

HOUSING INVESTMENT GUIDANCE NOTE**The Scottish
Government****To: All Registered Social Landlords****Subject: Grant for Mid Market Rent –
Administrative Procedures for
Grant Providers & Grant
Applicants****Ref No: HIGHN 2009/13****Issued by: Housing Investment Division****Page: 1 of 58****Issued: October 2009**

This guidance note provides detailed administrative procedures for Mid Market Rent Housing funded by Scottish Government and provided by RSL subsidiaries.

This guidance takes immediate effect, but any funding for MMR must for the time being be contained within existing resource allocations. Proposals for MMR funding in future years should be incorporated in RSLs' Strategy and Development Funding Plans, and should reflect SHIP priorities.

This Guidance Note has been copied to Glasgow and Edinburgh City Councils, SFHA, COSLA, Homes for Scotland and the Council of Mortgage Lenders.

You will find a copy of this guidance note on the Scottish Government website under:

<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/guidancenotes>

If you have any questions about any of the above, please contact your local Scottish Government Regional Office or, in the case of Edinburgh and Glasgow, the City Councils.

GRANT FOR MID MARKET RENT

ADMINISTRATIVE PROCEDURES FOR GRANT PROVIDERS AND APPLICANTS

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Section 1: Mid Market Rent grant policy

Introduction

1.1 This Guidance Note provides information and instructions for grant applicants and providers on the grant funding of properties for let at Mid Market Rent (MMR) levels.

1.2 The grant provides eligible applicants with the minimum level of funding needed to allow a project to proceed. The level of grant that can be offered will depend on a wide range of factors, most notably the relationship between project costs and rent levels.

1.3 MMR is aimed at assisting people on low and modest incomes to access affordable rented accommodation. Projects aimed at higher income groups are therefore ineligible for funding. It is expected that MMR grant funded properties will be available for let for at least 30 years.

Background

1.4 A number of Registered Social Landlords (RSLs), through specialist affiliates or subsidiaries, already offer properties for MMR (that is at levels between full market and normal social rents). These properties are often built alongside, or as part of, new private development and are generally in urban areas.

1.5 They are popular with people on incomes that are not quite enough to afford owner occupation, or who need or want to rent for a limited period and can afford to pay more than a social rent – for example – those who expect to be able to buy a house later in their careers.

1.6 Firm Foundations noted that increasing the supply of such properties would have benefits such as:

- responding to market demand for more variety in affordable housing;
- enabling social landlords to broaden their tenant base; and
- creating more mixed communities.

1.7 In view of these benefits, Firm Foundations proposed that RSLs should in future be eligible to receive a subsidy for properties they build for MMR where housing for MMR is included as part of new developments for social rent. It was required that the properties would be constructed and maintained to the standards required of social landlords.

1.8 To be eligible for grant under this scheme RSLs will require to let MMR properties through a subsidiary. Under Section 11 of the Housing (Scotland) Act 2001, RSLs (and Local Authorities and any organisation under local authority control) may only offer Scottish Secure Tenancies (SSTs) and short SSTs unless the tenancy is a kind mentioned in Schedule 1 of that Act. Section 20 of the Housing (Scotland) Act 1987 as amended by the 2001 Act also prohibits a local authority or

RSL in the allocation of its housing from taking account of the income of the applicant and their family.

1.9 Subsidy in support of MMR properties will be available only where a development proposal:

- helps to meet local need for affordable housing. This should include demonstrating:
 - a) how a proposal would contribute to delivery of the Local Housing Strategy (LHS);
 - b) that the proposed tenure and level of MMR would meet an identified demand in the area;
 - c) support for the proposal from the local authority and the local office of the Scottish Government's Housing Investment Division (HID); and
 - d) that expenditure by the RSL in support of the proposal would not displace expenditure on a higher priority core social housing development, or affect adversely the RSL's ability to raise private finance for higher priority core social housing;
- represents good value for public expenditure. This should include demonstrating:
 - a) that the level of expenditure is the minimum necessary to achieve the proposed level of MMR; and
 - b) that the properties, if to be acquired, are constructed and maintained to standards required by RSLs;
- safeguards public expenditure. This should include demonstrating:
 - a) that the public expenditure will be paid to an RSL subsidiary, and will be used to contribute to the permanent provision of affordable housing; and
 - b) that arrangements for handling the disposal of assets acquired with public expenditure meet with the grant provider's written approval and also the approval of the Scottish Housing Regulator where required; and
- shows competence in the ability to manage the completed development. This should include demonstrating:
 - a) a track record in developing and managing affordable housing effectively and efficiently; and
 - b) governance structures that permit MMR developments to be undertaken and are in place any risks to public expenditure or the core business of the (parent) RSL managed.

Eligibility

1.10 MMR grant applicants must:

- be existing or newly formed non charitable subsidiaries of RSLs; and
- have the legal capacity to enter into a contract with the grant provider; and
- be financially viable (and be able to give evidence of their financial standing); and
- have the necessary skills, experience and capacity to manage the development, either directly or through a management agent.

1.11 The grant provider reserves the right to reject, suspend or abort any application where the RSL parent company is under intervention or investigation by the Scottish Housing Regulator.

Types of property eligible for grant funding

1.12 The following types of property may be eligible for grant funding:

- new build projects (either standalone or as part of a mixed tenure scheme);
- off the shelf properties (either standalone or as part of a mixed tenure scheme). The expectation is that these properties would have been constructed to standards required by RSLs; or
- rehabilitation projects (which could be improved or converted for the provision of MMR housing).

Tenants

1.13 At the point of let, prospective tenants must be employed or have received a formal offer of employment in the area where the proposed development is located (defined as 'commutable from home to work'). The expectation is that the vast majority of tenants will be economically active.

1.14 In all cases, prospective tenants must have low or modest incomes. Income criteria will be based upon figures in the local authority's LHS/ Affordable Housing Policy or otherwise agreed between individual local authorities and the grant provider. Developments will be based on those detailed in Strategic Housing Investment Plan (SHIP) submissions where MMR projects are proposed by local authorities (commencing November 2009). This information will be updated annually by local authorities in SHIPs for each proposed MMR development.

Targeting of investment

1.15 All projects proposed for grant funding must be consistent with the relevant local authority's LHS/ SHIP/other relevant correspondence.

1.16 The provision of MMR is therefore based on a targeted approach to tackle specific housing need and to support development opportunities that contribute to strategic objectives. In addition to the requirement set out in paragraph 1.15, grant proposals will only be supported if:

- the applicant is eligible to receive grant (paragraph 1.10);
- the project satisfies the project appraisal criteria described in this Procedure Note (Section 3); and
- the project represents the most effective means of meeting the desired objectives.

Section 2: Making an application for grant

The grant application process

2.1 Potential grant applicants should initially contact their grant provider to discuss their proposals before any formal application for grant is made, as early discussion is essential to ensure that the proposed development relates to the local investment strategies and priorities outlined in the local authority LHS. If the applicant's proposal satisfies the general grant eligibility criteria, the grant provider may invite the applicant to submit details on a Registration of Interest form (Annex 1).

2.2 Subject to satisfactory detail being provided, grant applicants will be invited to submit a detailed application using the MMR Application for Grant Approval form (Annex 2). Where it is necessary for the grant provider to request any information in addition to that specified in the form, the grant provider will aim to do this at the same time as a formal application for grant is invited.

2.3 Grant applicants should familiarise themselves with the standard conditions in the offer of grant (Annex 3) prior to making a formal application.

Target timescales for responding to grant applications

Form 'Registration of Interest' (Annex 1)

2.4 The grant provider will aim to respond to all 'Registration of Interest' forms within six weeks of the date of receipt of a fully completed submission. The grant provider will advise applicants within two weeks of receiving an application whether the submission is complete and applicants will be given the name of a contact person with whom they can check progress.

Form 'Application for Grant Approval' (Annex 2)

2.5 The grant provider will aim to respond to all 'Application for Grant Approval' forms within six weeks of the date of receipt of a fully completed submission. The grant provider will advise applicants within two weeks of receiving an application whether it is regarded as complete and applicants will be given the name of a contact person with whom they can check progress.

2.6 Timescales for responding to applications may be longer where:

- incomplete submissions have been received;
- it is necessary to clarify or seek amendments to the submitted proposals;
- applicants' proposals have to be finalised; or
- further Scottish Government scrutiny is required.

2.7 Applicants should ensure that the programme and costs on which proposals are based take account of the need for a complete submission, the grant provider's target response timescales and, where appropriate, the requirement for further

Scottish Government scrutiny. Underlying assumptions should therefore be based to the anticipated site start date.

2.8 The grant provider will advise applicants if a final response cannot be given within the target timescales referred to above.

Section 3: Appraising grant applications

3.1 The decision by the grant provider to fund any MMR development must be supported by a written appraisal which reports against the criteria outlined below. This section gives details of the criteria that the grant provider will apply when appraising the MMR 'Application for Grant Approval' form. The project appraisal criteria are described under six headings:

- the grant applicant;
- market assessment;
- the building proposals;
- grant proposal and financial appraisal;
- sources of funding; and
- other appraisal criteria.

The grant applicant

3.2 The grant provider must ensure that the grant applicant is eligible to receive MMR funding. Firm evidence of the grant applicant's financial standing and ability to fund and complete any proposed development is required. MMR appraisals will therefore involve an assessment of the applicant's:

- financial strength;
- ability to access private funding to finance costs not met by the grant; and
- development experience and capacity.

3.3 The applicant's capacity to manage the project, either directly or through a management agent, will also be considered.

3.4 The grant provider reserves the right to undertake a more detailed assessment of both the parent company and the subsidiary using information provided by Scottish Housing Regulator where appropriate.

Market assessment/ targeting of investment

3.5 Appraisals will consider whether the grant applicant has demonstrated that a market exists for the properties proposed for MMR funding. The key issues addressed in this part of the appraisal are:

- the nature of the project objectives and how these will help achieve the objectives and priorities in the local authority LHS;
- how the type of housing proposed relates to the local housing market, any community regeneration strategies that are being pursued and general socio/economic conditions in the development area;
- the probable scale of demand for housing in the proposed development, and the target client group; and
- how the proposed rental income (paragraph 3.12) and service charge (if applicable) relates to the likely income levels of the target client group.

Building proposals – costs, standards and value for money

3.6 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:

- the capital costs of the development represent good value for money in relation to other approved developments, making allowance for any site specific development constraints;
- the proposed development will be built to a good quality and will be of good proven design, taking into account the sustainable development indicators shown in the 'Application for Grant Approval' form; the basic requirements of Housing for Varying Needs design criteria (in respect of Parts I and II); and the effective use of the development site;
- satisfactory future maintenance arrangements have been developed (for example in common areas and open space);
- all local authority and other statutory requirements have been (or will be) met;
- the development promotes high standards in terms of architectural design of buildings and their relationship to their surroundings and will provide properties that are acceptable in terms of layout, specification level and standard;
- the proposed housing provision is compatible with the grant applicant's market assessment and with any area based strategies that are in place for the development area;
- the grant applicant's proposed construction programme is acceptable; and
- consultation on the development proposals has occurred with all relevant authorities (for example the planning authority, building control etc).

Grant proposal and financial appraisal

3.7 All development proposals will be subject to financial appraisal. It is expected that MMR grant funded properties will be available for let for at least 30 years. The grant provider's funding contribution towards the capital costs of any project will be calculated using the existing HAG financial appraisal model – using standard HAG assumptions with the exception of the management allowance provision which will be set at £270 per unit regardless of the stock size of the grant applicant (in 2009/10). In addition, the grant will not exceed £45,000 per unit (based on a three person equivalent unit). The management, maintenance and major repairs allowance and maximum grant subsidy per unit figures stated in this paragraph will normally be reviewed once a year.

3.8 The Scottish Government recognises that the recent economic climate has resulted in fluctuations in costs within housing and other markets. Notwithstanding the maximum grant stipulated in these Administrative Procedures, house build costs will be closely monitored on a quarterly basis (through Housing Tender Price Index (HTPI) data). The maximum grant per unit will be reviewed in the context of future changes in HTPI. The grant provider will have discretion to set a local MMR subsidy target in order to facilitate streamlined appraisal in future, taking into account relevant development cost and market rent.

Sources of funding

3.9 The grant provider must be satisfied that applicants can demonstrate how they intend to finance their share of costs. This will cover the level and sources of borrowing, and applicants are required to provide details in the Application for Grant Approval form (Annex 2).

3.10 Applicants are expected to have investigated other potential sources of funding and are required to satisfy the grant provider that all such other sources of support have been exhausted prior to making a formal grant application.

Other appraisal criteria

3.11 Grant applicants should note that the grant provider will consider the following additional features of the development when assessing its suitability for funding.

Rents

3.12 As noted previously, MMR is aimed at assisting people on low or modest incomes to obtain access to affordable rented accommodation. Rents will not be lower than the rents charged by RSLs or local authorities for comparable properties, and not higher than the market rents applying in the commercial sector.

3.13 Rents at grant approval stage should not exceed 80% of Local Housing Allowance level for a given Broad Rental Market Area. In their role as the strategic housing provider for the area, a rental figure for grant calculation purposes ***for each proposed project*** in a local authority area will be produced on an annual basis by individual local authorities for consideration and agreement with the grant provider.

Rental policy

3.14 Details of the grant applicant's rental policy will be assessed against the profile of the target client group and the ability of those individuals to pay. Particular attention will be paid to establishing what level of rent is affordable to those in work and on modest incomes. The grant provider will ensure the rental policy takes the cost of management and maintenance into account.

Income levels

3.15 The income criteria for individuals who wish to be accommodated in MMR should be detailed or consistent with priorities in SHIP submissions (commencing November 2009) for consideration and agreement between individual local authorities and the grant provider (where the grant provider is not a local authority). The expectation is that the affordability thresholds will show a rental charge that is affordable.

3.16 Local authorities may wish to implement an upper and/ or lower income level for eligible clients. Local authorities that wish to follow this route can provide details in their annual SHIP submission.

Tenancy agreement

3.17 Grant applicants will let properties under short assured tenancy agreements. It will be a condition of any offer of grant that each individual tenant is provided with a clear, written tenancy agreement, which safeguards the tenant's statutory rights. The grant applicant will be required to show the grant provider this agreement before any offer of grant is made.

3.18 The grant provider should ensure that proposed tenancy agreements include, as a minimum, core clauses which contain details of:

- the term (duration) of the tenancy;
- the rent payable;
- procedures for rent review;
- the landlord's responsibilities for repairs and maintenance, covering structure and interior, installations, access and insurance;
- the tenant's responsibilities for repairs and maintenance, covering miscellaneous repairs, notice of repairs, interior, neglect and gardens;
- the tenant's rights of succession, where applicable, and procedures for ending the tenancy; and
- the tenant's rights to information and consultation.

Service charge

3.19 In the event that a service charge is to be included in the tenancy agreement, this will be shown separately from the rental charge and will be made clear in all correspondence including advertising. A breakdown of the full service charge will also be shown to prospective tenants.

Nominations/ allocations

3.20 Landlords may consider nominations from local authority and RSL waiting lists along with direct applicants, but will retain the final say in the allocation of properties to the target client group. Applicants would normally be expected to have registered with the local authority/ RSL.

3.21 Grant applicants are required to provide information on how they propose to allocate properties in their market assessment. This will help the grant provider assess the anticipated source of demand, and will show how the grant applicant proposes to market the properties for rent. The allocation of MMR properties will be closely monitored to ensure that grant aided developments are let to the intended client group.

Housing management services

3.22 The grant applicant must be registered as a private landlord with the relevant local authority before letting properties. In addition to having the necessary expertise, skills and financial standing to provide a viable housing management service, the grant applicant must demonstrate that the services will provide value for money to tenants.

Section 4: Approval of grant

Standard offer of grant

4.1 The grant provider will issue its approval of grant in the form of a legally binding offer of grant (Annex [4]). Applicants should note that the grant provider cannot advance grant payments until a written acceptance of the grant offer has been received and other conditions (if applicable) have been met.

4.2 The use of this standard offer is mandatory and summarises the particulars of the contract being entered into (amount of grant, project address etc.) and will be supplemented by any conditions of approval which are unique to any development. Examples of the matters dealt with in this part of the offer might include grant clawback arrangements and the frequency for submitting progress reports. The offer also has a set of standard conditions applicable to all MMR contracts. These standard conditions are not negotiable. If any of the standard conditions present difficulties to grant applicants, these must be notified to the grant provider at the time of a grant application being made. It is therefore essential that grant applicants (and, where appropriate, their legal advisers) familiarise themselves with the grant conditions before submitting an application.

Grant clawback

4.3 At completion stage, any grant clawback due to the grant provider will be calculated by re-running a development's financial appraisal (see Section 6). Where the grant calculated by the grant provider following receipt of a Project Completion Return form is less than the amount of grant approved at tender stage, the difference between these two amounts will be paid by the grant recipient to the grant provider.

4.4 Clawback of grant will also be applied in respect of any default as defined in the model offer of grant. The minimum term for which properties can remain available for rent is 30 years. In the event of the grant recipient selling or otherwise disposing of the units during the term of grant, clawback will normally be calculated on a pro rata basis depending on the relationship between the agreed term (30 years) and the actual term that the properties have been available to rent, and depending on the number of units disposed of.

4.5 In the event of grant clawback, the sum due to the grant provider will be payable within 14 days of ascertainment, otherwise interest will be payable on any unpaid part of the clawback ascertained until fully repaid at the prescribed interest rate.

Grant recovery

4.6 Any of the following events may lead to recalculation of grant:

- sale or disposal (paragraph 4.4 refers);
- change of use;

- failure to keep available for intended purpose;
- failure to comply with grant conditions;
- where the calculated amount of grant is based on incorrect information; or
- where the amount of grant has been incorrectly calculated.

Section 5: Grant payments and progress monitoring

Introduction

5.1 As a condition of the grant offer, the grant provider will request grant recipients to confirm the estimated site start and completion dates for the development. It is equally important that grant recipients notify the grant provider of any subsequent delays in beginning site work. This information is essential to enable the grant provider to manage its MMR budget effectively.

Grant payments/ progress reports

5.2 Following approval and acceptance of the grant, applications for payment should normally be submitted to the grant provider no more frequently than monthly. Applications for payment must always be made using the standard form at Annex 4.

5.3 The grant provider will make grant payments in accordance with the profile set out in its grant offer provided that all of the following conditions are met:

- the grant has been used for the purpose for which it was given;
- the grant recipient must have provided legal acceptance of the grant offer and confirmed other conditions (if applicable) have been met;
- grant will be paid in arrears, that is for costs incurred in the previous payment period. Payments of grant will not be made in advance of need, that is grant payments cannot in any circumstances exceed the cumulative costs actually incurred by the grant recipient in connection with the development; and
- grant for acquisition costs must settle within 14 days from the date of payment by the grant provider. If for any reason delay is incurred, the grant will be paid immediately to the grant provider.

Progress reports

5.4 Throughout the duration of the development (that is from site start to completion of the final let) grant recipients may be required to meet with the grant provider to discuss progress.

5.5 Grant recipients will submit spend profiles that will show future grant cashflow on a regular basis as stipulated by the grant provider.

Confirmation of reported progress – site visits

5.6 Responsibility for the satisfactory completion of developments and the quality of the housing being provided rests with the grant recipient. However, to ensure that projects in receipt of funding are proceeding in the manner envisaged, the grant provider will also wish to monitor progress.

5.7 In addition to the possibility of meetings referred to above, the grant provider or its appointed consultant may wish to inspect progress on site. The frequency of site visits will depend on the nature of the development and the agreed programme

of grant payments. Grant recipients should note that under the terms of the grant provider's standard offer of grant, the grant provider is to be allowed access to the development site, subject to reasonable notice being given.

Payments to contractors etc

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

Section 6: Post completion assessment

6.1 When developments have reached completion, the grant provider will conduct an assessment of certain developments to determine their physical and financial outputs. This assessment will be carried out immediately following the last property let.

6.2 The assessment will involve:

- confirmation that the development is complete and that the completed properties are consistent with what was agreed for grant purposes. This will involve a comparison of the completed properties with the development as envisaged at grant approval stage, to note any significant difference in quantity, size or design;
- comparison of the actual construction period with that projected at grant approval;
- confirmation that the conditions in the offer of grant have been met; and
- confirmation of the amount of any grant repayable to the grant provider, applying the policy on grant clawback (Section 4.3).

6.3 To provide the grant provider with the information needed to conduct a post completion assessment all grant recipients are required, as a condition of grant, to submit a 'Project Completion Return Form' within 28 days of the last property let (Annex 5).

6.4 Grant recipients should note that for a sample of developments the grant provider might also conduct a more detailed evaluation to determine the success of these developments in meeting the objectives defined at grant approval stage and the value for money of the properties provided.

Monitoring who is housed

6.5 To monitor the characteristics of who is housed in MMR funded projects, the grant provider will use a national monitoring system known as the **MMR information log**. Grant recipients must return a completed MMR information log form within 14 days of each tenancy agreement being signed. Grant recipients should note that the MMR information log form is required for the first and subsequent tenancy agreements.

Section 7: Contact information

7.1 Additional copies of this Procedure Note can be obtained electronically from the Scottish Government website.

Region	Local office	Local authority area	Contact
North Region	Inverness	Orkney Shetland Western Isles Highland	Mairi Ross Tel: 01463 663913
	Aberdeen	Aberdeen City Aberdeenshire Moray	Margaret Rose Tel: 01224 624960
East Region	Dundee	Angus Perth & Kinross Dundee Stirling Clackmannanshire Falkirk	Maureen Esplin Tel: 01382 427505
	Edinburgh	City of Edinburgh	* Elaine Scott (CEC) Tel: 0131 529 2277
		East Lothian West Lothian Midlothian Scottish Borders Fife	Alastair Dee Tel: 0131 479 5031
West Region	Hamilton	North Lanarkshire South Lanarkshire Dumfries & Galloway	Pauline Gilroy Tel: 01698 392109
	Ayr	East Ayrshire North Ayrshire South Ayrshire	Stephen Youd Tel: 01292 653307
	Paisley	Renfrew Inverclyde	Anne-Marie Thomson Tel: 0141 567 3162
		Argyll & Bute West Dunbartonshire	David Dowie Tel: 0141 567 3180
	Glasgow	Glasgow City*	* Isabelle Cameron (GCC) Tel: 0141 287 8591
		East Renfrewshire East Dunbartonshire	Margaret Moore Tel: 0141 305 4111

* Funding managed by local authorities under the Transfer of the Management of Development Funding.

Annex 1: Registration of Interest form

**MID MARKET RENT
Registration of Interest Form**

Subsidiary's Name	<input type="text"/>	Business Address	<input style="height: 60px;" type="text"/>
Company Name	<input type="text"/>		
Telephone	<input type="text"/>		
Fax	<input type="text"/>	Postcode	<input type="text"/>

Project Address	<input style="height: 60px;" type="text"/>	<u>Current use of buildings (please tick)</u>
		New build housing - not yet on site OR <input type="checkbox"/>
		Off the shelf opportunity where works either Completed or close to completion <input type="checkbox"/>
Postcode	<input type="text"/>	<u>Procurement method (please tick)</u>
		Design & Build <input type="checkbox"/>
		Negotiations <input type="checkbox"/>
		Competition <input type="checkbox"/>
		Off the shelf <input type="checkbox"/>
		Other (details below) <input type="checkbox"/>
Local Authority	_____	

<u>Housing Provided</u>	
Number of houses for rent to be provided by the project	<input type="text"/>
Proposed housing mix by type and size	
i.e. type - flat, terraced, semi-detached, detached, other (please specify)	<input style="height: 80px;" type="text"/>
i.e. size - one-person, two-person etc	

Annex 2: Application for Grant Approval form

MID MARKET RENT
Tender Application for new build and off the shelf projects

1 RSL (Subsidiary) Name, Address and Contact Person Details

Name/Address:

Contact person:

2 Full Project Address *(including post code and Grant providers TRS Reference number)*

3 Enclosures *(tick box to confirm enclosed and mark each enclosure with the relevant number)*

- 1 Completed Appendix 1 attached to this form
 Completed Appendix 2 attached to this form
 Completed Annex 1 attached to this form
- 2 Calculation showing relationship of MMR subsidy required per unit and per bedspace to the subsidy targets for the project *(if MMR required exceeds benchmark or other agreed subsidy level, the grant provider will not be bound to approve the project in these circumstances)*
- 3 Copy of all Contract Drawings, (if required by grant provider - grant applicant to confirm with grant provider if required prior to MMR/Tender submission)
 Elevation drawings (preferred scale 1:100)
 Floor plans for all proposed house types, preferred scale 1:50. *Using the BCIS Gross Floor Area definition, drawings should have total area in m2 and number of bedspaces marked up for each house type.*
 Landscaping/environmental improvement drawings,
Grant applicant to check with grant provider if the following will be required prior to submission. A full value for money appraisal will be required for project that do not achieve benchmark or previously agreed subsidy level.
- 4 2 copies of priced bill of quantities for the tender proposed for acceptance; signed report on tenders; and schedule of any savings proposed by the Association, OR
 For projects involving non traditional procurement methods, copy of contractor's proposals, employer's agent report and schedule of any savings proposed
- 5 Specification for the project referenced to the elemental cost analysis provided

- 6 [] **Elemental cost analysis**, by house type, based on bill of quantities/contractor's proposal (this should make clear works cost per m2)
- [] **New Build projects only - Indicative cost comparison** (*provide only if the MMR required exceeds the agreed target for the project. If required, use the standard format attached to this form*)
- 7 [] **Calculation of MMR required and the assumptions on which the calculation is based**
(Note: The grant does not require detailed spreadsheet calculations. Calculations should be in the simple formats using most recent) financial assumption publications.
- 8 [] **Statement of progress in securing all other funding required for the project** (capital and revenue). Private finance (loan) will be secured as required.

4 MMR Application Certification

A person authorised by the RSL Subsidiary management committee should sign and date the form. If the RSL Subsidiary is unable to certify the accuracy of any of the statements overleaf, the boxes beside the certification number should be marked ✓ and a separate explanatory statement should be provided. If any of the certifications are not applicable to the project, please mark N/A in the box beside the certification number.

- 1 [] The proposed programme for development of the site or buildings and the proposed housing and tenure mix are all compatible with the terms of the RSL's Subsidiaries programme agreement and/or scheme agreement with the grant provider or any subsequent agreement with the grant provider.
- 2 [] The RSL Subsidiary proposals have been designed and specified to achieve a 60 year life (new build and new build off the shelf projects).
- 3 [] All necessary statutory and other approvals or consents required for the project (including, but not limited to, full planning consent and building warrant) have been obtained or applied for. The works will be carried out in full compliance with the conditions of these consents. No site start will be undertaken until all statutory approvals are in place.
- 4 [] The RSL Subsidiary has obtained written confirmation of all funding required for the project in addition to Grant Provider's grant (e.g. private finance, any improvement/repair grants required and any revenue funding required), or will obtain such confirmation before entering into a building contract for the period.
- 5 [] The MMR grant required for the project is no greater than the targets agreed with the grant provider for the project, **OR**
 [] The RSL Subsidiary is unable to make the above certification and has provided full justification as part of this application.
- 6 [] The RSL Subsidiary has completed purchase of the project site and/or all existing properties proposed for acquisition and has secured all rights of access required to carry out the works.
- 7 [] The RSL Subsidiary will ensure (i) adequate supervision of the works, and (ii) that the grant provider is given reasonable access to the site during construction or improvement works, if required.
- 8 [] The RSL Subsidiary's calculation of the MMR funding required for the project is based on:
 a mid market rent figure as stipulated by the local authority and shown in the most recent SHIP publication or subsequent correspondence that has been agreed with the grant provider; and

- [] the current standard financial appraisal assumptions and methodology published by the grant provider (with management and maintenance allowances also projected to the date of completion) and all other funding contributions to the project.
- 9 [] The RSL Subsidiary has complied with all relevant guidance published by the grant provider in developing its proposals, including all guidance relating to the procurement of building works and professional services.
- 10 [] The RSL Subsidiary confirms that the required private funding for this project has been secured or will be secured prior to the signing of the tender contract/missives (*delete as appropriate*).

On behalf of the RSL Subsidiary, I confirm the accuracy of the above certifications and of all information provided in this application which has been prepared using all required professional advice. Information contained in the application can be substantiated by records held in the RSL Subsidiary files, which the Subsidiary understands may be subject to inspection by the grant provider. The RSL Subsidiary will proceed with the project on the basis of the above certifications and the terms of any grant offer(s) issued by the grant provider.

Signature _____ Date:
 Authorized signatory on behalf of RSL Subsidiary

Appendix 1 to MMR - Tender Application for new build and off the shelf projects

This form should be completed for tender stage applications and reports. All parts of the form should be completed - except for the shaded boxes which are for the grant provider's use. Notes on completing this form, where required, are provided below the tables.

1 IDENTIFIERS

TRS REF.	
RSL SUBSIDIARY	

2 SCHEME DETAILS

STREET	
PLACE	
TOWN	
FULL POSTCODE	

3 ANALYSIS OF PROPOSED HOUSING MIX

	NO. PROPOSED HOUSING UNITS	Grant Provider Funded	
		Other	

4	GEOGRAPHIC								
5	SUPPLIER								
6	CLIENT								
7	PROVISION								
8	FORM								
9	SPECIAL								
10	No BEDSPACES (Aggregate)								
11	No UNITS (Total)								

This matrix is used to describe house types - using ADP codes rather than words. One column, providing AGGREGATE information, should be completed for all houses with the same combination of ADP codes. A list of ADP codes is included in Annex 3 to the Procedures Guide. Further advice is available from Grant Provider.

At Rows 1-3 & 10-11 - Enter AGGREGATE number of units

At Rows 5-9 - Enter the ADP codes

5 TIMETABLE FOR APPLICATION/REPORT FORMS

MMR FORM	DATE SUBMITTED (ACTUAL/ESTIMATED)
MMR TENDER APPLICATION	Estimated
	Actual

6 ESTIMATED MMR PROJECT COSTS AND PROPOSED FUNDING SOURCES

TOTAL COST:	
FUND TYPE	
GRANT PROVIDER	
PRIVATE FINANCE	
OTHER CONTRIBUTIONS	

Sources of funding other than MMR grant and private finance should be clearly detailed. For other public sector contributions, correspondence should be included from the public sector contributor on its headed paper confirming the specific amount of contribution.

7 YEARLY PROFILE OF MMR GRANT

YEAR (Financial Year)	ESTIMATED
Total for all previous fin years	£
Current Fin Year	£
Current Fin Year + 1	£
Current Fin Year + 2	£
Current Fin Year + 3	£

8 YEARLY PROFILE OF PRIVATE FINANCE AND OTHER FUNDING

YEAR (Financial Year)	EST. PRIVATE FINANCE	EST. OTHER FUNDING*	EST. OTHER FUNDING*	EST. OTHER FUNDING*
Total for all previous Fin Years	£	£	£	£
Current Fin Year	£	£	£	£
Current Fin Year + 1	£	£	£	£
Current Fin Year + 2	£	£	£	£
Current Fin Year + 3	£	£	£	£

9 MONTHLY PROFILE OF MMR GRANT (Current and Future Financial Years)

MONTH	Current Fin Year (CFY)	CFY + 1	CFY + 2	CFY + 3
APRIL	£	£	£	£
MAY	£	£	£	£
JUNE	£	£	£	£
JULY	£	£	£	£
AUG	£	£	£	£
SEPT	£	£	£	£
OCT	£	£	£	£
NOV	£	£	£	£
DEC	£	£	£	£
JAN	£	£	£	£
FEB	£	£	£	£
MAR	£	£	£	£
TOTAL	£	£	£	£

For tender stage monthly profiles for each year must be provided.

Annex 3 – Worked example

Mid Market Rent Grant calculation

2009-10

Units to be developed 10

Scheme Costs	£	Operating Income & Costs		
		per unit	total	
Acquisition	150,000	Rental Income *	5,720	57,200
Works	1,000,000	Voids	(57)	(572)
Fees	85,000	Income	5,663	56,628
Other costs	44,803	Management allowances	270	2,700
Development allowances	20,197	Maintenance	464	4,640
		Major repairs	525	5,250
		Costs	1,267	12,670
Total Costs	1,300,000			
		Private Finance Calculation	factor	total
		Income	19.7746	1,119,796
		Cost	17.5689	221,192
		calculated private finance	89,720	897,200
		Maximum subsidy total	45,000	450,000
		Actual subsidy	40,280	402,800

* This is assumed to be no more than 80% of the Local Housing Allowance for the worked example.

Annex 4: Standard offer of grant

MID MARKET RENT GRANT

AT LOCATION

.....

(identify if new build or off the shelf development)

Date:

Dear Sirs

SUBJECTS:

DEVELOPER:

RESOURCE SYSTEM REFERENCE:

On behalf of the Grant Provider (after defined), I hereby offer to make to you the Grant Recipient (after defined) a Mid Market Rent Grant (“the Grant”) subject to the following terms and conditions and the conditions contained in the Schedules annexed hereto (“the Schedules”).

1. Interpretation

1.1 In this Offer the following expressions have the following meanings:

Approved Development Costs:	As specified in Schedule 2.
Agreed Development Proposals	As specified in Schedule 3.
Amount of Grant:	£
Grant Recipient:	[Enter the name and address of the Grant Recipient]
Grant Provider:	Scottish Ministers/ The City Edinburgh Council/ Glasgow City Council [Delete as appropriate then show grant provider’s office location]
Subjects:	[Enter the name of the project]
Project:	[Enter the full postal address of the project and a description of what will be undertaken i.e. new build or purchase off the shelf together with project timescales.]
MMR Procedures:	The Mid Market Rent Administrative Procedures issued by Scottish Ministers.
Prescribed Rate:	Two per cent per annum above the base lending rate of the Bank of England prevailing at the time of the written demand from the date of the written demand until payment in full of both the sum and the interest thereon.
Term of Grant:	A minimum period of 30 years.

1.2 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 person include firms and corporations and vice versa.

2. Purpose of Grant

2.1 The Grant is provided under Section 2(2)(a) of the Housing (Scotland) Act 1988 or Sections 20(1) and 20(2) of the Local Government (Scotland) Act 2003 *[amend as appropriate]*.

2.2 The Grant will be used by the Grant Recipient for the purpose of meeting the costs of developing the Subjects all in accordance with the Project and the MMR Procedures and for no other purpose whatsoever.

2.3 No part of the Grant shall be used to fund any activity or material which is party political in intention, use or presentation or appears to be designed to affect support for a political party.

2.4 The Grant shall be used to deliver the Agreed Development Proposals and to contribute towards the Approved Development Costs.

3. The Units

3.1 The Units will be available for letting for the Term of Grant and will be let by the Grant Recipient under a Short Assured Tenancy Agreement in a form approved by the Grant Provider.

4. Commencement of Project

4.1 *[For new build projects]* The main works will commence on site within 20 weeks of the date of this Offer. In its acceptance the Grant Recipient will specify the anticipated date of commencement of the Project.

4.1 *[For off the shelf projects]* The Grant Recipient will ensure that it takes legal ownership of the Units within 20 weeks of the date of this Offer or within a period otherwise agreed with the Grant Provider. In its acceptance the Grant Recipient will specify the date when it expects to take legal ownership of the Units.

5. Project Monitoring

5.1 The Grant Provider (or consultants employed by the Grant Provider) will be entitled at any time to inspect the Subjects on giving reasonable prior notice to the Grant Recipient. All reasonable access to the Subjects will be allowed to the Grant Provider or its consultants.

5.2 The Grant Recipient will provide to the Grant Provider on request during the Term of Grant a return containing:

5.2.1 confirmation that the Units continue to be let in accordance with the Project;

5.2.2 an audited statement of rental income received in the previous year and

5.2.3 The Grant Recipient will ensure that the completed MMR information log form is submitted to the Grant Approver within 14 days of each individual tenancy agreement being signed.

5.3 The Grant Recipient will provide to the Grant Provider at intervals specified by the Grant Provider during the Term of Grant any other information in relation to the project as is required by the Grant Provider.

6. Management Agreement

6.1 Where the Grant Recipient is entering into a Management Agreement in respect of the Project, the terms must be approved by the Grant Provider. The Grant Recipient will obtain the approval of the Grant Provider to any subsequent alteration to the terms of the said Management Agreement.

7. Payment of Grant

7.1 The Grant will not be paid until the Grant Recipient has obtained all necessary statutory consents (or has confirmed they will be in place timeously).

7.2 The Grant or any instalment thereof will not be paid in advance of or in excess of expenditure incurred. The Grant Provider will make payment of the Grant to the Grant Recipient following receipt of a completed Progress Report and Application for Grant Payment form and all necessary supporting documentation, all to the satisfaction of the Grant Provider.

7.3 The Grant Recipient will apply the Grant towards the Project within 14 days of payment by the Grant Provider.

7.4 The Grant has been calculated upon the basis that the development of the Subjects will be in accordance with the Agreed Development Proposals and no variations will be made thereto without the Scottish Ministers' prior written approval. In the event of any alteration to the Agreed Development Proposals, the Grant Recipient will notify Scottish Ministers immediately in writing and the Scottish Ministers will be entitled to reassess the amount of the Grant either then or upon completion of the Project and to demand immediate repayment of any excess already paid to the Grant Recipient.

8. Project Completion Return

8.1 The Grant Recipient will submit a Project Completion Return to the Grant Provider. Where the Grant calculated by the Grant Provider following receipt of the Project Completion Return is less than the Amount of Grant, 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.

9. Disposal of Subjects

9.1 The Grant Recipient will not sell or otherwise dispose of the Subjects, Units or any part thereof except in accordance with Clause 3.1 hereof during the Term of Grant without the prior written consent of the Grant Provider, which consent may be subject to such terms and conditions made by the Grant Provider in relation to such sale or disposal.

9.2 If the Grant Recipient fails to comply with Clause 9.1 hereof, the Grant Recipient will repay to the Grant Provider the pro rata share of the Grant attributable to any Units to which the sale or disposal applies, said payment being due from the date of such sale or disposal and in the event of the default applying to all Units the whole of the Grant shall be repaid. If default occurs before any part of the Grant has been advanced, the Grant Provider will not advance the same.

10. Default

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

10.2 Save where Clause 9.2 applies, in the event of a default, which is in the opinion of the Grant Provider capable of being remedied, the Grant Provider will serve a notice in writing on the Grant Recipient specifying 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.

10.3 Save where Clause 9.2 applies, in the event of:

- a) a default which is in the opinion of the Grant Provider not capable of being remedied; or
- b) a default in terms of Clause 9.2 that has not been remedied in terms of that clause:
 - i. where no Grant has been paid the Grant Provider will not make a payment; and
 - ii. in all other cases, where payment or part 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 Grant.

10. Acceptance

10.1 This Offer is open for acceptance in writing to reach the Grant Provider not later than 14 days after the date hereof (or such other period as may be mutually agreed) and if no such acceptance has been received, then this Offer will be held to have been withdrawn.

Yours faithfully

_____ (Signature)

_____ (Full name)

_____ (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 (new build) or the estimated date of settlement (off the shelf) of the Project is

_____ (Signature)

_____ (Full name)

_____ (Position)

_____ (Date)

For and on behalf of the Grant Recipient

SCHEDULE 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.

Statutory Compliance

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

Indemnity

5. The Grant Recipient will indemnify the Grant Provider 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

6. 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 Agreement

7. The Grant Recipient will not breach any agreement with the Grant Provider in respect of the Project.

Project Completion

8. 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 Project without the prior written consent of the Grant Provider.

9. A Project Completion form will be submitted to the Grant Provider within one month of the date of practical completion.

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 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 Grants

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 seven 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

14. 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 Subsidiary 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.

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

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

17. Save where the Grant Recipient is an RSL subsidiary, 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

18. 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.

Supersession

19. 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.

V.A.T.

20. 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 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

21. 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

22. The grant agreement will be construed and regulated according to the Law of Scotland.

Severance

23. All the provisions of the grant agreement 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.

Confidentiality and Data Protection

24. The Grant Recipient will respect the confidentiality of any commercially sensitive information that it has access to as a result of the Project.

25. 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, an order by any court or tribunal with the authority to order disclosure. Further, the Grant Provider may also disclose all information submitted to them 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 the United Kingdom Parliament it is recognised and agreed by both parties that the Grant Provider shall if it sees fit disclose such information but is unable to impose any restriction upon the information that it provides to Members of the Scottish Parliament, or Members of the United Kingdom Parliament; such disclosure shall not be treated as a breach of this agreement.

26. The Grant Recipient shall ensure that all requirements of the Data Protection Act 1998 are fulfilled in relation to the Project.

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 grant agreement for preservation and execution.

.....
On behalf of the Grant Provider

.....
On behalf of the Grant Recipient

Schedule

Part 1

Approved Costs

Cost Item	Total

Itemise the Approved Costs on which this offer is based, e.g. acquisition, works, professional fees, site investigation costs, feasibility study costs, VAT, allowances, legal fees, capitalised interest and third party warranty costs).

Schedule

Part 2

Project, Grant Allocation by Year and Funding Breakdown

1. MMR Project Approved by the Grant Provider

Project Name:		
Client Groups to be housed: (Provide a detailed breakdown of the Client group(s) to be housed)		
House type	House Size	Number of MMR houses this type/size
		TOTAL

2. Grant Allocation by Year Approved by the Grant Provider

	Actual Spend prior to (<i>insert current financial year</i>)	Grant Allocation In (<i>insert current financial year</i>)	Grant allocation in (<i>insert next financial year</i>)	Grant allocation in (<i>insert next again financial year</i>)	TOTAL
TOTAL					

* Please note that these are merely planning assumptions at this stage and therefore may be subject to change.

3. Funding Breakdown Approved by the Grant Provider

Total Approved Costs £
 Private Finance £
 Mid Market Rent Grant £
 Other (Please detail)

Annex 5: Application for Payment

MID MARKET RENT Grant payment form

Date submitted _____

Grant recipient _____

Project Name/Address _____

Project TRS Number _____

Telephone number _____

Costs for which payment of grant is claimed:	
	Amount (£)
Contribution to purchase price (OTS Purchase)	
Cost related to purchase price (OTS and New Build) Details:	
Works	
Development Allowances	
Consultant's Fees	
Legal Costs	
Other	
Total grant applied for:	

Total grant received to date (excluding this claim)	£
Date this payment required	
Agreed grant limit	£

Grant recipient declaration:	
We hereby certify that this claim for payment complies with all conditions stated the MMR tender offer of grant dated [] and that the required invoices/supporting documentation are attached.	Signature: _____ Date: _____

Grant Provider use only:			
Date received		Signature	
Amount of grant paid	£	Date	

Annex 6: Project Completion form

MID MARKET RENT Completion form

1. RSL Subsidiary Name, Address and Contact Person Details

2. Project Address (Including TRS reference from MMR offer)

3. Details of Practical Completion/Final Account

Date of Practical Completion:

Gross Valuation of works to date: £

Estimated amount of Final Account: £

Estimated date of Signing Final Account:

4. Enclosures (tick box to confirm enclosed)

1. Completed Appendix 1 attached to this form
 Completed Appendix 2 attached to this form
2. Updated Appendix 3 to MMR/Tender Application or Report. (Monitoring of physical standards - required only if the information has changed since tender stage. If no change, mark [x])
3. Explanation of any significant variations to the project since tender approval stage. (Part 5.1 of the HAG Procedures Guide provides examples of the types of changes which might meet this description and require reassessment of the project HAG limit at HAG/Completion stage. If there are no significant variations requiring explanation, mark [x]).

5. MMR/Completion Certification

A person authorised by the RSLs subsidiary management committee should sign and date the form. If the Subsidiary is unable to certify the accuracy of the statements overleaf, the boxes beside the certification number should be marked [x] and a separate explanatory statement should be provided. If any of the certifications do not apply to the project, the box beside the certification number should be marked [N/A].

1. For all projects:

The Subsidiary estimate of the MMR funding required for the project shown at Appendix 2 is based on:

- Estimated final capital costs of the project; and
- Actual rents charged at first letting of the properties; and
- The same development and management/maintenance allowances used in the tender stage MMR calculation for the project; and
- The same standard financial appraisal assumptions used to calculate MMR at tender stage; and
- Where applicable, the actual selling prices/values and tranche sizes purchases for any housing for sale and/or shared ownership in the project; and
- All other funding contributions to the project.

2. Where the project involves new building, was procured by competitive tendering and was approved on the basis of a MMR/Tender Report Submission:

- The Subsidiary has submitted to Grant Provider a copy of the tender which was accepted, to assist in the maintenance of the indicative costs and Housing Tender Price Index.

On behalf of the RSL Subsidiary, I confirm the accuracy of the above certification and of all information provided in this form which has been prepared on the basis of appropriate professional advice. All information contained in the form can be substantiated with reference to the Subsidiary's files, which the Subsidiary understands may be subject to inspection by Scottish Government Housing Investment Division.

Signature and Printed Name:

Position Held:

Date:

Appendix 1 to Project Completion form

This form should be submitted for all MMR funded projects following practical completion. All parts of the form should be completed - except for the shaded boxes which are for the Grant Provider's use. Notes on completing the form, where required, are provided below the tables.

1. IDENTIFIERS (Grant Provider use only)

TRS Ref	
Client	

Postcode*	
-----------	--

(*full postcode at completion is required)

2. ADP Analysis of Proposed Housing Mix

1.	No. Completed Housing Units	Funded by grant provider	
		Other	

3	Geographic								
4	Supplier								
5	Client								
6	Provision								
7	Form								
8	Special								
9	No. Beds (aggregate)								
10	No. Units (Total)								

This matrix is used to describe completed house types - using ADP codes rather than words. One column, providing AGGREGATE information, should be completed for all houses with the same combination of ADP codes. A list of ADP codes is included in Annex 3 to the Procedures Guide. Further advice is available from Grant Provider.

At Row 1-2 & 9 -10 - Enter AGGREGATE number of units

At Row 4-8 - Enter ADP Codes.

3. Timetable for completion forms

MMR Form	Date Submitted (Act./Est.)	Grant Provider Use only
Completion	Est .	Complete:
	Act.	Approved:

4. Estimated Project Costs and Proposed funding Sources

Estimated Total Cost: £	
Fund Type	Estimated
MMR Grant	£
Private Finance	£
Other (specified)	£
	£
	£

Source of funding other than grant should be identified using the fund type

5. Rents at Completion

Rental Income by unit. Where rents for the same unit vary, enter a separate row for each rent. Where significant variations occur between rents assumed at tender and rent on completion, provide an explanation of this.		
Unit i.e. 2p/3p etc	Rent at Completion	Rent Assumed at Tender

Appendix 2 to Project Completion form

Breakdown of estimated final capital costs for MMR Grant

Itemise the estimated final capital costs of the scheme and apportion the costs as required between the different headings which are shown. First column should include, for example, acquisition, works and related VAT, itemised professional fees and related VAT, allowances etc.).

Table to be inserted here later

Annex 7: Monitoring information

Mid Market Rent information log form

What is the Mid Market Rent sales log form?

The log form is used by the Scottish Government to collect information about people who have taken tenancies in the new Mid Market Rent initiative. This information will be of benefit in the revaluation of the grant that will be undertaken some time after the grant has been launched.

PART A Records details of the home and is completed by the registered social landlord subsidiary.

PART B Records information about the new tenant (of the house and their household). **The RSL's subsidiary must ensure that this part of the form is completed and returned to the Scottish Government within fourteen days of the tenancy agreement being signed..**

PART C Records information about the named tenants of the house and is completed by **each** named tenant.

How long will it take to complete the form?

Each part of the form should take only a few minutes to complete.

What happens to the answers?

The answers are only for the use of the Scottish Government and its representatives and will not be passed on to any other third party. All of the answers given will be treated in the strictest confidence.

For tenants:

By completing and returning this form to the Scottish Government you:

- confirm that you understand that the Scottish Government will use the information contained in this questionnaire for the purposes of collecting and evaluating information about how this new grant has achieved its purpose

- acknowledge and explicitly give your consent to the Scottish Government (and anyone who they may authorise) processing your personal data, including any Sensitive Personal Data as defined in the Data Protection Act 1998, for the purposes referred to above. ('Sensitive Personal Data' is information concerning your racial or ethnic origin, political opinions, religious, philosophical or similar beliefs, trade union membership, physical or mental health, sexual life, commission of criminal offences and/or involvement in criminal proceedings); and
- acknowledge and explicitly give your consent to the Scottish Government (and anyone who they may authorise) potentially contacting you in the future to seek your views about the Mid Market Grant.

The Scottish Government, their representatives, and the registered social landlord will process all personal data, including any Sensitive Personal Data, in accordance with the terms of the Data Protection Act 1998 and only insofar as is necessary for or in connection with any of the purposes referred to above.

Under the Data Protection Act 1998, you have the right to request a copy of the information we hold about you. We may charge an administrative charge for each request. You also have the right to request correction of any incorrect information.

Thank you for your co-operation

Part A The house which has been let

A1 Name of registered social landlord subsidiary _____

A2 House address and post code details must be included

Number _____ Street name _____

Town _____ Local authority _____

Post code _____

A3 Please list the number of: Bedrooms _____

A4 Bedspaces _____

(please count a single room as 1 bedspace, a double room as 2)

A5 Rooms _____

(enter the number of rooms in the dwelling (excluding the kitchen, bathrooms and hall))

A6 Is the property:

a flat terraced semi-detached

detached other

A7 What is the tenancy status:

Joint Shared Sole

A8 Is this a New Let or Re-Let:

New Let Re-Let

A9 Term (duration) of Tenancy:

A10 Basic Rent Charged:

£

A11 Service Charges (If applicable):

£

A12 Other Charges (If applicable):

£

A13 Rent Period:

Weekly

Fortnightly

Four Weekly

Calendar Month

Other

A14 Is this a:

48 Week Year

50 Week Year

52 Week Year

Other

A15 Weeks available for Rent if known:

A16 Date of Letting:

Day

Month

Year

Name of contact person

Signature

Part B Household details

(to be completed by one named tenant on behalf of the household)

B1 How many people live permanently in your household? _____

B2 What are their ages, sex and the applicable occupation category (listed 1–8)?

The 8 categories are:

- | | | | | | |
|---|-------------------|---|-------------------------------------------------------------|---|------------------------|
| 1 | Working full-time | 2 | Working part-time | 3 | Unemployed |
| 4 | Retired | 5 | Long-term sick or disabled | 6 | Looking after the home |
| 7 | Dependent child | 8 | Other (including students or those on a training programme) | | |

Person number	Age	Sex	Occupation category (1–8)
Example	30	M	1
First named tenant			
Person 2			
Person 3			
Person 4			
Person 5			
Person 6			
Person 7			
Person 8			

B3 Why did you decide to rent this property?

(Tick all questions noting whether each reason was **very** important, **quite** important or **not** important to you.)

Reasons	Very important	Quite important	Not important
To get a better house than my last house			
Size of the house was right			
The rental charge was affordable			
Setting up home for the first time			
The house was in an area I/we liked			
To live near family/ friends			
To look for/be close to work			
Previous home was unsuitable			
Left previous home for personal reasons			
Other (please specify)			
Don't wish to comment			

B4 Please can you tell us your annual gross **household** income before tax?

Under £5,000	<input type="checkbox"/>	£5,000 – £10,000	<input type="checkbox"/>
£10,001 – £15,000	<input type="checkbox"/>	£15,001 – £20,000	<input type="checkbox"/>
£20,001 – £25,000	<input type="checkbox"/>	£25,001 – £30,000	<input type="checkbox"/>
£30,001 – £35,000	<input type="checkbox"/>	Over £35,000	<input type="checkbox"/>

Part C **Named tenant details**
(to be completed by each named tenant)

C1 Which of the following describes the ethnic group to which you belong?

First named tenant

- | | | | |
|-------------------|--------------------------|-----------------------------------|--------------------------|
| White | <input type="checkbox"/> | Bangladeshi | <input type="checkbox"/> |
| Black – Caribbean | <input type="checkbox"/> | Chinese | <input type="checkbox"/> |
| Black – African | <input type="checkbox"/> | Other – Asian | <input type="checkbox"/> |
| Black – Other | <input type="checkbox"/> | Mixed race | <input type="checkbox"/> |
| Indian | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| Pakistani | <input type="checkbox"/> | Don't know/ don't wish to comment | <input type="checkbox"/> |

Second named tenant

- | | | | |
|-------------------|--------------------------|-----------------------------------|--------------------------|
| White | <input type="checkbox"/> | Bangladeshi | <input type="checkbox"/> |
| Black – Caribbean | <input type="checkbox"/> | Chinese | <input type="checkbox"/> |
| Black – African | <input type="checkbox"/> | Other – Asian | <input type="checkbox"/> |
| Black – Other | <input type="checkbox"/> | Mixed race | <input type="checkbox"/> |
| Indian | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| Pakistani | <input type="checkbox"/> | Don't know/ don't wish to comment | <input type="checkbox"/> |

C2 Do you consider your household to be racially mixed?

Yes No Don't know No comment

C3 Do you consider that you have a disability? (Under the Disability Discrimination Act 1995, a person is described as having a disability if they have 'a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities'.)

First named tenant

Yes No Don't know No comment

Second named tenant

Yes No Don't know No comment

C4 *Have you left the Armed Forces in the past year?*

First named tenant Yes No

Second named tenant Yes No

C5

What kind of accommodation were you living in before letting this property?

First named tenant

A house or flat you were renting (If you rented, go to question C6. If not, go to C7.)

A house or flat you owned or were paying a mortgage on

Living with parents/relatives

Living with friends (where you were not renting)

Other (please specify)

Second named tenant

A house or flat you were renting (If you rented, go to question C6. If not, go to C7.)

A house or flat you owned or were paying a mortgage on

Living with parents/relatives

Living with friends (where you were not renting)

Other (please specify)

C6 If you lived in rented accommodation, who was your landlord?

First named tenant

The Council Private landlord

Housing association/
co-operative Your employer (excluding
the Ministry of Defence)

No comment Your employer (the
Ministry of Defence)

Second named tenant

The Council Private landlord

Housing association/
co-operative Your employer (excluding
the Ministry of Defence)

No comment Your employer (the
Ministry of Defence)

C7 In which country was your permanent address when you let this property?

First named tenant

Scotland Go to C8a

Elsewhere in the
UK Go to C8b

Outwith the UK

Second named tenant

Scotland Go to C8a

Elsewhere in the
UK Go to C8b

Outwith the UK

C8a What was your previous **full** post code?

First named tenant _____

Second named tenant _____

C8b In which local authority area did you live?

First named tenant _____

Second named tenant _____

C9 Were you on a waiting list when you let this property?

First named tenant

Council Housing association/
co-operative

Common housing list Not on a waiting list

Refused to comment Don't know

Second named tenant

Council Housing association/
co-operative

Common housing list Not on a waiting list

Refused to comment Don't know

Please return this form to your Registered Social Landlord subsidiary.

Thank you for filling out this form.