

SCHEDULE 1

Regulation 2(6)

“SCHEDULE 2

Regulations 3(b) and 4

PSR

PART 1

INTERPRETATION AND PURPOSE

Interpretation

1. In this Schedule—

“first purchaser” means the purchaser of a unit from a grant recipient;

“PSR” means Partnership Support for Regeneration grant paid by a local authority in respect of a type 1 or 2 project;

“post completion return” means the form submitted by a grant recipient to a local authority after the sale of the last unit in a project;

“project” means the type 1 or type 2 project approved by a local authority for PSR;

“type 1 project” means a project to provide units for owner occupation in areas with a high concentration of rented housing;

“type 2 project” means a project to provide units for owner occupation in established urban areas where there are limitations in the range of available housing relative to demand.

Purpose

2. The purpose of PSR is to assist type 1 and type 2 projects that provide, improve, repair or adapt subjects to produce units for sale for owner occupation.

PART 2

CLASSES OF PERSON

3. The classes of person to whom local authorities may provide assistance by PSR are—

(a) private developers;

(b) housing trusts; and

(c) non registered housing associations.

PART 3

PROCEDURE TO BE FOLLOWED BY A LOCAL AUTHORITY

4. A local authority must ensure that—

(a) each grant applicant submits an application using the form to be specified by that local authority to enable it to undertake an appraisal of the proposed project;

(b) each grant applicant is made aware of any additional information requirements to those on the application form referred to in sub-paragraph (a) above;

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- (c) it agrees any client group targeted as first purchasers with a grant applicant and that the grant applicant has a marketing strategy to ensure those client groups receive priority when the units are marketed for sale;
- (d) each grant applicant provides such information as is necessary to enable the local authority to confirm that the proposed project is compatible with local housing strategies;
- (e) each grant applicant provides details of its organisational structure and legal status;
- (f) each grant applicant provides such evidence as the local authority may require regarding the grant applicant's financial standing and ability to fund and complete any proposed project; and
- (g) it carries out a financial appraisal of each application and that the financial appraisal is validated by a suitably qualified valuer who is registered with the Royal Institution of Chartered Surveyors and independent from the grant provider.

PART 4

TERMS AND CONDITIONS ON WHICH ASSISTANCE IS PROVIDED

5. The terms and conditions on which PSR is provided are—
- (a) all units must comply with the requirements of all applicable Building Regulations;
 - (b) the grant recipient must provide units for owner occupation in accordance with the project and for no other purpose whatsoever;
 - (c) unless the local authority first consents in writing, the grant recipient must not sell or dispose of the subjects to anyone other than a first purchaser for occupation as their only or principal residence;
 - (d) a first purchaser must not be an officer, trustee or director of the grant recipient, or an individual with any financial interest in the grant recipient, or a family member of a grant recipient who is a private developer;
 - (e) the units must have National House-Building Council certification or equivalent certification approved by the local authority;
 - (f) any client group targeted for the sale of units in accordance with paragraph 4(c) must receive priority right to purchase the units as first purchasers when the units are marketed for sale;
 - (g) the grant recipient must submit to the local authority progress reports, the return used to record sales of units to first purchasers and a post completion return all when required by that local authority in the forms to be specified by that local authority;
 - (h) the grant recipient must grant a standard security over the subjects in favour of the local authority in terms satisfactory to that local authority save where that grant recipient has obtained a bank guarantee or performance bond in terms of sub-paragraph (i) or (j);
 - (i) where the local authority requires that a bank guarantee or performance bond is obtained, and the grant recipient owns the subjects, that grant recipient must obtain a bank guarantee or performance bond in terms satisfactory to the local authority;
 - (j) where the grant recipient has entered into a licence agreement and the local authority requires that a bank guarantee or performance bond is obtained the conditions that require to be met are—
 - (i) the grant recipient has entered into a licence agreement in respect of the subjects in terms satisfactory to that local authority; and

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- (ii) the grant recipient has delivered to that local authority a bank guarantee or performance bond in respect of the project in terms satisfactory to that local authority;
- (k) where the local authority requires, the grant recipient must ensure that the first purchaser of any unit must, at that first purchaser's own expense and including any expenses of that local authority, grant a standard security in favour of that local authority for the pro rata amount of PSR apportioned to that unit, which standard security is to provide for repayment of that amount in the event of the first purchaser ceasing to occupy the unit as that first purchaser's only or principal residence within such period from the date of entry by the first purchaser as is specified by the local authority;
- (l) no grant will be paid until the grant applicant satisfies the local authority that it has, or is in a position to obtain, control of the development site or property; and
- (m) any payment of PSR by the local authority must be expended on the project by the grant recipient no later than 14 days after that payment by that local authority.

Default

6. The breach of any of the terms and conditions detailed in regulation 6 and paragraph 5 constitutes a default.

Effect of default

7. In the event of a default which is in the opinion of a local authority capable of being remedied, it must allow the grant recipient a period in which to remedy the default, said period being determined by that local authority on the basis of what it considers reasonable in the circumstances and that local authority must serve a notice in writing on that grant recipient to that effect.

8. In the event of a default which is in the opinion of the local authority not capable of being remedied or which has not been remedied in terms of paragraph 7—

- (a) where no PSR has been paid the local authority must not make a payment; and
- (b) where any payment of PSR has been made, the grant recipient must immediately repay to the local authority that payment less any sum attributable to sales of units to first purchasers which have concluded at the date of default.

Recovery of sums based on the actual cashflow

9. Where the grant calculated by the local authority using the actual cashflow following receipt of the post completion return is less than the amount of grant specified in the offer of grant (which is calculated using the approved cashflow), the amount to be paid by the grant recipient to that local authority as set out in the offer of grant is to be paid within 14 days of the local authority advising that a repayment of grant is due.”