

Partnership Support for Regeneration Administrative Instructions

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Section 1

Partnership Support for Regeneration policy and the rules of the grant scheme

Partnership Support for Regeneration – An Introduction

- 1.1 These administrative instructions provide detailed guidance for applicants about Partnership Support for Regeneration.
- 1.2 State Aid is a European Commission term that refers to forms of public assistance, given to undertakings on a discretionary basis, which has the potential to distort competition and affect trade between Member States and the European Union.
- 1.3 State Aid rules are set by the European Commission which governs Member States' compliance with these rules.
- 1.4 The General Block Exemption Regulation (GBER) harmonises the rules which previously existed across 5 separate EU regulations and it increases the categories of State Aid covered by the exemption. A copy of GBER can be found [here](#).
- 1.5 For aid to fall into one of the GBER categories, it must fulfil certain conditions and must lead to new activities that wouldn't otherwise take place and promote economic development while not distorting competition.
- 1.6 Scottish Local Authority Support for Local Infrastructure Aid Under the Partnership Support for Regeneration Scheme was validated by the European Commission under Case Number SA.41846 on 12 May 2015.
- 1.7 Section 90 of the Housing (Scotland) Act 2001 provides that Scottish Ministers may make grants to local authorities for housing purposes. Section 92 of the Act makes provision that local authorities may provide assistance to registered social landlords and other persons for housing purposes. Section 93 of the Act allows Scottish Ministers to make regulations making provisions in relation to such assistance. The Act authorises the transfer of the management of development funding grants from Scottish Ministers to local authorities.
- 1.8 The Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Regulations 2004 (http://www.oqps.gov.uk/legislation/ssi/ssi2004/ssi_20040117_en_1) and The Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Regulations 2013 (<http://www.legislation.gov.uk/ssi/2013/7/contents/made>) (together, the "Regulations") set out the basis on which assistance may be provided in relation to five forms of grant one of which is for provision of housing for owner occupation in respect of a type 1 or type 2 project – see below. This is referred to in the Regulations as Partnership Support for Regeneration.

- 1.9 The guidance provided in relation to these instructions relates purely to standard projects. If there is any question of the grant being required for a bespoke project the matter should be discussed with the Scottish Government's Housing Investment Division's local network. Contact details can be found [here](#).
- 1.10 In all cases however the fundamental principles are that (a) the level of grant should be the minimum necessary to achieve the agreed purpose; (b) if the grant is subject to clawback, robust arrangements should be put in place to ensure that they are received; and (c) if the grant is to fund works which are part of a larger project there is no "leakage" of funds as between assisted and non-assisted works.
- 1.11 Partnership Support for Regeneration should, generally have the potential to bring about improvements in local public services and the local environment and contribute to social inclusion and community regeneration by promoting more sustainable, mixed tenure communities. Grants are used to increase the stock of owner occupied or private rented housing in areas where this is useful to ensure effective physical, social and environmental regeneration. In some cases the grant may be provided to change the type or quality of housing in an area rather than just increase the number of units. Grants also contribute to meeting land use and environmental objectives, by encouraging the use of brownfield rather than greenfield sites.
- 1.12 The scheme provides eligible developers with the minimum level of gap funding which bridges the gap, wholly or in part, between the cost of a development project and the sales value of the houses upon completion. The maximum level of grant payable is 60% of the total project costs. This limit applies to the total Partnership Support for Regeneration grant and any other public funding which is received by the grant applicant in relation to that project. Generally, for standard projects at least, the scheme expects to provide a maximum level of 40% grant for projects in the top 15% Scottish Index Multiple Deprivation most deprived areas and 33% for all other projects. Any exceptions to these limits may require the approval of Scottish Ministers.
- 1.13 Completed houses are sold at market value and Developers should obtain a defined, limited return on the sale of houses and bear the majority of the risk in any project.
- 1.14 Partnership Support for Regeneration funding is **not** available for the creation of social rented housing units as these are outwith the scope of the scheme
- 1.15 Partnership Support for Regeneration will not be available to individual owner occupiers.

Who provides Partnership Support for Regeneration?

- 1.16 Partnership Support for Regeneration grants are available from:

- ❖ **[The Scottish Government** (“Scottish Ministers”)]
- ❖ **Local authorities**, generally where Scottish Ministers have approved the transfer of responsibility for managing development funding programmes from the Scottish Government to the local authority.

At present that is limited to Glasgow and Edinburgh.

- 1.17 Information about local funding arrangements is also available on the Scottish Government’s website [here](#) and from local authorities which are responsible for the management of Partnership Support for Regeneration funding in their area.

Objectives of the Partnership Support for Regeneration scheme

- 1.18 The broad aim of the Partnership Support for Regeneration scheme is to increase the stock of owner occupied or private rented housing in areas to ensure effective physical, social and environmental regeneration. Partnership Support for Regeneration will usually be applied in:

- areas particularly characterised by a limited supply, tenure or range of good quality homes
- the provision of affordable housing in growth areas or as part of delivering strategic priorities in other high demand areas

Where both low and high demand issues exist in any one region, it will be the responsibility of local authorities to determine housing priorities through Local Housing Strategies and their Strategic Housing Investment Plans.

- 1.19 In standard projects Partnership Support for Regeneration will only be made available where the houses provided are to be offered for sale to prioritised categories of people. Examples of such ‘priority purchasers’ are people unable to obtain social rented housing, local residents living in rented accommodation due to lack of opportunities locally to purchase a home, first time buyers and those with a family or work connections to an area who wish to return to it. Any proposals to widen that will require the approval of Scottish Government.

Types of projects eligible for Partnership Support for Regeneration

- 1.20 In standard projects Partnership Support for Regeneration is targeted at two types of project. These are summarised below. Any other targeting will require the prior approval of Scottish Government. A more detailed description is then provided of the measures against which projects proposed for funding will be assessed.

Type 1 Projects

Projects which contribute to tenure diversification in single tenure housing estates or neighbourhoods, and which form part of an area-based community regeneration strategy. Such areas are often seen as deprived or have a very limited supply of owner occupied housing. Partnership Support for Regeneration grants are used to promote a mix of rented and owner occupied housing.

Type 2 Projects

Projects which contribute to strategies for regenerating older urban communities, particularly where these are characterised by a limited supply of good quality houses for owner occupation and/or by limitations in the range of available house sizes and types relative to demand.

Type 1 projects - Partnership Support for Regeneration objectives and desired outcomes

- ❖ Introduce owner occupation into the local community, or increase an existing low supply of owner occupied housing.
- ❖ Contribute to a wider community-based regeneration strategy involving a range of agencies and regeneration activities.
- ❖ Stimulate demand for improvements in local public services and the local environment, helping to develop communities and promote regeneration and social inclusion.
- ❖ Houses are provided for designated client groups. Typical examples of those that will be targeted will be local residents who have moved off benefits into paid employment and who wish to become owner occupiers, or those who might otherwise leave the area because of an absence of suitable housing.
- ❖ Houses are sold at market value. After a fixed time any houses not sold to priority groups will be offered on the open market.
- ❖ Partnership Support for Regeneration is used as a pump-priming mechanism, so that low cost owner occupied housing can be provided in future without public subsidy, or for reduced levels of public subsidy.
- ❖ The pace of development and sales will accelerate the pace of regeneration activity within the community in which the project is located.

Type 2 projects - Partnership Support for Regeneration objectives and desired outcomes

- ❖ Contribute to area renewal activity.
- ❖ Improve poor quality housing. Where private sector development without subsidy is taking place, the use of Partnership Support for Regeneration is likely to focus on buildings or sites of strategic importance that cannot be developed without subsidy.
- ❖ Provision of house types/sizes in short supply in the existing market for owner occupied housing.
- ❖ Houses are sold at market value.
- ❖ Where the existing market for owner occupied housing is limited in size, or access for low income purchasers is restricted by price, targeting of low income purchasers and first time buyers is likely to be an explicit objective. Otherwise, precise purchaser targeting may be relatively less important as a primary objective of Partnership Support for Regeneration projects.
- ❖ Partnership Support for Regeneration is used more selectively than for Type 1 projects, since tenure imbalance may be less pronounced.

Types of organisation eligible for Partnership Support for Regeneration funding

1.21 Leaving aside arrangements between Scottish Ministers and local authorities to which special considerations apply eligible applicants for Partnership Support for Regeneration are:

- ❖ **Private housing suppliers**, that is individuals, partnerships or registered companies, set up for the purpose of providing housing. These organisations may or may not carry out the construction works themselves.
- ❖ **Housing trusts**, that is private organisations formed by groups of individuals or organisations sharing a common purpose relating to the provision and/or management of housing for sale. Housing trusts will normally be corporate bodies and may have charitable status.
- ❖ **Non-registered housing associations**, that is housing associations which are not registered with the Scottish Housing Regulator.

Cases requiring special consideration

1.22 Special consideration will apply to some applications:

(i) **Applications by local authorities or development companies formed by local authorities**

Grants to local authorities or other public bodies can only be made with the specific consent of Scottish Ministers. Grant applications by development companies formed by, or involving, local authorities will not in general be eligible to receive Partnership Support for Regeneration Grants, particularly if there is no competitive selection of

the developer and/or if a development company's profits are distributed in whole or in large part to a local authority. Any such proposal requires the specific approval of the Scottish Government.

(ii) **Applications by registered social landlords (RSLs)**

Registered social landlords registered under the Housing (Scotland) Act 2010, or equivalent legislation pertaining in the rest of the United Kingdom, are not in any circumstances eligible to receive Partnership Support for Regeneration Grants.

(iii) **High value housing**

Generally, Partnership Support for Regeneration grants are intended to increase the supply of owner occupation in areas where there is a shortage of low cost home ownership opportunities, and/or to meet the needs of those who are unable to afford owner occupied housing because their incomes are too low. Proposals involving the provision of high value housing, that is housing which is not affordable to those whose aspirations are met by low cost home ownership housing, will only be eligible for grant funding with the approval of Scottish Ministers and may be subject to such terms and conditions as Scottish Ministers may determine having regard to all facts and circumstances.

(iv) **Other public funding - cumulation**

Partnership Support for Regeneration cannot be cumulated with any other form of public subsidy towards the same amount of eligible project costs. The total level of public subsidy that can be awarded to a project must not exceed the limits described in section [1.12].

(v) **Eligible projects with novel or contentious aspects**

To qualify for Partnership Support for Regeneration, applications, in respect of standard projects, must meet all of the criteria described in these administrative instructions. Projects judged to be bespoke require the specific approval of Scottish Ministers and may be subject to such terms and conditions as Scottish Ministers may determine having regard to all facts and circumstances. Examples of novel and/or contentious schemes include:

- ❖ Proposed projects which are large-scale in relation to the local housing market.
- ❖ Proposed projects sited in environmentally sensitive areas.
- ❖ Proposed projects involving the leasing of land or property.
- ❖ Proposed projects which form part of a larger project.

Targeting of Partnership Support for Regeneration

- 1.23 Projects must demonstrably contribute to the strategic investment objectives of the grant provider. In particular, they must be consistent with the Local Housing Strategies and Strategic Housing Investment Plans published by local authorities.

Assessing the need for Partnership Support for Regeneration

- 1.24 Grant providers will conduct detailed appraisals to consider what options for investment exist, and which of these best meet their strategic objectives. Grant providers need to be satisfied that:
- ❖ Partnership Support for Regeneration is the most appropriate funding mechanism and that the building of houses for sale would not proceed without public assistance.
 - ❖ Partnership Support for Regeneration funding of alternative projects would not achieve the same objectives more cost-effectively.
 - ❖ A specific grant proposal represents the most effective means of meeting the desired objectives.
- 1.25 Applicants must demonstrate that the total project costs exceed the projected sales proceeds of the housing. Grant providers will apply a rigorous financial and project appraisal process, to ensure that public sector support is the minimum necessary to achieve the desired social, regeneration and housing objectives, and to provide the best value for money for public funds.
- 1.26 Applications above certain limits are subject to additional scrutiny by the Scottish Government, to ensure the core considerations of minimising public subsidy, maximising clawback, and avoiding leakage of funds. Further details are provided in [Annex A](#).
- 1.27 Grant providers will assess applications comparatively, giving priority to those based in areas of the greatest social need. This process of comparative assessment will introduce an element of competition for resources between applicants, to demonstrate that the best value outcomes are being achieved. Appraisals will also take into account how grant applications support community regeneration.
- 1.28 Grants awarded will not be greater than the gap between the eligible costs and the sales value of the houses on completion generally as determined by an independent chartered surveyor.
- 1.29 Rigorous appraisal of all applications will be undertaken to ensure, inter alia, that the level of Partnership Support for Regeneration grant sought and approved is the minimum required. The amount of grant offered will depend on several factors, primarily the relationship between project costs and sales values and the internal rate of return accruing to the developer.
- 1.30 More information about the appraisal of Partnership Support for Regeneration projects is provided in [Section 3](#) of this guidance.

Competition, procurement and independent assessment of costs

Developer selection – competition

1.31 Grant providers are obliged to obtain optimum value for money for public funds. Whenever possible, potential projects will be subject to open competition between prospective applicants.

1.32 The policy requirements relating to competition are shown below:-

❖ **Site owned by the grant provider or another public body**

- Competitive selection of developer will be sought in all cases
- Where appropriate, a 2-stage selection process will be promoted, to minimise abortive work by prospective grant applicants.
- A limited number of developers will be invited to submit proposals in the level of detail described in the Partnership Support for Regeneration application form.

The primary selection criterion will be value for money determined by:

- whether the submissions meet the terms of the competition brief
 - the amount of Partnership Support for Regeneration required (per unit/bedspace/M²)
 - comparative assessment of the benefits yielded by the different submissions.
- The Public Contracts (Scotland) Regulations 2012 and any subsequent regulations or legislation relating to public procurement will apply in appropriate circumstances
 - If the site is not owned by the grant provider (eg sites owned by local authorities, where the grant provider is the Scottish Government), the grant provider will work with the owner of the site to apply the same competition criteria described above.

❖ **Site owned by the grant applicant**

- Before proceeding, the grant provider will first assess whether similar social objectives at less cost to the public purse can be achieved through open competition at another location in the area.
- Partnership Support for Regeneration funding will be considered only if there is no alternative site that can be developed as part of a competitive process.
- Any major works or services not provided directly by the grant applicant must be competitively procured.
- Independent validation of the developer's proposals will be sought by the grant provider (see 1.33 below).

1.33 To maximise opportunities for competitive selection, grant providers may purchase and market sites in areas where they wish to promote Partnership Support for Regeneration projects. Sites purchased for this purpose will be marketed in accordance with the approach to competitive selection described above.

Procurement of construction works

- 1.34 Applications must demonstrate that, wherever practicable, all construction works have been procured competitively and, where necessary in accordance with the Public Contracts (Scotland) Regulations 2012 and any subsequent regulations or legislation relating to public procurement.
- 1.35 Full competitive bidding may not be practicable if, for example, a particular site which would contribute to regeneration objectives is already in the ownership of a prospective Partnership Support for Regeneration applicant, and if the grant applicant (or a related company) wishes to carry out the construction works, without competitive tendering.
- 1.36 In these circumstances, construction costs will be subject to additional scrutiny. The grant provider will seek certification from independent professional chartered surveyors registered with Royal Institution of Chartered Surveyors (RICS) that the construction costs are at, or below, the prevailing market rate. The amount of any Partnership Support for Regeneration which may be offered will be based on this independent certification of construction costs. Such independent certification will be obtained, whether or not the Partnership Support for Regeneration application involves competitive bidding.

Independent valuation of land costs and proposed selling prices

- 1.37 For standard projects, grant providers will instruct valuations of the land or property to be developed, and of the grant applicant's proposed selling prices for the completed houses. These valuations will be undertaken by chartered surveyors, who will be independent of the grant provider and registered with the RICS. Valuations will be carried out in accordance with RICS standards, the regulatory requirements of the UK Government, and the European Commission's communication on the sale of public land (OJ97/C209/03). The amount of any Partnership Support for Regeneration grant which may be offered will be based on the independent valuation advice obtained by the grant provider. Further issues may arise where the project for which Partnership Support for Regeneration grant is being received is part of a larger project and it is necessary to ensure that all common and overhead costs have been properly apportioned.

Site Control

- 1.38 Applicants must demonstrate that they have (or can obtain, prior to payment of grant) control over the site or buildings that are to be developed.
- 1.39 This condition can be met either by the applicant demonstrating ownership of the site or property to be developed, or by the original owner of the site or property allowing occupation by lease or licence to the Partnership Support for Regeneration applicant.
- 1.40 In the case of lease or licence agreements, the site owner and the grant provider may be one and the same (eg a local authority). In such cases, the

grant provider will be able to control the site through the terms of the lease or licence agreement.

- 1.41 If someone other than the grant provider is granting occupation of the site under lease or licence, the grant provider will require full details of the proposed agreement to be made available before Partnership Support for Regeneration grant is approved. This information is required at the time of the grant application, or at such time as is otherwise agreed, where selection of the developer is on a competitive basis and the terms of the lease or licence agreement are not finalised at the time of the application.
- 1.42 Irrespective of who is granting the lease or licence agreement, the following conditions also apply to projects which involve development under lease or licence unless Scottish Ministers otherwise agree:
- ❖ The rent or licence fee paid to the owner of the site shall not exceed the assessment of the value of the land or property before development, as determined by the District Valuer (a professionally qualified valuer employed by the UK Government to assess the value of public assets or assets which are to be acquired or developed by public bodies) or of an independent chartered surveyor registered with the RICS.
 - ❖ No direct financial benefit other than the rent or licence fee and any recovered VAT shall accrue to the original owner of the land or property.
- 1.43 Whether acquisition of the site or development under lease or licence is proposed, the maximum land cost allowable for Partnership Support for Regeneration calculation purposes is the lesser of the current market value of the site (as determined by the District Valuer or an independent chartered surveyor) or the actual purchase paid by the grant applicant.

Security for Partnership Support for Regeneration

- 1.44 Where a Partnership Support for Regeneration site is owned by the grant provider, the grant provider can protect the public funds which are provided to the grant applicant by allowing occupation of the site under licence for the duration of the project.
- 1.45 In all other cases, the grant applicant must provide additional security for the Partnership Support for Regeneration, to safeguard the input of public funds towards the project, e.g. in the event of the grant applicant going into receivership or defaulting on the conditions on which Partnership Support for Regeneration was approved.
- 1.46 The form of security required will be influenced by the risk rating for the company applying for grant. Grant providers will obtain such ratings in independent financial reports which are commissioned for all Partnership Support for Regeneration applications. Further information on these reports and their use in Partnership Support for Regeneration appraisals is provided in **Section 3** of this guidance.

- 1.47 The preferred form of security is a first ranking standard security over the land or property acquired by the grant applicant for the project. Where applicants are borrowing funds to finance the portion of project costs not covered by grant, the grant provider may be prepared to take a second ranking standard security to the lender providing the loan finance for the project. In either case, no grant can be paid until the applicant owns the site and grants a security.
- 1.48 Where the grant applicant is developing the project under lease or licence from a third party, the applicant will be generally be required to provide a guarantee from a clearing bank or a performance bond from a reputable insurance company. As already described above, these requirements may not apply if the grant provider also owns the site and is granting the lease or licence agreement.
- 1.49 Where a grant applicant is unable to provide a standard security, bank guarantee or performance bond, this must be made clear when the application for grant is submitted. In that event, the application for grant will either be refused, or it may be approved on the basis that no part of the grant will be paid until completion of the development and sale of individual units, at the discretion of the grant provider.

Grant repayment conditions

- 1.50 The Grant will generally be repayable either on irremediable breach or upon a breach capable of remedy not be so remedied within a period which the Grant Provider considers reasonable. This is dealt with more fully in clause 5.7.

Variations to project costs and sales income subsequent to grant approval

Amount of grant offered

- 1.51 The grant provider's maximum financial commitment will be limited to the amount of grant offered and accepted at approval stage. Where it is agreed that the costs of particular items of works or services cannot be determined accurately until a project commences, grant will be calculated using a negotiated maximum amount for any provisional works/services elements. It will be a condition of the Partnership Support for Regeneration offer that actual costs are assessed expeditiously as soon as they can be.

Variations to project costs after grant approval

- 1.52 Grant providers may be prepared to consider increases in project costs after grant approval stage, where the project has changed significantly. Any decision however will be entirely at the discretion of the grant provider.

Variations to sales income after grant approval

- 1.53 Where project costs increase after approval stage, it is recognised that grant recipients may wish to review sales prices, to maintain the level of return yielded by the project. Grant providers will only place limitations on increases in sales prices if the primary objective of a project is to provide housing at prices that are affordable to specific client groups of limited means. Any such limitations will be specified in the Partnership Support for Regeneration offer letter.
- 1.54 In some cases, sales income may increase directly as a result of enhancements to specifications or finishes requested by purchasers. The value of any increases in sales income which are directly attributable to such enhancements may be excluded at the sole discretion of the grant provider from the calculation of any grant repayable, provided that:
- ❖ Material changes in specification are involved (e.g. provision of garages or provision of furnishings), and
 - ❖ The cost of providing any such enhancements did not form part of the costs on which the Partnership Support for Regeneration grant was calculated at approval stage.

Purchaser targeting

- 1.55 Applicants for Partnership Support for Regeneration are required to define the target client groups envisaged for their projects, and to explain how they will ensure that the intended target client groups will receive priority when houses are marketed for sale.
- 1.56 It is recognised that client groups will vary according to the context and objectives of individual projects. For example, in some areas, grant applicants will be aiming to create a market for owner occupation where none presently exists, or to strengthen the market in areas where the present base of owner occupation is very low. In such cases, selling the houses to specific client groups (e.g. those who are not presently owner occupiers) may still be desirable but of secondary importance to successfully marketing the houses.
- 1.57 Further details of how client group targeting arrangements may be described in grant offers are provided in **Section 4** of this guidance.

Section 2

Making an application for Partnership Support for Regeneration: procedures and information requirements

Information and discussion prior to a formal application for grant

- 2.1 Arrangements will vary depending on whether a project involves competitive selection of the developer.
- 2.2 For projects involving competitive selection and subject always, where applicable, to over-riding issues of EU procurement grant providers will generally promote a two-stage selection process, where this is feasible:
- ❖ **At stage 1**, expressions of interest will be sought from potential developers, along with details of their track record and initial thinking on possible housing provision (with no requirement for any design work or costing of proposals).
 - ❖ **At stage 2**, a limited number of developers will be invited to submit full scale applications for grant, as described in this guidance.
- 2.3 For developer-led projects, early discussion with the grant provider is essential to establish that the proposed project is compatible with local investment strategies and priorities, and that the project has the potential to achieve the grant provider's objectives, in the absence of competing proposals. The grant provider may wish to see preliminary proposals and costs for developer-led projects, before agreeing to consider a formal grant application.

Formal application for Partnership Support for Regeneration

- 2.4 Grant providers are not obliged to consider unsolicited applications for grant. Potential applicants will be invited to submit detailed applications in response to a development brief issued by the grant provider or a third party, or by specific invitation for developer-led projects.
- 2.5 In all standard projects a detailed application should be made using the Application for Grant approval form provided within the information pack. Where it is necessary for the grant provider to request any additional information, this will be specified at the time of a competition brief being issued or a formal application for grant being invited.

Target timescales for responding to Partnership Support for Regeneration applications

- 2.6 In standard projects where the Public Contracts (Scotland) Regulations 2012 or any subsequent regulations or legislation relating to public procurement do not apply grant providers will aim to respond to all formal applications within six weeks from the date of receipt of a complete submission (i.e. receipt of

the grant application form fully completed and with all supporting information required). The grant provider will advise applicants within two weeks of receiving a grant application whether it regards the submission as complete and applicants will be given the name of a contact person with whom they can check progress.

2.7 Timescales may be extended, where:

- ❖ incomplete submissions are received;
- ❖ it is necessary to clarify or seek amendments to the submitted proposal;
- ❖ aspects of the grant application have still to be finalised (e.g. statutory consents);
- ❖ developer selection in competitions does not rest solely with the grant provider;
- ❖ further scrutiny within the Scottish Government is required before approval can be confirmed.

2.8 Grant providers will advise applicants if a final response to a grant application will not be forthcoming within the target timescales referred to above. Project cashflows should be base-dated at the anticipated site start date, taking account of the factors described above.

Section 3

Appraisal of Partnership Support for Regeneration applications by the grant provider

Introduction

- 3.1 **In order to comply with the requirements of the European Commission, grant providers must provide the Scottish Government with a copy of each appraisal for an approved Partnership Support for Regeneration Scheme project.**

This section describes the criteria that grant providers will apply when appraising Partnership Support for Regeneration applications. The project appraisal criteria are described below under four headings:

- ❖ The grant applicant
- ❖ Market assessment
- ❖ The building proposals
- ❖ Grant requirement and financial appraisal.

- 3.2 Applicants must provide all of the information specified in the Partnership Support for Regeneration application form. The form has been designed to allow all of the necessary appraisal criteria to be applied.
- 3.3 The Public Contracts (Scotland) Regulations 2012 and any subsequent regulations or legislation relating to public procurement will apply in respect of all projects which are subject to public procurement.

The grant applicant

- 3.4 Firm evidence of a grant applicant's financial standing and ability to fund and complete any proposed project will be required. Partnership Support for Regeneration appraisals will therefore involve an assessment of:
- ❖ the applicant's financial strength;
 - ❖ ability to access private funding to finance the project, other than Partnership Support for Regeneration;
 - ❖ development experience and capacity or, where works and services are not being carried out by the applicant, proposals to procure such works and services.
- 3.5 To ensure that the applicant is eligible to receive Partnership Support for Regeneration, the ownership, organisational structure and legal status of the applicant will be assessed.
- 3.6 The grant provider will assess whether the grant applicant already has, or will be able to obtain, control of the development site or property.

Market assessment

- 3.7 Appraisals will consider whether the grant applicant has demonstrated that a market exists for the housing proposed for Partnership Support for Regeneration funding. The key issues addressed in this part of the appraisal are shown below:

Partnership Support for Regeneration appraisal – key market assessment issues

- ❖ The project objectives and how these will help achieve the objectives and priorities in Local Housing Strategies and Strategic Housing Investment Plans.
- ❖ The potential to bring about improvements in social public services and the local environment.
- ❖ How the type of housing proposed relates to the local housing market, any community regeneration strategies which are being pursued, and general social/economic conditions in the project area.
- ❖ The probable scale of demand for houses in the proposed project, and the type of purchasers the project will target.
- ❖ The relationship between the proposed selling prices and house prices in the specific housing market area, and any comparable areas.
- ❖ How the proposed selling prices relate to the likely income levels of targeted purchaser groups.
- ❖ The grant applicant's proposed approach to marketing the houses, including any priority purchase arrangements to maximise sales to targeted categories of prospective purchasers.
- ❖ For large-scale projects in particular, whether the proposed project will displace demand for other owner-occupied housing in the local housing market.

- 3.8 In the case of small projects of around 25 units or less, the grant provider may agree that a less detailed form of market assessment is appropriate.

Building proposals – costs, standards and value for money

- 3.9 The building proposals on which the grant application is based must comply with statutory design and construction standards. In addition, grant appraisals will consider whether proposed projects meet the following criteria relating to costs, standards and overall value for money:

Partnership Support for Regeneration appraisal – costs, standards and value for money

- ❖ The capital costs of the project should represent good value for money in relation to other approved projects, making allowance for any site-specific development constraints.
- ❖ Procurement of works and services should be consistent with the policy on competition described in **Section 1** of this guidance. Where a developer has not been selected in competition with others, the grant provider will wish to ensure that opportunities to obtain works and services competitively have been maximised and that the proposed project costs demonstrably represent value for money.
- ❖ The proposed development will be built to a good quality and be of good proven design, having regard to the sustainable development indicators shown in the Partnership Support for Regeneration application form; the basic requirements of Housing for Varying Needs design criteria (in respect of Housing for Varying Needs Parts I and II); and the effective use of the project site.
- ❖ Satisfactory future maintenance arrangements have been developed (e.g. in relation to common areas and open space).
- ❖ All local authority and other statutory requirements have been (or will be) met.
- ❖ Independent accreditation or inspection of the completed houses will be submitted to the grant provider.
- ❖ The proposals meet the terms of any competition brief issued for the project.
- ❖ Every opportunity has been taken to maximise the use of barrier free design, particularly for ground floor level housing.
- ❖ The project promotes high standards in terms of the architectural design of buildings and their relationship to their surroundings and will provide housing which is acceptable in terms of layout, specification level and standard.
- ❖ The proposed housing provision is compatible with the applicant's market assessment provided and with any area-based strategies which are in place for the project area.
- ❖ The grant applicant's proposed construction programme is reasonable.

3.10 For projects involving competitive selection processes, it is recognised that developers may defer formal applications for full planning permission, building warrant, roads and other relevant consents until they know they are the single preferred developer.

- 3.11 In these particular circumstances, it is accepted that the proposals submitted may be subject to amendment in the course of securing consents. Applicants will be expected to take all necessary steps to avoid the possibility of such amendments (e.g. through detailed consultation with local planning authorities etc.) and to be confident that the scheme proposed will comply with the various consents required. Grant providers will wish to regard second stage competition submissions as formal proposals for Partnership Support for Regeneration appraisal purposes but may be prepared to consider minor amendments once the relevant consents are finalised. Any such amendments, and their impact on any Partnership Support for Regeneration grant required, will be considered by detailed comparison with the proposals at Stage 2 submission. It is therefore essential that the level of detail requested in the Application for grant approval form is fully supplied.
- 3.12 Where competitive tendering will take place after a grant offer has been issued and accepted, the Partnership Support for Regeneration grant will be calculated using a negotiated maximum tender price amount. In no circumstances will the offer of grant be increased if actual tender costs exceed the costs assumed at the time of the grant application. Grant applicants must therefore decide whether they are prepared to accept this risk before submitting a formal grant application. If they are not, the grant application should be deferred until competitive tenders have been obtained.

Financial appraisal methods

- 3.13 All Partnership Support for Regeneration applications will be the subject of a financial appraisal using discounted cashflow (DCF) techniques. DCF analysis involves assessing the present values of a project's income and expenditure over its lifetime, taking account of the amounts and timings of income and expenditure. The present values are calculated by applying a required percentage rate of return (sometimes also known as the discount factor) to the project cashflow.
- 3.14 Grant providers' financial appraisals will be validated by suitably qualified valuers who are RICS registered and independent from the grant provider.
- 3.15 The key issues which financial appraisals will address are as follows:
- ❖ The reasonableness of the amounts and timings of the expenditure and income contained in the grant applicant's proposed cashflow.
 - ❖ The Net Present Value (NPV) of the project, when all project costs and sales income are profiled in present day values without allowance for inflation.
 - ❖ The amount of Partnership Support for Regeneration grant sought by the applicant.
 - ❖ The internal rate of return (IRR) associated with the project cashflow and Partnership Support for Regeneration proposal.
 - ❖ The sensitivity of the Partnership Support for Regeneration proposal to changes in the timings and amounts of project income and expenditure.

- ❖ The risks associated with the proposed Partnership Support for Regeneration project.

Costs and revenues – eligibility criteria

3.16 Grant providers and the independent surveyors involved in financial appraisals will determine whether all of the project costs and revenues proposed by the grant applicant should be included in the DCF analysis. A summary of eligible costs and revenues which apply to all standard projects is provided below:

TYPE OF COST/REVENUE	COMMENTS
<input checked="" type="checkbox"/> ITEMS TO BE INCLUDED	
<input checked="" type="checkbox"/> Site investigation costs	}
<input checked="" type="checkbox"/> Stabilisation works (eg remediation, reclamation, decontamination)	} Costs are eligible if not incurred before the invitation to apply for Partnership Support for Regeneration. Costs incurred before this point are not eligible.
<input checked="" type="checkbox"/> Demolition costs	}
<input checked="" type="checkbox"/> Valuation and legal fees relating to the purchase of the project site/property	}
<input checked="" type="checkbox"/> Site/property acquisition costs	The lower of the purchase price paid (if the site is already owned by the applicant) or the site's current market value may be included in the cashflow. Site valuations must be provided by the District Valuer or an independent surveyor registered with the RICS. The grant provider may commission the site valuation report directly.
<input checked="" type="checkbox"/> Construction costs	Construction costs must relate to the provision of dwellings suitable for residential use by an owner occupier.
<input checked="" type="checkbox"/> Professional fees	Costs relating to the design, costing and supervision of the Partnership Support for Regeneration project are eligible.
<input checked="" type="checkbox"/> Marketing costs	
<input checked="" type="checkbox"/> Sales income	
<input checked="" type="checkbox"/> Other grant aid	
<input checked="" type="checkbox"/> Direct overheads incurred by the grant applicant in connection with the project	
<input checked="" type="checkbox"/> Security documentation, bank guarantee or performance bond costs	
<input checked="" type="checkbox"/> ITEMS TO BE EXCLUDED	
<input checked="" type="checkbox"/> Allowance for profit	The percentage discount rate used in the DCF calculation takes account of profit and finance charges and separate allowance within the cashflow is not permitted.
<input checked="" type="checkbox"/> Indirect overheads	Overhead costs that cannot be shown to relate directly to the proposed Partnership

TYPE OF COST/REVENUE

COMMENTS

- | | |
|---|---|
| <input checked="" type="checkbox"/> Costs incurred before a Partnership Support for Regeneration application is invited | Support for Regeneration project are ineligible.
With the exception of site acquisition costs, “sunk” costs incurred before this stage are ineligible. |
|---|---|

Eligible costs and revenues for bespoke projects to be approved by Scottish Government may vary according to circumstances

Calculating the level of Partnership Support for Regeneration Grant

- 3.17 Eligible costs and revenues are entered in the cashflow in present day values, and the future cashflows for the project are then re-calculated into present value terms using the required rate of return. If the Net Present Value (NPV) of the project is less than zero, grant is required. The grant required should then be added to the cashflow to achieve an NPV of zero. The internal rate of return (IRR) is the discount rate at which the NPV is zero.
- 3.18 The use of a specified internal rate of return takes account of profit. The level of profit is expected to be reduced to market levels where there is competition for projects. The Scottish Government’s working assumption is that profits for Partnership Support for Regeneration projects will be capped at 8%, unless developers can show they are taking a higher than normal risk (e.g. related to selling in a difficult and/or untested area). In these other situations, profits up to 12% may exceptionally be allowed.
- 3.19 Grant applicants are expected to justify the IRR associated with their grant proposal with reference to the degree of risk attached to the project. Applicants are required to provide evidence in support of the perceived risk e.g. in terms of the project location, previous marketing experience in the project area or similar areas, the form of construction etc. Applicants seeking a rate of return in excess of 8% should be aware that the quality of the evidence they provide will be examined closely by the grant provider, and by the independent chartered surveyors appointed to verify the cashflow assumptions for particular projects.

Inflation

- 3.20 Cashflows prepared by applicants should show all project costs and income base-dated at the anticipated site start date. The DCF analysis will calculate the value of the grant in present day or ‘real’ terms. The real grant will be adjusted for the effects of inflation during the lifetime of the project. This gives the nominal (i.e. cash payable) value of the Partnership Support for Regeneration grant. Grant providers will use a standard allowance for inflation, as advised by the Scottish Government and adjusted from time to time, to calculate the nominal value of the Partnership Support for Regeneration grant which will be approved for each project.

Security requirements and profiling of Partnership Support for Regeneration payments

- 3.21 Grant providers will obtain independent financial reports from Dun and Bradstreet on grant applicants. Dun and Bradstreet reports include a risk rating which will be used to inform grant providers' decisions about security requirements and the timing of Partnership Support for Regeneration grant payments for each project.

Section 4

Approval of Partnership Support for Regeneration Grants

Authority to approve Partnership Support for Regeneration Grants

- 4.1 Partnership Support for Regeneration grants are approved by the relevant local authority or Scottish Government area office. In bespoke projects further approval by Scottish Ministers is also required before Partnership Support for Regeneration grant may be approved and paid.
- 4.2 The delegated authority arrangements for approving Partnership Support for Regeneration grants are provided in **Annex A**.

Notification of Approved Projects to Scottish Government

- 4.3 The annual budget for Partnership Support for Regeneration cannot exceed £10 million and therefore to allow for the monitoring of spend under the scheme, all approvals by TMDF local authorities must be notified at the earliest opportunity to the relevant Housing Supply & Innovation local area office.

Offer of Partnership Support for Regeneration

- 4.4 Grant providers will issue approval of Partnership Support for Regeneration grant in the form of a legally binding offer of grant or otherwise enter into a legally binding form of grant agreement. The terms will be those appropriate to the nature of the project with standard projects being more likely to be based upon those set out in the Regulations. Where the PSR Works are part of a larger integrated project the documentation may form part of a larger project development agreement but its terms must comply with the core requirements of minimising grant, maximising clawback and ensure that there is no leakage of funds to non- grant assisted works.

Offer of grant – purchaser targeting

- 4.5 Reflecting the social objectives of the Partnership Support for Regeneration scheme, grant offers for standard projects will record the agreed arrangements for ensuring that the targeted purchasers receive priority when houses are marketed. A template Partnership Support for Regeneration Grant Offer is provided in Annex D for use with any Standard Projects. You should be aware that the Grant Offer might not suit the specific needs of every PSR project but it should do so for the majority. These arrangements will vary depending on the objectives which individual projects are addressing, but could include:
 - ❖ The categories of prospective purchasers to receive priority when the houses are marketed (e.g. based on their current tenure, income, local connection with the area etc).

- ❖ The means of identifying/attracting priority purchasers (e.g. referrals from local authorities and advertisements).
- ❖ The period during which prospective priority purchasers will receive preference over others.
- ❖ Contingency arrangements, if individuals meeting the 'priority purchaser' criteria do not buy all of the houses.
- ❖ How the agreed priority purchase arrangements will be monitored by the grant applicant.

Grant clawback due to sale to a non-eligible purchaser

- 4.6 Houses provided with Partnership Support for Regeneration may not be sold to any officer or director of the company receiving Partnership Support for Regeneration or to persons with a financial interest in the company or to any person related by blood, by marriage or other close personal relationship to such persons. Sales to such non-eligible persons would represent a serious breach of grant conditions, and may lead to a demand for repayment of part of the grant. Any cases involving uncertainty about the eligibility of a prospective purchaser should be checked with the grant provider before the sale is completed. Grant applicants are advised to incorporate statements covering these requirements in all sales literature for grant funded projects. Applicants may also wish to have prospective purchasers sign a declaration confirming their status with regard to these provisions.

Short term letting

- 4.7 Short term letting by the grant applicant of houses provided with Partnership Support for Regeneration (e.g. in the event of marketing difficulties) is not permitted, except with the prior written consent of the grant provider.

Section 5

Grant payments and process monitoring

Grant payments

- 5.1 Applications for payment of Partnership Support for Regeneration should be submitted at the intervals specified in the approved cashflow, and no more frequently than monthly. In standard projects applications for payment must always be made using the standard form available from grant providers.
- 5.2 Partnership Support for Regeneration grant payments in standard projects will be made provided that all of the following conditions are met:
- ❖ The grant applicant has provided a written acceptance of the Partnership Support for Regeneration offer or otherwise entered into a formal legal agreement in that respect and has completed all necessary security documentation.
 - ❖ The grant cannot be paid earlier than the date stated in the approved cashflow unless otherwise agreed and can only be considered if the overall amount of grant does not increase and if the Internal Rate of Return (IRR) does not exceed the IRR at grant approval stage.
 - ❖ If required by the grant provider, any works or services not provided direct by the grant applicant are substantiated with the appropriate works certificate, fee invoices etc.
 - ❖ Where the grant applicant is carrying out works, the grant provider will appoint independent chartered surveyors to confirm that the works and costs certified by the grant applicant are reasonable in relation to the project's progress.
 - ❖ Payments of grant will not exceed the leverage rate¹ in relation to costs incurred (for example, if the leverage rate is 30%, then £100,000 would have to be spent before £30,000 max could be claimed).
 - ❖ The payment terms for bespoke projects will be those agreed with Scottish Ministers and will vary according to the circumstances of the project.

Progress reports

- 5.3 Throughout the duration of the project (i.e. from site start to completion of sales), applicants in standard projects required to submit standard

¹ Applications for PSR which show a leverage rate of less than 5% will not be approved

Progress report forms to the grant provider. A copy of this form for standard projects is provided in **Annex B** and it can be obtained from the grant provider. The form has been combined with the form for requesting Payment of Partnership Support for Regeneration grant. The grant provider will specify the frequency for submitting progress reports in its offer of grant. Progress reports will be requested no more frequently than monthly, and no less frequently than quarterly. In months when a grant payment is being requested, a progress report must be submitted. Once again the payment terms for bespoke projects will be those agreed with Scottish Ministers and will vary according to the circumstances of the project.

Confirmation of reported progress – site visits

- 5.4 Responsibility for the satisfactory completion of projects and the quality of the housing being provided rests with the grant applicant and statutory authorities. However, to ensure that projects in receipt of Partnership Support for Regeneration are proceeding in the manner envisaged, the grant provider will also wish to monitor progress.
- 5.5 The grant provider or its agents may wish to inspect progress on site. The frequency of site visits will depend on the nature of the project and the agreed programme of grant payments. The standard offer of grant obliges the grant applicant to allow the grant provider access to the development site, subject to reasonable notice being given.

Payments to contractors

- 5.6 Grant applicants are responsible for ensuring that all obligations to consultants, contractors, sub-contractors and suppliers are met, including the timeous settlement of accounts. The grant provider has no locus in such contractual relationships.

Default

- 5.7 In standard projects the grant recipient is deemed to be in default if there is any breach in conditions set out in the standard offer of Partnership Support for Regeneration. If the grant provider deems the default capable of being remedied the grant provider will allow the grant recipient a reasonable period in which to remedy the default. The grant provider will write to the grant recipient under such circumstances to that effect.

Where the default cannot be remedied in the opinion of the grant provider, where no payment has been made the grant provider will not make payment and where payment or part payment has been made the grant recipient shall immediately repay to the grant provider up to the full amount of any such payment of the Partnership Support for Regeneration grant minus a sum attributable to sales of units to first purchasers which have concluded at the date of default.

Assessment of completed projects

Post-completion assessment procedures

- 5.8 When projects have reached completion, the grant provider will in standard projects assess the physical and financial outcomes from the project. This assessment will be carried out immediately following the sale of the last house in the project.
- 5.9 The assessment will address the following issues:
- ❖ Confirmation that the project is complete, and that the completed housing is consistent with what was agreed for grant purposes in relation to house numbers, size and design.
 - ❖ Comparison of the actual construction and marketing periods with those projected at grant approval.
 - ❖ Confirmation that the conditions in the offer of Partnership Support for Regeneration have been met.
 - ❖ The amount of any grant repayable to the grant provider, based on the grant clawback conditions contained in the offer.
- 5.10 Grant applicants in standard projects are obliged by the standard Partnership Support for Regeneration conditions to submit a standard **Post completion return form** within 28 days of completion of the project i.e. within 28 days of the date of conclusion of missives for the sale of the last house in the project. A copy of the post completion return form is given in [Annex C](#).
- 5.11 For a sample of projects, the grant provider might also conduct a more detailed evaluation, to determine success in meeting the objectives defined at grant approval stage, and the value for money of the housing provided.

Monitoring who is housed

- 5.12 Grant providers will monitor who is housed in Partnership Support for Regeneration funded projects).
- 5.13 In standard projects Grant applicants must submit a standard sales log form for each house within a project. The form should be returned to the grant provider within 28 days of missives being concluded for each individual house sold.

Section 6

Contacting the grant provider

Partnership Support for Regeneration providers

In Glasgow and Edinburgh responsibility for the administration of Partnership Support for Regeneration has been transferred by the Scottish Government to the relevant city council.

For all other areas, Partnership Support for Regeneration is administered by the Scottish Government's Housing Investment Division's local network across Scotland. Additional copies of these Administrative Instructions together with application forms can be found on the Scottish Government website at www.scotland.gov.uk/LIFT

Housing Investment The City of Edinburgh Council Waverley Court Level C3 4 East Market Street Edinburgh EH8 8BG Tel: 0131 529 7017	Development and Regeneration Services Glasgow City Council Exchange House 229 George Street Glasgow G1 1QU Telephone: 0141 287 8452 Fax: 0141 287 8444
Area 1-G South Victoria Quay EDINBURGH EH6 6QQ Tel: 0300 244 4000 or 0131 556 8400	Highlander House 58 Waterloo Street GLASGOW G2 7DA Tel: 0300 244 4000 or 0131 556 8400 Fax: 0141 242 5769
Rex House 75 Bothwell Road HAMILTON ML3 ODW Tel: 01698 420042 Fax: 01698 425255	Room 106, 1 st Floor Russell House AYR KA 8 0BE Tel: 0300 244 4000 or 0131 556 8400 Fax: 01292 291301
Longman House 28 Longman Road INVERNESS IV2 3BW Tel: 0300 244 4000 or 0131 556 8400 Fax: 0300 020 1201	Endeavour House 1 Greenmarket DUNDEE DD1 4QB Tel: 01382 427500 Fax: 01382 427527
Johnstone House (1st Floor - Suite A) 50 – 54 Rose Street ABERDEEN AB10 1UD Tel: 0300 244 9444 Fax: 0300 244 9443	

Partnership Support for Regeneration Information Pack

Partnership Support for Regeneration Approval Arrangements

Decisions about most Partnership Support for Regeneration projects are made by the grant provider.

Bespoke grants including those of high value and/or those which involve novel or contentious aspects, also require Scottish Government approval by Scottish Ministers. In these cases, the grant provider will need to obtain Scottish Government approval from Scottish Ministers before approving the Partnership Support for Regeneration.

The current criteria for approving Partnership Support for Regeneration projects are as follows:

All Partnership Support for Regeneration grants for owner occupation may be approved by the grant provider, unless one or more of the following exceptions apply:

- ❖ All Partnership Support for Regeneration grants in excess of £500,000 require further scrutiny before the grant provider can award the grant. In addition, if the total level of public subsidy exceeds £500,000 (i.e. Partnership Support for Regeneration grant plus any other form of public subsidy), further scrutiny will be required before the grant provider can award the Partnership Support for Regeneration grant. The £500,000 threshold applies to single projects, and to successive phases of the same project. Scottish Government area teams and local authorities should submit projects that exceed the delegated authority limits to the Deputy Director of Housing Investment (or Head of Investment in absence of the Deputy Director) (which will not be unreasonably withheld). Housing Investment Division Managers are authorised to approve projects up to a maximum of £250,000.
- ❖ While the maximum level of grant payable is 60% of the total project costs, generally, in standard projects the scheme expects to provide a maximum level of 40% grant for projects in the top 15% Scottish Index Multiple Deprivation most deprived areas and 33% for all other projects. Any exceptions to the maximum limits of 40% and 33% may require the approval of Scottish Ministers. The over-riding objective will be to ensure that the minimum public subsidy necessary is given to enable Partnership Support for Regeneration projects to proceed, regardless of their location.
- ❖ Any eligible grant proposal, regardless of the value of the grant, which the grant provider considers to be novel or contentious (e.g. any bespoke project), requires further approval by Scottish Ministers subject to such terms and conditions as they consider appropriate having regard to the over-riding requirements to minimise grant maximise clawback and avoid leakage of funds to non- grant assisted works

- ❖ Under the terms of the Transfer of Management Development Funding Agreements that both the City of Edinburgh Council and Glasgow City Council have entered into with the Scottish Ministers, provisions relating to delegated authority levels for Partnership Support for Regeneration (formerly known as GRO-Grant) will not be affected by the terms of this Annex A.

Partnership Support for Regeneration Application for Grant Approval

Partnership Support for Regeneration Application for grant approval

Date of this application _____

PART 1 SUMMARY DETAILS OF THE GRANT PROPOSAL

1.1 The Grant Applicant

Enter the name of the organisation applying for Partnership Support for Regeneration grant

Enter address and contact details of organisation applying for Partnership Support for Regeneration grant

Address _____

Postcode _____

Telephone number _____

Facsimile number _____

Name of contact person _____

email address _____

If an agent is being used to submit this application,
please enclose full details of where we can contact the agent.

Tick box

No agent being used Agent being used and contact details are enclosed

1.2 The proposed project

Enter full address and postcode of the project being proposed for Partnership Support for Regeneration grant funding

Address _____

 _____ Postcode _____

Enter the name of the local authority area in which the proposed project is located

Tick one box to confirm the current use of the project site

- Vacant brownfield site
- Existing housing (whether or not vacant)
- Existing buildings other than housing
- Vacant greenfield site
- Other or mixture of uses

Tick one box to confirm how construction works will be procured

- All works carried out by 'in house' contractor
- Mix of 'in house' contractor and sub-contractors
(please enclose details)
- All works to be procured by competitive tendering/selection

Tick one box to confirm type of development proposed

- New build
- Conversion of buildings other than housing
- Rehabilitation (housing built pre 1919)
- Rehabilitation (housing built after 1919)
- Mixture of types of construction
- Other (please specify below)

1.3 Ownership of the project site

Enter details of the current ownership of the project site/buildings

If the site is not currently in the ownership of the company, enter below the date when acquisition will be completed

Will the site be developed under a licence agreement with the current owners

of the site?

Tick to confirm Yes No

If yes, provide enclosure 20 to this form

1.4 Summary of the housing to be provided and the Partnership Support for Regeneration grant funding required

Number of houses for owner occupation to be provided by the project _____
Estimated date of works commencement (month/year) _____
Estimated date of works completion (month/year) _____
Construction period (number of months) _____
Estimated date of first house sale (month/year) _____
Estimated date of last house sale (month/year) _____
Total development costs for the project £ _____
(constant prices, i.e. excluding inflation and excluding profit and financing costs)
Partnership Support for Regeneration
grant funding applied for (excluding inflation) £ _____
Partnership Support for Regeneration
grant funding applied for (inclusive of inflation)* £ _____
Internal rate of return associated with
Partnership Support for Regeneration
grant applied for * _____ %

PART 2 LIST OF INFORMATION ENCLOSED

IMPORTANT NOTE: Please mark all enclosures clearly with the reference numbers shown on this form. Tick to confirm that appendices 1, 2, 3, 4 and 5 to this form have been completed and are enclosed:

Appendix 1 Appendix 2 Appendix 3 Appendix 4 Appendix 5

OTHER INFORMATION REQUIRED

TICK TO CONFIRM ENCLOSED

THE COMPANY

- 1 Copy of the company's audited accounts for the last financial year.*
- 2 Written statement of the company's ownership, organisational structure and legal status.*
- 3 Current banker's reference.
- 4 Written statement of how the company proposes to finance the project (other than with Partnership Support for Regeneration grant). Where relevant, include evidence of support from lenders and/or other agencies providing grants for the project.
- 5 Written details of the company's track record in carrying out

any works or services being provided 'in house' (if not applicable, mark with an X).

(*Please check with the grant provider dealing with your application whether these enclosures are required.)

MARKET ASSESSMENT

6 Written statement of the company's assessment of demand for owner occupied housing in the project location. (This should include evidence in support of the market assessment and state the sources of information used; state who the target purchaser groups are, profiling the probable income levels, economic activity and current tenure/geographical location of anticipated purchasers; and make clear the relationship between the proposed housing mix and the company's assessment of demand.)

7 Report by the District Valuer or other independent RICS qualified valuer, stating the market value of the houses to be provided. (This should make clear the values ascribed to each individual house type and size in the project.)

8 Enclose a statement detailing any priority purchase arrangements proposed and how these will operate.

BUILDING PROPOSALS

9a Enclose two sets of site layout drawings delineating any common areas or public open space (preferred scale 1:200, minimum 1:500).

9b Enclose details of factoring/maintenance arrangements for any common areas or public open space.

10 Enclose two sets of elevation drawings (preferred scale 1:100, minimum scale 1:200).

11 Enclose two sets of floor plans (all), preferred scale 1:50, minimum scale 1:100. Submitted floor plans should have area in square metres marked up for each room; for each house or flat (gross internal floor area); and for communal areas. Each house/plot should be numbered and the number of bedspaces should be clearly marked. See footnote to Appendix 1 to this form for further guidance on numbering of houses/plots.

12 Enclose two sets of coloured perspective drawings of the completed project, showing the relationship to adjacent buildings as appropriate. (Note: This is an optional requirement - please check with the grant provider whether perspective drawings are required.)

13 Where the project involves landscaping works, enclose proposals and two sets of drawings. (Mark with an X if not applicable.)

14 Enclose specification for the project referenced to elemental cost analysis provided in Appendix 2 to the form. This enclosure should also make clear assumed site conditions and the proposed foundation design; and provide specific details of any non-standard specification or design features required or likely to be required to obtain planning consent.

- 15 If construction works have been subject to competitive tendering, enclose a copy of the report on tenders. (Mark with an X if not applicable.)
- 16 Enclose a statement explaining how direct overheads associated with the project (as shown in Appendix 2) have been calculated i.e. excluding central overheads incurred by the company irrespective of whether this project proceeds.
- 17 Enclose a District Valuer's or other independent professional valuer's assessment of the pre-development value of the site or buildings, unless the site value is being set by the grant provider or third party. If the site or buildings are already in the company's ownership, enclose details of the actual purchase price paid.
- 18a Enclose evidence of full consultation with:
- ❖ Planning
 - ❖ Building Control
 - ❖ Roads Department
 - ❖ Water and sewerage authority
 - ❖ Other relevant authorities/utilities
- 18b Enclose a statement of when the relevant consents for the project will be obtained.

GRANT PROPOSAL

- 19 Enclose statement justifying internal rate of return associated with the proposed grant, as shown in the project cashflow at Appendix 3.

SECURITY FOR PARTNERSHIP SUPPORT FOR REGENERATION GRANT

- 20 Enclose statement of form of security to be provided for any Partnership Support for Regeneration grant approved. If development under a licence agreement with the current owner of the site is proposed, also enclose a copy of the proposed licence agreement or a statement of when a draft licence agreement will be available. This will not be required where the grant provider is also the granter in the licence agreement.

VARIATIONS IN INFORMATION REQUIRED

Exceptionally, the grant provider may need to ask for information in addition to that specified in this form, depending on the circumstances of individual projects. The grant provider dealing with your application will detail any such additional information required. Where the grant provider considers that some of the information requirements stated in this form can be deleted or reduced (due, for example, to the small scale of a proposed project) grant applicants will be notified before a formal application is invited.

PART 3 CERTIFICATION BY GRANT APPLICANT

- 1. We have provided all information requested in the foregoing sections of this form and any additional information requested by the grant provider in connection with our application for approval of Partnership Support for Regeneration grant.
- 2. We have noted, understood and accept the method by which any Partnership Support for Regeneration grant approved for the proposed project will be calculated.
- 3. We have noted and understood the terms of the standard offer of Partnership Support for Regeneration grant and accept that any offer will be based on this form of offer.
- 4. We certify that no person who is an office bearer or proprietor of the Company is an undischarged bankrupt.
- 5. All information provided in support of this application is to the best of our knowledge accurate and truthful.

Signed _____ (Signature)

_____ (Typed or printed name)

_____ (Position in company)

for _____ (Name of company)

_____ (Date)

**Application for Partnership Support for Regeneration
grant approval** **Appendix 1**

Housing mix and proposed selling prices

Project

Grant applicant

NUMBER OF HOUSES/FLATS OF EACH TYPE AND SIZE					
SIZE OF HOUSES/FLATS	A FLAT	B TERRACED HOUSE	C S-DETACHED HOUSE	D DETACHED HOUSE	TOTAL
1 person					
2 person					
3 person					
4 person					
5 person					
6 person or more					
TOTAL					

HOUSE NUMBER (Must relate to drawings submitted)	HOUSE TYPE (A - D above)	HOUSE SIZE (1 person - 6 person as above)	GROSS INTERNAL FLOOR AREA (m ²)	PROPOSED SELLING PRICE*
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

*Selling prices should be given in real prices, i.e. base-dated at assumed site start date with no allowance for future inflation.

HOUSE NUMBER (Must relate to drawings submitted)	HOUSE TYPE (A - D above)	HOUSE SIZE (1 person - 6 person as above)	GROSS INTERNAL FLOOR AREA (m ²)	PROPOSED SELLING PRICE*
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
TOTAL FOR PROJECT				

*Selling prices should be given in real prices, i.e. base-dated at assumed site start date with no allowance for future inflation.

If your project contains more than 35 houses, please copy and re-number as many additional pages as are required. Alternatively, if your project contains groups of houses which are identical in terms of house type, size, layout and price, these may be grouped rather than listed individually.

Capital costs

Project _____

Grant Applicant _____

WORKS COSTS

	WORKS COST DESCRIPTION ELEMENTAL BREAKDOWN	TOTAL COST	COST PER M ² (GROSS FLOOR AREA)	ELEMENT UNIT QUANTITY (complete where applicable)	ELEMENT UNIT RATE	COST PER HOUSE
1.A	Substructure underbuildings					
1.B	Ground floor					
2.A	Frame					
2.B	Upper floors					
2.C	Roof					
2.D	Stairs					
2.E	External walls					
2.F	Windows					
2.G	External doors					
2.H	Internal walls and partitions					
2.I	Internal doors					
3.A	Wall finish					
3.B	Floor finish					
3.C	Ceiling finish					
3.D	Decoration					

	WORKS COST DESCRIPTION ELEMENTAL BREAKDOWN	TOTAL COST	COST PER M ² (GROSS FLOOR AREA)	ELEMENT UNIT QUANTITY (complete where applicable)	ELEMENT UNIT RATE	COST PER HOUSE
4.A	Fittings					
4.B	Kitchen fitments					
4.C	Sundry fittings					
5.A	Sanitary appliances					
5.B	Plumbing installation					
5.C	Water installation					
5.D	Space heating/air treatment					
5.E	Ventilation installation					
5.F	Electrical installation					
5.G	Gas installation					
5.H	Lift installation					
5.I	Protective installation					
5.J	Communication installation					
5.K	Special installations					
5.L	Builder's work regarding services					
5.M	Builder's profit and attendance on services					
	BUILDING SUB-TOTAL					
6.A	Preliminaries					
	BUILDING TOTAL					
7.A	Site works					
7.B	Landscaping cost					
7.C	Drainage					
7.D	External services					
7.E	Minor building works					

	WORKS COST DESCRIPTION ELEMENTAL BREAKDOWN	TOTAL COST	COST PER M ² (GROSS FLOOR AREA)	ELEMENT UNIT QUANTITY (complete where applicable)	ELEMENT UNIT RATE	COST PER HOUSE
	EXTERNAL WORKS SUB-TOTAL					
8.A	Preliminaries					
	EXTERNAL TOTAL					
	TOTAL OVERALL COST OF WORKS	£	£	£	£	£

OTHER DEVELOPMENT COSTS

	DESCRIPTION	TOTAL COST	COST PER M ² (GROSS FLOOR AREA)	COST PER HOUSE
9.	Land costs			
10.	Legal fees (acquisition)			
11.	Planning fees and building warrant			
12.	PROFESSIONAL FEES			
	Architect			
	Quantity surveyor			
	Structural engineer			
	Services engineer			
	Other			
13.	White goods, if applicable			
14.	Floor coverings, other furnishings (if applicable - please provide details in enclosure 14 of grant application form)			
15.	Site investigation			
16.	Third party warranty/accreditation			
17.	Project administration/overhead costs			
18.	Marketing costs			

19.	Non-recoverable VAT (if applicable - please specify separately)			
20.	Others (please specify)			
	TOTAL FOR SECTION 20			
	TOTAL PROJECT COST	£	£	£

Application for Partnership Support for Regeneration Grant Approval

Appendix 3

Cashflow (Constant prices, i.e. base-dated at assumed site start date and not adjusted for subsequent inflation)														
ROW	NUMBER OF MONTHS / QUARTERS (<i>see footnote</i>)													
	0	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
a No. house starts (cumulative)														
b No. completions (cumulative)														
c No. sales settled (cumulative)														
CAPITAL COSTS														
d Acquisition														
e Works														
f Fees														
g Marketing costs														
h Direct overheads														
i Other														
j TOTAL COSTS														
k Sales income														
l Other income														
m Cashflow without grant														
n NPV without grant														
o Partnership Support for Regeneration grant														
p Cashflow with grant														

Cashflow (Constant prices, i.e. base-dated at assumed site start date and not adjusted for subsequent inflation)														
q NPV with grant														
PARTNERSHIP SUPPORT FOR REGENERATION GRANT														
r Nominal value (actual payable)														
s Inflation adjusted grant														
t Present value of grant														
u Net grant equivalent														
FOR GRANT PROVIDER USE														
v Total costs (nominal value)														
w Total sales income (nominal value)														

IRR with grant ____% IRR without grant ____% Annual inflation assumption used ____%

Application for Partnership Support for Regeneration Grant Approval

Appendix 3

Continuation sheet 1 - if required

ROW	NUMBER OF MONTHS / QUARTERS <i>(see footnote)</i>											TOTAL	
	13	14	15	16	17	18	19	20	21	22	23		24
a No. house starts <i>(cumulative)</i>													
b No. completions <i>(cumulative)</i>													
c No. sales settled <i>(cumulative)</i>													
CAPITAL COSTS													
d Acquisition													
e Works													
f Fees													
g Marketing costs													
h Direct overheads													
i Other													
j TOTAL COSTS													
k Sales income													
l Other income													
m Cashflow without grant													
n NPV without grant													
o Partnership Support for Regeneration grant													
p Cashflow with grant													
q NPV with grant													
PARTNERSHIP SUPPORT FOR REGENERATION GRANT													

r	Nominal value (actual payable)													
s	Inflation adjusted grant													
t	Present value of grant													
u	Net grant equivalent													
FOR GRANT PROVIDER USE														
v	Total costs (nominal value)													
w	Total sales income (nominal value)													

Continue overleaf if number of months (for monthly cashflows) exceeds 24; or if number of quarters (for quarterly cashflows) exceeds 24.

Application for Partnership Support for Regeneration Grant

Appendix 3

Continuation sheet 1 - if required

ROW	NUMBER OF MONTHS / QUARTERS											TOTAL	
	25	26	27	28	29	30	31	32	33	34	35		36
a No. house starts (cumulative)													
b No. completions (cumulative)													
c No. sales settled (cumulative)													
CAPITAL COSTS													
d Acquisition													
e Works													
f Fees													
g Marketing costs													
h Direct overheads													
i Other													
j TOTAL COSTS													
K Sales income													
l Other income													
m Cashflow without grant													
n NPV without grant													
o Partnership Support for Regeneration Grant													
p Cashflow with grant													
q NPV with grant													
PARTNERSHIP SUPPORT FOR REGENERATION GRANT													

r	Nominal value (actual payable)													
S	Inflation adjusted grant													
t	Present value of grant													
u	Net grant equivalent													
FOR GRANT PROVIDER USE														
V	Total costs (nominal value)													
w	Total sales income (nominal value)													

Application for Partnership Support for Regeneration Grant Approval	Appendix 4
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Physical development standards

The information shown below is required to enable monitoring of physical development standards in Partnership Support for Regeneration funded developments. Grant providers will also require Partnership Support for Regeneration applicants to demonstrate that their proposals meet the standards defined in this Appendix.

Name of Partnership Support for Regeneration applicant

Name of Partnership Support for Regeneration project

PART 1 STANDARDS TO MEET HOUSING FOR VARYING NEEDS (HFVN)
--

		All basic requirements met	Not all basic requirements met	Total Dwellings
HFVN Part 1	Dwellings in general (excluding dwellings specifically for older/ambulant disabled or wheelchair users)			
(Houses & Flats)	Dwellings for older/ambulant disabled			
	Dwellings for wheelchair users			
	Sub-total		(2)	
HFVN Part 2	Shared housing in general (excluding shared housing specifically for older/disabled (bedspaces))			
(1) (Housing with	Shared housing for older/disabled people (bedspaces)			
Integral Support)	Group home (bedspaces)			
	Sub-total		(2)	

- Notes: 1. In shared or group housing dependent on the use of communal facilities/spaces these communal facilities should meet all the basic requirements set out in HFVN in order for the dwellings/bedspaces concerned to be deemed to meet all basic requirements.
2. If any dwellings/shared/group homes do not meet all the basic requirements of HFVN please enclose details of and reasons for non-compliance (tick if enclosed).

PART 2 INTERNAL FLOOR AREA

	Mainstream	Special Needs	TOTAL
Net Internal Floor Area of the project (m2)			
Gross Internal Floor Area of the project (m2)			

Net Internal Floor Area: Total useable floor area net of common stairwells and landings
 Gross Internal Floor Area: The total of all enclosed spaces fulfilling the functional requirements of the building, measured to the internal structural face of the enclosing walls. (BCIS: "Standard Form of Cost Analysis").

Note: This is used to measure total costs/m². It should, therefore, include housing for rent, LCHO and communal spaces related to the housing provision. It should exclude e.g. housing in other ownership, the cost of which is excluded from total scheme costs.

PART 3 A ENERGY RATING

State the average SAP ⁽¹⁾ rating for all dwellings	New Build	<input type="text"/>
	Rehab.	<input type="text"/>
Minimum standards ⁽²⁾ achieved for <u>all</u> dwellings (please tick to confirm ⁽³⁾)	New Build	<input type="text"/>
	Rehab.	<input type="text"/>

- Notes:
- SAP: Standard Assessment Procedure, ("The Government's Standard Assessment Procedure for energy rating of dwellings" DoE/BRE, 1998)
 - From 1 September 2000 the minimum standards acceptable are 65-70 (Rehab and Modernisation) and 85-90 (new build), in accordance with Scottish Homes Sustainable Development Policy (April 2003, first published July 2000).
 - If any dwellings do not achieve minimum standards, please enclose details of and reasons for non compliance, together with the minimum SAP rating attained and the number of dwellings that failed to meet minimum standards.

Minimum SAP	<input type="text"/>
No. of dwellings	<input type="text"/>

PART 3B ENERGY COSTS (SPACE AND WATER HEATING) (£ per annum)

State average space and water heating costs ⁽¹⁾ for all dwellings	New Build	<input type="text"/>
	Rehab.	<input type="text"/>

Note: Average space and water heating costs are calculated during establishment of SAP ratings. Please enter to nearest £.

PART 3C CO₂ EMISSIONS (tonnes per annum)

State average CO ₂ ⁽¹⁾ emissions for all dwellings	New Build	<input type="text"/>
	Rehab.	<input type="text"/>

Note: Average CO₂ emissions are calculated during establishment of SAP ratings. Please enter to the nearest tonne.

PART 4 SECURITY CONSCIOUS DESIGN

The project is intended to be accredited as “Secured by Design” by the Police Authority:	Yes	<input type="text"/>
	No	<input type="text"/>

Note: Where projects are not to be accredited “Secured by Design” please provide brief details of why.

PART 5 ‘BROWNFIELD’ & ‘GREENFIELD’ DEVELOPMENT

State the number of new build units that are being developed on ‘brownfield’ ⁽¹⁾ land	Flats	<input type="text"/>
	Houses	<input type="text"/>
State the number of new build units that are being developed on ‘greenfield’ ⁽²⁾ land	Flats	<input type="text"/>
	Houses	<input type="text"/>

Notes:

1. ‘Brownfield’ sites are defined as “land which has previously been developed. The term may encompass vacant or derelict land; infill sites; land occupied by redundant or unused buildings; and developed land within the settlement boundary where further intensification of use is considered acceptable.”
2. ‘Greenfield’ sites are defined as “land which has never previously been developed, or fully-restored formerly derelict land which has been brought back into active or beneficial use for agriculture, forestry, environmental purposes, or outdoor recreation.”

These definitions have been taken from: Scottish Planning Policy (SPP) 3: Planning for Housing. (Published by the Scottish Executive Development Department in February 2003.)

RESOURCE Ref. (GP Use)

**Application for Partnership Support for
Regeneration grant approval
Appendix 5**

Gross indicative cost comparison (only required for new build dwellings)

NEW BUILD SUMMARY

DENSITY

Persons per hectare _____
Dwellings per hectare _____
Car spaces per hectare _____

HOUSE ERECTION	UNIT	TOTAL	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	_____

ADDITIONAL COSTS FOR SLOPE

Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	
Person dwellings at	£ _____	£ _____	_____

CAR SPACE DENSITY ALLOWANCE

_____ cars at £ _____ £ _____ _____

COVERED CAR ACCOMMODATION ALLOWANCE

_____ carports at £ _____ £ _____ _____
_____ garages at £ _____ £ _____ _____

SITE DEVELOPMENT AND SERVICING

_____ dwellings at £ _____ £ _____ _____

SUB TOTAL _____

REGIONAL VARIATION ADJUSTMENT

District% _____

VARIATION OF PRICE ALLOWANCE		_____
BASIC INDICATIVE COST		_____
AD HOC ADJUSTMENTS (Provide details separately)	TOTAL	_____
GROSS INDICATIVE COST		_____
Ad-hocs and non-standard costs as percentage of BIC		_____%
Relationship of proposed works cost to GIC (+/- %)		_____%

Partnership Support for Regeneration
Progress report and application for grant payment -
Standard Project

1. PROJECT INFORMATION

Progress report at last day of (enter month and year) _____

Number of progress reports previously submitted _____

Month number (counting from actual site start) _____

Project address _____

Name of grant recipient (as stated in Partnership Support for Regeneration offer)

Address, with full postcode, to which grant payments should be sent

Actual site start date _____

Number of house starts (superstructure brickwork started)

(a) Since last progress report _____ (b) Cumulative total to date _____

Number of house completions (habitation certificates issued)

(a) Since last progress report _____ (b) Cumulative total to date _____

Projected date of construction completion (month and year) _____

Projected date of last house sale (month and year) _____

Enter value of construction works completed since last progress report £ _____

- Tick to confirm Appendix 1 (cashflow) has been completed
- Tick to confirm Appendix 2 (marketing progress) has been completed

Enter cumulative number of return forms submitted for the project at the date of this progress report

(Sales Log forms may be included with progress reports or submitted separately)

2. Certification and (if applicable) claim for Partnership Support for Regeneration payment

- (a) We certify that the foregoing information and the information contained in Appendices 1 and 2 to this report is correct and can be substantiated with reference to records held by the company.
- (b) We request a Partnership Support for Regeneration grant payment of £_____
- (c) We confirm that the payment amount requested does not exceed the approved grant payment profile for the project.
- (d) We confirm that the payment amount requested is consistent with any additional conditions in the Partnership Support for Regeneration offer, which may restrict payments to a percentage of the project costs incurred.
- (e) We have advised all prospective purchasers that the houses in the project are available for sale only to persons who intend to occupy the houses as owner occupiers and as their sole residence. All purchasers have confirmed that they meet these criteria.
- (f) No houses in the project have been sold to an officer or director of the company or to any person related by blood, marriage or other close personal relationship to a person with a financial interest in the company.

Signed _____ (Signature)
(must be signed by an authorised signatory for the company)

_____ (Date)

THIS BOX FOR GRANT PROVIDER USE	
Date of receipt	
Payment request amount checked by	Date
Payment request amount approved by	Date
PROGRESS REPORT AND APPLICATION FOR PAYMENT OF PARTNERSHIP SUPPORT FOR REGENERATION GRANT	

Cashflow

Enter projected and actual project costs, sales income and Partnership Support for Regeneration grant for each month of the project since works commencement.

Shaded columns (projected costs, sales income and Partnership Support for Regeneration grant) should reflect the approved cashflow for the project (rows r, v and w of the cashflow issued as part of the offer of Partnership Support for Regeneration grant).

Month 0 costs are total costs incurred prior to works commencement.

Month	TOTAL PROJECT COSTS		SALES INCOME		PARTNERSHIP SUPPORT FOR REGENERATION Grant	
	Actual	Projected	Actual	Projected	Actual	Projected
0	£	£	£	£	£	£
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Month	TOTAL PROJECT COSTS		SALES INCOME		PARTNERSHIP SUPPORT FOR REGENERATION Grant	
	Actual	Projected	Actual	Projected	Actual	Projected
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Marketing progress

Enter total number of houses projected at grant approval stage to be sold by the date of submitting this report (eg if this report is submitted in month 12, how many houses did the approved cashflow assume would be sold by month 12?)

Complete the table below for each unique house type and size of house in the project

HOUSE TYPE & SIZE	NUMBER THIS TYPE & SIZE	CURRENT ADVERTISED FIXED PRICE	NUMBER OF SALES IN PAST MONTH		NUMBER OF SALES (CUMULATIVE)	
			MISSIVES	SETTLED	MISSIVES	SETTLED
		£				

Partnership Support for Regeneration
Post completion return form-Standard Project

This form should be submitted to the grant provider within 28 days of the date of sale of the last house in the project.

Completion of this form is a mandatory condition of Partnership Support for Regeneration Grant approval. The grant provider will use the information you provide to make a final assessment of the grant payable, and the overall effectiveness of the project. The information will also be used to aid the assessment of future projects.

1. GRANT APPLICANT

Name of grant recipient _____

Name and telephone number of contact person to whom any queries should be directed

Name _____

Telephone number _____

2. THE PARTNERSHIP SUPPORT FOR REGENERATION FUNDED PROJECT

Address/location of the project to which this form relates

Postcode _____

Number of Partnership Support for Regeneration funded housing units at grant approval stage _____

Number of Partnership Support for Regeneration funded housing units at project completion _____

3. INFORMATION NEEDED TO ASSESS ANY GRANT CLAWBACK DUE

- Tick to confirm that **Appendix 1** to this form (actual housing mix and sales prices) has been completed
- Tick to confirm that **Appendix 2** to this form (actual cashflow) has been completed

4. SALES INCOME RECEIVED FOR THE PROJECT IN RELATION TO THE AMOUNT PROJECTED AT GRANT APPROVAL STAGE

a. Total sales income received	£	£
b. Proposed deductions, if any, from any potential clawback due to purchaser instructions (full details must be provided)	£	£
c. Actual sales income for potential clawback purposes (a)-(b)	£	£

5. CAPITAL COSTS AT PROJECT COMPLETION STAGE

Provide actual costs incurred (i.e. in cash value terms)

COST ELEMENT	AT PROJECT COMPLETION
Acquisition	£
Legal fees (site acquisition)	£
Construction/works	£
Professional fees	£
Marketing/sales	£
Direct overheads	£
Other costs (include any irrecoverable VAT here)	£
	£
	£
	£
	£
	£
TOTAL	£

6. OTHER PUBLIC FUNDING OF THE PARTNERSHIP SUPPORT FOR REGENERATION FUNDED HOUSES

SOURCE OF OTHER PUBLIC FUNDING	AMOUNT ASSUMED AT PROJECT APPROVAL STAGE	ACTUAL AMOUNT RECEIVED
	£	£
	£	£
	£	£

OR tick box if not applicable

7. KEY DATES FOR THE PROJECT
(give month and year unless stated otherwise)

EVENT	ASSUMED AT GRANT APPROVAL STAGE	ACTUAL
Site start date		
Construction completion date		
Construction period (number of months)		
Marketing start date		
Date of first sale		
Date of final sale		
Number of sales per month*		

* first sale to last, enter average number of sales per month

8. PARTNERSHIP SUPPORT FOR REGENERATION RETURN FORMS

Tick box to confirm that a completed Partnership Support for Regeneration return form has been submitted for every house sold in the project

or Enter number of Partnership Support for Regeneration forms submitted

and Enter number of Partnership Support for Regeneration forms outstanding

and Tick to confirm a statement explaining the reasons for any outstanding forms is enclosed

9. CERTIFICATION

I certify that the information contained in this form and in Appendices 1 and 2 is accurate and can be substantiated with reference to company records.

	Signed (Signature)
	(Printed name)
	(Position in company)
	(Date)

Actual housing mix and selling prices

	HOUSE TYPE	NUMBER OF HOUSES THIS SIZE AND TYPE	AGGREGATE NUMBER OF APARTMENTS* IN ALL HOUSES OF THIS SIZE AND TYPE	AGGREGATE SALES INCOME RECEIVED (CASH VALUE) FOR ALL HOUSES OF THIS SIZE AND TYPE
1 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
2 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
3 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
4 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
5 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
6 PERSON	Flat			
	Terraced house			
	Semi-detached house			
	Detached house			
TOTAL FOR PROJECT				£

*Definition of apartments - number of rooms excluding kitchens, dining kitchens, bathrooms

Project completion return form

Appendix 2

Actual cashflow

NOTE: For projects lasting 3 years or less, a monthly cashflow should be provided (continue overleaf if required).
 For projects lasting more than 3 years, a quarterly cashflow should be provided (continue overleaf if required).

MONTH/QUARTER														
	0	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
No. house starts (cumulative)														
No. completions (cumulative)														
No. sales settled (cumulative)														
CAPITAL COSTS														
Acquisition														
Works														
Fees														
Marketing costs														
Direct overheads														
Other														
TOTAL COSTS														
Sales income														
Other income														
Cashflow without grant														
Partnership Support for Regeneration Grant														

Actual cashflow (continuation sheet, if required)

MONTH/QUARTER													
	13	14	15	16	17	18	19	20	21	22	23	24	TOTAL
No. house starts (cumulative)													
No. completions (cumulative)													
No. sales settled (cumulative)													
CAPITAL COSTS													
Acquisition													
Works													
Fees													
Marketing costs													
Direct overheads													
Other													
TOTAL COSTS													
Sales income													
Other income													
Cashflow without grant													
Partnership Support for Regeneration Grant													

Actual cashflow (continuation sheet, if required)

MONTH/QUARTER													
	25	26	27	28	29	30	31	32	33	34	35	36	TOTAL
No. house starts (cumulative)													
No. completions (cumulative)													
No. sales settled (cumulative)													
CAPITAL COSTS													
Acquisition													
Works													
Fees													
Marketing costs													
Direct overheads													
Other													
TOTAL COSTS													
Sales income													
Other income													
Cashflow without grant													
Partnership Support for Regeneration Grant													

Template Grant Offer for Standard Partnership Support for Regeneration
Projects

**Standard Offer of Partnership
Support for Regeneration Grant**

Our Ref:

Name and address of Grant Recipient

Date:

Dear Sirs

Partnership Support for Regeneration

SUBJECTS:

RESOURCE System Reference:

The Grant Provider (after defined) hereby offers to make to you, the Grant Recipient (after defined), a Partnership Support for Regeneration Grant (the “Grant”) subject to the following terms and conditions and to the conditions contained in the Standard Conditions of Grant forming Part 1 of the Schedule annexed hereto:-

1. Interpretation

1.1 In this Offer (including the Schedule) the following expressions have the following meanings:-

Amount of Grant £ [Insert amount of Grant being offered.]

[Bank Guarantee] [Name/amount if applicable]

Grant Provider Insert either
[“means the Scottish Ministers”]

or

["means (the name of the local authority and its address)"]

Grant Recipient

Insert

[Name and address of Grant Recipient. If a company, this should be the address of its registered office, and the registered number of the company should also be inserted.]

[Licence Agreement]

[Details of Licence Agreement if applicable]

[Performance Bond]

[Name/amount if applicable]

[Permitted Security]

[Details of security, lender and amount]

Prescribed Rate

Insert either

[Four per centum per annum above the base rate of the Bank of England for the time being in force, or in the event of that ceasing to exist, such other rate equivalent to it as the Grant Provider may specify.]

or

[The rate of interest which the local authority intends to set.]

[Priority Purchase Scheme]

[As specified in Part 2 of the Schedule. (If there is a priority purchase scheme, prepare Part 2 of the Schedule to include a description of the categories of targeted purchasers, marketing strategy, length of marketing period and recording and monitoring of sales etc.)]

Project

[Enter a detailed description of the Project.]

RESOURCE System Reference

[Enter the RESOURCE System Reference number to be used in subsequent correspondence.]

Security Interest	[Details of the Grant Provider's security]
Subjects	[Address or description of site]
Term of Grant	[Enter the number of years for which the conditions of Grant are to apply.]

1.2 In this Offer (including the Schedule):-

“Act” means the Housing (Scotland) Act 2010;

“Actual Cashflow” means the cashflow approved by the Grant Provider after completion of the Project;

“Approved Cashflow” means the projected cashflow attached hereto approved by the Grant Provider before commencement of the Project;

“Approved Documents” means all specifications, designs, bills of quantity, plans, forms of building contract, professional appointments and tender reports submitted to and approved by the Grant Provider in respect of the Project;

“Bank Guarantee” means a bank guarantee (if any) specified in Clause 1.1, provided by a commercial bank as security for the Grant, the terms of which have been approved by the Grant Provider;

“Chartered Surveyor” means a surveyor registered with the Royal Institution of Chartered Surveyors;

“Clawback” means sums repayable by the Grant Recipient to the Grant Provider in terms of this Offer;

“First Purchaser” means the purchaser of a Unit from a Grant Recipient;

“Licence Agreement” means a licence agreement (if any) specified in Clause 1.1 to allow the Grant Recipient to occupy and develop the Subjects;

“Market Value” means the value of a Unit as determined by a Chartered Surveyor on the assumption (if not a fact) that the Unit was available for sale on the open market with vacant possession;

“Partnership Support for Regeneration Return Form” means the return used to record sales of Units to First Purchasers in the form prescribed by the Grant Provider;

“Performance Bond” means the performance bond (if any) specified in Clause 1.1, the terms of which have been approved by the Grant Provider;

“Permitted Security” means a standard security (other than any standard security by the Grant Recipient in favour of the Grant Provider), the terms of which have been approved by the Grant Provider, as specified in Clause 1.1;

“Plan” means the plan, if any, annexed and signed as relative hereto;

“Post Completion Return” means the form prescribed by the Grant Provider to be submitted to the Grant Provider by the Grant Recipient within 28 days of the conclusion of missives in respect of the sale of the last Unit in the Project;

“Progress Report and Application for Grant Payment” means the progress report and application for payment of Grant form to be submitted by the Grant Recipient to the Grant Provider in the form prescribed by the Grant Provider;

“Regulations” means The Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Regulations 2004, as amended by The Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Amendment Regulations 2013 and as further amended from time to time;

“Retail Prices Index” means the General Index of Retail Prices (all items) issued by the Office of National Statistics or any successor Ministry or Department;

“RSL” means a registered social landlord in terms of section 20 of the Act; and

“Schedule” means the schedule annexed to this Offer;

“Unit” means an individual flat or house that is constructed on the Subjects as part of the Project.

- 1.3 Except where the context otherwise requires words denoting the singular include the plural and vice versa, words denoting any gender include all genders, words denoting persons include firms and corporations and vice versa.

2. Purpose of the Grant

- 2.1 The Grant will be used by the Grant Recipient to provide Units for owner occupation in accordance with the Project and for no other purpose whatsoever.

3. Sale of Units

- 3.1 The Grant Recipient will market and sell all Units for owner occupation to First Purchasers who intend to occupy the Units as their only or principal residence and the Grant Recipient will not sell, let or otherwise dispose of the Subjects or any of the Units without the prior written consent of the Grant Provider.
- 3.2 Any client target groups specified in the Priority Purchase Scheme forming Part 2 of the Schedule will receive priority right to purchase the Units as First Purchasers when the Units are marketed for sale.
- 3.3 Units in the Project may not be sold to officers, trustees, directors or associates (as defined in section 435 of the Insolvency Act 1986) of the Grant Recipient or to persons with a financial interest in the Grant Recipient or to persons who are family members of, or who have any other close personal relationship with, such persons. Any queries which arise in relation to the application of this Clause 3.3 will be determined by the Grant Provider at its sole discretion.
- 3.4 Failure by the Grant Recipient to comply with this Clause will result in Clawback of a pro rata share of the Grant attributable to any Units which are:-
- (a) sold or otherwise disposed of for purposes other than as specified in Clause 3.1 hereof; or
 - (b) sold to person(s) outwith the client target groups specified in the Priority Purchase Scheme without the prior written consent of the Grant Provider; or
 - (c) sold to any of the person(s) specified in Clause 3.3 hereof.
- 3.5 Failure by the Grant Recipient to comply with this Clause 3 will also, at the Grant Provider's sole discretion, result in the Grant Recipient's disqualification from eligibility to receive Grants from the Grant Provider in future.

4. Commencement of Project

- 4.1 The Project will commence on site within [] weeks of the date of this Offer. In its acceptance, the Grant Recipient will specify the anticipated date of commencement of the Project.

5. Project Monitoring

- 5.1 The Grant Provider's staff (or consultants employed by the Grant Provider) may inspect progress on site on reasonable notice being given. The nature and frequency of site visits will be as reasonably determined by the Grant Provider, depending on the nature of the Project and the agreed programme of Grant payments. All reasonable access to the Subjects will be allowed to the Grant Provider or its consultants.
- 5.2 The Grant Recipient will produce to the Grant Provider evidence that all the Units are subject to NHBC or equivalent certification approved by the Grant Provider.
- 5.3 The Grant Recipient will provide the Grant Provider with detailed information about the sale and marketing of the Units on demand and will, if requested by the Grant Provider, provide true and complete copies of concluded missives to the Grant Provider forthwith following their conclusion. The Grant Recipient will submit a Partnership Support for Regeneration Return form to the Grant Provider for each Unit within 28 days of missives of sale being concluded. The Grant Provider will not be obliged to deliver a Deed of Restriction as specified in Clause 10.1 until the relevant Partnership Support for Regeneration form has been submitted to and approved by the Grant Provider.

6. Payment of Grant

- 6.1 Subject to Clause 6.2, the Grant will be paid to the Grant Recipient in terms of the Approved Cashflow. Under no circumstances will more Grant be paid than the cumulative amount agreed in the Approved Cashflow nor paid earlier than specified therein.
- 6.2 The Grant will not be paid until:-
 - 6.2.1 the Grant Recipient or the granter of a Licence Agreement to the Grant Recipient has a good and marketable title to the Subjects with no burdens, conditions, restrictions or servitudes affecting the Subjects which would adversely affect the Project;
 - 6.2.2 the Grant Recipient has obtained all necessary statutory consents for the Project
 - 6.2.3 the Grant Recipient has provided the appropriate security for the Grant as described in Clause 7 hereof; and
 - 6.2.4 the Grant Recipient has submitted a completed Progress Report and Application for Grant Payment form accompanied by all necessary supporting documentation as required by the Grant Provider. The Progress Report and Application for Grant Payment form will be submitted at intervals specified by the Grant Provider.
- 6.3 At the Grant Provider's discretion, any works or services not provided direct by the Grant Recipient may require to be substantiated with the appropriate

works certificate, fee invoices or other certification as required by the Grant Provider. Where works are being carried out by the Grant Recipient, the Grant Provider may appoint independent consultants (at its own expense) to verify that the cost of the work is reasonable.

- 6.4 The Grant or any instalment thereof will not be paid in advance of or in excess of expenditure incurred.
- 6.5 The Grant Recipient will apply the Grant towards the Project within 14 days of payment by the Grant Provider.

7. Security for Grant

- 7.1 Where the Grant Provider requires the Grant Recipient to grant a Standard Security over the Subjects:
 - 7.1.1 in security of the obligations of the Grant Recipient to the Grant Provider, the Grant Recipient will grant in favour of the Grant Provider a first or second ranking standard security (with, if required by the Grant Provider, a Deed of Variation of Conditions reflecting the terms of this Offer) over the Subjects in terms prescribed by the Grant Provider.
 - 7.2 Or alternatively, where the Grant Recipient has entered into a Licence Agreement for the development of the Subjects and is providing a Bank Guarantee or Performance Bond to the Grant Provider:
 - 7.2.1 the Grant Recipient has or will have entered into a Licence Agreement in respect of its occupation and development of the Subjects on terms which are satisfactory to the Grant Provider; and
 - 7.2.2 the Grant Recipient will deliver to the Grant Provider a Bank Guarantee or Performance Bond in respect of the Project, in terms satisfactory to the Grant Provider.
 - 7.3 Or alternatively, where the Grant Recipient owns the Subjects and is obtaining a Bank Guarantee or Performance Bond to secure the Grant:
 - 7.3.1 the Grant Recipient will deliver to the Grant Provider a Bank Guarantee or Performance Bond in respect of the Project in terms satisfactory to the Grant Provider.

8. Clawback

- 8.1 The Grant Recipient will market the Units in a proper and professional manner. The projected selling prices (in present day values), on which the calculation of the Amount of Grant has been based, are:-

Units Price	Persons	Apartments	Selling
[Unit]	[Number]	[Number]	[Price]
Total			

- 8.2 Where it has been agreed between the Grant Provider and the Grant Recipient that the cost of particular items of works or services cannot be accurately estimated prior to commencement of the Project, the Amount of Grant has been calculated using a provisional amount which shall be the maximum amount allowed for such items. The actual costs incurred by the Grant Recipient for such items of works or services will be reported by the Grant Recipient to the Grant Provider as soon as they are determined. Should the actual cost of such items be lower than the provisional amount allowed before commencement of the Project, this will be reflected in the Actual Cashflow.
- 8.3 Additional costs actually incurred in respect of utilities, connection costs and increases in the scope of VAT over and above the costs assumed for the purposes of determining the Amount of Grant, and any other additional costs agreed by the Grant Provider, will be taken into account when calculating any Clawback due (if any). Where purchasers of Units instruct variations to the specifications, finishes etc. assumed at the time of the Grant Recipient's Grant application, and such variations result in purchase price payments to the Grant Recipient greater than those on which Grant approval was based, the amount of any such increase in purchase price payments will not be included when calculating any Clawback to be repaid to the Grant Provider. The onus will be on the Grant Recipient to demonstrate to the Grant Provider's satisfaction the level of increase in purchase price payments accruing from such variations, and that works of variation to specifications, finishes etc. have been carried out.
- 8.4 The Grant Recipient will submit a Post Completion Return to the Grant Provider which will include an actual cashflow for the Project to be approved by the Grant Provider. Where the Grant calculated by the Grant Provider using the Actual Cashflow following receipt of the Post Completion Return is less than the Amount of Grant (which is calculated using the Approved Cashflow), 50% of the difference between these two amounts will be paid by the Grant Recipient to the Grant Provider within 14 days of intimation by the Grant Provider of the amount due.
- 8.5 Any dispute about the calculation of Clawback will be referred to an arbiter appointed by the Grant Provider and the Grant Recipient, or failing agreement, within 14 days of either party's request, by the president or senior office holder of the Royal Institution of Chartered Surveyors, the cost of referral to such

arbiter and the cost of his appointment to be within the award of the arbiter. The decision of such arbiter will be conclusive and binding on the Grant Provider and the Grant Recipient, and there will be specifically excluded or disapplied the provisions of rule 41 of the Scottish Arbitration Rules contained in Schedule 1 to the Arbitration (Scotland) Act 2010 which would otherwise permit an application to the Court of Session on any question of law.

9. Execution of Deeds of Restriction

9.1 Subject to Clauses 2.1, 3.1, 3.2, 3.3 and 5.3 hereof, Units will be released from the Grant Provider's security when sold. When submitting Deeds of Restriction for execution by the Grant Provider to release Units from the Grant Provider's security, the Grant Recipient will provide a certificate in the format specified in Annex 1 hereto.

10. Default

10.1 The breach of any of the terms and conditions contained in the Offer shall constitute a default.

10.2 In the event of a default which is, in the opinion of the Grant Provider, capable of being remedied, the Grant Provider will allow the Grant Recipient a period in which to remedy that default, said period being determined by the Grant Provider on the basis of what it considers reasonable in the circumstances and the Grant Provider will serve a notice in writing on the Grant Recipient to that effect.

10.3 In the event of a default which is, in the opinion of the Grant Provider, not capable of being remedied or has not been so remedied or is a default in terms of Clause 11.2 that has not been remedied in terms of that Clause:–

- (a) where no Grant has been paid the Grant Provider will not make a payment; and
- (b) in all other cases where payment of Grant has been made the Grant Recipient will immediately repay to the Grant Provider any such payment or part payment up to the full amount of the Grant under deduction of a sum attributable to sales of Units to First Purchasers for which missives have been concluded at the date of default.

10.4 Any failure, omission or delay by the Grant Provider in exercising any right or remedy to which it is entitled by virtue of the Offer shall not be construed as a waiver of such right or remedy.

11. Regulations

11.1 The Regulations are hereby excluded and do not form part of this Offer.

[Clause 12 below must be included in offers where the Grant Provider is a local authority. It must not be included in offers where the Grant Provider is the Scottish Ministers.]

12. Scottish Ministers

- 12.1 The parties acknowledge that the Grant Provider is administering the Grant for the Scottish Ministers who shall be entitled to rely upon and enforce the terms of the Offer as if the Grant Provider were the Scottish Ministers.
- 12.2 Without prejudice to all rights of the Scottish Ministers under Clause 12.1 and regardless of whether the same is expressly stated in any Clause hereunder:
 - 12.2.1 all obligations by the Grant Recipient to the Grant Provider shall also be owed to the Scottish Ministers; and
 - 12.2.2 where the Grant Recipient assumes liability in respect of any form of loss suffered by the Grant Provider this shall include an assumption of liability for any form of loss suffered by the Scottish Ministers.
- 12.3 All Realisation Forms and/or payments to be made thereunder shall be sent to the Grant Provider unless either the Scottish Ministers or the Grant Provider so require.

Yours faithfully

(Signature)

(Full name)

(Position)

(Date)

For and on behalf of the Grant Provider

On behalf of the Grant Recipient I hereby accept the foregoing Offer on the terms and conditions stated therein.

The anticipated date of works commencement is

(Signature)

(Full name)

(Position)

(Date)

For and on behalf of the Grant Recipient

THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING OFFER BY [] TO [] (the "Offer")

PART 1

STANDARD CONDITIONS OF GRANT

Acceptance of Offer

1. No payment of Grant will be made until the Offer is accepted.

Breach of Terms of Offer

2. Failure to comply with the terms and conditions in the Offer will be deemed to be a default on the part of the Grant Recipient and the Grant Provider may, on such a default, enforce its rights in accordance with the Offer.

Interest

3. The Grant Recipient will make payment of any sum due to the Grant Provider in terms of the Offer by a date specified by the Grant Provider for that purpose and interest at the Prescribed Rate will be payable by the Grant Recipient to the Grant Provider on any sum which is overdue.

Expenses

4. The Grant Recipient and the Grant Provider will bear their own legal fees which arise in connection with the Grant. The Grant Recipient will pay all registration fees in connection with the taking of any security.

Statutory Compliance

5. The Project will comply with all applicable statutory requirements.

Indemnity

6. The Grant Recipient will indemnify the Grant Provider and, if they are not the Grant Provider, Scottish Ministers from and against all actions, proceedings, claims, losses, expenses and damages arising from any breach by the Grant Recipient of any undertaking or obligation in connection with the Grant and for all liability in respect of personal injury to or death of any person or of any damage to any property arising out of or in the course of or caused by the carrying out of the Project by the Grant Recipient or those authorised by it.

Insurance

7. The Subjects and any Units thereon will be adequately insured to the satisfaction of the Grant Provider and in the case of the Units for at least full reinstatement value.

Project Agreements

8. The Grant Recipient will not breach any agreement with the Grant Provider and/or Scottish Ministers in respect of the Project.

Project Completion

9. The Project will be carried out with all due diligence, completed to the satisfaction of the Grant Provider and no material changes will be made to the Approved Documents without the prior written consent of the Grant Provider.

Time Limits

10. The Offer will be deemed to be withdrawn where the Project does not commence or proceed within time periods specified in the Offer unless the Grant Provider consents in writing to extend those specified periods.

Title

11. The Grant Recipient or the grantor of a licence agreement to the Grant Recipient has a good and marketable title to the Subjects with no burdens, conditions, restrictions or servitudes affecting the Subjects which would adversely affect the Project.

Other Monies

12. In the event of the Grant Recipient receiving, or being entitled to receive, any other monies for the Project not disclosed by the Grant Recipient to the Grant Provider at the time of the Grant application the Grant Recipient will disclose the nature and the amount of the other such monies to the Grant Provider within 7 days of being advised that it is to receive, or is entitled to receive, other such monies, and the Grant Provider will then be entitled at its sole discretion to:-
 - (a) reduce the amount of the Grant then unpaid by such sum as the Grant Provider reasonably considers appropriate; or
 - (b) require repayment of any Grant then paid up to the full amount of the Grant.

Default of Grant Recipient

13. For the Term of Grant:-

- (a) the Grant Recipient shall not be, or be deemed for the purpose of any law to be, unable to pay its debts as they fall due;
- (b) the Grant Recipient shall not be insolvent nor apparently insolvent, nor admit inability to pay its debts as they fall due and an insolvency practitioner, administrative receiver, receiver or liquidator or administrator shall not be appointed to the Grant Recipient or in respect of any of its assets, and steps shall not be taken to appoint any of the foregoing;
- (c) save where the Grant Recipient is an RSL or a public company there will be no change in its composition, constitution or control without the prior written consent of the Grant Provider;
- (d) the Grant Recipient will not assign its rights or obligations in respect of the Grant or any part of it to any other party without the prior written consent of the Grant Provider;
- (e) the Grant Recipient shall not be wound up, struck off or dissolved, other than for the purpose of restructuring of the Grant Recipient for trading purposes;
- (f) the Grant Recipient shall not cease or threaten to cease operating or trading; and
- (g) there shall be no legal diligence or execution affecting any material asset of the Grant Recipient required for the Project.

14. The Grant Recipient shall not provide false or misleading information to the Grant Provider or omit to provide information that has been requested.

15. For the Term of Grant, no security over the Subjects shall be called up or enforced.

16. Save where the Grant Recipient is an RSL, for the Term of Grant the Grant Recipient shall not create or permit any security, encumbrance or diligence over or affecting the Subjects other than:-

- (a) any Permitted Security; or
- (b) any security granted in favour of the Grant Provider.

Press Releases

17. The Grant Provider reserves the right to issue any press release or other public information about the Grant and/or the Project including the right to erect a signboard at the Project.

Inspection and Information

- 18.1 The Grant Recipient shall keep and maintain for a period of six years after the expenditure occurs, adequate and proper records and books of account recording all receipts and expenditure of monies paid to it by the Grant Provider by way of the Grant. The Grant Recipient shall afford the Grant Provider and its representatives and such other persons as the Grant Provider may reasonably specify from time to time, such access to those records and books of account as may be required by them at any reasonable time in response to a written request for such access from the person seeking it. The Grant Recipient shall provide such reasonable assistance and explanation as the person carrying out the inspection may from time to time require.
- 18.2 In the event of the Grant Recipient becoming aware of or suspecting any irregular or fraudulent activity that may have any impact on the Project or on the use of the Grant, or any part of it, the Grant Recipient shall immediately notify the Grant Provider of such activity and provide such other information as the Grant Provider may reasonably require in relation to the impact on the Project and the use of the Grant.

Confidentiality and Data Protection

- 19.1 The Grant Recipient will respect the confidentiality of any commercially sensitive information that they have access to as a result of the Project.
- 19.2 Notwithstanding the above, the Grant Recipient may disclose any information as required by law or judicial order. All information submitted to the Grant Provider may need to be disclosed and/or published by the Grant Provider. Without prejudice to the foregoing generality, the Grant Provider may disclose information in compliance with the Freedom of Information (Scotland) Act 2002, any other law, or as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure. Further, the Grant Provider may also disclose all information submitted to it to the Scottish or United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in Scotland, in right of the Scottish Administration or the United Kingdom, and their servants or agents. When disclosing such information to either the Scottish Parliament or United Kingdom Parliament it is recognised and agreed by the Grant Provider and Grant Recipient that the Grant Provider shall if it sees fit disclose such information but is unable to oppose any restriction upon the information that it provides to members of the

Scottish Parliament, or members of the United Kingdom Parliament; and such disclosure shall not be treated as a breach of the Offer.

- 19.3 The Grant Recipient shall ensure that all requirements of the Data Protection Act 1998 are fulfilled in relation to the Project.
- 19.4 To comply with Section 31(3) of the Public Services Reform (Scotland) Act 2010, the Scottish Ministers publish an annual statement of all payments over £25,000. In addition, in line with openness and transparency, the Scottish Government publishes a monthly report of all payments over £25,000. The Grant Recipient should note that, where the Grant Provider is the Scottish Ministers and where a payment is made in excess of £25,000, there will be disclosure (in the form of the name of the payee, the date of the payment, the subject matter and the amount of grant) in both the monthly report and the annual Public Services Reform (Scotland) Act 2010 statement.

Intellectual Property Rights

20. The Grant Recipient shall ensure that nothing contained in any materials produced or submitted to the Grant Provider by the Grant Recipient or anyone acting on its behalf nor the reproduction of such materials, shall constitute an infringement of any third party copyright or intellectual property right and shall indemnify the Grant Provider against all actions, proceedings, claims and demands made by reason of any such infringement.

Corrupt Payments

21. The Grant Recipient shall ensure that its employees shall not breach the terms of the Bribery Act 2010 in relation to the Grant. The Grant Recipient shall ensure that adequate controls are in place to prevent bribery.

Supersession

22. The terms of the Offer, and the contract following thereon, will remain in full force and effect insofar as they relate to any matter referred to herein which has not been implemented or on which the Grant Provider has not been fully satisfied, and that notwithstanding delivery of any Standard Security and Deed of Variation of Conditions to follow hereon, or that such matter has not been referred to in the said Standard Security and Deed of Variation of Conditions.

V.A.T.

23. The payment of the Grant by the Grant Provider to the Grant Recipient will be inclusive of all, if any, Value Added Tax payable thereon. The payment of any sum of money or other consideration by the Grant Recipient to the Grant Provider arising from the contract, any Standard Security and Deed of

Variation of Conditions will be exclusive of all Value Added Tax payable thereon. The Grant Recipient will also be required to pay or keep the Grant Provider indemnified against all Value Added Tax relating to such sum of money or other consideration. References in the contract to Value Added Tax will include any other tax replacing or supplementing the same.

Notices

- 24. Any notice given under the terms of the Offer is effectively given if it is posted to either the Grant Provider or the Grant Recipient at their address as shown in the Offer, or if the Grant Recipient is a company and its registered office is not in the United Kingdom, at the address of the Subjects and such Notice will be deemed to have been served two working days after it has been posted.

Proper Law

- 25. The contract will be construed and regulated according to the Law of Scotland.

Severance

- 26. All the provisions of the contract are severable and distinct from one another, and if one or more of such provisions becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

Liability of Grant Recipient

- 27. Where the Grant Recipient comprises more than one person the obligations hereunder will be joint and several.

Consent to Registration

- 28. The Grant Provider and the Grant Recipient consent to registration of the contract for preservation and execution.

.....
On behalf of the Grant Provider

.....
On behalf of the Grant Recipient

SCHEDULE

PART 2

PRIORITY PURCHASE SCHEME

PARTNERSHIP SUPPORT FOR REGENERATION**Execution of Deeds of Restriction in respect of the Grant Provider's Security Interest****Certification to be provided by Grant Recipient (or its solicitors)**

1. **I enclose, for execution by the Grant Provider in terms of the undernoted Partnership Support for Regeneration Project, a Deed of Restriction in respect of the undernoted housing Unit in the said undernoted approved Partnership Support for Regeneration Project for owner occupation:**

Enter name of Grant Recipient

Enter name of Partnership Support for Regeneration Project

Enter address of the housing Unit

2. On behalf of the Grant Recipient, I certify that the following statements are accurate to the best of the Grant Recipient's knowledge and belief.
 - 2.1 The Grant Recipient has advised the purchaser(s) of the Unit described in the Deed of Restriction that the Unit is available for sale only to persons who intend to occupy it as owner occupiers and as their only or principal residence. The purchaser(s) have confirmed that their purchase of the Unit meets these criteria.
 - 2.2 The Unit described in the Deed of Restriction is not being sold to an officer or director of the Grant Recipient or to persons related by blood, marriage or other close personal relationship to any person with a financial interest in the Grant Recipient.

Signed by, or on behalf of the Grant Recipient

Printed name _____

Date _____