



**INVESTING IN
COMMUNITIES**



Land and buildings application guidance notes (for use in Scotland only)

Extra information we need for capital grant applications for projects which include:

- purchase of land and buildings
- improvement of land
- new build construction
- alteration, refurbishment or extension of buildings.

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Introduction

These guidance notes are for organisations that wish to make a capital grant application to the Big Lottery Fund for one or more of the following:

- buying land and buildings with or without alteration or refurbishment
- buying land on which a permanent building will be constructed
- buying equipment and fixtures and fittings linked to the land or building
- improving land, for example landscaping works, playgrounds etc.
- altering, refurbishing or extending a building you already own or lease
- constructing a new building.

Part one of these guidance notes explains the extra information we need to complete your application. This differs depending on the type of capital project or size of grant for which you are applying.

Part one also explains the specific legal requirements you will need to meet if you are awarded a capital grant.

Part two of these guidance notes provides general guidance on some of the key issues you should consider when developing and delivering your project. Appendix A includes a glossary of terms.

Part one – Big Lottery Fund requirements

1. Issues to consider before making an application

1.1 Security of tenure

1.1.1 If you are applying for capital grant for a project involving land and buildings you must have security of tenure (heritable or leasehold) of the land and buildings where the capital project will take place.

1.1.2 With the exception of the Growing Community Assets investment area the form of tenure we require you to hold depends on the total amount of capital grant we award your project.

- ▶ Grants up to and including £100,000: heritable OR a lease which cannot be brought to an end by the landlord for at least five years.
- ▶ Grants of £100,001 or more but less than £350,000: heritable OR an assignable lease of at least 10 years without a break clause.
- ▶ Grants of between £350,000 and £5 million (inclusive): heritable OR an assignable lease of at least 20 years without a break clause.

1.1.3 The minimum number of years remaining on the lease is calculated from either the date you buy the land and buildings or the date of the practical completion of the building work whichever is the largest.

1.1.4 Where a building is to be constructed on land that you will lease in the future, the landowner should grant you a development agreement with an agreement to lease attached. The development agreement will allow you to occupy the land during construction. The agreement to lease will commit you to lease the building once construction is completed.

1.1.5 With regard to Growing Community Assets the experience we have in funding asset development tells us that community ownership of an asset is likely to lead to the outcomes we want to achieve. By having complete control of the asset through ownership rather than leasehold, communities have the power to make the changes that will benefit their community in the long term.

1.2 Options appraisal

1.2.1 An options appraisal is a key part of the development process for all projects involving land and buildings (see section 4.3 for further guidance). To be considered for funding, you must send an options appraisal with your capital grant application. Further guidance on Options Appraisals is available on the Big Lottery Fund website at www.biglotteryfund.org.uk/Scotland

1.2.2 An options appraisal should give details of all the options you have explored, including leaving things as they are, and should cover the following areas:

- the needs that your project aims to meet
- the project's objectives, benefits and outcomes
- for each option considered:
 - an evaluation against your project's objectives benefits and outcomes and the needs it aims to meet
 - the estimated costs (capital and revenue costs)
 - an indication of the timetable for commencement of project delivery
 - a risk assessment
- your preferred option, and an explanation of why you recommend it.

1.3 Buying land and buildings

1.3.1 Your application should explain why buying land and buildings is appropriate for your organisation. Some of your reasons for buying might be:

- to provide long-term stability for your organisation
- to create a building of a specialist nature, for example a centre for people with multiple sensory deprivation
- that the property represents a good investment because the benefits of your project are likely to continue for a long time.

1.3.2 Your options appraisal needs to show you have considered all potential alternatives. It should also show why buying the land and buildings is your preferred solution.

1.3.3 When we consider your application we will focus on the outcomes for your project. We expect to see clear links between the delivery of these outcomes and your reasons for wanting to buy the land or buildings.

1.4 Planning consent

If you are applying for a capital grant for a project involving land and buildings and planning permission is required for your project, we expect you to have applied for and obtained planning permission, and any other necessary statutory consents, before submitting your grant application. You will also need to provide us with any information regarding onerous conditions in respect of planning permission.

2. What you need to send us

2.1 Applications for buying land and buildings and/or for building work

2.1.1 See Capital grant checklists one, two or three in Appendix D of this guidance. Each checklist explains the extra information you should send us with your application.

- ▶ Capital grant checklist one is for capital grant applications of up to and including £100,000.
- ▶ Capital grant checklist two is for capital grant applications of £100,001 or more but less than £350,000.
- ▶ Capital grant checklist three is for capital grant applications of £350,000 or more.

2.1.2 Make sure you sign and send us the correct completed checklist and the additional information we ask for with your application.

2.2 Applications for only buying land and buildings

2.2.1 See Capital grant checklist four in Appendix D of this guidance. The checklist explains the extra information you should send us with your application.

2.2.2 You should ensure that you send us the correct completed checklist and the additional information we ask for with your application.

2.2.3 If you apply for a grant for buying land and buildings, you should not enter into contracts until we have awarded you a grant. We will not make grant payments for costs you incur before we have awarded you a grant. We would not normally offer a grant where the proposed cost of buying the land and buildings is more than the open market value.

3. If we award you a grant

3.01 Terms and conditions

All grants for projects involving land and buildings are subject to the standard terms and conditions for capital grants in Appendix B of this guidance. The key requirements of these additional terms and conditions are set out below. If we award you a capital grant, within our grant offer letter we will set out the timetable within which you will be required to meet specific terms and conditions for capital grants. We will also set out the timeframe within which you will need to start the building work, which will normally be within 6 months of the date of you accepting the grant offer.

3.02 Lead in payment

We understand that grant holders may need to pay professionals to enable them to develop the capital element of their project through to the commencement of building work and to meet our legal requirements.

If your application is successful we may release up to five per cent of the capital grant requested at grant set up stage, as a development payment to help cover the costs you will incur in developing your project and meeting our legal requirements. We will need you to provide original invoices or the equivalent as evidence of your expenditure before any capital grant can be released.

We will not be able to release any payments above the five per cent until you have met our legal requirements, your other grant terms and conditions and submitted a tender review report for our agreement.

3.1 Certificate of Title

3.1.1 If we award you a capital grant of £100,001 or more, you will need to provide a Certificate of Title from your solicitor before we can make you any payment.

3.1.2 You must provide the Certificate of Title in the form in Appendix C. Copies of the reports pertaining to it such as Land Register reports, water and coal reports, etc. should also be submitted. The Certificate of Title must be signed by your solicitor, who will be acting under a duty of care to us, and will confirm:

- the title
- that all relevant searches have been made and no adverse entries found
- that the title is good and marketable with no burdens, wayleaves, conditions, or leases which would prevent full and continuous project delivery throughout the period of the grant agreement.

3.1.3 You should make provision within your project costs for the legal fees you will incur providing the Certificate of Title. As an indication only we think it is reasonable to include an estimate of up to £1000 plus VAT. Your solicitor will advise you on the cost of providing a Certificate of Title, which should include the relevant search fees, Land Register or Sasines search and Companies House fees.

3.2 Our security requirements

3.2.1 When we make a capital grant for a project involving land and buildings, we must ensure that the capital assets will be used for the grant purpose for the asset monitoring period. This means we require you to make legal commitments to us to secure grant purpose. The form these take depends on the amount of grant and the type of organisation receiving the grant.

3.2.2 Statutory bodies

If your organisation is a statutory body and we award you a capital grant of £100,001 or more you may need to complete a Deed of Dedication before we can pay your capital grant. The Deed of Dedication must be completed in the form attached in Appendix C of these guidance notes.

You should make provision within your project costs for the legal fees you will incur providing a Deed of Dedication. As an indication only we think it is reasonable to include an estimate of up to £750 plus VAT. Your solicitor will advise you on the cost of providing a Deed of Dedication.

3.2.3 Other organisations and bodies

If your organisation is not a statutory body and we award you a capital grant of £100,001 or more but less than £350,000, before we can pay your capital grant, you may need to complete a Deed of Dedication, unless directed by us to provide a Letter of Undertaking in our agreed format.

You should make provision within your project costs for the legal fees you will incur providing the Deed of Dedication. As an indication only we think it is reasonable to include an estimate of up to £750 plus VAT. Your solicitor will advise you on the cost of providing the Deed of Dedication.

If your organisation is not a statutory body and we award you a capital grant of £350,000 or more, you will need to give a Standard Security on the land and buildings, before we can pay your capital grant. The Standard Security must be completed by your solicitor in the form approved by the Fund's solicitor.

You should make provision within your project costs for the legal fees you will incur providing the Standard Security. As an indication only we think it is reasonable to include an estimate of up to £1500 plus VAT. Your solicitor will advise you on the cost of providing a Standard Security.

3.3 Legal Opinion

3.3.1 If your organisation is not a statutory body and we award you a capital grant you may need to provide a Legal Opinion from your solicitor before we can pay your capital grant.

3.3.2 The Legal Opinion must be completed in the form in Appendix C of this guidance and signed by your solicitor, who will be acting under a duty of care to us. The Legal Opinion will confirm that your organisation has the powers under its constitution for the project purpose and to sign the legal documents associated with your grant.

3.3.3 You should make provision within your project costs for the legal fees you will incur providing a Legal Opinion. As an indication only it would be reasonable to include an estimate of up to £500 plus VAT. You should take advice from your solicitor on the cost of providing a Legal Opinion.

3.4 Buying land and buildings

3.4.1 If we award you a capital grant to purchase land and buildings you will need to send us the following information before we can make payment.

- a letter from your solicitor requesting that we pay the grant to the solicitor's client account on order pending completion. This letter should briefly describe the transaction, the estimated date for exchange of contracts, the proposed date that we should pay the solicitor and confirmation that they are acting on behalf of your organisation.
- a completed Certificate of Title and Legal Opinion if required as explained in sections 3.1 and 3.3 above.
- a Deed of Dedication (or Letter of Undertaking) or Standard Security as explained in section 3.2 above.

3.5 Capital assets

- 3.5.1 You may not sell, transfer, lease or otherwise dispose of land and buildings bought, built, extended, refurbished, altered and/or improved with our grant without our written permission.
- 3.5.2 You may not change the purpose for which the capital assets are being used without our written permission.
- 3.5.3 We will hold you responsible for the condition and use of the land and buildings for the asset-liability period. The asset-liability period starts from the date of completion of the capital works and is related to the type and size of our capital grant as shown in Table 1.

Table 1

Grant type and size	Asset liability period
Grants for land and buildings:	
Up to and including £100,000	5 years
Of £100,001 or more but less than £350,000	10 years
Of between £350,000 and up to £5,000,000	20 years
More than £5,000,000	40 years

3.6 Insurance cover

- 3.6.1 You will be responsible for making sure that you have appropriate insurance cover while any capital works are in progress. You must also ensure that you have appropriate insurance for the lifetime of our grant and beyond.
- 3.6.2 We may ask you to provide evidence of insurance cover as part of our monitoring checks. Statutory bodies may decide not to take out such insurance if it is legally allowable. You must tell us which capital assets will not be covered by insurance and guarantee in writing that all such assets will be replaced for their original purpose if lost, damaged or stolen.

3.7 Statutory obligations

- 3.7.1 You will be required to meet your obligations under the legislative framework for Scotland. For example: recipients should ensure that building projects fulfil the requirements of the Disability Discrimination Act. Other areas to consider include health and safety regulations, data protection and human rights legislation. We suggest you seek advice from your own adviser.

3.8 Procurement

- 3.8.1 If you are applying for a capital grant of up to £50,000 you will be required to provide evidence that you have received at least three estimates for the building work with your application.
- 3.8.2 If we award you a grant of more than £50,000 you will be required to seek at least three competitive tenders for building work unless the work is being undertaken under a pre-tendered arrangement such as a Public Private Partnership or PPC 2000.

Before we can pay a capital grant to you for building work, you will be required to show that an appropriate procurement process has taken place by providing us with a copy of the completed tender review report

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(provided by a suitably qualified member of the professional team). Where building work is being commissioned under pre-tendered arrangements, you must still show that contract costs have been checked to confirm value for money. If you do not intend to accept the lowest tender for the building work you must provide an explanation as to why not, and obtain our consent.

If the prices given during the tender process are higher than the estimates given in your application, we cannot give you additional funding. You could fund the balance yourself, negotiate a reduced tender amount or tender again. If you still cannot match the original estimate, you should contact the office managing your grant to discuss the problem. You must tell us if you want to make any changes to the scope and specification of works proposed to bring it within budget. You must get written approval from us before going ahead with any changes.

3.8.3 Before you enter into a building contract the Big Lottery Fund's Capital Support Unit (CSU) must carry out the review and approval of your tender review documentation.

3.8.4 Public bodies must meet the relevant UK and European legislation on procurement. You need to check whether they apply to your project. If they do, you must tender openly for the goods and services in accordance with these regulations.

4. Summary

This section of the guidance notes gives you an overview of the key stages in planning and managing a capital project. However, remember each project is different and the level of detail will vary depending on its size and complexity. We particularly recommend that you read this section if your previous experience of land and building projects has been limited.

There are generally five stages to a capital project.

- ▶ Initial planning – setting up internal management and co-ordination.
- ▶ Design – appointing a design team.
- ▶ Procurement – appointing a building contractor.
- ▶ Building – monitoring the works.
- ▶ Completion – maintenance and monitoring use.

Initial planning

- ▶ Decide how your project will be managed within your organisation (see 4.1).
- ▶ Establish the need for the project (see 4.2).
- ▶ Consult and involve key stakeholders.
- ▶ Define the project outcomes and benefits.
- ▶ Do an options appraisal (see 4.3).
- ▶ Research possible sources of funds.
- ▶ Decide on the best option for you.
- ▶ Prepare the project brief (see 4.4).

Design

- ▶ Talk to relevant regulatory bodies, such as the local authority planning department and HM Revenue and Customs.
- ▶ Appoint building professionals (see 4.5).
- ▶ Do a feasibility study (see 4.6).
- ▶ Establish the design brief (see 4.7).
- ▶ Establish project management requirements (see 4.8).

- ▶ Decide on your procurement strategy (see 4.9).
- ▶ Instruct the building professionals to develop the design and cost plan.
- ▶ Apply for statutory consents (see 4.10).
- ▶ Develop a business plan.
- ▶ Apply for and get funding.

Procurement

- ▶ Appoint CDM co-ordinator.
- ▶ Complete the detailed design and write the tender document.
- ▶ Carry out the procurement process.
- ▶ Report to funders on procurement results.
- ▶ Select and appoint contractor(s).
- ▶ Agree a programme of works.
- ▶ Agree how changes to the project will be managed and controlled.
- ▶ Work with regulatory bodies.

Building

- ▶ Pay contractors and building professionals.
- ▶ Have regular meetings with building professionals to keep your management committee up-to-date.
- ▶ Report regularly on progress and budgetary control to funders and drawdown funding.
- ▶ Finalise policies and procedures for the use and running of the property.

Completion

- ▶ Make sure a defects inspection is carried out.
- ▶ Carry out an advertising and marketing campaign.
- ▶ Monitor use and activities offered.
- ▶ Regularly consult with users and the community.
- ▶ Set up a programme for regular maintenance of the building.
- ▶ Report to funders on activities and assets.

4.1 Managing the project within your organisation

4.1.1 Developing a capital project is often too much work for one person to complete on their own and it is important that there is a clear structure or management group to co-ordinate this work. One person may also lack all of the expertise required to deliver such an initiative.

4.1.2 If you decide to appoint a management group, make sure that they have terms of reference with clear lines of reporting and accountability. You may be asked to tell us about the person taking overall responsibility for the project within your organisation and also to give us details of the person managing the project.

4.1.3 During the capital work it is important that the management group meets regularly and an experienced representative attends the design team meetings and contract meetings. Your lead building professional should be involved at this time and will be able to report to the management group on actual progress compared to the project programme and cost plan. The management group should receive these reports monthly so that they are able to monitor the progress of the project and make sure that it is going according to plan.

4.1.4 Your management group should also agree arrangements for the handover of the building once the work is complete. Do not underestimate the importance of planning the handover. You must allow sufficient time to buy and move furniture, to install, check and test equipment in the building, to prepare security and emergency procedures and to induct staff into the new building.

4.2 Establishing the need for the project

4.2.1 The first step towards planning any project is to be clear about the need that you are trying to meet. A clear understanding of the need will

give you a vision of what you want to achieve and the benefits and outcomes of your project. This will allow you to measure the progress of your project and identify whether or not you have succeeded. The most important part of identifying need is talking to people. This includes talking to potential users and beneficiaries, staff, neighbours, local residents and other key stakeholders.

4.2.2 Key things to consider may include.

- ▶ The number and type of people who will use the building at any one time.
- ▶ The kind of activities people will use the building for.
- ▶ Advances in technology that may affect the way in which a service or building is used.
- ▶ The users' needs when they are in the building, (for example for catering, for storage, for changing).
- ▶ The users' access requirements, (for example a car park, access to public transport from all areas of potential users, disabled ramps, hearing loops and push button door controls).

4.2.3 It is important that you record this information so that you can refer to it when doing your options appraisal or preparing a design brief, and keep it under review if circumstances change.

4.3 Options appraisal

4.3.1 Once you have a clear understanding of the needs, one of your early tasks will be to look at the options available to meet the needs you have identified. There will almost always be more than one option open to you.

4.3.2 When you do the options appraisal you should evaluate the options available to you to best meet your project's needs, objectives and outcomes. You should also consider the cost and funding implications for each option both in

terms of capital costs and running costs, as well as the risks associated with each option.

4.3.3 When you do the options appraisal you may want to consider the following issues:

a) Buying or renting?

You may prefer to buy land or a building to renting because it gives you an asset over which you have total control, with no need to pay rent. You should however consider the benefits which renting premises or land can give you in terms of long term flexibility. We may consider it is better value for money to fund a lease rather than to buy land or a building.

Renting

If you are thinking of taking a lease on the land or building, the landlord must agree to the use you want to make of the land or building and with any changes that you intend to make.

Also consider whether the terms of a lease will have any effect on what you want to do. Some leases require the organisation taking the lease to make good, when the lease finishes, any work that they have done during the lifetime of the lease. Therefore, even if you think you have improved the building, the landlord is entitled to ask you to return it to the condition it was in when you took it over. You will have to pay for this before you give up the building. It is important to consider this possible expense before you choose the renting option.

We will not accept leases which include a landlord's option to break the lease within the asset liability period or where the lease is not freely assignable to another similar organisation.

Buying

If the option you prefer is to buy land or a building it is important you confirm that the person selling the property has a good and marketable title. This means that the current owner has complete freedom to sell you the property and no other party has an interest in it. You will need a solicitor to handle the purchase and as part of this process they find out for you that there

is a good and marketable title.

If you are thinking of buying either heritable or leasehold land or buildings, you should confirm that there are no restrictions on use that will cause you problems. These could be statutory restrictions imposed by the local planning authority or restrictions caused by the facility's proximity to a planned future development or Ministry of Defence land. An existing building could be listed or be located on a Site of Special Scientific Interest (SSSI). You may want to get advice from your local planning authority as to whether they see any problems using the site for what you want it for.

There may also be conditions on the title of the land or building that restrict its use for certain purposes. Your solicitor will be able to tell you about these and how they may affect you.

If you are looking for a grant to buy an existing lease, remember that many funders ask for a particular length of lease to be in place to safeguard the money they invest in the property. You would be wise to confirm with other funders what they require (See section 1.1.2 for our requirements).

When you are deciding whether or not to buy a property, you should identify any refurbishment costs at the same time. Sometimes the cost of buying and refurbishing a building will be greater than the cost of constructing or buying a new building.

b) Constructing a new building or altering, refurbishing or extending an existing building

It is often difficult to decide whether a new building or a refurbishment is the best option without looking at the costs of each option. You should consider asking a qualified building surveyor or quantity surveyor to advise you on the costs of each alternative. This decision may also depend on whether there is a suitable site or building in the area where you want to run your project and the level of development and type of use that the planning authority will permit.

You should also consider the time implications of

choosing the option to undertake building work against the timing needs for the provision of specific activities and services.

c) Availability of sites and premises

If you have identified a particular piece of land or a building, it is very easy to focus all your efforts into getting that one site or building. However, it would not take you long to identify whether there might be alternative sites or buildings available to you. A call to local property agents may help to identify whether there are alternatives available to you.

Doing this kind of search will not require a lot of time or effort but will help you to decide whether the site you prefer is indeed offering good value for money. This also helps with contingency planning if something goes wrong with your preferred site because, for example, a sale falls through or the forecast project costs don't match the funds you can raise.

4.4 Preparing the project brief

4.4.1 The project brief is an important early step in planning your project. It is the way in which you can clearly describe for your lead building professional what you need the land or building to provide, and how you will manage and use the completed facility to achieve your project outcomes. This is only the first stage in preparing a full brief. Once you have appointed your lead building professional they can help you to prepare a final brief. Your project brief should include:

- details about your organisation and what your aims, objectives and principles are
- why you need to do this project now and your project outcomes
- what activities you want to run and how you will use the land or building
- whether you are looking for a particular design, for example one that is in keeping with an existing building or environment

- the need for the design to be fully sustainable
- an idea of the funds you expect to have available for the work
- when you want to be able to start using the land or building
- the number and type of people (visitors and staff) who are expected to use the land or building
- who will be making the decisions about the project within your organisation
- what services you will need from building professionals.

4.5 Appointing building professionals

4.5.1 Your organisation has overall responsibility for the project. Land and building projects are often complex and you need to keep within the law as well as comply with our terms and conditions of grant.

4.5.2 We expect that you will appoint appropriate qualified independent professional advisers, referred to as building professionals, to advise you on your project and to confirm in writing that you have met those obligations, terms and conditions. Working together these building professionals are usually referred to as the design team.

4.5.3 Except for those projects deemed to be relatively simple, or minor refurbishment work, we require that you appoint a lead building professional to work with you in running the project.

4.5.4 Your lead building professional will often be an architect or an engineer or building surveyor. To obtain the services of the lead building professional, you will need to invite at least three individuals or organisations to submit tenders for the role. Give them your project brief and outline what you want them to advise you on. As well as asking them to tender for

preparing a design you may want to ask them to provide other services. For example you may want them to:

- contribute design details to the options appraisal
- prepare a feasibility study
- prepare the application for planning permission and building standard approval
- help with consultations with local residents or organisations
- prepare the tender documents
- administer the building contract
- manage the capital project
- co-ordinate other building professionals who are design team members
- carry out quality inspections
- prepare models, promotional materials or walkthroughs.

4.5.5 Get written responses from the organisations tendering. This should include details of their ability to fulfil your brief, the cost of their services and details of other similar schemes they have recently completed. Meet each organisation's representatives face to face before deciding. The meeting will allow you to satisfy yourself that you will be able to work with them.

4.5.6 It is also useful to visit other buildings your preferred lead building professional has worked on; this allows you to talk to former clients and to see the kind of work they have done.

4.5.7 Your lead building professional should also advise you what other building professionals should be involved in your project and make up the design team. With the exception of small and straightforward projects, we require that a quantity surveyor will be a member of the design team. See Appendix E for a list of

recognised building professionals and a table outlining what professionals we expect to be appointed.

4.5.8 Members of your management committee may have some construction knowledge, but to avoid conflicts of interest and problems if things go wrong, we recommend that you appoint external building professionals with current Professional Indemnity insurance. Your management committee can then make the key decisions such as major changes to the scheme, financial appraisals and the appointment of the main contractor based on independent advice from your building professionals. We require all the building professionals involved in your project to give us details of their current Professional Indemnity insurance.

4.5.9 You should have a written contract with your building professionals, who will usually supply a draft form of contract prepared by their professional body.

4.6 Feasibility study

4.6.1 Once you have completed the options appraisal and have identified your preferred option, you will need to assess the feasibility of the proposal to ensure that it is practical and financially viable.

4.6.2 The feasibility study is crucial in our assessment of your application, so you should invest thoroughly in its development. Make sure it is comprehensive and provides you with all of the information you need to be able to make an informed decision on whether to proceed. The key areas a feasibility study should include are:

4.6.3 Practicality of construction

You should have a clear understanding of the type and extent of works you need. There may be physical constraints on the site (for example environmental restrictions, poor ground conditions or lack of local services) that could restrict your plans or increase

the amount of work you will need to do. This could significantly increase the cost of the project.

Your building professionals may advise you that specialist reports such as a building survey, ground investigation survey, services report or environmental impact assessment are required. Although these will be an additional expense to the project, they generally pay for themselves and save time by the end of the project.

You should also ask for a desktop study of your site or building. Your local authority planning, environmental, building standards, highways, technical services and library departments may be able to give you information about the history and future plans for your site if you are doing a study on a small scheme.

4.6.4 Capital costs

Your largest expense is likely to be that of the building work itself. For small value projects you should be able to ask local reputable builders for a quote or your lead building professional for a budget estimate. For more expensive or more complicated works the preparation of a detailed elemental cost plan should be included within the feasibility study.

While there are quite accurate methods for calculating the building costs you should always anticipate that you will incur unforeseen costs and inflation. Accordingly your cost plan should include appropriate contingency (we recommend applicants include 10 per cent contingency allowance), together with inflation allowances reflective of the prevailing and predicted market conditions (reference BCIS). You should also ensure that your costs are updated to reflect any risks or difficulties identified in any site surveys and investigations.

Fees are a large proportion of the cost of any capital project. There are three general categories for fees:

a. Professional Fees

To pay for an architect, building surveyor, structural engineer, services engineer, quantity surveyor, CDM co-ordinator or solicitor during the project. It is usual

that professional fees are quoted on the basis of a lump sum or on a percentage of the final cost of the project. You can get advice on recommended fee levels from the relevant professional institutes or associations.

b. Technical Fees

For investigations or surveys such as ground investigations, building surveys, electrical testing or environmental assessments.

c. Statutory Fees

This includes the cost of getting licenses or statutory consents such as planning authority, Building Standards or environment agency approvals.

4.6.5 Operational costs

The feasibility stage is the time to confirm the operational costs for your project. In particular you should consider what the maintenance and running costs will be for your completed project. These should be confirmed with your lead building professional because they will influence the specification requirements you include in the design brief for your project.

4.6.6 Funding availability

If you require grants to pay for your project please talk with the funding organisations you want support from to establish that your project is eligible for funding and the timetable for decision-making. It is a good idea to use the feasibility stage to maximise the support for your project from key stakeholders and funding organisations.

If your operational income forecasts include income generation activities, you should do some market research to check your income projections.

Make sure that the projected income for both the capital and operational stages of your project is realistic and achievable. If it is not then your project is unlikely to be financially viable and you should look again at the options available to you.

4.6.7 Local factors

The feasibility study should assess the impact your project will have on the local environment. While the local planning authority may approve your project, you should consider how your proposals will impact on the local residents or businesses or local flora and fauna. If you do not do this you may cause upset or conflict which may be detrimental to your organisation's reputation or your achievements.

4.7 Design brief

4.7.1 The design brief is the document that sets out what you and the appointed designer have agreed you require from the building.

4.7.2 The design brief should include and develop the details from the project brief and tell the designer about the need that you are responding to. Although the level of detail you require will vary depending on the size and complexity of the project, you might like to think about the following issues.

- ▶ If your organisation carries out a specialised, unique or complex function that is unfamiliar to a designer, you may need to give more details about this so that they can understand the technical requirements of what you do. You could include details of any operational legislation, governing bodies, technical guidance or codes of practice for what you do.
- ▶ Any difficulties you have faced or overcome in other facilities so that the design can take account of them.
- ▶ The budget you have for the work. If you do not agree this, the architect may design something that is beyond what you are able to afford or raise.
- ▶ The timetable for completion and opening of the facility.

- ▶ Similar facilities you know of, your thoughts on them and whether the designer is able to visit them. You can learn from the mistakes of others and incorporate their good ideas and best features.
- ▶ Your sustainability requirements such as whether the building should have energy efficient systems to reduce future running costs and impact on the environment.
- ▶ The numbers of people who will use the facility, their length of stay and the times when they attend. You should also be clear on the staff requirements within the facility.
- ▶ The equipment that will be used in the building including details of its size, weight, power consumption and any specialist heating or cooling requirements.
- ▶ Your security requirements or concerns.
- ▶ Your information technology requirements, enabling the building to be properly wired for you.
- ▶ How many years you need the building to last, the funds you will have for maintaining it in the future and the level of flexibility required for future changes in use.
- ▶ Your requirements on the style of design, your quality expectations and the atmosphere you would like the facility to have.
- ▶ On very complex schemes the architect may ask you to complete room data sheets that detail the exact technical requirements for every room (for example IT and power connections or where specialist equipment will be put).

4.7.3 You should also consider the needs of the whole community. Developing a capital project provides you with an opportunity to create an

environment that is accessible to all. Think about the location and how the facility will link to pedestrian access and the frequency of public transport.

4.7.4 You need to ensure the project will meet the statutory requirements of the Disability Discrimination Act 2005. Your building professionals must design the facilities in accordance with the disability requirements of the Building Standards and the Disability Discrimination Act (DDA). These are minimum requirements and a specialist disability adviser may be able to suggest ways of making your facility more accessible. Remember DDA by definition, embraces a diverse range of disability including both physical and mental impairment as well as vision and hearing impairment.

4.7.5 You should arrange an access audit, which examines what obstacles there may be for disabled people in a facility. The following areas should be considered during the audit:

- approach and car parking
- routes and external level change, including ramps and steps
- entrances, including reception
- corridors, internal doors and internal ramps
- lifts, stair lifts and internal level changes
- toilets and shower areas
- fixtures and fittings
- materials and finishes
- means of escape
- providing information.

4.7.6 The access audit should make recommendations, which you should incorporate within the design and costs of your facility.

4.7.7 You can obtain the Codes of Practice on

Employment and Services provisions to the Disability Discrimination Act from The Stationery Office (Phone: 0870 600 5522).

4.8 Delivering the project

4.8.1 The four main issues to consider for the successful delivery of any capital project are the:

- health and safety of those constructing, using or maintaining the project
- cost
- timescale or project programme
- quality of design and construction.

4.8.2 Health and safety of those building, using or maintaining the project

In most circumstances your organisation (known as the 'employer') will have legal responsibilities under the Construction (Design and Management) Regulations 2007 (commonly known as 'CDM 2007'). These regulations apply as soon as there is a proposal for a construction project and your organisation should be familiar with your statutory duties before design work starts. Any appointed designer has a duty to inform you of your responsibilities under this law. Your lead building professional should do this for you and you should fully understand these responsibilities and duties before proceeding with the design. It is likely that you will be required to appoint a CDM co-ordinator and an employer's agent to help you in meet the regulations.

4.8.3 Cost

The terms 'cost plan' and 'budget' should not be confused. A cost plan is a detailed forecast of the cost of developing and implementing the capital project, including items such as professional fees (design costs, surveys, legal costs etc), statutory fees (such as planning approval and Building Standards approval), pre-contract and construction contract costs, equipment, inflation allowances and contingencies.

A capital budget is a separate document that details the money available for the project.

A project is considered to be financially viable when the cost plan is within the budget available. You should make sure that the financial information used to prepare your cost plan and budget is correct and accurate and that you review the budget and cost plan frequently. It is important to the success of the project that they are up to date, reflect the current design, expected cost and have allowance for inflation and VAT at all stages of the project.

A common cause of capital projects failing is cost increases arising from uncontrolled changes to the project or the contract. Changes happen on most projects, whether as a result of design development, unexpected problems or a change in requirements, but when changes to the design brief or the construction contract are not checked or recorded the cost of the project can no longer be certain. In this case there is a significant risk that the project will cost more than expected and go over budget. You should ensure that all changes, whether to the design brief during design development, or to the contract works, are formally costed, approved and recorded on the cost plan before the change is authorised.

We recommend that a single senior person within your organisation, who understands the whole project, is responsible for agreeing the changes throughout the project. The building professionals and the contractor must not accept a project change unless it is authorised by that person.

You should have a sum of money within your cost plan for unexpected events, problems or requirements. This is known as a contingency. This should be at least 10 per cent of the total project costs at the time of your application and 5 per cent when building starts. In the case of refurbishment or renovation works a higher level of contingency may be prudent. The project cost plan in your application should clearly identify the contingency you are proposing and explain, if necessary, why you have set a higher or lower amount.

The length of time between preparing a cost plan and starting the construction contract can vary considerably and the cost of the construction work may be affected by inflation if this is longer than a month or so. Your cost plan should make suitable allowance for inflation during this period of time. Although inflation is generally considered on a project basis, you may wish to consider that worldwide shortages of materials, such as steel, can increase the cost of some forms of building.

A qualified quantity surveyor will have experience of managing cost plans in this way and will also understand the tendering, contract and payment requirements of a construction contract.

4.8.4 Project programme

The cost and success of a capital project often depends on the time it takes to start it and finish it. Your building professionals should prepare a detailed capital works programme which will enable you to understand the important targets and help your management committee and the lead building professional to manage the design team accordingly.

Your building professionals will normally provide you with a programme in the form of a Gantt chart (or bar chart). The level of detail will vary depending on the size and scope of the project, but in all cases the programme should include, design development, tendering, contract and hand over targets.

Your lead building professional should make certain that the programme is included as a formal document in the appointment of the contractors and that everyone involved with the project is working to compatible programmes, so that they are under contract to deliver their product on time. When putting together a capital works programme your building professionals must be certain that there is enough time to complete everything that needs to be done, such as getting consents or approvals and moving out of existing buildings. You should discuss and regularly check the programme with your lead

building professional, as you will be responsible in the contract for any delays incurred by the contractor or consultants if the programme is inaccurate.

4.8.5 Quality (design and construction)

The required design standard of a new or refurbished building will depend mainly on the proposed use. However regardless of end use, the quality of construction should be the best achievable with the chosen materials. Facilities that use quality materials, achieve high standards of construction and incorporate original design, generally perform their function more economically, last longer and receive more respect from their users.

The standard of design will be determined by the brief prepared with the building professionals at the outset of the design process and the budget available. The experience and skill of the chosen contractor predominantly govern the quality of finish achieved.

During the design stages of the scheme you should monitor the designs and specifications being produced to ensure that they meet the requirements of the design brief and that the required balance is maintained between quality and cost, which will not be the same on every project.

When you come to choose a contractor you should expect your building professionals to ask for references or ask to see examples of similar projects they have recently completed. You can also ask for details of the person who will be managing the works as the competence of different site managers, even within the same contracting company, can vary. From this you and your building professionals can see whether the contractor has the experience and ability to give you the standard of work you require. You should also consider whether the contractor has allowed enough time and money within his tender proposal to finish the project to the contract specification.

The terms of appointment for your lead building professional should include the requirement to do

quality inspections on a regular basis and also at key stages of the construction process, for example when the damp proof membrane is laid or before large amounts of concrete are poured.

4.9 Procurement strategy

4.9.1 Your choice of a procurement strategy for your project will depend on factors such as the amount of risk you are able to accept and the cost, timetable and quality standards for your project.

4.9.2 You should have detailed discussions with your lead building professional about the procurement options and contract forms that are suitable for you and the project. You must tell us about your procurement proposals and why you selected them. There is more information on some of the procurement options available to you below.

4.9.3 Traditional contract strategy

The traditional approach to managing a capital project is where you appoint a team of building professionals to develop the design in detail and to prepare the tender documents. You appoint the building contractor or civil engineering contractor (the main contractor) to implement that design and undertake the building work. The building professionals administer the construction contract for you and advise on aspects associated with design, progress and payment.

It is unlikely that the main contractor will directly employ enough skilled tradesmen to build the facility and it is possible that a proportion of the work will be sub-contracted out to specialist trade contractors.

4.9.4 Design and build

The design and build procurement option also requires the appointment of building professionals and a main contractor; however, it differs from the traditional procurement option in that the building professionals only prepare an outline design and a detailed performance specification, not a detailed design. The specification is known as the 'employer's

requirements'.

The design and build contractor decides how to meet the employer's requirements in the detailed design of the building (using qualified designers). The design and build contractor then constructs the facility to this design. Again the main contractor will probably appoint specialist trade contractors for this purpose.

The benefit of this procurement option is that the development and pre-contract periods can be reduced and the organisation that appoints the main contractor accepts less risk for problems relating to the co-ordination of the design and construction stages. However, you need to give careful thought before deciding on a design and build contract. In a traditional contract approach, the design team is working for you to balance the cost and quality of the project but in design and build the design team is working for the contractor. Once the design and build contract is signed you will have less chance to make changes as the building progresses. Any changes you do make may cost more and we will not increase our grant to meet these costs.

Your building professionals should check the quality of the completed work, carry out valuations of work done and prepare payment certificates. You should obtain outline planning permission before you place a design and build contract.

4.9.5 Management contracting

In management contracting the on-site construction work is still managed (typically) by the main contractor in the usual way. However the organisation that appoints the main contractor takes on the risk and responsibility of appointing the specialist trade contractors. The main contractor will be paid a pre-agreed management fee on the value of the specialist trade contracts and still retains a contractual responsibility to deliver the project on time, on cost and to the specified quality. This approach reduces the level of overheads and risk that a main contractor would normally build in to a traditional contract.

Commercial developers often favour management contracting, because the appointment of all of the specialist trades does not need to be undertaken at one time. Therefore the design does not need to be fully complete at the start of construction work. This can sometimes allow significant reductions in the length of the pre-contract and contract programmes and offers a quicker return on the developer's investment.

This method of procurement has high levels of commercial risk and the cost is never certain until the later stages of construction. This option is normally only suitable for organisations that have the resources and sufficient experience to manage a high number of construction contracts.

4.9.6 Partnering contracts

The principle of partnering is that the parties try to work as if they were a single organisation. It is designed to encourage a team-based approach between the client, professional team, contractor and specialists. The approach aims to reduce construction costs and time, while improving value for money and minimising the conflicts that traditional contractual packages can lead to.

A partnering contract provides a formal legally binding framework that allows the separate companies and individuals party to a project to form a project team to work together to deliver the project in line with the principles of 'best value'. The contract may include the following elements:

- early appointment of the contractor
- early engagement with other key suppliers
- integrated team working arrangements
- performance management
- joint risk and value management
- problem resolution mechanisms
- open book accounting and joint cost management.

The partnering selection process follows normal public

tendering guidelines and results in a formal contract. The selection team should ensure the recommended tenderer is financially stable and has the capacity to fulfill the contractual obligations. There are several forms of partnering contract currently in use.

4.10 Statutory consents

4.10.1 When developing a capital project you will need to comply with the statutory legislation that relates to your proposals. Some of the regulations are never formally monitored while others require statutory consent before you can start construction and your building professional will be able to discuss these issues with you. You will find that in most circumstances there is a charge when applying for statutory consents.

4.10.2 The most common consents that you will need to apply for are.

a) Planning permission

In general terms planning permission is not normally required for internal alterations or for very minor alterations to the outside of a building. However, most other changes to the outside of a building or new constructions (including fences above a certain height) will require planning permission.

For listed buildings or for sites in special designated areas, such as in a conservation area, National Park or a Site of Special Scientific Interest (SSSI), the requirements may be more rigid and you may have to request planning permission for minor changes such as replacing a window for instance.

You may also require planning permission if you intend to:

- operate a business from a residential dwelling
- change the use of a property or land (for example from a shop to an office)
- remove an established or preserved tree
- change a private access on to a public road
- put up a sign

- install outside lighting
- dispose of surface water.

Your local authority planning department will normally consult the departments responsible for highways, the environment and other statutory bodies to decide whether to agree to your proposals. Due to the complex nature of the planning regulations you should get advice from your building professionals on whether you need planning permission for your project. Your local authority planning department may be able to give you preliminary guidance on whether you will need planning permission.

If you do not comply with the planning law you might have to return the property to its original condition or demolish a new building.

The planning authority will normally charge a fee for processing a planning application and will need to see the drawings and specification of your proposals. Your building professionals will help you in this process and may advise you to first apply for outline planning permission (approval to the principle of the development proposed) before starting on the detailed design.

b) Building Standards

Building Standards ensure the health and safety of people in and around buildings by providing functional requirements for building design and construction. The regulations also promote energy efficiency in buildings and contribute to meeting the needs of people with disabilities.

Before you can occupy a new building or a building in which work, governed by the regulations, has been done, you will need Building Standards approval, formally called the Building Warrant.

Your lead building professional will be able to advise you on how the building regulations will affect your project and whether you need to seek building control approval to the drawings, specifications and calculations before building starts.

Once the design is approved the Building Standards inspector will issue a Building Warrant and will identify key stages of the construction that will need to be witnessed and signed off, such as pressure testing underground drainage and inspecting the damp proof membrane before pouring concrete.

When construction is finished, and providing the Building Standards inspector is happy with the standard of works, you will be issued with a building standards completion certificate.

The Building Standards inspector may also refer your plans to the fire officer both to review the plans and inspect the work as it progresses. Your local water authority may also check that any new water installations conform to the water bylaws in your areas.

We may ask you to prove that you have the correct consents in place during the project.

Appendix A

Glossary of terms

Access audit

A part of the process of designing a building or site, which considers how disabled people will be able to access the building or site. You can get publications and information about accessibility and audits from:

Employers' Forum on Disability (A membership based organisation)

Nutmeg House
60 Gainsford Street
London SE1 2NY

Telephone: 020 7403 3020

Textphone: 020 7403 0040

Website: <http://www.efd.org.uk/>

Centre for Accessible Environments

70 South Lambeth Road, Vauxhall
London SW8 1RL

Telephone: 020 7840 0125

SMS 07921 7000 98

Email: info@cae.org.uk

Website: www.cae.org.uk

Equality and Human Rights Commission

Website: <http://www.equalityhumanrights.com/>

Equality and Human Rights Commission Helpline Scotland

Freepost RSAB-YJEJ-EXUJ
PO Box 26961
Glasgow
G2 9DU

Telephone: 0845 604 5510

Textphone: 0845 604 5520

Fax: 0845 604 5530

Monday - Friday 9:00 am-5:00 pm

Email: scotlandhelpline@equalityhumanrights.com

Adverse entries

Anything appearing on the documents which prove the landowner's title to the land which might affect the landowner's ability to use all or part of the land for the grant purposes or which might limit the use of certain parts of the land for a specific purpose or

which might have an adverse impact on the value of the land.

Agreement for or to lease

Before the tenant takes a lease (confirming his leasehold ownership), the landlord might confirm in a written document called an agreement for lease that they will give the tenant a lease if certain conditions are met. If they are not met the tenant will not get the leasehold ownership. Therefore, you must be sure that you can meet the conditions of an agreement for lease if the grant depends on you having a leasehold ownership.

Architects Act 1997

The consolidating Act of the Parliament of the United Kingdom for the keeping and publishing of the statutory Register of Architects by the Architects Registration Board.

Asset monitoring period

It is the time during which we will monitor your project to ensure that the grant purpose is being met and the period during which we will hold you responsible for the condition and use of the land and buildings funded by the grant, starting from the date that the capital works are completed.

Assignable lease

A term used for leasehold land and buildings to show whether the land and buildings can be sold to or given to another owner. The lease will say whether the land and buildings can be given to or sold to another owner and therefore if they are assignable. Often the lease will contain a number of conditions that have to be met before the lease is assignable. These conditions may include obtaining the consent of the landlord.

Break clause

A provision in a lease that allows the landlord or the tenant or both to bring the lease to an end before the full period of years has elapsed.

Building cost information services (BCIS)

This service from the Royal Institution of Chartered

Surveyors provides a quarterly review of building prices that can be used for feasibility studies and forecasting building costs. Average building costs based on the analysis of more than 10,000 tenders are shown in tables per square foot and per square metre for all types of buildings in various locations.

Building control approval

Building control approval can be given under the Building (Scotland) Act 2003 by verifiers, approved certifiers of design and approved certifiers of construction who are appointed by the Scottish Ministers.

Buildings insurance certificate

Certificate to show that there is insurance for the building and its use.

Building professional

A professional adviser or consultant with specialist training and knowledge employed by you to act for you.

Building Standards

Formerly called Building Regulations, these rules made under powers provided within the Building Standards (Scotland) Regulations 2004, which apply in Scotland, these cover the technical aspects of building projects (for example structural, fire safety, ventilation). You or your professional advisers will need to obtain approval that your proposals meet the Building Standards from the local authority (the Building Warrant). For further information on Building Standards refer to the The Scottish Building Standards Agency www.sbsa.gov.uk

Building Warrant

Confirmation from the local authority Building Standards department that project proposals and plans comply with the requirements of the Building Standards (Scotland) Regulations 2004.

Burdens and Servitudes

Rights over property that is owned by someone else for example, rights to cross land with vehicles or by laying pipes and cables.

CDM co-ordinator

A 'CDM co-ordinator' has to be appointed to advise the client on projects that last more than 30 days or involve 500 person days of construction work. The CDM co-ordinator's role is to advise the client on health and safety issues during the design and planning phases of construction work. They should be appointed prior to, as early as possible as but no later than, after initial design work is completed. 'Initial design work' includes feasibility studies to enable them to decide whether or not to proceed with the project, and any work necessary to identify the client's requirements or possible constraints on the development. The CDM co-ordinator must be appointed early because the role is crucial for the effective planning and establishment of health and safety management arrangements from the start of the project. The CDM co-ordinator must be appointed before detailed design work begins.

CDM regulations

The Construction (Design and Management) Regulations 2007. These regulations replace the 1994 regulations and concern occupational health, safety and welfare in construction. They place duties in relation to management arrangements and practical measures on a range of construction project participants, including clients, designers and contractors. For more information see <http://www.hse.gov.uk/construction/cdm.htm>.

Certificate of practical completion

Formal document issued under the building contract (by the contract administrator) to show that the building work is complete apart from any defects, which will be corrected by the making good defects certificate.

Certificate of Title

A written document (on our standard form) from a solicitor confirming that the grant recipient is the heritable or leasehold owner of the land and buildings to which the grant relates and that there are no

restrictions which might stop the grant being used for the grant purpose.

Contingency

An amount of money (usually expressed as a percentage) built into the total project costs in case part of the project costs more than you thought.

Contract administrator

The person or organisation (for example, an architect, engineer or building surveyor) named within a building contract to manage the terms of the contract between you and the contractor.

Contractor

The organisation carrying out building work for a pre-agreed cost.

Covenant

A formal acknowledgement of a legal responsibility to another person.

Deed of Dedication

The Deed of Dedication is a document the grant recipient (as landowner of the freehold or leasehold) must sign to confirm that the land or buildings will be used for the grant purpose and will not be disposed of or transferred without the consent of the Big Lottery Fund.

Employer's agent

Acting on behalf of the client/employer in respect of administration of a 'design and build' contract incorporating issue of notices and certificates.

Extension

Additional space built on to an existing building.

External works

The works on or in the land surrounding a building for example drainage work, roads and paths and landscaping.

Fixtures and fittings

Items inside a building that are attached to the walls/ceilings/floors or built in as part of the building for

example electrical sockets and light fittings.

Final certificate

A document usually issued six to 12 months after the certificate of practical completion and following the making good defects certificate. It confirms the end of the builder's liability and marks the end of the contract administrator's authority under the contract.

Gantt chart

A pictorial representation of a project plan, showing activities (usually as shaded bars); milestones (usually as black diamonds); and dependencies (usually has lines linking the relevant ends of the activity bars).

Good and marketable title

This means that the current owner has complete freedom to sell you the property and no other party has an interest in it.

Grant purpose

What our grant must be used for.

Gross internal floor area (GIFA)

Gross Internal Floor Area - the area inside a building, measured to the inside face of the outer walls. This is prepared by measuring each floor of the building (or plans) and adding them together to give the total.

Ground investigations

A detailed technical investigation of the ground on which a building will be constructed to determine the type of soil and sub soil, how suitable it is for building on and whether it contains any old structures that need preserving, contaminated areas or existing pipes, cables or other services.

Heritable ownership

A form of ownership of land or buildings where ownership cannot be taken away from the owner unless they agree. This is the most permanent way in which someone can own land or buildings. The owner owns the property forever, or until they sell it or give it away. They do not have to pay anyone for the use of the land and buildings.

Lead building professional

The member of the design team (normally the architect, project manager or building surveyor), who is appointed following a competitive tendering process, takes overall responsibility for coordinating the design process and client contact.

Lease

A document containing the rules that show how a particular piece of leasehold land or a leasehold building is owned. The lease will contain rules about how long the tenant's ownership is for and how much rent is paid and when it is paid (among other things). The lease is given to the tenant by a landlord. The tenant pays the landlord rent for the use of the land and building.

Leasehold

A form of land ownership in which someone (known as the tenant) occupies the land and buildings for a limited number of years. The conditions of that occupation will be dealt with in a document known as a lease (see above). Often the lease will be for many years and the tenant will pay a sum of money to 'acquire' the lease from a previous tenant or from the landlord and then will pay a small rent to the landlord each year during its ownership.

Legal Opinion

A written document from a solicitor in which the solicitor confirms that they believe the recipient has the legal power to sign the terms and conditions of grant and any Standard Security or other document that we may ask the grant recipient to sign.

Letter of undertaking

The Letter of undertaking will be provided by the heritable or leasehold owner of the property confirming that the land will be used for the purpose for which the grant was made.

Listed building and Listed building consent

A building which, because it has special architectural or historic interest that requires protection, has been given 'listed' status by Historic Scotland on behalf of Scottish Ministers and requires special approval if it is to be altered or extended. The Act that covers this area is the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.

Management committee

Members of your organisation's governing body (who may be called trustees, directors, members of the management committee).

Non-recoverable VAT

VAT charged on buying goods, services or transactions that you are not able to reclaim from the HM Revenue and Customs.

The following guidance is available from HM Revenue and Customs:

▶ VAT Notice 701/7

(August 2002)

VAT relief for people with disabilities

▶ VAT Notice 701/58

(March 2002)

Charities leaflet

▶ VAT Notice 708 /6

February 2008

Buildings and construction

▶ VAT Notice 701/6

(March 1997, supplement April 1997)

Charity funded equipment for medical, veterinary etc uses.

You should seek guidance and obtain written confirmation of the VAT position in relation to your proposed project. Unexpected VAT bills can add significantly to the total cost of your capital project.

Planning permission or planning consent

The approval decision made on a planning application by a local authority planning committee.

Planning supervisor

A role that existed under The Construction (Design and Management) Regulations 1994 and has been removed from the current 2007 regulations. See CDM co-ordinator for details or present requirements.

Practical completion

When the construction works have been completed in accordance with the requirements of the contract.

Preliminaries

Costs of work that needs doing before the main building work can start, for example the contractor setting up the site office. These are the associated costs that contractors incur in the completion of a project, for example the cost of hoarding or a site office, or heating the site office, (rather than the costs of the actual building work, for the example. the bricks, blocks, concrete etc.).

Principal contractor

Required on projects that are notifiable under the CDM Regulations 2007, their role is to plan, manage and monitor the construction phase to ensure, so far as is reasonably practicable, that it is carried out without risks to health or safety.

Professional indemnity insurance

Insurance covering building professionals from civil law claims arising from advice or services provided.

RIAS (Royal Incorporation of Architects in Scotland)

This is the qualifying body for Scottish architects.

RIBA (Royal Institute of British Architects)

This is the professional UK body (including Scotland) for architecture and the architecture profession.

Refurbishment

To renovate, re-equip, or restore a building.

Searches

Questions asked before land or buildings are bought to check if there are any rights, restrictions, covenants or other matters affecting the property that may cause the new owner a problem.

Security of Tenure

A good, strong and usually well documented right to own or use a property for a period of time.

Specification

A description of the type of materials or service to be used in the building works.

Standard Security

A document that contains rules about how land and buildings may be used. An owner of land gives a standard security to someone who lends or grants them money. If the owner goes bankrupt or fails to keep to the rules about how the money must be used, the standard security should mean that some or all of the money could be recovered. The standard security will also stop the owner from selling the land without the consent of the person who lent or granted the money.

Tenant

The holder or owner of a lease who pays rent to the landlord for the use of the property.

Tender

A formal process that allows contractors to bid to supply a service or carry out work at a stated cost.

Tender review report

A written report by your lead building professional to report on the tenders received, the work undertaken to check them and the final result after checking.

Tenure

The form of right (title) under which land or a building is held or occupied (heritable or leasehold or licence).

Appendix B

Standard terms and conditions for capital grants – Scotland

1. If any part of the capital grant is to buy or build, refurbish, extend or alter buildings or land (“capital assets”), then we understand that these standard terms and conditions will apply to our grant in addition to all other conditions you have required of us.
2. We understand and accept that you may require security over the capital assets funded by the grant. Usually this will be a Standard Security in your standard form or a Deed of Dedication in your standard form or a Letter of Undertaking in your standard form to secure repayment of the grant in appropriate circumstances. If you have asked for security, we understand that you will not pay more than a maximum of 5 per cent of the capital grant until you have received the documents completed to your satisfaction.
3. We understand and accept that you may require confirmation from our solicitors (by way of a legal opinion, which you will supply), that we have the legal powers under our governing documents to undertake the project and to execute the legal documents associated with our grant. If you have asked for a legal opinion, we understand that you will not pay more than a maximum of 5 per cent of the capital grant until you have received the documents completed to your satisfaction.
4. We do not have any undisclosed loans secured on the capital assets. We will not take out any loans secured on any capital assets funded or part-funded by the capital grant unless we receive your agreement in writing first. Your agreement may be subject to conditions, which we will have to meet.
5. If any part of the capital grant is to buy land (whether Heritable land or leasehold land), we will send you when asked the following documents:
 - a surveyor’s report on the condition of the property, its value and whether it is suitable for the project;
6. If any part of the capital grant is to buy leasehold land, then we will ensure that the lease will be for the following minimum term of years or for minimum asset liability period in clause 12, whichever is the longer:
 - confirmation by our solicitors that all necessary consents for the use of the property for the purposes of the grant have been obtained;
 - if the grant is for £100,001 or over, a Certificate of Title completed by our solicitors (which you will supply), together with a signed Standard Security and our solicitors undertaking to register it at the Land Registers for Scotland and at Companies House, if appropriate, or Deed of Dedication and
 - if the grant is for £350,000 or over and we are not a statutory body, confirmation (by way of a legal opinion which you will supply) from our solicitors that we have the legal powers necessary to sign the documents.

- if the grant is £350,000 or over and is to buy leasehold land, we will send you a copy of the signed lease, which must satisfy you that it is suitable security for the grant.
7. If all or part of our capital grant is to be used for any building work we understand and accept:
- that you will keep 95 per cent of the capital grant until we have provided in a satisfactory form:
 - evidence that we have received any necessary planning permission, listed building consent and building standards consent (or other applicable consents or regulations) required for the building work; and
 - evidence that a competitive tender process has been undertaken with a minimum of three estimates received from three independent builders. If we are to commission the building works under pre-tendered arrangements, we will provide evidence of the tender process undertaken to identify existing contractors;
 - that you will make payments in stages when you receive builders' invoices or against interim certificates completed on the RIAS (The Royal Incorporation of Architects in Scotland) form or other appropriate invoices;
 - that you will keep 5 per cent of the part of the grant for the building works until you receive the certificate of practical completion. We will then send you the making good defects certificate; the final certificate; confirmation that we have obtained the building standards completion certificate; and confirmation that we have obtained the buildings insurance certificate; and
8. If our capital grant is £100,001 or over and to be used for any building work we understand and accept that:
- that if we want to make significant changes to the scope of the building works, we must get your permission in writing before going ahead.
 - you will require confirmation (by way of a certificate of title, which you will supply) from our solicitors that we are the leasehold or Heritable owner of the capital assets to which the grant relates and that the capital assets may be employed for the grant purpose;
 - you will keep 95 per cent of the capital grant until we have provided in a form which is completed to your satisfaction:
 - a copy of the tender review report. If we are to commission the building work under pre-tendered arrangements, we will provide you with evidence that demonstrates that costs have been market tested to confirm value for money;
 - an updated capital project cost summary, cash flow and programme; and
 - evidence that we have secured all the required partnership funding for the capital project;
 - we must employ a lead building professional to manage the tender process and to certify that the building works have been properly carried out;
 - if structural work is necessary, we must employ a structural engineer;
 - we will use building professionals that are fully qualified members of an approved professional body and have all necessary professional indemnity insurance cover; and

- if building works come under the Construction (Design and Management) Regulations 2007, we will confirm that we have appointed a CDM co-ordinator.
9. We understand that if we do not make payment claims for capital grant within three months of incurring the relevant capital expenditure, then you will proportionally reduce our capital grant in line with the actual capital expenditure incurred in the claim period.
 10. If we need to use the capital assets to raise further funding, we will first obtain your agreement in writing, which may be subject to conditions and which we will have to meet. You will need to be satisfied that the new lender understands and will put the interests of the beneficiaries of the project first. We undertake that:
 - any loan secured on the capital assets will be used entirely on the project; and
 - the maximum loan will be no higher than the amount of money being put up by the new lender.
 11. We will not sell, lease, let, sub-let or otherwise dispose of or change the use of any capital asset without first receiving your written consent, which may contain conditions which we will have to meet. If we sell or dispose of any capital asset, we may have to repay you all or part of the money we have received from you. The amount we repay will be in direct proportion to the share of the project cost that came from you. If, with your consent, we sell any capital asset wholly or partly bought with the grant, it will be at full market value.
 12. You will continue to monitor capital assets bought with the grant after the project is over and we will supply information about and allow you to inspect the capital assets in accordance with your standard procedures for the longest of the following applicable periods:
 - for heritable property bought with the capital grant: 40 years after purchase
 - for leasehold property bought with the capital grant: the unexpired period of the lease or for 40 years, whichever is the shorter
 - for capital grant of up to and including £100,000 for building work (on heritable or leasehold land already owned by us): 5 years
 - for capital grant of £100,001 or more but less than £350,000 for building work (on heritable or leasehold land already owned by us): 10 years
 - for capital grant of between £350,000 and £5 million (inclusive) for building work (on heritable or leasehold land already owned by us): 20 years
 - for capital grant of more than £5 million for building work (on heritable or leasehold land already owned by us): 40 years
 - for other capital assets if bought with up to and including £100,000 of capital grant: 5 years after the purchase or the length of the grant agreement whichever is the shorter
 - for other capital assets if bought with £100,001 or more of capital grant: 10 years after purchase or the normal economic life whichever is the shorter.
 13. We understand and accept that the asset-monitoring period will start from the date of purchase of the capital asset or the date of completion of the building work, whichever is the earliest.

Appendix C

Standard forms of legal documentation

- ▶ Standard Certificate of Title
- ▶ Standard Deed of Dedication
- ▶ Letter of Undertaking
- ▶ Standard Legal opinion
- ▶ Standard Security

Appendix D

Capital grant checklists

Capital grant checklist one

Capital grant applications of up to and including £100,000 (Including buying land and buildings, new build, refurbishment, alteration or external works)

Capital grant checklist two

Capital grant applications of £100,001 or more but less than £350,000 (including new building, refurbishment, alteration or external works and buying land or buildings on which the building works will be carried out)

Capital grant checklist three

Capital grant applications of £350,000 or more (including new building, refurbishment, alteration or external works and buying land or buildings on which the building works will be carried out)

Capital grant checklist four

Capital grant applications for only buying land and buildings (where no building work is required)

CERTIFICATE OF TITLE

(Scotland only)

Name of Grant Recipient:

Is the Grant Recipient the same as the landowner:

Yes

No

If "No", who is the landowner:

Name of Project:

URN:

Address of Property:

Shown edged red on attached plan:

Yes

A description of the property in terms of Note 1 to Schedule 2 of the Conveyancing and Feudal Reform (Scotland) Act, 1970 (as amended) (for use in any Standard Security to be granted by the Lead Organisation to the Big Lottery Fund) forms Part 1 of the schedule.

Yes

Section 1 – General

Heritable

Leasehold

1. Is the property concerned heritable or leasehold?
(If leasehold, please also complete Section 2)

2. Is the property registered at the Land Register of Scotland?

Yes – The title to the property is registered in the Land Register of Scotland under Title No. [] with no exclusion of indemnity.

No – The title to the property is registered in the Register of Sasines for the County of [] on [].

	YES	NO
3. Are any entries or matters adversely affecting the property disclosed in the Land Register Reports (Forms 10, 11, 12, 13 and P16), Searches in the Property, Personal and Charge Registers, Register of Community Interests, Local Authority Property Enquiry Certificates, Scottish Water Reports, Coal Authority Reports or other necessary and appropriate Searches, reports or replies to enquiries obtained in respect of the property for the purposes of providing this Certificate of Title?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the Grant Recipient have a good and marketable title to the property (including the minerals situate in or beneath the same) free from:	<input type="checkbox"/>	<input type="checkbox"/>
● Any overriding interest, lease, charge, mortgage or lien (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
● Title burdens, restrictions, conditions or other matters which are onerous or unusual (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
● Right of pre-emption (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the Grant Recipient hold title to the property in its own name and on its own behalf? (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the Grant Recipient have exclusive and undisputed rights to the possession, occupation and use of the property? (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
7. Are any consents (other than planning permission and building warrant) necessary for the implementation of the Grant Scheme? (If Yes, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
8. Has any planning permission and building warrant necessary for implementation of the Grant Scheme been obtained? (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
9. Have all necessary planning permissions, building warrants and completion certificates been obtained for the existing structure and use of the property? (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the property have the benefit of all rights, servitudes and wayleaves (including rights of access and support) necessary for the use and enjoyment of the property for its existing use and for the Grant Scheme, together with all usual services? (If No, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
11. Are there any actual or reasonably foreseeable disputes or claims in relation to the property? (If Yes, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>
12. Are there any matters relating to the property which could affect the security value of the same? (If Yes, please disclose in Part II of the schedule)	<input type="checkbox"/>	<input type="checkbox"/>

Section 2 – Leasehold

1. Please confirm the following lease terms:

● The length of the lease

● The commencement date

● The annual rent

- | | YES | NO |
|--|--|--|
| 2. Does the lease contain adequate provision for the management, maintenance and repair of common parts, common services and any amenity area? (If No, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the lease contain any provision for irritancy on any ground other than non-payment of rent or breach of obligations by the tenant? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the right of the Grant Recipient to assign, charge or sub-let the property unfettered? (If No, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the insurance of the property controlled by the Grant Recipient?
If No, does the landlord's insurance cover the replacement value of the property and is the landlord obliged to apply insurance monies to reinstatement? | <input type="checkbox"/>
<input type="checkbox"/> | <input type="checkbox"/>
<input type="checkbox"/> |
| 6. Are there any outstanding rents or other charges due under the lease? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are there any subsisting material breaches of the obligations, whether on the part of the tenant or the landlord, or any other event of a material nature which could give rise to irritancy of the Lease? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are any of the tenant's obligations unusually onerous? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Does the lease contain any provision for the review of rent? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Does the lease contain any break or extension options? (If Yes, please disclose in Part II of the schedule) | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Does the landlord have a heritable creditor?
If yes, has the landlord's heritable creditor consented to the lease? | <input type="checkbox"/> | <input type="checkbox"/> |

SCHEDULE

Part I

Description of the Property

Part II

Disclosures

NB- All Disclosures must be certified as not adversely impacting on delivery of the Project.

2. In consideration of THE FUND funding the project the Landowner hereby undertakes to THE FUND that in respect of the Land the Landowner will :-
 - (a) not without the prior written consent of THE FUND, assign, transfer or charge the Land or grant any security, lease or license, agree to grant any lease or license or enter into or permit any parting with possession or sharing arrangements whatsoever in respect of the Land;
 - (b) not, save with the prior written consent of THE FUND, to use the Land other than for the purpose of the project; and
 - (c) not damage or destroy the project.
3. THE FUND may assign the benefit of this Deed to such person as it thinks fit.
- 4.1 The Landowner represents that it has power to execute and deliver this Deed and the execution and performance of this Deed has been validly authorised and that this Deed will be valid legal and binding on the Landowner.
- 4.2 Without prejudice to any right or remedy of THE FUND for breach of the undertaking occurring before the expiration of this deed, this deed shall expire [insert relevant Asset Monitoring Period] years from the date of this Deed.
5. The Landowner consents to and will arrange for registration hereof for preservation and execution.

Executed as a Deed by the

BIG LOTTERY FUND

by

Chief Executive

Date:

Witness;

Name:

Address:

Executed by

Landowner

Date:

Witness:

Name:

Address:

Plan
[to be attached]

Letter of Undertaking

[On the grant recipient's writing paper]

Big Lottery Fund
1 Plough Place
LONDON
EC4A 1DE

Date

Dear Sirs

[name of project]

WHEREAS we are the proprietors of [description of property] ("the Property") and you have agreed to give to us a grant ("the Grant") in terms of [details of grant contract] THEREFORE we hereby undertake to you and your successors whomsoever in right to receive the repayment of the Grant in terms of said Grant Contract that we shall not do nor allow to be done at the Property anything which would prevent or inhibit (1) the carrying out of the activities on which the Grant is to be spent or are to be facilitated in terms of the said Grant Contract; and/or (2) the delivery of the purposes of the Grant in terms of the said Grant Contract. We further undertake to you and your said successors not to use or permit the use of the Property for any use other than a use which fulfils the purposes of the Grant in terms of the said Grant Contract.

We also undertake and confirm to you that (1) we shall take our successors as proprietors of the Property or any part thereof as bound to grant a letter in your and your said successors favour in terms similar in all respects to the terms of this letter (including this paragraph); and (2) you shall be entitled to assign the benefit of this letter to your said successors and any such successors shall be entitled to assign the said benefit of this letter on the same basis.

Any defined terms in this letter will be deemed to have the same meaning provided for in the [Grant Contract] unless expressly stated to the contrary.

Yours faithfully

Signed for and on behalf of (Witness)
[Grantee]

.....(Name)

..... (Address)

.....

STANDARD LEGAL OPINION

On grant recipient's solicitors headed writing paper

Date: []

To: The Big Lottery Fund ("the Fund")

[Grant Recipient name]

We act as the solicitors to [] and have been asked by it to render this opinion to you.

1 **Basis of opinion**

For the purpose of giving this opinion, we have examined the following documents:

(i) a copy of the grant agreement document[s] [grant offer letter dated [] and terms and conditions of grant and other relevant documents] containing details of a project which [] undertakes to carry out, the "" Project "; and

(ii) a certified copy of the [Trust Deed/Memo and Arts/Constitution/Rules] "governing documents" of [].

2 **Opinion**

We are of the opinion that [] has all requisite power under its governing documents and as a matter of law to perform and deliver the Project.

3 **Practising Certificate**

We are solicitors holding professional indemnity insurance cover of £x.

4 **Duty of Care**

We acknowledge a duty of care in respect of this opinion to the Fund and its successors.

5 **Qualifications**

The foregoing opinion is subject to the following qualifications:

[Include if appropriate].

Yours faithfully

WE, [], a company incorporated under the Companies Acts, Company Number [], and having our registered office at [] (hereinafter referred to as “[]”) in implement of our obligations under a Contract with Big Lottery Fund, 1 Plough Place, London, EC4A 1DE (hereinafter referred to as “BLF”) dated [] Two thousand and [] a copy of which is annexed and signed as relative hereto and in security of the obligations to and all sums due and to become due to BLF (as hereinafter defined) in terms of the said Contract and of any variation or alteration thereof, HEREBY GRANT a Standard Security in favour of BLF over ALL and WHOLE []; TOGETHER WITH (One) our whole right, title and interest in and to the buildings on the subjects hereinbefore described and the fittings and fixtures therein and thereon; (Two) the whole parts, privileges and pertinents effeiring thereto, and (Three) our whole right, title and interest, present and future in and to the said subjects hereby secured; The standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply, but the standard conditions shall be varied to the effect (One) that the insurance to be effected in terms of the Standard Condition 5(a) shall provide cover to the extent of the reinstatement value of the security subjects and not the market value thereof; (Two) the standard conditions shall be varied in accordance with the said Contract; and (Three) the standard conditions shall be varied in accordance with the provisions of the Schedule annexed and signed as relative hereto; And we certify that our grant of this Standard Security does not contravene any of the provisions of our Memorandum and Articles of Association and that we have the power and authority to grant this Standard Security; And we grant warrandice; THIS STANDARD SECURITY consisting of this and the [] preceding page(s) together with the Schedule and copy Contract** annexed hereto is executed as follows:-

* **Delete as appropriate**

** **NB Copy Contract to be attached**

This is the Schedule referred to in the foregoing Standard Security by [] (“[]”) in favour of the Big Lottery Fund (“BLF”).

1. Repayment of the Grant by []

- 1.1. If [] shall at anytime prior to the expiration of the Grant Period be in breach of any of the Grant Conditions the Grant (or so much of it as shall at the time have been paid by BLF to []) shall be repayable forthwith upon receipt of a written demand from BLF to [] and BLF shall be entitled to call up the Standard Security and/or serve a notice of default.
- 1.2. Interest shall be payable by [] to BLF on the Grant (or so much of it as shall at that time have been paid by BLF to []) from the date of the notice referred to in Clause 1.1 until the actual date of repayment at a rate equal to 4% per year above the National Westminster Bank plc base rate from time to time (as well as before any judgment).

2. Power of Attorney

[] hereby irrevocably appoints BLF its Attorney for all or any of the purposes of these presents and [] hereby ratifies and confirms and agrees to ratify and confirm whatsoever BLF shall do or purport to do by virtue of this clause.

STANDARD SECURITY

by

[]

in favour of

THE BIG LOTTERY FUND

20XX

[]

FAS: 0725

Subjects: []

STANDARD SECURITY

by

[]

in favour of

THE BIG LOTTERY FUND

2007

[]

Subjects: []



INVESTING IN COMMUNITIES



Capital grant checklist one

Capital grant applications of up to and including £100,000 (Including buying land and buildings, new build, refurbishment, alteration or external works)

If you are applying for a capital grant of up to £100,000, you must complete this form and send it and the supporting information we have asked for with your application. We will not consider your application without it.

Unique Reference Number
(for internal use)

Project name

Organisation name

Address of land or buildings including postcode

You must send this completed checklist with the following information and your application form. We cannot assess your application until we have received this information.

A. Tick the boxes to confirm you have provided the information requested below:

1. A description of the proposed building works including your users' accommodation and technical requirements

and

2. An options appraisal

- A description of the options you considered for delivering the land and buildings part of your project, including the estimated costs of each option, and the reasons you chose this option to meet your need.

and

3. Confirmation of ownership of the land or buildings

- For heritable ownership, either a copy of the land register certificate or a Sasine Register certificate solicitor's letter confirming ownership.
- For leasehold ownership, a copy of a lease of appropriate length.
- For land and/or buildings you have not bought yet, details of the property you intend to purchase including:
 - a description of the land and/or buildings you want to buy (if different from item 1 above)
 - details of the title (heritable or leasehold)
 - the timetable for acquisition
 - a surveyor's report on the condition of the land and/or buildings, its current market valuation (with any restrictions upon usage noted) and whether it is suitable for the grant purpose
 - if leasehold, a copy of the lease or the draft lease.

and

4. Design information, including:

- a site plan showing the outline of the building and the site, surrounding properties and access routes at a minimum scale of 1:1250
- coloured photographs of the land and/or building where works are to take place
- floor plans or general arrangement drawings showing your proposals, noting the gross floor area in square metres and basic specification for the proposed works, at a suitable scale (A3 minimum size)
- details of how the facility will accommodate access to and use by those with disabilities in accordance with Building Standards, Disability Discrimination Act and BS 8300, for example. ramped access, induction loops, disabled toilets etc.

and

5. Evidence that at least three estimates were invited from independent builders and confirmation of which estimate you will accept

and

6. Details of the dates you plan to start on site and complete the works

7. Summary of capital costs

Complete the summary of the capital costs table below. The costs of land or building purchase, construction, non-recoverable VAT, project contingency, inflation allowances, professional fees and administration.

Capital cost item	Amount £
a. Land or building purchase	
b. Construction costs	
c. Furniture and equipment	
d. Professional fees	
e. Other costs (such as legal costs) Please specify what these are in a separate note if including an amount in this box	
f. Inflation	
g. Contingency (minimum 10 per cent)	
h. Non recoverable VAT	
Total capital costs	

B. Tick the boxes to confirm

Yes

No

You have contacted HM Revenue and Customs to confirm whether VAT is payable on the project

Planning permission is not required

or

Planning permission is required and I enclose a copy of the planning consent

Building warrant approval is not required

or

Building warrant approval is required and has been obtained

Competent professionals have made relevant site investigations (including ground conditions, drainage and services) and/or surveyed existing buildings

Where the land or buildings are held on lease, the landlord has given formal consent to any proposed works

I certify that the information on this form is correct

Signature of Chair, Chief Executive or person of similar responsibility within your organisation

Name

Position

Date



Capital grant checklist two

Capital grant applications of £100,001 or more but less than £350,000 (including new building, refurbishment, alteration or external works and buying land or buildings on which the building works will be carried out)

If your grant application includes a capital element of £100,001 or more but less than £350,000, you must complete this form and send it and the supporting information we have asked for with your application. We cannot consider your application without it.

**Unique Reference Number
(for internal use)**

Project name

Organisation name

Address of land or buildings including postcode

A. Tick the boxes to confirm you have sent with this completed checklist the information requested below

1. A description of the proposed building works and your users' accommodation requirements, including the:

- type of project (for example, new build, extension or refurbishment) and the extent of the building works to be undertaken
- accommodation and facilities to be created
- type and number of users, the activities they will undertake and any specific requirements they have from the accommodation.

and

2. An options appraisal

- A description of the options you considered for delivering the land and buildings part of your project including the estimated costs of each option, and the reasons you chose this option to meet your need.

and

3. Design information, including:

- a site plan showing the outline of the building and the site, surrounding properties and access routes at a minimum scale of 1:1 250
- floor plans or general arrangement drawings showing your proposals, noting the gross floor area in square metres, at a suitable scale (A3 minimum size)
- external elevations of any new buildings proposed (or perspectives if only external works)
- a description of how the building and the site will allow access to and use by those with disabilities in accordance with Building Standards, Disability Discrimination Act and British Standard 8300, for example ramped access, induction loops, disabled toilets, clear signage, lifts, and details of other public access issues
- a description of how sustainable development has been accounted for in the design, materials and building services, for example proposals to use low-energy products
- an outline specification for the building or works
- colour photographs (or colour copies) of the existing site or buildings.

and

4. The planned timetable for the procurement, start on site and completion of the proposed work

and

5. A cost estimate

- A fully detailed elemental cost estimate (produced by a registered professional Quantity Surveyor or Building Surveyor) identifying allowances made for abnormal costs (e.g. poor ground conditions). The following other costs should also be identified separately: land purchase, external works, preliminaries, contingencies, non-recoverable VAT, inflation allowances, professional and statutory fees and administration.

Include a commentary explaining the basis of the cost estimate. Explain any assumptions in terms of VAT, inflation and contingency.

and

6. Cash flow forecast for all expenditure and income

and

7. Details of the site appraisal

- Relevant site investigations (including ground conditions, drainage and services) and surveys of existing buildings undertaken by competent professionals.

and

8. Details of the professional team members

- the names and organisation addresses of the building professionals employed with details of their relevant experience and a copy of their professional indemnity insurance certificates
- details of the procedures to be used to manage and control the design and delivery of the project.

B. Tick the boxes to confirm

Yes

You hold a heritable interest, or a leasehold interest, which cannot be brought to an end by the landlord for at least ten years, in the land and/or buildings

or

You will use part of the grant to buy a heritable interest or a leasehold interest, which cannot be brought to an end by the landlord for at least ten years, in the land and buildings. You have enclosed a surveyor's report on the condition of the land and buildings, an independent market valuation which is less than six months old (with any restrictions upon usage noted) and whether it is suitable for the grant purpose.

You have consulted with the local planning authority and:

● Planning permission is not required

or

● Planning permission is required and you have enclosed a copy of the planning consent

You have consulted with the local building control department and:

● building warrant approval is not required

or

● building warrant approval is required and will be obtained

You have contacted HM Revenue and Customs to see whether VAT is payable on the project.

The CDM Regulations legislation has been complied with in so far as it is applicable to the development of the project to date.

Where the property is held on lease, the landlord has given formal consent to any proposed works.

C. Summary of capital costs

Provide a summary of the capital costs. The costs for land and building purchase, construction, non-recoverable VAT, project contingency, inflation allowances, professional fees and administration should be provided where appropriate.

Capital cost item	Amount £
a. Land or building purchase	
b. Construction costs	
c. Furniture and equipment	
d. Professional fees	
e. Other costs (such as legal costs) Please specify what these are in a separate note if including an amount in this box	
f. Contingency (minimum ten per cent)	
g. Inflation	
h. Non recoverable VAT	
Total capital cost	

D Details of professional fees

Professional fees total	% of construction costs	Fee (£)	VAT (£)

E Breakdown of construction costs

Costs relating to fees and VAT should not be included in this section.

New build	
Gross internal floor area (GIFA)	m ²
Substructure	£
Superstructure	£
Fixtures and fittings	£
Services	£
Total cost of new building(s) (A)	£
Cost per square metre (expressed as £/m ² GIFA)	£ per m ²

Alterations or refurbishment	
Gross internal floor area (GIFA)	m ²
Structural alterations or demolition	£
General improvements or finishes	£
Major repairs	£
Mechanical and electrical services	£
Total cost of alterations (B)	£
Cost per square metre (expressed as £/m ² GIFA)	£ per m ²

External /environmental works and groundwork	
Demolition	£
Excavation	£
Ground clearance	£
Roads and car parking	£
Paths, paved areas and hard landscaping	£
Boundary walls and fencing	£
Site layout and planting	£
Mains services and drainage	£
Environmental improvement	£
Other	£
Total cost of external works (C)	£
Total cost of building works (A)+(B)+(C)	£

I certify that the information on this form is correct and that the design, risk assessments, drawings and specifications comply with current construction and health and safety legislation.

Signature of lead building professional

Name

Professional qualification

Name of practice

Address including postcode

Phone

Fax

Date

I certify that the information on this form is correct and that all of the information ticked has been obtained and where requested submitted with this document and the main application.

Signature of Chair, Chief Executive or person of similar responsibility within your organisation

Name

Position

Date



Capital grant checklist three

Capital grant applications of £350,000 or more (including new building, refurbishment, alteration or external works and buying land or buildings on which the building works will be carried out)

If your grant application includes a capital element of £350,000 or more, you must complete this form and send it and the supporting information we have asked for with your application. We cannot consider your application without it.

**Unique Reference Number
(for internal use)**

Project name

Organisation name

Address of land or buildings including postcode

A. Tick the boxes to confirm you have sent with this completed checklist the information requested below

1. A description of the proposed building works and your users' accommodation requirements, including the:

- type of project (i.e. new build, extension or refurbishment) and the extent of the building works to be undertaken
- accommodation and facilities to be created
- type and number of users, the activities they will undertake and any specific requirements they have from the accommodation.

and

2. An options appraisal

- A description of the options you considered for delivering the land and buildings part of your project including the estimated costs of each option, and the reasons you chose this option to meet your need.

and

3. Design information, including:

- a site plan showing the outline of the building and the site, surrounding properties and access routes at a minimum scale of 1:1250
- floor plans showing your proposals at a minimum scale of 1:100 noting the gross floor area in square metres
- external elevations of any new buildings or structures proposed at a minimum scale of 1:100
- sections through key parts of the building at a minimum scale of 1:100
- an explanation of how the design meets the requirements of the design brief and the specific needs of the proposed users
- details of any project constraints, including any design issues that have yet to be resolved.
- a description of how the building and the site will allow access to and use by those with disabilities in accordance with Building Standards, Disability Discrimination Act and British Standard 8300, for example ramped access, induction loops, disabled toilets, clear signage, lifts, and details of other public access issues
- a description of how sustainable development has been accounted for in the design, materials and building services, for example proposals to use low-energy products
- an outline specification for the building or works
- colour photographs (or colour copies) of the existing site or buildings.

and

4. A Capital project programme

The planned timetable (preferably in Gantt chart format) showing the planning procurement, start on site and completion of the proposed work.

and

5. A full cost estimate

- A fully detailed elemental cost estimate (produced by a registered professional Quantity Surveyor or Building Surveyor) identifying allowances made for abnormal costs (e.g. poor ground conditions). The following other costs should also be identified separately: land purchase, external works, preliminaries, contingencies, non-recoverable VAT, inflation allowances, professional and statutory fees and administration.

Include a commentary explaining the basis of the cost estimate. Explain any assumptions in terms of VAT, inflation and contingency.

and

6. Cash flow forecast for all expenditure and income

Income from different sources should be separately identified.

and

7. Details of the site appraisal

- Relevant site investigations (including ground conditions, drainage and services) and surveys of existing buildings undertaken by competent professionals.
- For applications including the purchase of land or buildings a surveyors condition report, a current independent market valuation (with any restrictions upon usage noted) and whether it is suitable for grant purposes.

and

8. Details of the professional team members

- the names and organisation addresses of the building professionals employed with details of their relevant experience and a copy of their professional indemnity insurance certificates.

and

9. Project management strategy

- a statement explaining how the project will be managed what controls there will be to ensure that the project is delivered to time and budget. Include details of the proposed procurement strategy, proposed change control procedures, proposed reporting of progress, how risks will be assessed, managed and logged.

B. Tick the boxes to confirm

Yes

You hold a heritable interest, or a leasehold interest, which cannot be brought to an end by the landlord for at least twenty years, in the land and/or buildings

or

You will use part of the grant to buy a heritable interest or a leasehold interest, which cannot be brought to an end by the landlord for at least twenty years, in the land and buildings. You have enclosed a surveyor's report on the condition of the land and buildings, its current market valuation (with any restrictions upon usage noted) and whether it is suitable for the grant purpose.

You have consulted with the local planning authority and:

- Planning permission is not required

or

- Planning permission is required and you have enclosed a copy of the planning consent.

You have consulted with the local building standards department and:

- building warrant approval is not required

or

- building warrant approval is required and will be obtained.

You have contacted HM Revenue and Customs to see whether VAT is payable on the project.

The CDM Regulations legislation has been complied with in so far as it is applicable to the development of the project to date.

Where the property is held on lease, the landlord has given formal consent to any proposed works.

D Summary of capital costs

Provide a summary of the capital costs. The costs for land and building purchase, construction, non-recoverable VAT, project contingency, inflation allowances, professional fees and administration should be provided where appropriate.

Capital cost item	Amount £
a. Land or building purchase	
b. Construction costs including any preliminaries	
c. Furniture and equipment	
d. Professional fees	
e. Other costs (such as legal costs) Please specify what these are in a separate note if including an amount in this box	
f. Contingency (minimum ten per cent)	
g. Inflation	
h. Non recoverable VAT	
Total capital cost	

E Details of professional fees

Professional fees total	% of construction costs	Fee (£)	VAT (£)

F Breakdown of construction costs

Costs relating to fees and VAT should not be included in this section.

New build	
Gross internal floor area (GIFA)	m ²
Substructure	£
Superstructure	£
Fixtures and fittings	£
Services	£
Total cost of new building(s) (A)	£
Cost per square metre (expressed as £/m ² GIFA)	£ per m ²

Alterations or refurbishment	
Gross internal floor area (GIFA)	m ²
Structural alterations or demolition	£
General improvements or finishes	£
Major repairs	£
Mechanical and electrical services	£
Total cost of alterations (B)	£
Cost per square metre (expressed as £/m ² GIFA)	£ per m ²

External /environmental works and groundwork	
Demolition	£
Excavation	£
Ground clearance	£
Roads and car parking	£
Paths, paved areas and hard landscaping	£
Boundary walls and fencing	£
Site layout and planting	£
Mains services and drainage	£
Environmental improvement	£
Other	£
Total cost of external works (C)	£
Total cost of building works (A)+(B)+(C)	£

I certify that the information on this form is correct and that the design, risk assessments, drawings and specifications comply with current construction and health and safety legislation.

Signature of lead building professional

Name

Professional qualification

Name of practice

Address

Phone

Fax

Date

I certify that the information on this form is correct and that all of the information ticked has been obtained and where requested submitted with this document and the main application.

Signature of Chair, Chief Executive or person of similar responsibility within your organisation

Name

Position

Date



INVESTING IN COMMUNITIES



Capital grant checklist four

Capital grant applications for only buying land and buildings (where no building work is required)

If you are applying for a capital grant only for buying land and buildings you must complete this form and send it and the supporting information we have asked for with your application. We will not consider your application without it.

Unique Reference Number
(for internal use)

Project name

Organisation name

Address of land or buildings including postcode

You must send this completed checklist with the following information and your application form. We cannot assess your application until we have received this information.

A. Tick the boxes to confirm you have sent with this completed checklist the information requested below

1. Details of the land and/or building including:

- a description of the land and/or building you want to buy
- your users' accommodation requirements
- if leasehold, a copy of the lease or the draft lease
- photographs in colour.

and

2. An options appraisal

A description of the options you considered for procuring the land and buildings part of your project including the estimated costs of each option and the reasons you chose this option to meet your need.

and

3. Details of the site appraisal including:

- a surveyor's report on the condition of the land and buildings, the current independent market valuation (with any restrictions upon usage noted) and whether it is suitable for the grant purpose. This should be less than six months old.
- a description of how the land and/or building will accommodate access to and use by those with disabilities in accordance with the Building Standards, Disability Discrimination Act and BS 8300 for example ramped access, induction loops, disabled toilets etc.

4. Summary of capital costs

Provide a summary of the capital costs. The costs for land and building purchase, non-recoverable VAT, professional fees and administration should be provided where appropriate.

Capital cost item	Amount £
a. Land or building purchase	
b. Professional fees	
c. Other costs (such as legal costs) Please specify what these are in a separate note if including an amount in this box	
d. Non recoverable VAT	
e. Total cost	

B. Tick the boxes to confirm

You have consulted with the local planning authority and planning permission for change of use is not required

Yes

or

Planning permission for a change of use is required and a copy of the planning consent is enclosed.

I certify that the information on this form is correct and that all of the information ticked has been obtained and where requested submitted with this document and the main application.

Signature of Chair, Chief Executive or person of similar responsibility within your organisation

Name

Position

Date

Appendix E

Recognised building professionals

Professionals we usually expect to act as lead building professionals with the CDM co-ordinator for the construction, alteration, refurbishment or extension of buildings. There may be other building professionals who are qualified to do this work.

Architect	
ARB	Architects Registration Board (membership compulsory for 'architects') A registration number is given to each member.
RIAS	Royal Incorporation of Architects in Scotland (membership optional)
RIBA	Royal Institute of British Architects
Architectural technologists	
MBIAT	Member of the British Institute of Architectural Technologists Quantity surveyors or building surveyors
RICS	Royal Institution of Chartered Surveyors (Note: the RICS has many faculties with various grades of membership. The minimum grade of Membership acceptable for valuations is member MRICS previously designated as Associate ARICS).
Professionals who may act as additional consultants to the lead building professional. There may be other building professionals who are qualified to do this work.	

Engineers (structural and civil)

ACE	Association of Consulting Engineers (membership by invitation only)
C Eng MI Struct E	Chartered Engineer – Member of the Institute of Structural Engineers (membership compulsory)
C Eng MICE	Chartered Engineer – Member of the Institute of Civil Engineers (membership compulsory)
I Eng AMI Struct E	Incorporated Engineer – Member of the Institute of Structural Engineers (non-Chartered)
I Eng AMICE	Incorporated Engineer – Member of the Institute of Civil Engineers (non Chartered)

Engineers (mechanical and electrical)

ACE	Association of Consulting Engineers (membership optional for engineers)
CIBSE	Chartered Institute of Building Services Engineers (membership optional)
CEng M I Mech E	Chartered Engineer – Member of the Institute of Mechanical Engineers (compulsory)
CEng MIEE	Chartered Engineer – Member of the Institute of Electrical Engineers (compulsory)
I Eng MIIE (Elec)	Incorporated Engineer – Member of the Institute of Incorporated Engineers (Electrical)
I Eng MIIE (Mech)	Incorporated Engineer – Member of the Institute of Incorporated Engineers (Mechanical)

Construction managers

MCIQB	Member of the Chartered Institute of Building
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Professionals who may act as additional consultants to the lead building professional. There may be other building professionals who are qualified to do this work.

CDM co-ordinators

IOSH	Institute of Occupational Safety and Health
APS	Association for Project Safety which maintains a register of CDM co-ordinators
RIAS	The RIAS maintains a register of CDM co-ordinators
RIBA	The RIBA maintains a register of CDM co-ordinators
BSC	British Safety Council

Please note that the Health and Safety Executive does not formally recognise the above CDM co-ordinators membership organisations, although these four bodies are widely supported and have a large membership in the construction industry.

We require that you appoint the following building professionals as a minimum:

For new build projects

Total capital cost of building work and fees (excluding vat)	Who should be involved as a minimum
£30,000 to £100,000	A building surveyor, or architect and a quantity surveyor
£100,000 or more but less than £500,000	A building surveyor, or architect and a quantity surveyor
£500,000 or more, or where the ground conditions are suspect, for example a riverside, landfill or coal mining area	An architect and a quantity surveyor and a structural engineer or geo-technical engineer

For alteration, refurbishment or extension projects

Capital cost of building work and fees (excluding vat)	Who should be involved as a minimum
Any project involving changes in structural elements of a building	
£30,000 to £200,000	A building surveyor to prepare design and costings, or an architect and a quantity surveyor
£200,000 or more	A building surveyor, or architect and a quantity surveyor