
URBAN DEVELOPMENT GRANT

Application Pack



Department for
**Social
Development**

www.dsdni.gov.uk

1. GUIDANCE NOTES

POWERS

The Department for Social Development (DSD) administers the Urban Development Grant (UDG) scheme under the provisions of the Social Need (NI) Order 1986.

STATE AID

UDG operates under the European Commission's General Block Exemption Regulation (GBER). All aid provided under this scheme will be within the limits set out in Article 13 of Commission Regulation (EC) no. 800 / 2008. The scheme reference number is X20/2009.¹ Further information in respect of the GBER is provided at section 2.

AIMS OF UDG

UDG is a discretionary grant with the objective of promoting job creation, inward investment and environmental improvement by the stimulation of development of vacant, derelict or underused land or buildings.

AREAS OF OPERATION

UDG is currently available in specific priority urban areas designated by DSD or its successors.

PROJECTS SUITABLE FOR UDG

UDG is available for a range of physical development projects in sectors such as inner/middle city housing, commercial, retail and light industrial.

OPERATION OF UDG

A range of support is available. The amount of grant offered will be the minimum necessary to trigger a project. This will take the form of a cash grant.

In **speculative projects** the grant offered will be that needed to cover the shortfall between the **cost** of the development and its **value** on completion (these figures are as calculated by Central Procurement Directorate Quantity Surveyors

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

and Land and Property Service Valuers respectively). Grants offered to **Owner Occupier projects** will be based on eligible costs only.

For both types of project, the grant will be dictated by the limits set out in section 2 below.

Grant offers may include a contribution towards reasonable professional fees. All grant offers will be subject to an appropriate sharing of risks and benefits with the applicant.

PRESENT POSITION

Applications will be carefully assessed and prioritised against the criteria below.

2. STATE AID

MAXIMUM AID INTENSITY

From 01 January 2011 to 31 December 2013 the maximum permissible level of grant aid is dependant on the location of the project: -

	Large Firms	Medium Firms	Small firms
Belfast (NUTS 3 region)*	10%	20%	30%
Rest of NI	15%	25%	35%

*The location will be determined by postcode and the appropriate grant limit will be applied at application stage.

DEFINITION OF MEDIUM AND SMALL FIRMS

The category of micro, small and medium-sized enterprises is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EURO 50 million, and / or an annual balance sheet total not exceeding EURO 43 million.

ELIGIBLE COSTS: OWNER-OCCUPIER SCHEMES

Eligible costs are normally reasonable construction costs and professional fees. Quantity Surveyors' (QS) Advisory Services advise on the basis of estimates of costs and tender exercises, and provide breakdowns of costs where there is a mix of, for instance, restructuring and new build. Fixtures, fittings, internal painting, etc., are not normally grant eligible, but discretion is exercised on an equitable basis with regard to the eligibility of costs for grant assistance.

ELIGIBLE COSTS: SPECULATIVE DEVELOPMENTS

Eligible costs will normally include: (a) current site value/acquisition cost; (b) where appropriate, site clearance and preparation costs including demolition and site security; (c) construction costs including any ineligibles identified by Quantity Surveyors which may be germane to the achievement of a certain level of rents; (d) professional fees associated with acquisition and construction; (e) financing costs; and (f) professional fees associated with letting/project disposal.

MAXIMUM AID AMOUNT AND EUROPEAN COMMISSION NOTIFICATION THRESHOLD

The maximum aid amount is currently the sterling equivalent (at exchange rates on the date of application) of 7.5 million euro. The notification threshold for this scheme is 7.5 million euro per undertaking, per investment project.

3. APPRAISAL CRITERIA

LOCATION

In most towns and cities, projects will normally be sited within the commercial core *or* along designated arterial routes *or* where they provide direct benefits to disadvantaged areas, including Neighbourhood Renewal Areas.

Within Belfast, projects will normally be located in areas which are within, or adjacent to, the Department's Neighbourhood Renewal Areas.

In Derry / Londonderry, projects will normally be located within the City Centre or Commercial Core of the city, or be sited within, or be of direct benefit to, the Department's Neighbourhood Renewal Areas.

STRATEGIC CONTEXT

Projects should fit within a wider strategic context, complementing other initiatives or strategies. Projects should be consistent with policy on tackling poverty and social exclusion and the Department's Statutory Equality Obligations.

Under Section 75 of the NI Act 1998, the Department, in carrying out its functions, is required to have due regard to the need to promote equality of opportunity between all sections of the community.

In assessing each application against the criteria specified, the Department will also examine how the proposed project complements the objectives of Government's tackling poverty and social exclusion policy. This aims to tackle

social need and social exclusion by targeting efforts and available resources towards people, groups and areas in greatest social need.

SCALE

A high percentage of resources will be devoted to projects which are likely to make a significant urban regeneration impact.

VALUE FOR MONEY

Projects must offer good value for public investment in terms of forecast outputs covering jobs created and sustained, inward investment, provision of housing and employment space. A healthy ratio of private to public spend will be expected. The ratio of an applicant's investment to public spend will be an important factor in the appraisal of projects.

PRACTICABILITY

The project must be deliverable with a good prospect of being able to let and dispose of the completed project should this be appropriate. Assistance will not be provided to reduce risk or rents below the normal commercial level.

ADDITIONALITY

It will be necessary to demonstrate that the project would not go ahead without UDG. Grant cannot be substituted for other public money. Where a project is to receive other public sector money the UDG must achieve substantial, identifiable, additional benefits.

ENVIRONMENTAL BENEFITS

Projects should offer environmental improvement by utilising a vacant, underused, derelict or hazardous site, or by improving a listed building or a building within a Conservation Area.

DESIGN

Projects should be well designed, using appropriate materials and employing energy efficient technologies. The quality of design and architecture should fit the location of the proposed project.

4. NOTES ON COMPLETING THE APPLICATION FORM

Section 1 Applicant Details

The applicant should be the main financial participant in the project and may be an individual, a limited company or a partnership. In all cases the name and address of the applicant should be clearly stated.

Where the application is made by a partnership or a group of individuals, the names and addresses of all the partners should be given.

Trade names alone are not acceptable.

Company Details

The levels of grant awarded are governed by the European Union. This means the Department is required to monitor the level of grant according to both the region in which the aid is granted, and the size of enterprise receiving the grant. In order to ensure that any grant award complies with European Union regulations, some information is required from you regarding the size of your company.

Section 2 Professional Consultants

Applicants should retain a professionally qualified building consultant who may be an architect, quantity surveyor or structural engineer to prepare the initial documentation as any subsequent grant offer will be conditional on a professionally qualified consultant being retained to prepare tender documentation, supervise the project to its conclusion, issue certification and liaise with the Department's professional advisors.

It should be noted that the professional fee scales as recommended by the RIBA, RICS etc., are no longer mandatory and the extent of service and reasonable fees should be negotiated between the client and consultant.

When offering grant to any project the Department will normally include in the grant calculation an allowance for those professional fees which it considers reasonable for the nature and extent of the project.

Section 3 Project Description

Sufficient information should be provided to indicate the nature and scale of the proposed project together with brief details of its principal features.

Section 4 must be completed for investment schemes

Section 5 must be completed for owner occupier schemes

Section 6 must be completed for housing schemes

Where a **split** scheme is lodged **all** relevant sections must be completed.

Section 4 Investment Projects

This section should be completed by applicants who are proposing to provide a new building or to refurbish an existing building for letting and/or selling on completion.

It is essential that in addition to development cost information, details of the anticipated rental value of the building and full details of any pre-lets are also provided. Failure to disclose or concealment of any facts, including contrived financial arrangements which substantially alter the financial equation, will lead to rejection of the application or re-assessment of the level of grant.

Section 5 Owner Occupier Projects

This section should be completed by applicants who intend to occupy part or all of the building on completion.

Restructuring Projects

These may be works aimed at the refurbishment of an existing building by and for a single occupier who is the owner or prospective owner of the property. The project may include both external and internal work although grant aid on internal works is confined to basic structural items. If the project includes an element of new build, such as a small extension, the costs should be provided separately as a different grant rate will apply.

New Build Projects

This section should be completed by applicants who are proposing to construct a completely new building for their own occupation.

Section 6 Private Housing Projects

This section should be completed by applicants whose proposals are for a housing development or include a housing/residential element.

Section 7 *Supplementary Project Details*

This section must be completed by all applicants. Where the application is for the restructuring of an existing building by and for a single owner occupier, the applicant may be either the owner occupier or the proposed owner occupier of the premises or the leaseholder or tenant, although in the two latter cases the Department will require to see a copy of the lease and will expect the unexpired portion of the lease or tenancy agreement to be in proportion to the amount of grant requested.

Evidence of the applicant's legal interest in the site or building, whether freehold or tenancy, will be required before any grant is paid.

Section 8 *Project Benefits*

This section is to help in assessing the extent to which the project will contribute to the relief of special social and economic need in the area. Details should be given, insofar as they are known, of any permanent jobs created by the project. Jobs retained may be included if it can be demonstrated that they would have disappeared in the absence of the project.

In addition, other benefits such as environmental improvements or increased demand for local products and services should be noted in the space provided.

Section 9 *Project Financing*

Details must be given of the sources of finance for the project including evidence of firm financial commitments from the private sector participants. Where possible, written evidence of commitment should be provided.

Section 10 *Development Experience*

Developers must indicate previous experience.

STATUTORY APPROVALS

Applicants are ***strongly*** advised, prior to making an application for UDG, to consult the Planning Service to ascertain whether planning permission will be required for any part of the project. Planning permission may include Listed Building Consent, Consent to Display an Advertisement and Roads Consent.

In many cases the work being carried out to a building will also require to be approved under the Building Control Regulations which are administered by the relevant Council.

Applicants should therefore ascertain if Building Control approval is required. Grant will not be paid until evidence of the necessary statutory requirements has been submitted.

COMMENCEMENT AND OTHER CONDITIONS

Work which has already commenced will not be considered for grant aid.

The Department will undertake an economic appraisal to assess the merits of the proposal and to ensure that value for money is being achieved in the expenditure of public funds.

Initial appraisal can be carried out on the basis of estimated costs. However Final Approval on **all** applications will be subjected to Tendering procedures. Evidence of competitive tendering and a priced Bill of Quantities for the lowest tender must be submitted.

This document can be made available in alternative formats, on request.

SECTION 1**APPLICANT DETAILS**

FOR MULTIPLE
APPLICANTS OR GROUP
APPLICATION

APPLICANT

COMPANY

APPLICANT ADDRESS

POSTCODE

PHONE NUMBER

NAME

NAME

NAME

PERSON DEALING WITH APPLICATION

COMPANY DETAILS

PLEASE ANSWER THE FOLLOWING QUESTIONS WITH REFERENCE TO THE FINANCIAL YEAR FOR WHICH YOUR MOST RECENT APPROVED ACCOUNTS ARE AVAILABLE.

HOW MANY PEOPLE (FULL TIME EQUIVALENT) ARE CURRENTLY EMPLOYED WITHIN YOUR ORGANISATION OVER THE FINANCIAL YEAR?

WHAT WAS THE ANNUAL TURNOVER OF YOUR ORGANISATION (IN £ AND EXCLUDING VAT) AS STATED IN THE ACCOUNTS?

WHAT IS THE ANNUAL BALANCE SHEET (IN £) TOTAL AS STATED IN THE ACCOUNTS?

SECTION 2**PROFESSIONAL CONSULTANTS**

AGENT'S NAME

COMPANY

AGENT'S ADDRESS

AGENT'S POSTCODE

AGENT'S PHONE NUMBER

AGENT'S FAX

SOLICITOR'S NAME

COMPANY

SOLICITOR'S ADDRESS

SOLICITOR'S POSTCODE

SOLICITOR'S PHONE NUMBER

SOLICITOR'S FAX

SECTION 3**PROJECT DESCRIPTION**

PROJECT ADDRESS / LOCATION

PROJECT POSTCODE

DESCRIPTION OF PROJECT

INTENDED START DATE

INTENDED COMPLETION DATE

PROJECT DURATION

REQUIRED DOCUMENTATION FOR INITIAL APPRAISAL :

1. 7 copies of location map with site outlined in red (1:1250 scale or Ordnance Survey map) ;
2. 7 sets of drawings including elevational drawings showing the nature of the work to be carried out ;
3. 6 copies of a priced schedule of the work proposed, or tender documentation in accordance with the Code of Single Stage Selective Tendering 1989. This will normally include a priced bill of quantities

NB The application cannot be processed without the above documentation

INVESTMENT PROJECT (OR SPLIT SCHEME)

SECTION 4

PROJECT COSTS

VALUE OF PREMISES / SITE (£)

CONSTRUCTION COSTS (£)

PROFESSIONAL FEES (£)

FINANCING COSTS (£)

LETTING / MARKETING FEES (£)

LEGAL FEES (£)

DEVELOPER'S PROFIT (£)

OTHERS (£)

Specify

OTHERS (£)

Specify

TOTAL DEVELOPMENT COSTS (£)

PROJECT RETURNS / LETTING

RENTAL INCOME (£)

SPECIFY PER UNIT

RENTAL INCOME (£)

SPECIFY PER UNIT

RENTAL INCOME (£)

SPECIFY PER UNIT

RENTAL INCOME (£)

SPECIFY PER UNIT

RENTAL INCOME (£)

SPECIFY PER UNIT

RENTAL INCOME (£)

SPECIFY PER UNIT

TOTAL RENTAL INCOME

All areas quoted are in **m² / sq ft ***

* delete as appropriate

SECTION 5**OWNER OCCUPIER PROJECT (OR SPLIT SCHEME)**

VALUE OF PREMISES / SITE (£)

PROJECT COSTS (NEW BUILD)PROJECT COSTS (REFURBISHMENT)

CONSTRUCTION COSTS (£)

CONSTRUCTION COSTS (£)

PROFESSIONAL FEES (£)

PROFESSIONAL FEES (£)

BREAKDOWN OF PROFESSIONAL FEES

CONSULTANT TYPE (e.g. Architect)

1.	<input type="text"/>
2.	<input type="text"/>
3.	<input type="text"/>

FEES AMOUNT (£)

1.	<input type="text"/>
2.	<input type="text"/>
3.	<input type="text"/>

SECTION 6

HOUSING PROJECT (OR SPLIT SCHEME)

TOTAL DEVELOPMENT COSTS

LAND ACQUISITION / EXISTING PREMISES

VALUE OF PREMISES / SITE (£)

BUILDING COSTS (£)

CONSTRUCTION COSTS (£)

PROFESSIONAL FEES (£)

FINANCING COST (£)

LETTING / MARKETING FEES (£)

DEVELOPER'S PROFIT (£)

LEGAL FEES (£)

OTHERS (£)

SPECIFY

OTHERS (£)

SPECIFY

TOTAL DEVELOPMENT COSTS (£)

PROJECT RETURNS / LETTING

FOR SALE

UNIT TYPE

NUMBER

SALE PRICE (£)

UNIT TYPE

NUMBER

SALE PRICE (£)

UNIT TYPE

NUMBER

SALE PRICE (£)

UNIT TYPE

NUMBER

SALE PRICE (£)

UNIT TYPE

NUMBER

SALE PRICE (£)

TOTAL

TOTAL (£)

FOR LETTING

UNIT TYPE

NUMBER

RENTAL INCOME (£)

UNIT TYPE

NUMBER

RENTAL INCOME (£)

UNIT TYPE

NUMBER

RENTAL INCOME (£)

UNIT TYPE

NUMBER

RENTAL INCOME (£)

UNIT TYPE

NUMBER

RENTAL INCOME (£)

TOTAL

TOTAL (£)

SECTION 7**SUPPLEMENTARY PROJECT DETAILS**

LAST KNOWN USE OF BUILDING

AREA OF SITE

SPECIFY SQ M / HECTARE

DATE THIS USE CEASED

EXISTING FLOOR AREA
(SQ M)PROPOSED FLOOR AREA
(SQ M)

IS THE PRESENT BUILDING

FULLY VACANT (YES / NO)

PARTLY VACANT (YES / NO)

DO THE PROPOSED WORKS INVOLVE A LISTED
BUILDING? (YES / NO)AREA OF VACANT
FLOORSPACE

PRESENT USE OF BUILDING

PLEASE GIVE DETAILS OF PRESENT OWNERSHIP OF THE SITE
/ BUILDING

PRESENT OWNERSHIP

IS SITE / BUILDING LEASED?

DATE OF PURCHASE

LENGTH OF LEASE

UNEXPIRED TERM

SECTION 8**PROJECT BENEFITS****EMPLOYMENT****PLEASE GIVE ESTIMATED NUMBER OF JOBS****CURRENTLY EMPLOYED****EXPECTED (1 YEAR AFTER COMPLETION)****INDICATE BOTH PART TIME AND FULL TIME JOBS****OTHER PROJECT BENEFITS****PLEASE SPECIFY, FOR EXAMPLE EXTERNAL ENVIRONMENTAL IMPROVEMENT, RE-OCCUPATION OF VACANT SITE OR BUILDING, BUSINESS EXPANSION, PRIVATE INVESTMENT ETC...**

SECTION 9

PROJECT FINANCING

Please give the source of finance for your proposed project exclusive of government grants

PRIVATE FINANCING

ADDITIONAL SHARE CAPITAL (£)

INTERNAL FUNDS (£)

OTHER (£)

LOAN INFORMATION

LOAN AMOUNT (£)

SOURCE

TERM

INTEREST RATE %

LOAN AMOUNT (£)

SOURCE

TERM

INTEREST RATE %

TOTAL PRIVATE FUNDS (£)

OTHER SOURCES OF FINANCE

SPECIFY OTHER GRANTS FROM THE PUBLIC SECTOR

NI ENVIRONMENT AGENCY (£)

IDB (£)

LEDU (£)

IFI (£)

PEACE & RECONCILIATION (£)

EC FUNDS (£)

OTHER GRANT (£)

SPECIFY BODY

TOTAL GRANTS (£)

CLAIM DETAILS

NIO / COMPENSATION AGENCY

DATE OF INCIDENT

COMPENSATION AMOUNT (£)

CD REFERENCE NUMBER

FIRE DAMAGE

DATE OF INCIDENT

SETTLEMENT AMOUNT (£)

INSURANCE COMPANY

SECTION 10

DEVELOPMENT EXPERIENCE

PLEASE GIVE BRIEF DETAILS OF PREVIOUS RELEVANT EXPERIENCE E.G. DEVELOPMENTS ALREADY COMPLETED BY THE APPLICANT

DECLARATION

*NB THIS DECLARATION **MUST** BE COMPLETED BY THE **APPLICANT(S)**

I / WE _____

Name of signatory in **BLOCK LETTERS**

Of _____

Name of Organisation in **BLOCK LETTERS** (if applicable)

I / WE apply for assistance towards the cost of the project described above.

I/WE authorise the Compensation Agency to release to the Department for Social Development, details of any Criminal Damage compensation offered to me/this company in respect of the site or premises to which this application relates.

I/WE authorise the release to the Department for Social Development, details of all other sources of funding in respect of this project.

I/WE understand that the information provided on this form may be made available to other departments/agencies for the purposes of preventing or detecting crime.

I/WE declare that the information on this form and any other information given in support of this application is true and correctly stated.

I/WE understand that if the information contained in this application form is proven to be intentionally false or misleading I or **<Name of Organisation>** may be prosecuted under the Fraud Act 2006.

Signed _____

Position in Firm _____

Date of signing _____

Additional Information and completed application forms to :

Belfast Applications

Regeneration Grants Branch
Belfast Regeneration Office
2nd Floor James House
2 - 4 Cromac Avenue
Belfast
BT7 2JA

Telephone : (028) 9081 9655

Facsimile : (028) 9081 9620

E-MAIL : udg@dsdni.gov.uk

Regional Applications

Regional Development Office
4th Floor James House
2 - 4 Cromac Avenue
Belfast
BT7 2JA

Telephone: (028) 9081 9874

Facsimile: (028) 9081 9905

E-MAIL: rdo@dsdni.gov.uk

Derry / Londonderry, Limavady & Strabane Applications

North West Development Office
Orchard House
40 Foyle Street
Londonderry
BT48 8AT

Telephone : (028) 7131 9900

Facsimile : (028) 7131 9700

E-MAIL :
northwest.development@dsdni.gov.uk

STANDARDS OF SERVICE

COMPLAINTS PROCEDURE

We will endeavour at all times to provide the highest possible service to our customers. Should something however go wrong or you are dissatisfied with the service you receive, please let us know.

1. In the first instance, you should contact the person who was dealing with you.

2. If the matter is not dealt with to your satisfaction, you may then contact:

MR MARK O'DONNELL
HEAD OF PHYSICAL DEVELOPMENT
BELFAST REGENERATION OFFICE
JAMES HOUSE
2 - 4 CROMAC AVENUE
BELFAST
BT7 2JA

TEL: (028) 9081 9745
FAX: (028) 9081 9620

EMAIL: udg@dsdni.gov.uk

MR PAUL LAUGHLIN
DEPUTY DIRECTOR
NORTH WEST DEVELOPMENT OFFICE
ORCHARD HOUSE
40 FOYLE STREET
LONDONDERRY
BT48 8AT

TEL: (028) 7131 9900
FAX: (028) 7131 9700

EMAIL:
northwest.development@dsdni.gov.uk

MR WALTER HUTCHINSON
DEPUTY DIRECTOR
REGIONAL DEVELOPMENT OFFICE
4th FLOOR, JAMES HOUSE
2 - 4 CROMAC AVENUE
BELFAST
BT7 2JA

TEL: (028) 9081 9874
FAX: (028) 9081 9905
EMAIL: rdo@dsdni.gov.uk

Mr. O'Donnell, Mr. Laughlin or Mr Hutchinson will :

(a) Acknowledge your complaint within 2 working days, and

(b) Reply to you in writing within 15 working days.

Your complaint will be investigated and a detailed response given. If we have made a mistake we will put it right immediately and apologise.

3. If the matter is still not dealt with to your satisfaction you may complain in writing to:

Belfast

Ms. Elaine Wilkinson, Director, Belfast Regeneration Office at the above address who will reply within 15 working days.

Derry / Londonderry

Mr. Brian Doherty, Director, North West Development Office at the above address who will reply within 15 working days.

Regional

Mr. Ian Snowden, Director, Regional Development Office at the above address, who will reply within 15 working days.

If you remain dissatisfied, you may ask a Member of Parliament to refer your complaint to the Northern Ireland Parliamentary Commission for Administration, (the Ombudsman). **You will be expected to have referred your complaint to us before taking the matter to the Ombudsman.** You may contact the Ombudsman at:

THE OMBUDSMAN
FREEPOST
BELFAST
BT1 6BR

FREEPHONE : 0800 282036
TEL : (028) 9023 3821