CFG) will be revised in line with the approved Determination.

There is no suggestion that there would be a breach of an anticipated occurrence. The breach would relate to notification of an anticipated occurrence, for example, if there is a requirement to notify of an anticipated sale of land 10 days prior to the sale, then if there is no notification within this timeframe this would be the breach i.e. failure to notify the anticipated disposal.

- *The document states the Determination has effect TBC 2017. Has this been confirmed?*

The Determination will come into effect at the end of summer 2017.

- *Has the 3-year time limit been lifted for use of RCGF?*

No, the time limit has not been changed by this Determination.

- *We are querying the requirement to add a notional interest amount to RCGF.*

This is not a new requirement for Grant Recovery and the CFG currently provides guidance (Section 6.5.34).

- *What are the Permissible Purposes mentioned throughout the document?*

The expression 'permitted purposes' replaces the expression 'permitted uses' which is used in Section 6.6 of the current CFG. The Section will be amended when the Determination is approved although it's not anticipated there will be any substantive changes.

- *Is there any further guidance as to the Uplift Amount?*

Given the uplift amount is dependent on market circumstances, the CFG will publish details as necessary.

- *We note that the proposed determination (in relation to Registered Providers) provides a new trigger event for the GLA to recover grant where the RP grant recipient fails to notify it of a Relevant Event, but that charging a property by way of security is not a disposal that requires notification and therefore should not trigger a Relevant Event (8 (u) (vi)) and on that basis, is acceptable from a lenders point of view.*

Given this is the clear intention, for clarity we would propose that "the grant of any mortgage or charge over the Property or land funded by Capital Grant" should also be specifically listed as an exception to the paragraph 8 (m) disposals, as a new 8 (m) (x).

This will be clarified as suggested.