



Llywodraeth Cymru
Welsh Government

Chief Executive
Cyngor Sir Ceredigion County Council
Neuadd Cyngor Ceredigion
Penmorfa
Aberaeron
SA46 0PA

14 March 2025

Dear

We are pleased to offer you, Ceredigion County Council, a loan on the terms and conditions set out below and in the accompanying standard terms.

The key commercial features of the loan are:

- amount (point 1)
- interest (point 5)
- repayment terms (point 7)
- fees (point 9).

The information which we will need before we can provide you with the loan is contained in point 2.

This offer is made under the authority of the Cabinet Secretary for Housing and Local Government, one of the Welsh Ministers. The statutory basis for the offer of funding contained in this letter is section 31 of the Local Government Act 2003, sections 126, 127 and 128 of the Housing Grants, Construction and Regeneration Act 1996 and section 1 of the Welsh Development Agency Act 1975.

1. LOAN

1.1 The amount of the loan is £2,000,000 (*two million pounds*).

1.1.1 The loan will be provided at an interest rate of 2.15%. This will result in the provision of a subsidy to you which will be regulated by the Subsidy Control Act 2022 (the "SCA 2022").

1.1.2 The maximum value of the subsidy award under this loan is £354,000 (Three Hundred and Fifty Four Thousand Pounds) This value has been calculated based on the minimum value required in order to plug the viability gap

relating to the interest differentiation between the loan rate offered and market rate and on the basis of a loan term of up to 7 years. In the event that (i) we decide to waive any interest payable under this loan; and/or (ii) we agree to any amendment to this loan which falls to be treated under section 81(1) of the SCA 2022 as the giving of a new subsidy, a new subsidy award and appropriate cover may need to be reassessed and redetermined accordingly.

- 1.2 The purpose of the loan (“the Purposes”) is for you to acquire **Llettytwpa, Llanfair Road, Lampeter, SA48** (“the Property”), adjacent to the Lampeter campus of University of Trinity St Davids.
- 1.3 The overall objective (“the Overall Objective”) of the loan is to create a vocational training centre on the property, providing hands-on, practical training in various agricultural and environmental disciplines. The proposed project will link to two key Mid Wales Growth Deal projects - **Ti’r Glas** (brought forward by the University), and **Horeb** expansion (led by Ceredigion County Council).
- 1.4 Once the Property is purchased, the intention is that you will:
 - Develop training facilities - including classrooms, and practical training areas to ensure students have access to state-of-the-art resources and equipment;
 - Design a comprehensive curriculum to cover various aspects of agriculture, including crop production, livestock management, agribusiness, and environmental conservation. The curriculum will be developed in consultation with industry experts and stakeholders.
 - Incorporate green infrastructure elements, such as renewable energy systems, water conservation measures, and biodiversity enhancement. This will demonstrate best practices in sustainable development and reduce the facility's environmental footprint; and
 - Support multimodal transport and reduce dependency on cars, the project will include provisions for active travel, such as cycling and walking paths. This aligns with the town's active travel plan and promotes healthy, sustainable transportation options.
- 1.5 The Purposes may be varied or added to, providing that, you obtain our prior written approval and such variation or addition accords with the Overall Objective.
- 1.6 You must retain adequate records to demonstrate that the loan has been used for the Purposes.
- 1.7 The loan may be used towards reasonable fees incurred in delivering the Purposes.
- 1.8 You must ensure that there is no double accounting with any other sources of funding for the Purposes.

2. CONDITIONS

- 2.1 The loan will not be released to you in respect of the Purposes until we have received the following in a form and substance satisfactory to us:

Business and Financial Information

- (a) Written confirmation that there are appropriate management and governance processes in place; and
- (b) Written confirmation of a valuation by a RICs qualified individual.

Administrative

- (c) A resolution of your cabinet approving entry into this letter.
- (d) Certified copy of the cabinet minutes confirming approval to accept the loan.
- (e) Drawdown notice in the form attached at Annex A.

Other Documents

- (f) Written confirmation that (i) you will only use the loan in connection with the Purposes; and (ii) in the event that you do not proceed with the Purposes to immediately return the loan together with any interest earned on the loan to us.

2.2 The loan will be drawn down this financial year, and the Property acquired within two years of the date of this.

3. YOUR OBLIGATIONS

- 3.1 You must work in partnership with the Welsh Government to ensure that the Purposes are delivered and that the agreed milestones and targets are achieved.
- 3.2 Not less than every 6 months until the loan has been utilised in full by you, you, acting by your Section 151 Officer, will provide us with a statement confirming what the loan has been utilised for (including specific amounts spent) in respect of such period from the provision of the last statement (other than in respect of the first such statement which shall be from the date of this Agreement). We reserve the right to raise any requisitions that we deem necessary in relation to the amounts spent noted on a statement and to also request such further information as we feel necessary.
- 3.3 You will instruct other partners, to help in delivery of the Purposes (where appropriate and applicable).
- 3.4 The Welsh Government has a legal duty to reduce carbon emissions in Wales by 80% by 2050 (over 1990 levels). Buildings are a significant contributor to current emission levels and therefore you are required to clearly demonstrate how you have considered the carbon emissions of your proposals and what action you have taken or will take to reduce or minimise them.
- 3.5 You will provide the Welsh Ministers with a restriction over the Property in the following form:

“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 the 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.”

The above restriction will remain registered against the Property until such time as the loan is repaid.

4. DRAWDOWN

- 4.1 You may drawdown the loan in one amount by giving a drawdown notice in the attached form (Annex A).
- 4.2 If the loan has not been drawn down by **31 March 2025**, we shall have no further obligation to provide the loan.

5. INTEREST

- 5.1 You shall pay simple interest on the loan at the rate specified under point 5.2.
- 5.2 The interest rate referred to under point 5.1 above is 2.15% per annum.
- 5.3 All interest shall accrue on a daily basis.
- 5.4 Annual repayment of interest should be made within 3 months of the due date.
- 5.5 If any money is not paid to us when due under the terms of this letter or any related document, you will pay interest on the outstanding amount of the loan from the date it became due until the date of payment (both before and after judgement) at the Market Rate (as determined in accordance with point 5.8 below) plus 1% per annum. We can compound such interest at our option and at intervals of our choice.
- 5.6 If you do not comply with your obligations under point 10 (Monitoring Information) you will pay interest on the outstanding amount of the loan from the date the default occurs until the date the default ceases at the default rate in Market Rate (as determined in accordance with point 5.8 below) plus 1% per annum. We can compound such interest at our option and at intervals of our choice.
- 5.7 Should you earn any interest on the loan then such sum earned will be used towards the Overall Objective.
- 5.8 The Market Rate of interest referred to in 5.5 and 5.6 will be determined having regard to the Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations 2022 (to the extent appropriate) and otherwise to general market conditions and the guidance in the Statutory Guidance for the United Kingdom Subsidy Control Regime (SCA 2022). At the date of this letter, this rate is 5.3%.

6. STEP-IN RIGHTS

- 6.1 Should you not be proceeding diligently and expediently with the Purposes then we may step-in and carry out the Purposes.
- 6.2 If we exercise our right in point 6.1 then the loan will be repayable in accordance with point 8.2.

7. REPAYMENT

- 7.1 The loan shall be available for a term of **7 years** from first drawdown (“the Term”). Subject to point 7.2, repayment of the loan principal shall be made as follows:
£2,000,000 by 31 March 2032.
- 7.2 In the event of the loan not being fully repaid at the end of the Term you may submit a written request to us for the Term to be extended. Such a decision will be at our absolute discretion, subject to Ministerial approval and dependent on the success of the Overall Objective. Our agreement to extend the Term will not be unreasonably withheld.
- 7.3 The loan principal will be repaid as a bullet repayment on the maturity date. Interest will be charged and paid on an annual basis. Based on existing planning assumptions, the indicative advance and repayment profile is as follows:

Year	Ceredigion – Lampeter VLC	
	Capital	Revenue
	Principal £000s	Interest £000s
0	2,000	
1		-43
2		-43
3		-43
4		-43
5		-43
6		-43
7	-2,000	-43
8		
9		
10		
Total	0	-301

8. EARLY REPAYMENT

- 8.1 You may repay the (whole or any part of the) loan at any time provided you have given us at least 2 months’ notice in writing.
- 8.2 Within fourteen days of receipt of your notice we will notify you of the early repayment amount. The amount repayable will be calculated on the basis that it is repaid two months after receipt by you of the notice from us.

9. FEES AND EXPENSES

- 9.1 Each party will be responsible for their own costs and expenses (including legal costs) incurred in connection with this letter or any related document.

10. MONITORING INFORMATION

- 10.1 You must provide us on a quarterly basis, or such other period as may be agreed, a duly completed monitoring return in form and substance satisfactory to us. This will be required until the loan has been repaid.
- 10.2 Further details will be provided on a separate monitoring return to cover all financial, administrative and operational elements of the loan.
- 10.3 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 <https://gov.wales/about/welsh-government-privacy-notice/?skip=1&lang=en>.

To accept this offer letter, please sign and return the duplicate of this letter.

Yours faithfully,

Signed

under authority of the Cabinet Secretary for Housing and Local Government, one of the Welsh Ministers

IMPORTANT NOTICE:

As with any legally binding agreement, we recommend that you consult your solicitor or other independent legal adviser before accepting this letter.

Agreed and accepted on behalf of Ceredigion County Council

By:
Authorised Signatory

(Print Name)

By:
Authorised Signatory (A Section 151 Officer)

(Print Name)

Date:

STANDARD TERMS

1. Undertakings

1.1 You must:-

- (a) maintain and comply with all necessary licences, consents and laws;
- (b) provide evidence that the loan was used for the Purposes;
- (c) notify us of any change to your application;
- (d) acknowledge the support being made by us in all forms of publicity related to the Purposes. Publicity for these purposes includes announcements, press releases, media interviews, marketing materials and official launches. Such acknowledgment must be in a form approved by us and must comply with the Welsh Government's branding guidelines;
- (e) co-operate with us for publicity and/or case study purposes;
- (f) provide us with all information and documentation as we may reasonably request from time to time; and
- (g) provide access to your business premises to representatives of the Welsh Ministers and/or the Wales Audit Office in order for them to undertake checks for the duration of the loan.

2. Representations and Warranties

You confirm that and for so long as the loan is outstanding:

- (a) all factual information supplied by you to us in connection with the loan was true as at its date and did not omit anything material; no subsequent change has occurred which renders it untrue or misleading and all projections and statements of belief and opinion given by you to us were made in good faith after careful enquiry and remain valid;
- (b) no event contained in point 3 below has occurred and is continuing; and
- (c) your latest financial statements have been prepared in accordance with GAAP or SORP consistently applied and give a true and fair view of your financial position and there has been no material adverse change in your business, assets or financial position since that date.

3. Default

3.1 Each of the following shall be an event of default:-

- (a) you fail to pay when due any sum payable by you under the offer letter;
- (b) you fail to comply with any other provision of the offer letter or these standard terms;
- (c) you fail to carry out the Purposes as set out in your application;
- (d) any confirmation in point 2 above proves to have been untrue or inaccurate in any material respect;
- (e) any part of the offer letter, these standard terms, or any related document is or becomes (or is alleged to be) unlawful or unenforceable in any respect;
- (f) any other circumstance or event occurs which in our reasonable opinion, may have a material adverse effect on you or your ability to perform your obligations under the offer letter, these standard terms, and/or any related document;

3.2 If any of the events listed in point 3.1 above occurs we may at any time:

- (a) cancel any undrawn part of the loan; and/or
- (b) require immediate repayment of the loan and all other sums due under the offer letter.

4. Assignment

- 4.1** You may not assign or transfer any of your rights or obligations under the offer letter, these standard terms, or any related document.
- 4.2** We may assign all or any part of our rights under the offer letter, these standard terms or any related document. We may disclose on a confidential basis to any actual or potential assignee or transferee of any such rights, any information about you we consider appropriate.

5. General

- 5.1** If we fail or delay in exercising any right or remedy under the offer letter or these standard terms this does not mean that we have waived that right or remedy and we may exercise any right or remedy on more than one occasion.
- 5.2** Any notice sent in connection with the offer letter or these standard terms and conditions shall be delivered by hand, first class or registered post and sent:
- (a) in respect of you: to your principal address;
 - (b) in respect of us: to the address(es) provided in the offer letter.
- A notice delivered by hand shall be deemed served at the time of delivery, if sent by first class or registered post, two days after posting.
- 5.3** If any part of the offer letter or these standard terms is not valid or enforceable then that will not affect any other part.
- 5.4** The offer letter and the standard terms shall be governed by and construed according to the laws of England and Wales.

6. Interpretation

- 6.1** Any reference in the offer letter and these standard terms to:
- (a) “you” is to the borrower(s) under the offer letter and where there is more than one borrower, the obligations of each borrower under the offer letter and these standard terms, shall be joint and several;
 - (b) “we” and “us” is to the Welsh Ministers of Crown Buildings, Cathays Park, Cardiff CF10 3NQ;
 - (c) related documents is any document entered into by any party under or in accordance with the provisions of the offer letter;
 - (d) control of any company will be interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988;
 - (e) any legislation will include all amendments, substitutions and re-enactments in force from time to time.
- 6.2** Any reference to the offer letter and these standard terms or any other document referred to in them will be construed as references to those documents in force from time to time and as amended, supplemented, restated, substituted or novated from time to time.