

SCHEDULE 1

Regulations 3(a), 4, 5 and 6

HAG

PART 1

INTERPRETATION AND PURPOSE

Interpretation

1. In this Schedule—

“adaptations” means the works required to adapt an existing unit to suit the needs of a tenant or occupant of that unit who is an individual with particular needs, such works being independent from any other works;

“acquisition stage” means the stage in a project at which a grant applicant seeks to acquire the subjects;

“cost plan stage” means the stage in a project at which a grant recipient has a detailed design proposal for a project including a full breakdown of estimated costs for the project;

“decant accommodation” means accommodation that is provided by a grant recipient to temporarily re-locate persons who have had to leave their property to enable a project to be undertaken;

“decant costs” means costs incurred to temporarily re-locate persons who have had to leave their property to enable a project to be undertaken;

“funding route 1” means a method of funding to provide grant for a programme;

“funding route 2” means a method of funding to provide grant for a project;

“funding route 3” means a method of funding to provide grant for a project which requires at least one detailed funding application from the grant recipient at either cost plan or tender stage of that project;

“funding route 4” means a method of funding to provide grant for a project which requires detailed funding applications from the grant recipient at each of the acquisition, cost plan and tender stages of that project;

“furniture costs” means the cost of providing furniture for accommodation provided by a grant recipient to individuals who require temporary accommodation or assistance in securing permanent accommodation;

“HAG” means a grant paid by a local authority to a grant recipient in respect of a project;

“HAG subsidy target” means a monetary target which is agreed by a local authority and a grant recipient based on an estimate of how much HAG subsidy a programme or project requires;

“lead tenancies” means a project that makes available empty properties for rent by RSLs where the RSLs in turn rent such properties from another person;

“repairs” mean repairs to units provided for rent where those units were provided under a previous project in respect of which HAG was paid where—

(a) an offer of grant was issued at the tender stage of that previous project prior to 30th September 1989; and

(b) the rent for the units shall not increase as a result of the repairs;

“performance grading” means the overall grading awarded to an RSL by Scottish Ministers;

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“programme” means all of a grant recipient’s projects for a period of up to three years from the date of the programme agreement, the programme agreement being in terms of paragraph 6(2);

“project” means works undertaken by a grant recipient to provide housing by providing, improving, adapting and repairing subjects or related matters;

“target outputs” means the approximate number of units to be provided by a grant recipient for specific client groups as housing for rent, shared ownership and owner occupation; and

“tender stage” means the stage in a project when a grant recipient has a fully costed proposal in respect of a project; and

“term of HAG” means the period of time specified in the offer of HAG for which the terms and conditions of the grant are to apply.

Purpose

2. The purpose of HAG is to assist with providing, improving, adapting and repairing housing or related matters.

PART 2

CLASSES OF PERSON

3. The classes of person to whom local authorities may provide assistance by HAG are RSLs.

PART 3

PROCEDURE TO BE FOLLOWED BY A LOCAL AUTHORITY

Determination of funding routes

4. Prior to the appraisal of any application for HAG to provide, improve and adapt units, a local authority shall determine the appropriate funding route for each grant applicant based on–

- (a) the performance grading of the grant applicant; and
- (b) the record of the grant applicant in managing programmes and projects efficiently and in delivering programmes and projects which that local authority considers represent good value for money.

Procedure applying to HAG to provide, improve and adapt units

5. Once the appropriate funding route is determined for each grant applicant a local authority shall ensure that in any case where a grant applicant is applying for HAG to provide, improve and adapt units that–

- (a) the procedures in paragraph 6 shall apply to funding route 1 cases; and
- (b) the procedures in paragraph 7 shall apply to funding routes 2, 3 and 4 cases.

Procedure for funding route 1 cases to provide, improve and adapt units

6.—(1) A local authority shall ensure that, in a case where it determines that funding route 1 applies, a grant applicant submits to that local authority a programme proposal report in terms satisfactory to, and in a form to be specified by, that local authority, detailing–

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- (a) all proposed HAG projects to be undertaken by the grant applicant for a period up to 3 years;
 - (b) the design and specification standards the grant applicant seeks to achieve for each project; and
 - (c) the grant applicant's policies and procedures for managing procurement processes to ensure that the standards in sub-paragraph (1)(b) above are achieved.
- (2) Following receipt and appraisal of a programme proposal report, a local authority may issue a programme agreement indicating the amount of HAG that it may make available to a grant applicant over a period of up to 3 years which programme agreement shall specify—
- (a) target outputs;
 - (b) HAG subsidy target; and
 - (c) project locations.
- (3) Once a programme agreement has been issued, the local authority shall ensure in relation to each project that a grant applicant submits in such terms as that local authority considers satisfactory—
- (a) at acquisition stage, a report using the form to be specified by that local authority and at settlement the form to be specified by that local authority;
 - (b) at cost plan stage, where that local authority considers necessary, a report using the form to be specified by that local authority; and
 - (c) at tender stage, a report using the form to be specified by that local authority.

Procedure for funding routes 2, 3 and 4 cases to provide, improve and adapt units

7.—(1) A local authority shall ensure that in a case where it determines that either funding routes 2, 3 or 4 apply, a grant applicant submits to that local authority a project proposal report for the project to be undertaken by that grant applicant in terms satisfactory to, and in a form to be specified by, that local authority.

(2) Following receipt and appraisal of a project proposal report, a local authority may issue a scheme agreement indicating the amount of HAG that it may make available to a grant applicant in respect of the project which scheme agreement shall specify—

- (a) funding route that applies;
- (b) purpose of the project;
- (c) project location;
- (d) timescales for work connected to the project; and
- (e) target outputs.

(3) In a case where funding route 2 applies the local authority, after issue of a scheme agreement, shall ensure that a grant applicant submits to that local authority in relation to a project, in such terms as that local authority considers satisfactory—

- (a) at acquisition stage, a report using the form to be specified by that local authority, and at settlement the form to be specified by that local authority;
- (b) at cost plan stage, where that local authority considers necessary, a report using the form to be specified by that local authority; and
- (c) at tender stage, a report using the form to be specified by that local authority.

(4) In a case where funding route 3 applies the local authority, after issue of a scheme agreement, shall ensure that a grant applicant submits to that local authority in relation to a project, in such terms as that local authority considers satisfactory—

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- (a) at acquisition stage, a report using the form to be specified by that local authority, and at settlement the form to be specified by that local authority; and
- (b) at cost plan and at tender stage either–
 - (i) an application using the form to be specified by that local authority at cost plan stage and then at tender stage a report using the form to be specified by that local authority; or
 - (ii) a report using the form to be specified by that local authority at cost plan stage and then at tender stage an application using the form to be specified by that local authority,

save where a local authority considers it unnecessary to submit an application or report at cost plan stage in which case an application using the form to be specified by that local authority shall be submitted at tender stage.

(5) In a case where funding route 4 applies the local authority, after issue of a scheme agreement, shall ensure that a grant applicant submits to that local authority in relation to a project, in such terms as that local authority considers satisfactory–

- (a) at acquisition stage, an application using the form to be specified by that local authority and at settlement the form to be specified by that local authority;
- (b) at cost plan stage, where that local authority considers necessary, an application using the form to be specified by that local authority; and
- (c) at tender stage, an application using the form to be specified by that local authority.

Procedure for HAG for lead tenancies

8. Where a grant applicant applies for HAG for lead tenancies, a local authority shall ensure that a grant applicant submits to that local authority, in such terms as that local authority considers to be satisfactory, applications using the forms to be specified by that local authority together with any additional information as may be required.

Procedure for HAG for repairs

9. Where a grant applicant applies for HAG for repairs, a local authority shall ensure that a grant applicant submits to that local authority, in such terms as that local authority considers to be satisfactory, applications using the forms to be specified by that local authority together with any additional information as may be required.

Procedure for HAG for decant costs

10. Where a grant applicant applies for HAG for decant costs, a local authority shall ensure that a grant applicant submits to that local authority, in such terms as that local authority considers to be satisfactory, applications using the forms to be specified by that local authority together with any additional information as may be required.

Procedure for HAG for adaptations

11. Where a grant applicant applies for HAG for the cost of adaptations, a local authority shall ensure that a grant applicant submits to that local authority, in such terms as that local authority considers to be satisfactory, applications using the forms to be specified by that local authority together with any additional information as may be required.

Procedure for HAG for furniture costs

12. Where a grant applicant applies for HAG for furniture costs, a local authority shall ensure that a grant applicant submits to that local authority, in such terms as that local authority considers to be satisfactory, applications using the forms to be specified by that local authority together with any additional information as may be required.

PART 4

TERMS AND CONDITIONS ON WHICH ASSISTANCE IS PROVIDED

Termination of a programme agreement

13. Any programme agreement may be terminated by the local authority if–
- (a) the grant recipient fails to deliver the programme to the reasonable satisfaction of that local authority; or
 - (b) the performance grading of the grant recipient reduces to a lower standard during the term of the programme agreement.

Terms and conditions for HAG to provide, improve, adapt and repair units

14. The terms and conditions on which HAG is provided to provide, improve, adapt and repair units (but these terms and conditions shall not apply for HAG for lead tenancies) are–
- (a) the grant recipient shall accept a tender for a programme or a project from a contractor only in the amount that the local authority has approved at tender stage;
 - (b) the grant recipient shall develop the subjects in accordance with the project and for no other purpose whatsoever;
 - (c) the units shall–
 - (i) be sold by the grant recipient for owner occupation;
 - (ii) where the sale is the first sale in a sale for shared ownership, be sold by the grant recipient; or
 - (iii) be available for rent;
 - (d) the grant recipient shall not sell, let or otherwise dispose of the subjects, the units or any part thereof save as in accordance with the project and with sub-paragraph (c) above without written notification to the local authority prior to such sale, let or other disposal;
 - (e) the grant recipient shall obtain vacant possession of the subjects;
 - (f) where the project includes units for sale for owner occupation other than shared ownership, the units offered for sale shall not include new build property;
 - (g) where the project includes units for sale for owner occupation or for shared ownership, the units shall be marketed by the grant recipient in accordance with a strategy agreed in writing with the local authority; and
 - (h) any payment of HAG by the local authority to the grant recipient must be expended on the project by that grant recipient within 14 days after that payment by that local authority.

Default

15. Where HAG has been provided to provide, improve, adapt and repair units the breach of any of the terms and conditions detailed in paragraph 14 and regulation 6 shall constitute a default.

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Effect of default

16. In the event of a default, which is in the opinion of the local authority capable of being remedied, that local authority shall 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 shall serve a notice in writing on that grant recipient to that effect.

17. In the event of a default which is in the opinion of the local authority not capable of being remedied or is a default in terms of paragraph 16 that has not been remedied in terms of that paragraph—

- (a) where no HAG has been paid that local authority shall not make a payment; and
- (b) in all other cases where payment or part payment of HAG has been made the grant recipient shall immediately repay to that local authority any such payment or part payment up to the full amount of the HAG under deduction of any sums attributable on a pro-rata basis to any unit or units which are provided in accordance with the project.

Recovery of sums

18. Where HAG has been paid to the grant recipient, the local authority may recover the full amount of the HAG or a proportion thereof from the date it ascertains that HAG should be repaid where—

- (a) in the case of HAG to provide, improve, adapt and repair units, no later than on completion of the project—
 - (i) the units provided differ from those specified in the offer of grant;
 - (ii) the proceeds from the sale of units for owner occupation or shared ownership differ from those specified in the offer of grant; or
 - (iii) the cost of the project is less than that specified in the offer of grant;
- (b) HAG has been paid to acquire or repair units for decant accommodation and these units are sold after use; or
- (c) HAG has been paid for furniture costs and the grant recipient ceases to provide a furnished unit within a period of five years from the date of the initial let of the unit.