

Housing Finance Grant (HFG)

Conditions

The grant must be used in respect of RSL costs of borrowing to fund:

- a) The purchase of land/property (including VAT where applicable).
- b) Works comprising (including VAT where applicable):-
 - i) main works contract costs
 - ii) major site development works (where applicable), including piling, soil stabilisation, road and sewer construction, demolition, costs in connection with statutory agreements excluding associated bonds.
- c) Fixed or "structural" items relating to the specific needs of individual tenants or groups of tenants which require provision beyond the standard normally required by the current version of the Development Quality Requirements. These include but are not limited to:
 - i) additional space requirements
 - ii) additional externals
 - iii) doors and windows
 - iv) water services
 - v) acoustic insulation
 - i) kitchens/utility rooms
 - ii) bathrooms and wcs
- d) **Standard additional costs** related to purchase and works costs referred to above at a "specified rate" (rates are specified in the Welsh Government Acceptable Cost Guidance (ACGs) for Social Housing Grant funded Housing February 2015) are intended to cover RSL expenditure, as appropriate, on the following items:-
 - a) legal fees, disbursements and expenses;
 - b) stamp duty;
 - c) interest charges on development period loans;
 - d) legal and supervision fees where directly incurred by RSLs in connection with statutory agreements.
 - e) Building Society or other valuation and administration fees;
 - f) fees for building regulations and planning permission (see table below);
 - g) in house or external consultants' fees, disbursements and expenses;
 - h) insurance premiums (except contract insurance included in works costs);
 - i) contractor's performance bond premium (see table below);

- j) warranty premiums (e.g. NHBC, Foundation 15, HAPM, Shield) (see table below);
- k) the RSL's development administration costs;
- l) preliminary minor site development works (new build) and minor pre-tender works (rehabilitation);
- m) VAT on the above, where applicable.

The grant must not be used for:

- a) Non residential premises
- b) Vehicles and equipment
- c) District mains sewers and sewage disposal works
- d) Communal facilities unless you can demonstrate they are required for the tenants of the Schemes and if appropriate the local community.

RSLs must undertake to maintain each contractual unit in accordance with Welsh Housing Quality Standards (or equivalent successor measures) and make the units available within regulated rent constraints applicable to social or affordable rents for a period of 100 years (other than on a temporary basis e.g. due to a major repair requirement).

Monitoring Requirements

RSLs must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor RSL compliance with the Conditions including without limit:
 - i) annual case studies in the format provided by the Welsh Government Official of completed Affordable Housing Schemes on the anniversary of the date of this award of grant;
 - ii) annual returns in the format provided by the Welsh Government Official – to include a list of completed Affordable Housing Schemes on the anniversary of the date of this award of grant;
- (b) meet with the Welsh Government Official and such other of our representatives as we may from time to time reasonably require;
- (c) ensure that the Project Manager (or such other person as we may agree) attends all meetings with the Welsh Government Official.