

Affordable Housing Funding Policy 2019

1. Purpose

The Mayor of Bristol has set out the objective 'to build 2,000 new homes – 800 affordable – a year by 2020'. In response to this the Council has established the Housing Delivery Team a single multi-functional team that will deliver homes through a number of routes including grant funding to Registered Providers (RPs). The Council recognises that the provision of direct grants to RPs has been significant measure in increasing the overall affordable housing supply. The Council has allocated, in the initial two years operation, a total of £13.1m helping to deliver 302 affordable homes. At an average grant rate of £43,000 per affordable rented homes the scheme has already demonstrated itself to be the single most cost effective measure in increasing the affordable housing supply. The Council's current policy adopted April 2018 has been reviewed following a further year's operation and the changes have been shown highlighted below.

2. Eligible applicants

All **current** Homes West Registered Providers (RPs) registered *with Homes England* are also non-profit making organisations. *The 2019 policy has been extended to include other housing organisations including Community Land Trusts, Community led Housing Organisation and specialist housing providers on the proviso that they are non-profit making organisations. Please note that Homes England will only provide grant for affordable rent or social rent to CLTs or CLH organisations if they are registered as Registered Providers.*

The Council will accept applications from RPs, as contracting authorities, and other eligible applicants principally for schemes on privately owned land (*including land owned by charitable organisations*) and other public land on a robust "continuous market engagement" basis (see Appendix C1 for details).

3. National definition for Affordable Housing for Rent

The Council **acknowledges** the definitions for "affordable housing" and "affordable housing for rent" as defined in the *National Planning Policy Framework 2018 (NPPF)*: "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with the following definition: Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the **Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.**"

4. Local definition of Affordable Homes to Rent

The Council is seeking to provide grant funding for housing schemes that will deliver a range of different **affordable homes to rent** in perpetuity. **However please note any homes delivered using Homes England grant would need to be**

eligible for the Right to Acquire.

. These affordable homes to rent will address the greatest housing needs identified in the West of England Strategic Housing Market Assessment 2009 (updated in 2015) and have the greatest impact on households registered on Homes Choice Bristol. *It should be noted that there are some forms of affordable housing to rent defined in the national definition (homes let at 20% below market rents) which locally would not be acceptable. Affordable homes to rent let at rents only 20% below market rents are only affordable in relatively few areas of the city. For this reason this Council will always refer to the Local Housing Allowance limits for specific property types in the Bristol Area as the determinant of affordability.*

The local definition includes:

- Social Rent on proviso that the initial rent (*based on the Rent Scheme 2015*) and the service charge element *up to March 2020* are not in excess of Local Housing Allowance limits for the specific property type in the Bristol Area *and after April 2020 not in excess of 35% gross household income.*
- Affordable Rent at an agreed % of Open market rent (including the service charge element) on proviso that the initial rent *up to March 2020* is not in excess of the LHA limits for the specific property type in the Bristol Area *and after April 2020 not in excess of 35% gross household income.*
- *Affordable Private Rent* (including the service charge element) at an agreed % of Open market rent set at the point of first letting at a level that is below the Local Housing Allowance (LHA) limits for the specific property type in Bristol Area; *inflated by no more than Consumer Price Index plus 1%.*

The Council acknowledges the need for RPs and other housing providers to inflate rents up to the date of the Government's review of the Rent Scheme, expected in March 2020. The Funding Agreements therefore allow that all rents may be increased annually by Cost Price Indicator plus 1% until that date. In the event of the Government not reviewing the Rent Scheme in 2020 the Council will revise this policy to ensure that any rentals proposed are not in excess of 35% of gross household income.

5. National definition for 'Other routes to homeownership'

The Council acknowledges the definitions for "affordable housing" and "other routes to homeownership" as defined in the National Planning Policy Framework 2018 (NPPF): "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with the following definition: Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

6. Local definition of 'other routes to home ownership'

The Council, alone, is seeking to provide grant funding for housing schemes that will deliver shared equity housing solutions that are able in perpetuity to demonstrate that the new owners occupation costs are not in excess of 35% gross household income. However please note that any homes delivered by Registered Providers using Homes England grant would need to be a Shared Ownership products eligible for the Right to Acquire.

These grants for shared equity homes will be exclusively available to Community Land Trusts and other community led housing organisations to address identified local housing needs and aspirations. The future occupiers will be registered and access the properties through Homes Choice Bristol. The Funding Agreement will ensure that the Community Land Trust or other community led housing organisation retain a share (equivalent to the plot land value) that ensures the shared equity homes remain at an affordable price for future eligible households.

7. Eligible housing schemes

Grant applicants will be potentially eligible for grants on sites on previously developed land either allocated for housing development in the existing and emerging Local Plans or with planning permission or prior approval for housing, including:

- Previously developed private and public land allocated in the Local Plan or 'windfall' brownfield sites with a former commercial use in a residential area i.e. petrol filling stations, etc.
- Mixed use private schemes that re-provide existing commercial and retail activities
- Existing private, public and voluntary residential flatted schemes or other vacant dwellings
- Off the shelf existing satisfactory properties or properties under construction
- Former offices and other commercial buildings
- New build 'additional' homes from private developers, where the s106 affordable housing contribution has already been agreed and the Council is satisfied that the RP has achieved the best purchase price for the units from the developer.

8. Council's grant availability from April 2019

The Council has agreed to make the following sums available to registered providers and other eligible applicants for grant funding to support the delivery of up to 200 affordable rented homes each year:

- 2019/20 : £14m
- 2020/21 : £12m
- 2021/22 : £12m
- 2022/23 : £7m

The Council is seeking RPs and other eligible applicants who will provide affordable homes to rent and shared equity homes that will meet the identified housing needs of all sizes of households in all house types.

The homes will be required to meet the Government's Building Regulation standards in addition to be in full compliance with [Bristol Local Plan](#) including the *Urban Living SPD, Heat Hierarchy, Bristol's space standards* and other emerging policies

The grant funding will be normally paid in tranches: 40% at acquisition, 35% start on site and 25% on practical completion (in alignment with Homes England). The Council will be prepared to consider 100% grant payments at acquisition stage where it can be evidenced that the grant payment enables the RP to acquire an **eligible scheme** will be developed within 12 months.

All applications for grant funding from the Council for affordable homes to rent and shared equity must be compliant with State Aid rules. (Please see Appendix A1 and Appendix H for the legal and state aid implications of the Council making grants available to RPs and other eligible applicants).

9. 'Grant Rates

The Council will continue to use the Procedure, Appraisal and Scoring Criteria detailed in Appendix A3 and will continue to use a **'specific'** grant approach, **determined by an analysis of recent grant submissions made by RPs and CLTs in the city. It is clear that this grant certainty has accelerated the delivery of affordable homes to rent and given greater confidence to HW RP partners to create future development pipelines. This approach will also be used for the shared equity grants.** In future, when it is known that a planning permission or acquisition will not be achieved in the year of application the Council **may** be prepared to make conditional grant offer for the next year.

Grant Arrangements to deliver new homes

1	Scheme offers 100% Affordable Homes to Rent (Includes Affordable Rent (up to LHA limits) and Social Rent homes for RPs, CLTs and CLH	BCC sole funder – however encourages RP to identify other resources RCGF and Reserves	No more than £55,000/unit on schemes delivered principally on private land
2	Scheme offers 100% Affordable Rent and Social Rent homes to meet Better Lives at Homes objectives to RPs	BCC sole funder however RPs encouraged to identify other resources RCGF and Reserves	No more than £80,000 for each new build self-contained accommodation unit or flat for wheelchair user or bed space in shared new build and refurbished houses.
3	Scheme offers 100% Affordable Homes to Rent (Includes Affordable Rent (up to LHA limits) and Social Rent to RPs, CLTs and CLH	BCC and Homes England partnership funders –may include RCGF as part of Homes England element and must comply with the Capital Funding Guide	No more than £75,000 per unit (total amount split between BCC and HE) on schemes delivered principally on private land
4	Shared Equity homes	BCC sole funder	No more than

	where CLT/CLH retains a 'golden' share to ensure future affordability (occupants costs no greater 35% gross income) to CLTs and CLH		£35,000 per unit grant on private land or no more than £35,000 per unit grant/ plot value on Council land
5	Shared Equity homes where CLT/CLH retains a 'golden' share to ensure future affordability (occupants costs no greater 35% gross income) to CLTs and CLH	BCC sole funder	No more than £45,000 per unit grant (total split between BCC and HE) on private land only
6	Scheme secures 'additional' Affordable Rent (up to LHA limits) and Social Rent homes over and above AH secured through s106 or purchase existing satisfactory homes to RPs, CLTs and CLH	BCC sole funder – however encourages RP to identify other resources RCGF and Reserves	No more than £75,000 per unit on schemes delivered on private land – subject to demonstrating that no more than 90% of OMV paid for 'additional' homes
7	Scheme secures 'additional' Affordable Rent (up to LHA limits) and Social Rent homes over and above AH secured through s106 to RPs	BCC and Homes England partnership funders – may include RCGF as part of Homes England element and must comply with the Capital Funding Guide	No more than £100,000 per unit grant on schemes delivered principally on private land – subject to demonstrating that no more than 90% of OMV paid for 'additional' homes

Supplementary Grant Arrangements to deliver corporate objectives

A	Scheme requires additional grant to deliver Rented homes suitable for a wheelchair user to RPs, CLTs and CLH	BCC sole funder however encourages RP to identify other resources RCGF and Reserves	No more than £25,000 per Rented unit on schemes delivered. Can be combined with Grants for rented properties (1) above
B	Scheme requires grant to deliver BCC requirements through Heat Hierarchy to RPs, CLTs and CLH	BCC sole funder – however encourages RP to identify other resources RCGF and Reserves	No more than £10,000 per Rented or Shared Ownership unit on schemes delivered principally on private land

C	Scheme requires grant to deliver 'modular homes' to RPs, CLTs and CLH	BCC sole funder however encourages RP to identify other resources RCGF and Reserves	No more than £5000/ Rented or Shared Ownership unit on schemes delivered
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In exceptional cases the Council will accept Business Case being submitted in electronic application to justify why a higher grant, than those detailed above, is needed. In these exceptional cases it will be at the absolute discretion of the Executive Director of Growth and Regeneration, in liaison with the Cabinet Member for Housing whether the request for a higher level of grant is accepted. The Council will also consider awarding a blended average rate over a package of schemes which includes both high grant and low grant requirements to enable the overall average to be at the appropriate grant rate.

The Council will undertake annual reviews of the levels of grant sought against the specific grant rates for each category and determine how successful the new grant categories have been and report the findings to the Housing Delivery Board and Homes West Bristol.

10. Joint Funding arrangements with Homes England

The Council and *Homes England* have agreed to work together on grant funding to make the best use of public resources to deliver 100% affordable homes to rent schemes and secure additional affordable homes where s106 has been agreed. *The Council, Homes England and all Homes West RP partners* have agreed that all affordable homes delivered will all be recorded on the HE Investment Management System. *This will allow both the Council and Homes England access to this data and enable the two* agencies to better share management information together.

1. Please note that Homes England will only provide grant for affordable rent or social rent to CLTs or CLH organisations if they are registered as Registered Providers. Further any Homes England funding is subject to the specific requirements of our programmes (currently Strategic Partnerships, SOAHP, CHF, CASSH, Move on Fund) and also subject to compliance with the Homes England Capital Funding Guide.



Affordable Housing Funding Policy for Homes West Registered Providers, Community Land Trusts and Community Led Housing Organisations – Grant Application Procedure Guide

1. Application process for grant proposal(s)

- a. Frequency: The Council will accept submissions for grant for affordable homes to rent *and shared equity* at any time through a Continuous Market Engagement process on Pro Contract; *however bids please note that bids will only be evaluated by Panel on monthly basis with the last date of each month signalling the deadline for each bid round.*
- b. Contact: Please ensure your organisation is registered on the Pro Contract as this is the solution the Council will utilise to process the grant application, appraisal and award process. Once the application process has commenced all communications will be managed via this portal. Please note any questions submitted will be anonymised with responses published to all RP *or other eligible applicants will be* invited to participate in this process.
- c. RPs *or other eligible applicants* submissions to contain all information/data sought in Table below
- d. Evaluation and appraisal of application to enable report to Executive Director for Growth and Regeneration decision in liaison with the Cabinet Member for Homes within four weeks of receipt of application.
- e. Notification to RPs *or other eligible applicants* of outcome within two weeks of Cabinet Member Briefing. If unsuccessful RPs *or other eligible applicants* will be notified of the reason(s) why the grant application is not being progressed. Resubmissions will be acceptable. Please note that this Council approval may be subject to HE approval where joint funding is required.

2. Criteria based appraisal approach for Proposal(s)

All grant applications will be appraised against the following criteria and scoring chart. Any application that does not achieve a score of at least 3 out of 5 on any of the criteria will be discounted *or may be asked to make a new submission.*

Appraisal criteria for Registered Providers seeking grant funding

Ref	Topic & Weighting	Criteria	Evidence	Score
Quality				
1	Housing proposal (20%)	<p>Demonstrate how your Proposal(s), highlighting location, tenure mix, type, design and specification of units, responds to:</p> <ul style="list-style-type: none"> • Corporate Strategy - including Mayoral Priority to increase and speed up delivery of AH • Bristol Local Plan –including Urban Living and Heat Hierarchy • Innovative construction practices – including use of modular homes 	Text response up to 1000 words	0-5
2	Deliverability of programme (25%)	<p>Demonstrate that your scheme can start on site <i>within next twelve months and be delivered by March 2021</i> by making available:</p> <ul style="list-style-type: none"> • Land ownership or acquisition position: • Planning status • Deliverability of scheme ie highway access or other encumbrances. 	<p>Text response up to 1000 words</p> <p>Supported with a Gantt Chart with key milestones</p>	0-5
3	Social Value (10%)	<p>Demonstrate how your Proposal(s) will respond to https://www.bristol.gov.uk/documents/20182/239382/Social+Value+Policy+-+March+2016 with firm commitments to detailed issues below:</p> <ul style="list-style-type: none"> • Number of work placements and apprenticeship(s) to be created through delivering the scheme <ul style="list-style-type: none"> ○ how the scheme will contribute toward supporting existing apprenticeships in your organisation or through organisations supply chain ○ details of the occupation(s) the apprenticeship(s) • Number of nominations offered to BCC Priority Groups/Individuals - people with characteristics protected by legislation ie care leavers, and/or long term un-employed people • Local Labour and procurement <ul style="list-style-type: none"> ○ Number of work placements and training/skills learning opportunities volunteering opportunities offered by RP, main contractor or sub contractors ○ Percentage of the contractors and sub contractors workforce to be recruited from the local area ○ % of Expenditure through local funding arrangements and supply chain (this relates to the purchase of supplies, good and materials) • Local involvement 	Text response up to 1000 words that responds to detailed issues	0-5

		<ul style="list-style-type: none"> ○ Evidence of working with organisations in the Community led Housing sector ○ Engaging with local schools/colleges to raise awareness on careers opportunities in the sector ○ sharing/offering resources for community benefit ○ offering volunteer opportunities or allowing your own staff to offer volunteer time for community benefit <p>NB The social value specific scoring matrix is used in appraising responses to this question only.</p>		
Cost and Value for Money				
4	Financial Appraisal (20%)	<p>Demonstrate that your organisation is financially sound as an organisation PASS/FAIL. Demonstrate how the Proposal(s) is going to be delivered financially; including:</p> <ul style="list-style-type: none"> • Funding structure • Confirmation of; funding availability from the HE, RP Reserves & RCGF, private finance facilities, charitable and other funding sources • Projected costs and revenues 	<p>Text response up to 1000 words supported by following documents:</p> <p>Pro Val appraisal (or other similar appraisal system) in PDF format.</p> <p>Letter of intent or confirmation of availability of funding Annual Report Other financial records (on request).</p>	0-5
5	BCC Grant requirement (25%)	<p>Value-for-money justification. Grant per unit request (with grant payment drawdown dates) will be measured against the Council's specific grant per unit as detailed in the Table in Section 9 in Policy</p> <ul style="list-style-type: none"> • Affordability and perpetuity statement with rent and service charge inc. future rent increases • Grant Agreement compliance statement - willingness to sign up without any amendments. <p>(See Funding Agreement in Appendix A2)</p> <p>This assessment will also take into account the</p>	<p>An up-loaded statement (up to 500 words) with Pro Val appraisal (or other similar appraisal system) in PDF format.</p>	0-5

	scale of delivery including housing numbers delivered through a mixed tenure housing scheme and/or a 100% affordable housing scheme or programme of schemes.		
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Guidance for awarding scores for Registered Providers seeking grant funding

Assessment	Scores 0-5	Reason to award this score based on evidence provided against the criteria included
Unacceptable	0	<ul style="list-style-type: none"> Does not meet the criteria; Does not comply and/or insufficient information provided to demonstrate that the RP has the ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver , with little or no evidence to support the proposal.
Serious reservations	1	<ul style="list-style-type: none"> Satisfies the criteria with major reservations; Considerable reservations of the RPs relevant ability, understanding, experience, skills, and resource & quality measures required to meet the objectives sought and deliver , with little or no evidence to support the proposal.
Minor reservations	2	<ul style="list-style-type: none"> Satisfies the criteria with minor reservations; Some minor reservations of the RPs relevant ability, understanding, experience, skills, and resource & quality measures required to meet the objectives sought and deliver with little or no evidence to support the proposal.
Satisfactory	3	<ul style="list-style-type: none"> Satisfies the criteria; Demonstration by the RP of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver with evidence to support the proposal
Good	4	<ul style="list-style-type: none"> Satisfies the criteria with minor additional benefits; Above average demonstration by the RP of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver; Proposal identifies factors that will offer potential added value, with evidence to support the proposal.
Excellent	5	<ul style="list-style-type: none"> Significantly exceeds the criteria ; Exceptional demonstration by the RP of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver; Proposal identifies factors that will offer potential added value, with evidence to support the proposal.

Dated

Model Grant Agreement

relating to

XXX, Bristol

between

City Council of Bristol

And

XXXX XXXX

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THIS DEED is dated 2018

Parties

The City Council of Bristol whose address is the City Hall, College Green, Bristol BS1 5TR
(Council).

XXXX XXXX is a 'registered society' trading as XXXX XXXX with charitable status (29804R). Homes England registration number L4459. Registered office 40 Martingale Way, Portishead, BS20 7AW
(Recipient).

Background

The Council has agreed to pay the Grant to the Recipient to assist it in developing the Scheme, providing affordable rented housing in the city of Bristol and making available a number of affordable rented units to the Council's nominees.

This Agreement sets out the terms and conditions on which the Council makes the Grant to the Recipient.

These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

Agreed terms

1. Definitions

In this Agreement the following terms shall have the following meanings:

- 1.1. **Affordable Homes to Rent:** the units to be delivered under the Scheme for which the Council shall have Nomination Rights.
- 1.2. **Agreed Timescales:** 12 months
- 1.3. **Commencement Date:** XX XXXX 2018.
- 1.4. **Certificate of Practical Completion:** means the practical completion certificate issued in relation to the Scheme.
- 1.5. **Eligibility Criteria:** means the Council's approved allocation policy from time to time in force for the allocation of residential accommodation to persons in need of such accommodation
- 1.6. **Grant:** the sum of £528,000 (five hundred and twenty eight thousand pounds) for the provision of 16 Affordable Homes to Rent.
- 1.7. **Grant Period:** the period from XX XXXX 2018 until five years following the Practical Completion Date.
- 1.8. **Grant Submission:** the Recipient's submission for the Grant set out at Schedule 3.
- 1.9. **Intellectual Property Rights:** all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.
- 1.10. **Know-How:** information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.
- 1.11. **Longstop Date:** 3 years from the date of this agreement.
- 1.12. **Nomination Rights:** means the right of the Council to nominate the applicant who matches the Eligibility Criteria in respect of both first and subsequent lettings of the accommodation delivered under the Scheme.
- 1.13. **NPPF:** the National Planning Policy Framework 2012 as supplemented or amended by any guidance notes or circulars which may supersede it and which are current at the date of this Agreement
- 1.14. **Practical Completion:** practical completion of the Scheme.
- 1.15. **Prohibited Act:** means:
 - a. offering, giving or agreeing to give to any servant of the Council any gift or consideration of any kind as an inducement or reward for doing or not doing any act in relation to the obtaining or performance of this Agreement or any other contract with the Council; or
 - b. entering into this Agreement or any other contract with the Council where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge;
 - c. committing any fraudulent offence or any offence under the Bribery Act 2010:

- 1.16. **RP:** a provider of affordable housing registered with the Homes England and a member of Homes West.
- 1.17. **Scheme:** the scheme described in Schedule 1.
- 1.18. **Term:** means the period commencing on the date the Certificate of Practical Completion is issued and ending 5 years later.
- 1.19. **Year:** means the period commencing on the Commencement Date and ending on the first anniversary of this Agreement and each subsequent period of 12 months commencing on the Commencement Date in each calendar year.

2. Purpose and Use of the Grant

- 2.1 The Recipient shall use the Grant only for the development of the Scheme, the provision of the Nomination Rights and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Council.
- 2.3 The Recipient shall not make any significant change to the Scheme during the Term, without the written agreement of the Council. For the purposes of this Clause 2.3 a significant change will include, but is not limited to a material change to planning application, reduction in number of affordable homes to rent, If the Council is of the view that a significant change to the Scheme will result in the need for a review of the Scheme, the Council may require the Recipient to submit a revised application for funding, in response to which the Council may reduce, increase or withdraw the Grant.
- 2.4 Where the Recipient intends to apply to a third party for other funding for the Scheme, it will notify the Council in advance of its intention to do so and, where such funding is obtained, it will provide the Council with details of the amount and purpose of that funding. The Recipient agrees that it shall not apply for duplicate funding in respect of any part of the Scheme or any related administration costs that the Council is funding in full under this Agreement.
- 2.5 Any liabilities arising at the end of the Scheme and/or Term including any redundancy liabilities for staff employed by the Recipient to deliver the Scheme must be managed and paid for by the Recipient using the Grant or other resources of the Recipient. There is no additional funding available from the Council for this purpose.

3. Nomination Rights

- 3.1 The Recipient covenants with the Council that the Council is entitled in perpetuity to one hundred per cent Nomination Rights in respect of each unit in the Scheme.
- 3.2 The Recipient covenants with the Council that it will:
- 3.2.1 procure that the Affordable Homes to Rent shall at all times be occupied and managed in accordance with the objects of an RP;
- 3.2.2 procure that the Affordable Homes to Rent shall be excluded (so far as legally possible) from:-
- a) any voluntary purchase grant scheme;
- b) any other mechanism that could result in any of the Affordable Homes to Rent becoming available for sale in the private housing market;
- 3.2.3 procure that:-
- a) no occupier of an Affordable Home to Rent shall be charged a service charge (which expression shall include an estate rent charge and a ground rent) totalling in excess of £650.00 (Six Hundred and Fifty Pounds) per annum per flat or £250 (two hundred and fifty pounds) per house(Index Linked), unless otherwise agreed in writing by the Council. For the avoidance of any doubt in respect of this clause 3.2.3 "ground rent" shall only include the rent reserved by a long lease and shall explicitly not include any rent payable by the tenant under a shared ownership lease in respect of the percentage of the property subject to that leased which they do not themselves own;

- b) subject to clause 3.2.3(**Error! Reference source not found.** no occupier of an Affordable Home to Rent shall be charged an initial rent in excess of the limits detailed in the Local Housing Allowance for the Bristol area or such rent as may be prescribed by the Homes England from time to time;
- c) from 1 April 2020 the Recipient may increase the rent charged to an occupier of an Affordable Home to Rent by CPI plus 1% from April 2020.

4. Payment of Grant

- 4.1 Subject to clause 4.2, the Council shall pay the Grant to the Recipient in accordance with Schedule 2 (unless at the sole discretion of the Council, the Council decides to make any payments earlier), subject to:
 - a. the Recipient developing the Scheme to the reasonable satisfaction of the Council;
 - b. the Recipient developing the Scheme within Agreed Timescales; and
 - c. the Recipient providing copies of all relevant Scheme documentation (including land/site valuations, works costs etc) requested by the Council to enable it to check and process the Scheme.
- 4.2 No Grant shall be paid unless and until the Council is satisfied that such payments will be used for proper expenditure in the delivery of the Scheme and that there has been no over-compensation by the Council to the Recipient in relation to the Recipient's costs in developing the Scheme, as set out in the Grant Submission.
- 4.3 The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the Scheme.
- 4.4 The Recipient shall promptly repay to the Council any money incorrectly paid to it either as a result of administrative error or otherwise. This includes (without limitation) where either an incorrect sum of money has been paid, the Recipient's costs in developing the Scheme are less than those set out in the Grant Submission, or where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient.

5. Entrustment

- 5.1 The Council hereby entrusts the Recipient with responsibility for the delivery of the Scheme.
- 5.2 The Recipient shall within 60 days of the end of each Year until the end of the Grant Period prepare in accordance with an open book accounting policy a set of accounts (the "**Annual Accounts**") showing:
 - a) All costs and expenses incurred by the Recipient in developing the Scheme;
 - b) All revenue generated in developing the Scheme;
 - c) All income from all sources received by the Recipient to develop the Scheme; and
 - d) Calculations showing whether the Grant has exceeded what is necessary to cover the costs incurred by the Recipient in developing the Scheme;and provide the Annual Accounts to the Council within 60 days of the end of the Year to which they relate (or the end of the Grant Period where this falls during a Year).
- 5.3 In addition to Annual Accounts, the Recipient shall provide the Council with any other information the Council requires or requests in order to calculate, control and review the Grant paid to the Recipient under this Agreement to ensure that the Grant does not exceed what is necessary in order to cover the costs incurred in developing the Scheme.
- 5.4 If the amount of the Grant exceeds the amount or amounts permissible under the relevant and applicable law and regulation of the European Union, or their replacements ("the Permitted Amount"), the Recipient shall reimburse the Council the amount of the Grant necessary to ensure that the Grant does not exceed the Permitted Amount.

6. Audit, Monitoring and Reporting

- 6.1 The Recipient will keep and maintain until 6 years after the date of this Agreement, or as long a period as is reasonably required by the Council, full and accurate records of the works, services, expenditure and payments relating to this Agreement.
- 6.2 The Recipient shall on reasonable request afford the Council access to such records and

documents as it may require to satisfy itself that the aims and objectives of the Scheme are being met and that this Agreement is being adhered to and that the Grant has been used properly in accordance with this Agreement.

- 6.4 The Recipient shall permit the Council to visit the site of the Scheme at any time during normal business hours to monitor the delivery of the Scheme, subject to the Council complying with all relevant site safety requirements.

7. Acknowledgment and publicity

- 7.1 The Recipient shall use reasonable endeavours to acknowledge the Council as the source of the Grant in its annual report and accounts and in any materials or written or spoken presentations about the Scheme, including an acknowledgement of the Council's support, using templates of the Council's official logo as provided by the Council from time to time.

- 7.2 The Parties shall obtain each other's written agreement before publishing any public relations materials referring to the Scheme.

- 7.4 The Recipient agrees to participate in and co-operate with any promotional activities relating to the Scheme instigated and/or organised by the Council.

8. Intellectual Property Rights ("IPRs")

- 8.1 The Parties agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other IPRs whatsoever owned by either Party before the date of this agreement or developed by either Party during the Grant Period, shall remain the property of that Party.

- 8.2 Any IPRs provided by the Council to the Recipient for use in connection with the Scheme (including without limitation its name and logo), shall not be used by the Recipient on and after termination of this Agreement, and shall be returned to the Council immediately on request.

9. Confidentiality

- 9.1 Subject to clause 10 (Freedom of Information and Environmental Information Regulations) and disclosure by requirement of legislation or the order of a Court of the jurisdiction of England and Wales, each Party shall during the Grant Period and thereafter keep secret and confidential all IPRs Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other Party.

10. Freedom of information Act 2000 ("FOIA") and Environmental Information Regulations 2004 ("EIR")

- 10.1 The Recipient acknowledges that the Council is subject to the requirements of the FOIA and EIR and shall assist and co-operate with the Council (at the Recipient's expense), including the immediate provision of all requested documentation and information held by the Recipient, that the Council reasonably requires to comply with these information disclosure requirements.

- 10.2 Except where disclosure is expressly authorised by the Council, the Recipient shall on receipt immediately pass on to the Council any requests for information on any matter connected with or about the Scheme and shall not respond directly to any request for information or otherwise disclose the information, whether purporting to be submitted under FOIA or EIR, or not.

- 10.3 The Council shall at its absolute discretion determine whether or not any request is exempt from disclosure .

- 10.4 The Recipient acknowledges that the Council may, acting in discharge of its public duty under Part 1 of the FOIA or the EIR be required to disclose information without consulting with the Recipient; provided always that where clause 10 applies the Council shall take reasonable steps, where possible and appropriate, to give the Recipient advanced notice, or alternatively as soon as practicable following any such disclosure.

- 10.5 The Recipient shall ensure that all information produced for, or relating to, the Agreement is retained for disclosure and shall permit the Council to inspect such records upon reasonable request.

11. Data protection

- 11.1 The Recipient shall (and shall procure that any of its staff involved in connection with the activities under the Agreement shall) comply with any notification requirements under the Data Protection Act 1998 ("DPA") and both Parties will duly observe and evidence all their obligations under the DPA and the General Data Processing Regulation, which arise in connection with the Agreement.

12. Withholding, suspending and repayment of Grant

12.1 Without prejudice to the Council's other rights and remedies, the Council may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:

- a) the Recipient uses the Grant for purposes other than those for which they have been awarded;
- b) the delivery of the Scheme does not start within 6 months of the Commencement Date and the Recipient has failed to provide the Council with a reasonable explanation for the delay;
- c) the Recipient is, in the reasonable opinion of the Council, delivering the Scheme in a negligent manner;
- d) the Recipient obtains duplicate funding from a third party for the Scheme;
- e) the Recipient obtains funding from a third party which, in the reasonable opinion of the Council, undertakes activities that are likely to bring the reputation of the Scheme or the Council into disrepute;
- f) the Recipient provides the Council with any materially misleading or inaccurate information;
- g) the Recipient commits or committed a Prohibited Act;
- h) any member of the governing body, employee or volunteer of the Recipient has:
 - (i) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Scheme; or
 - (ii) taken any actions which, in the reasonable opinion of the Council, bring or are likely to bring the Council's name or reputation into disrepute;
- i) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- j) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- k) the Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing; or
- l) the Certificate of Practical Completion has not been issued by the Longstop Date.

12.2 Wherever under the Agreement any sum of money is recoverable from or payable by the Recipient (including any sum that the Recipient is liable to pay to the Council in respect of any breach of the Agreement), the Council may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Recipient under the Agreement.

12.3 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its compliance with this Agreement it will notify the Council as soon as possible so that the Council will have an opportunity to take action to protect the Council and the Grant monies.

13. Anti-discrimination

13.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, marriage and civil partnership, pregnancy and maternity, age or otherwise) in employment.

13.2 The Recipient shall take all reasonable steps to secure the observance of clause 13.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Scheme.

14. Human Rights

14.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 ("HRA") in the performance of this Agreement as if the Recipient were a public body (as defined in the HRA).

14.2 The Recipient shall undertake, or refrain from undertaking, such acts as the Council requests

so as to enable the Council to comply with its obligations under the HRA.

15. Limitation of liability

15.1 The Council accepts no liability for any consequences, whether direct or indirect, that may arise from the Recipient delivering the Scheme, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless the Council, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Scheme, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.

15.2 Subject to clause 15.1, the Council's liability under this Agreement is limited to the payment of the Grant.

16 Capacity

16.1 The Recipient confirms that:

- a) it has all necessary resources and expertise to deliver the Scheme (assuming due receipt of the Grant);
- b) it has not committed, nor shall it commit, any Prohibited Act;
- c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Council immediately of any significant departure from such legislation, codes or recommendations;
- d) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Scheme;
- e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- g) all financial and other information concerning the Recipient which has been disclosed to the Council is to the best of its knowledge and belief, true and accurate;
- h) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
- i) it is not aware of anything in its own affairs, which it has not disclosed to the Council or any of the Council's advisers, which might reasonably have influenced the decision of the Council to make the Grant on the terms contained in this Agreement; and
- j) since the date of its last accounts there has been no material change in its financial position or prospects

17. Insurance

17.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement, including death or personal injury, loss of or damage to property or any other loss ("the Required Insurances").

17.2 The Required Insurances referred to above include (but are not limited to):

- (a) public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Scheme; and
- (b) employer's liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Scheme.

The Recipient shall (on request) supply to the Council a copy of such insurance policies and

evidence that the relevant premiums have been paid.

18. Duration

18.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the expiry of the Term or for so long as any Grant monies remain unspent by the Recipient, whichever is longer.

18.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

19. Assignment

19.1 The Recipient may not, without the prior written consent of the Council, such consent not to be unreasonably delayed or withheld, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Scheme, transfer or pay to any other person any part of the Grant.

20. Waiver

20.1 No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

21. Notices

21.1 All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

22. No partnership or agency

22.1 This Agreement shall not create any partnership or joint venture between the Parties, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

23. Joint and several liability

23.1 Where the Recipient comprises two or more persons with a distinct legal personality, Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

24. Contracts (Rights of Third Parties) Act 1999

24.1 This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

25. Governing law

25.1 This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

25.2 This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

26. Mortgagee Exemption

26.1 For the avoidance of doubt the covenants and obligations on the part of the Recipient contained in this Agreement shall not be binding upon:

(a) any mortgagee or chargee of the Scheme or any part thereof or any receiver (including administrative receiver) appointed by any such mortgagee to the extent that any such mortgagee, chargee or receiver may deal with or dispose of the Scheme or any part thereof and any affordable housing dwelling forming part of the Scheme free from the covenants and obligations set out in this Agreement and that any successors in title shall not be bound by it, and

(b) any affordable housing dwelling in the Scheme in respect of which a tenant exercises any statutory right to acquire or right to buy or any shared ownership unit in respect of which the lessee shall have staircased to 100% equity share and (in either case) the tenant or lessee (as the case may be) acquires a freehold or long leasehold interest in the same shall be entitled to dispose of such Affordable Housing thereafter free from the covenants and obligations set out in this Agreement and that any person deriving title through or under such tenant or lessee shall not be bound by it.

27. Dispute Resolution

27.1 In the event of any complaint or dispute (which does not relate to the Council's right to

terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Council's Affordable Housing Development Manager or any other individual nominated by the Council from time to time.

- 27.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Affordable Housing Development Manager or other nominated individual, as the case may be, either party may refer the matter to the Strategic Director Place of the Council and the Chief Executive of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Council and the Recipient.
- 27.3 In the absence of agreement under clause 27.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

28 COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

Schedule 1 The Scheme

The scheme is at XXXX, Bristol.

The Scheme is shown and described in the following documents

Schedule 2 Payment Schedule

Payment Schedule (please note this is subject to variation)

Amount of Grant Payable	Date of Payment
50% £XXX,000 two hundred and sixty four thousand pounds	XX XXXX 2018 on acquisition of land,
50% £XXX,000 two hundred and sixty four thousand pounds	XX XXXX 2019 or On issue of the Certificate of Practical Completion.

EXECUTED as a DEED
by the affixing of the COMMON
SEAL of
THE CITY COUNCIL OF BRISTOL
in the presence of:

.....
Authorised Signatory

EXECUTED as a DEED
by affixing the Common Seal of
NSAH (ALLIANCE HOMES)
LIMITED
in the presence of

Authorised Signatory: _____

Authorised Signatory: _____