

# Community Asset Transfer

## Programme guidance notes: Round 3



Yn dylamu arian  
**Y Loteri Genedlaetho**

Awarding funds from  
**The National Lottery®**



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

This guide is for organisations that intend to apply for a grant from Round 3 of the Community Asset Transfer (CAT) programme. This is a jointly funded £13 million programme from the Big Lottery Fund and the Welsh Assembly Government, comprising capital and revenue grants. The Big Lottery Fund is administering the grants on behalf of the Welsh Assembly Government.

The guide will help you understand the application process and provide key information about the programme. If, having read these guidance notes thoroughly, you think your project is eligible and might be what we are looking for, you can download an application form from our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk). Please read this guidance carefully before you submit your application form.

If you or your main contact have any particular communication needs, such as Braille or large print, audiotape, sign language or a community language, please call us on 029 2067 8200 (textphone 0845 602 1659, this is for those with hearing impairment).

Stock code: CATGNWE2

**Further copies available from:**

Phone: 029 2067 8200

Textphone: 0845 6 02 16 59

Email: [cat@biglotteryfund.org.uk](mailto:cat@biglotteryfund.org.uk)

Our website [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

**Accessibility**

Please contact us to discuss any specific communications needs you may have.

**Our equality principles**

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion. Please visit our website for more information.

**We care about the environment**

The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources.

**Our mission**

We are committed to bringing real improvements to communities and the lives of people most in need.

**Our values**

We have identified seven values that underpin our work: fairness; accessibility; strategic focus; involving people; innovation; enabling; additional to government.

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grantmaker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

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# About the Welsh Assembly Government and the Big Lottery Fund

## About the Welsh Assembly Government

The Welsh Assembly Government is working to regenerate the communities of Wales, especially those suffering the greatest disadvantages. The One Wales document outlines the Government's vision for Wales. The Welsh Assembly Government want a Wales where people are empowered to rebuild the social, economic and cultural fabric of their communities. The Welsh Assembly Government is taking an integrated approach to the development of policies for the transfer and ownership of community assets.

For more information visit [www.wales.gov.uk](http://www.wales.gov.uk)

## About the Big Lottery Fund

The Big Lottery Fund is responsible for distributing half of the money that the National Lottery raises for good causes. Our mission is to bring real improvements to communities and the lives of people most in need. We want to use Lottery money to make big, positive changes for communities, through the fair and open funding of people, projects and programmes, with a particular emphasis on tackling need. For more information on this, please read our 'Mission and Values' booklet on our website.

The CAT programme is just one of our grants programmes. You can find out about our other programmes by visiting [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk) or you can telephone us on 029 2067 8200, textphone 0845 602 1659 or email [enquiries.wales@biglotteryfund.org.uk](mailto:enquiries.wales@biglotteryfund.org.uk)

Other organisations give Lottery grants as well as the Big Lottery Fund. You can find out about these by visiting [www.lotteryfunding.org.uk](http://www.lotteryfunding.org.uk) or you can telephone the Lottery Funding hotline on 0845 275 0000 (textphone 0845 275 0022).

## Working in partnership

Responses to our Big Thinking consultation showed that stakeholders were overwhelmingly positive about us working in partnership with the Welsh Assembly Government to empower communities by facilitating the transfer of assets to third sector organisations. By working together to jointly fund the CAT programme, we have combined Government and Lottery funds to provide a single grant programme that makes capital and revenue funds available. Whilst primarily a Lottery distributor, the Big Lottery Fund can also deliver funding from other sources, such as government, trusts and foundations. We will only do this where we feel we can add real value and ensure a better deal for the beneficiaries of our funding.

The development of the CAT programme and the partnership between the Big Lottery Fund and the Welsh Assembly Government has been strongly influenced by the Quirk Review, learning from our previous investments in asset transfer and responses to consultation with a wide range of stakeholders. Making Assets Work: the Quirk review of community ownership and management of public assets demonstrated the real opportunity for community empowerment offered by asset transfer. It also showed that this worked best as part of a wider strategy of good partnership working between communities, the third sector, and the public sector.

# Part one

## About the Community Asset Transfer programme

We want to help communities become stronger and more sustainable by assisting them to obtain and develop assets such as land or buildings. The CAT programme is a strategic programme focused on enabling communities to have more control and influence over their future. Through the CAT programme, we will invest up to £13 million in communities to help them transfer, develop, manage, and sustain assets to improve their livelihoods and neighbourhoods.

Assets should be used to generate significant income streams and provide quality services and amenities that are **economically, socially and environmentally** viable and sustainable in the long term.

We believe the ownership of community assets can encourage people to become more actively involved in their communities, influence what happens and take part in decisions. We hope that through the CAT programme more people will become involved in deciding how assets are used and work together to address needs, leading to a wider recognition of the importance of community-led regeneration.

## Community Asset Transfer programme: funding rounds

We recognise that there will be interest from a range of potential projects in accessing this funding, and that they will be at varying stages of development. Therefore, the CAT programme is being delivered via three competitive funding rounds.

### Round 1: Fast-track – CLOSED

Round 1 comprised of a Fast-track round, introduced to enable rapid investment in projects that were fully developed and ready to start immediately. The deadline for expressions of interest was 4th December 2009 and the Fast-track round is now closed.

### Round 2 – CLOSED

This funding round is being delivered via a two stage process. The deadline for submission of stage one applications was 30 June 2010 and this round is now closed. Applicants successful at stage one have been notified and invited to submit their stage two application.

### Round 3

Round 3 will be delivered via a competitive two stage process. Organisations will be required to submit a stage one application with an organisation business plan and, if successful will be required to submit their stage two application (a project business plan and capital project delivery plan). We anticipate inviting between eight to twelve projects to proceed to stage two with five to nine of these being awarded a Round 3 grant. Further details of the Round 3 application process can be found on page 15. There are no current plans for any further rounds under this programme.

### These guidance notes relate to Round 3 only

<b>24 November 2010</b>	Round 3 of the CAT programme opens.
<b>By noon on 3 March 2011</b>	Deadline for stage one applications.
<b>During July 2011</b>	Decision on stage one applications. Projects invited to proceed to stage two.
<b>By noon on 31 January 2012</b>	Deadline for stage two applications.
<b>During June 2012</b>	The CAT Programme Committee meets and decides on the projects that will receive funding.

## Programme aim and principles

### Programme aim

The CAT programme will seek to create more sustainable communities by supporting asset transfer to enterprising community organisations. We will do this by developing assets transferred from public sector bodies to enterprising organisations that actively involve and benefit the communities they serve. They must work towards improving the services and/or facilities for their community, be able to demonstrate that their proposals are sustainable in the long term and take into account the **economic, social and environmental impacts** of their work.

By enterprising community organisations we mean third sector organisations that serve either their community of place or interest. These organisations will demonstrate viable plans, containing a **mix of future funding, with an emphasis on income generation**.

### Programme principles

Community assets transferred through the CAT programme **must** tackle issues of **economic, social and environmental sustainability** in an integrated way, so that people can enjoy a better quality of life, without compromising the quality of life for future generations. For example:

#### Economic

- ▶ Creating organisational sustainability through robust management and planning, the development of different methods of income generation and the consideration of co-financing.
- ▶ Creating and retaining employment in the community by broadening its economic base through the introduction of new activities where gaps in provision exist.
- ▶ Developing links to training, volunteering, or community work opportunities.

#### Social

- ▶ Addressing local needs and priorities through improving local services and infrastructure.
- ▶ Creating a lasting sense of community empowerment through the participation of communities in making decisions about the design, use and ongoing running of assets.
- ▶ Encouraging the creation of partnerships between public sector organisations and the communities that they serve.

#### Environmental

- ▶ Fostering a commitment to quality design and sustainable development that considers energy use, waste and alternative technology.
- ▶ Increasing use, reuse or recycling of locally sourced materials in asset design and construction.
- ▶ Renewing degraded land and wildlife habitats to ensure sustainability for future generations.

## Outcomes

### Programme outcomes

We would like to know about the changes that happen as a result of our funding. We call these changes 'outcomes'. Under this programme, we want to fund projects that will deliver the following programme outcomes:

1. To build the capacity of enterprising communities to take on and develop community assets that can provide solutions to the challenges they face.
2. To contribute to the regeneration and economic sustainability of communities.
3. To promote and strengthen the independence of third sector organisations by enabling social enterprise.
4. To improve partnership working between the public sector, the third sector and other sectors.

We will only fund projects that will deliver on **all** of these broad outcomes **and** demonstrate evidence of the real participation of the community, either

geographical or community of interest, in the development, design and future running of the project.

In addition, we will be seeking to test whether your business proposals will generate significant income to ensure economic sustainability.

### Project outcomes

We will ask you to describe **four outcomes** that you expect your project to achieve. Part of our decision to award you a grant is based on our assessment of the quality of your project outcomes. If we award you a grant, your project outcomes will form part of our grant agreement with you.

Your project outcomes **must** collectively meet all four of the CAT programme outcomes. We are interested in how you think that your project will help us achieve them, but we do not expect you to write your project outcomes in the same style or format as the CAT programme outcomes. Examples of the types of outcomes your project should seek to achieve can be found in the 'Project Examples' section of these guidance notes (appendix two).

We also recommend you read our guidance "Getting funding and planning successful projects: Aims and outcomes". This gives some additional examples and will help you give us the best possible answer to this question. You can find this on our website [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk).

### Who can apply for funding?

It is essential that your project meets the programme requirements. Therefore, please read these carefully to ensure your project is eligible before applying.

Applications for Round 3 of the CAT programme must be from cross-sector partnerships that include at least one third sector organisation, and one public sector organisation. These organisations must have worked together to identify the asset and agreed on the principles for transfer. We will prioritise projects that have a strong partnership in place and can demonstrate evidence of partnership working.

**Each project must have a third sector organisation as the lead applicant.** They will be responsible for the project and its funding and must be the organisation to which the asset will be transferred. **Assets can only be transferred from public sector organisations.**

Although the assets must be transferred to one lead organisation we do not expect this organisation to be the asset's sole user. The assets **must** be made accessible to groups within the wider community.

We will be able to fund a range of different third sector organisations that may fall into the following legal structures:

- community interest companies (CICs)
- companies limited by guarantee
- charitable incorporated organisations
- charitable trusts
- industrial and provident societies.

Examples of the types of organisations that fit under these structures include:

- social enterprises and social firms
- mutuals
- development trusts
- housing associations.

Our main objective is to see greater levels of community control and influence through community ownership and development of assets. To this end we want to support applications from lead organisations who can demonstrate that they:

- ▶ Are community led and controlled, through a constituted body.
- ▶ Have membership open to community members.
- ▶ Are run by, and for, people within a defined geographical area. This will not normally be greater than one local authority area. However, should your organisation represent a community of interest, then you must demonstrate that you have given due regard to the local community. A community of interest is a collaborative group of people who share

a common interest, goal, mission or business process and therefore may not be easily defined by a particular geographical area.

The underlying principle of this programme is to enable community ownership and management of assets. You are therefore expected to demonstrate strong community representation and involvement in decision making relating to the management and use of the asset. This may be through representation on the management committee/board of the lead organisation, or through a local asset management committee. The level of community ownership will be tested during the assessment of your application and projects that clearly demonstrate this will be prioritised.

We will **not** give a grant to:

- individuals or sole traders
- organisations that make profit for private gain
- statutory bodies, including local authorities, schools, parish or town councils
- organisations applying on behalf of other organisations. The organisation applying for a grant must be the same organisation that will both receive and have responsibility for the funding
- organisations in poor financial health
- organisations that have received a grant from the Big Lottery Fund that has not been managed satisfactorily
- organisations that have received a grant, or loan, from the Welsh Assembly Government that has not been managed satisfactorily
- organisations whose governing document does not allow for the ownership and/or management of the transferred asset
- organisations who are applying for a grant to allow the transfer of an asset from anyone other than public sector organisations.

### **Religious and political activities**

While we will consider projects where the asset is to be

transferred to a religious group, we will not fund religious activities. We would therefore expect the primary purpose of that asset to be the delivery of activities that benefit the broader community, and not religious activities or services. Similarly, funding cannot be used to support projects that primarily provide space for political activities.

### **Location**

The lead applicant, the project and the majority of users **must** be based in Wales. By majority, we mean at least 75 per cent. We also expect the public sector organisation transferring the asset to be based in Wales. However, in exceptional circumstances we will consider the transfer of assets from organisations in other parts of the UK.

### **What will we fund**

We will award grants of up to £800,000 that must include a combination of both capital and revenue. As part of your capital budget, you can also include a request for development funding to help you with the cost of developing the capital element of your project at stage two.

**Requests for capital or revenue only grants will not be eligible for funding.** We will fund grants for up to 5 years.

In most cases we expect to see some of your funding from other financial sources, or through in-kind contributions. This helps demonstrate that the wider community is committed to the proposal and can help make it more sustainable, enabling it to continue after our grant comes to an end. However, in particularly strong cases we can meet 100 per cent of your project costs.

Through the CAT programme we will fund the transfer of:

#### **► Buildings with, or without, associated land.**

We will only accept proposals for the transfer and development of buildings that will become multi-purpose (i.e. have a mix of economic and social purposes), and are accessible to the wider community. The assets will need to have the potential

to generate income for additional community benefit and/or be central to the delivery of a range of key services that support community life.

Or

► **Land only:**

Any land transferred will need to have an end use. This might include an opportunity for development of forestry and nature reserves, ecotourism, localised food production or localised energy generation.

In addition to the transfer of the asset, funds are available to develop an existing asset or construct a new building. Your application should clearly demonstrate which is most appropriate for your project.

The priority should be to ensure that you end up with a genuine asset that is economically viable in the long term and which benefits the community. The development of the asset should be carefully planned to reflect the needs of the community who will use it.

Any new builds **must** reach the British Research Establishments Environmental Assessment Method (BREEAM) excellent standard. The onus is on your organisation to show that the building will meet this standard.

We will **not** fund:

- single use assets
- assets that have already been transferred to a third sector organisation
- substantial demolition and rebuilding of an asset unless it can be demonstrated that this is the most appropriate option for your project
- housing only developments
- assets belonging to private sector organisations
- projects purely associated with increasing disability access
- extensions from short term lease arrangements to long-term lease arrangements (this excludes licenses for less than 12 months).

### **Freehold and leasehold transfer**

We will offer a flexible approach to asset transfer, allowing either freehold purchase or leasehold transfer, as required. However, should you wish to manage and develop a leasehold asset, you must demonstrate why this is the best option for the community, whilst still achieving the outcomes we have set-out for the CAT programme. A copy of our lease requirements for the CAT programme is available on our website. Please read them to make sure you and the public sector organisation will be able to meet them.

Whilst we will consider proposals for the transfer of assets at full market value, this programme seeks to encourage transfers at lower rates. Therefore, projects must try to incorporate transfers at nil cost, or significantly below the market value. Projects that can demonstrate this will be prioritised during assessment. If however the public sector organisation is bound by legislative or regulatory constraints that prevent them from doing this, please clearly state this in your application. In all cases however, the transfer value will not be assessed in isolation, but within the context of the whole project business plan and the evidence of long-term economic sustainability.

For leasehold transfer, consideration should be given to establishing peppercorn rent arrangements.

### **Capital funding**

We will provide capital funding towards the cost of acquiring and developing the assets, which are required to deliver the project's objectives and outcomes. Capital funding is not for costs associated with running your project. The capital element of your funding requested must be between £250,000 and £500,000. This total should include all of your capital costs, including any requests for development funding.

### **What capital costs will we pay for?**

The following lists give you an idea of the type of expenditure that we can and cannot pay for. They are not exhaustive, and when we assess your application we may want to discuss this in detail, or include or exclude some items.

Eligible capital expenditure includes:

- development costs (this funding is available to help your project meet the requirements of the capital project delivery plan in stage two. See page 11 for further details)
- the purchase of freehold of land and buildings
- the purchase of leasehold of land and buildings **(lease must have a 20 year term as a minimum, no break clause and be assignable to a similar third sector organisation)**
- building and engineering works (refurbishment, modernisation or conversion) required for the delivery of the project
- extensions as part of a wider project, where you can demonstrate that it is intrinsic to your project
- new build costs
- plant and equipment necessary for running the project
- purchase of equipment or fixtures and fittings that are linked to the land or building
- professional and legal fees associated with the capital element of the project e.g. The legal costs incurred by you such as certificate of title and legal charge
  - guidance on the level of fees you should make provision for is on page 19 but you must consult your own solicitors for their advice and estimates
- a contingency sum of around 10 per cent of the total capital project costs
- VAT on eligible capital expenditure where appropriate (contact your local VAT office for advice).

Ineligible capital expenditure includes:

- costs incurred in developing your stage one application
- costs incurred or spending committed, before we make you a stage two grant (that are not eligible as part of the development grant)
- any costs which someone else is paying for, whether in cash or in kind

- routine repairs and maintenance (although these costs can be included in the revenue budget)
- general improvements to public areas unless they are essential to the overall project
- personal equipment not essential to delivering the project
- maintenance equipment, fixed or loose equipment or office equipment which is not essential to the project
- the purchase of a leasehold of less than 20 years
- the purchase of minibuses or other forms of transport.

#### **What development costs will we pay for?**

We will provide development funding of up to £35,000 towards the cost of developing the capital element of your project. Eligible development costs can include:

- ▶ Feasibility studies e.g. reviews of the viability of the proposed capital project from a cost and design perspective; suitability checks on low or zero carbon technologies
- ▶ Site investigations e.g. surveys required to satisfy local planning requirements, ensure building regulation requirements are complied with and remove risk from the project to inform the structural and aesthetic design of the building. These may be any of the following (not an exhaustive list); soil investigation, structural survey, condition survey, asbestos survey etc
- ▶ Access audits e.g. a survey to assess what works are required to ensure compliance with Disability Discrimination Act and Part M of the Building Regulations
- ▶ Design development e.g. costs associated with the appointment of the project team (Architect, Project Manager, Structural Engineer, CDM-Co-ordinator etc)
- ▶ Statutory consents e.g. costs associated with submitting any applications, where applicable, for planning consent, listed building consent,

conservation area consent, building regulations consent etc

- ▶ Capital project cost planning e.g. costs associated with commissioning a suitably qualified consultant to establish the project budget and monitor and update through to Capital Delivery Plan submission
- ▶ Procurement and capital project management plan e.g. costs associated with commissioning the project lead consultant to develop a project management plan to establish key project capital strategies and control procedures to manage the capital project effectively.

If you require development funding, you should include these costs in your capital budget. We will use the information you give us in your stage one application to decide whether to award you a development grant and to what level of funding. **Please remember that development costs are not additional and should form part of the total capital grant requested.**

### Revenue funding

We will provide revenue funding towards the operating costs of your project. The revenue element of your funding requested must be between £50,000 and £300,000. The revenue funding may include your overhead costs.

We will support a range of revenue costs required for the running of your project. You may also wish to consider planning or development work to ensure the facility's long-term sustainability. This can include work to raise the profile of the project, building relationships with the local community and other stakeholders.

### What revenue costs will we pay for?

The following lists give you an idea of the type of spending that we can and cannot pay for. They are not exhaustive and when we assess your application we may want to discuss this in detail, or include or exclude some items.

Eligible revenue expenditure includes:

- salaries of staff relevant to your project e.g. project manager, facilities manager, including any extra costs, such as pensions and National Insurance for the project
- salaries of management staff who only supervise project staff, including any extra costs, such as pensions and National Insurance for the project
- recruitment of staff who will work on the project
- expenses of project staff and volunteers, including travel, accommodation, telephone bills and stationery
- rent, heating, lighting, and insurance for office space and buildings only used for this project
- building maintenance
- training of staff and volunteers working on the project
- monitoring and evaluation of the project
- fundraising for continuing the project after our grant has finished
- marketing and publicity for the project
- translation costs
- website infrastructure, including increasing central server capacity and interconnection costs
- software
- website content design and development (including the use of consultants or designers)
- professional and legal fees associated with revenue expenditure on the project, for example, if your solicitor needs to provide us with a legal opinion
- travel and transport
- overheads.

Ineligible revenue expenditure includes:

- costs incurred or expenditure committed before we make you a grant
- any costs which someone else is paying for, whether in cash or in kind
- items that only benefit an individual and are not

- needed to deliver the project outcomes
- travel outside the UK
- direct funds to build up a reserve or surplus, whether distributable or not
- loans or loan repayments
- contributions to general appeals.

### **What overheads will we pay for?**

By overheads we mean the costs of employees, volunteers, equipment, space and services that partly support the project you want us to fund, but also support your other work.

We may make a contribution towards your overheads. Work out how much support the project you want us to fund needs from the people, equipment and spaces that make up your overheads. Calculate the cost of this support then divide this figure by the percentage of the eligible revenue and capital costs you are asking us to fund. In the application you are required to explain how you have worked this out. This is also referred to as 'full cost recovery'.

Further guidance on this can be found on our website:

[http://www.biglotteryfund.org.uk/fcr\\_applicants.pdf](http://www.biglotteryfund.org.uk/fcr_applicants.pdf)

Eligible overheads include:

- salaries of human resources, finance, IT and other staff supporting the project (for example, running payroll and servicing computers used by the project)
- salaries of staff, including managers, working on the project, but not exclusively
- salaries of senior management overseeing the project
- meetings of the trustees or management committee
- audit and other legal fees associated with running your organisation
- rent, heating, lighting, maintenance and insurance for office space your project requires or shares with other projects

- rent, heating, lighting, maintenance and insurance for office space used by staff who run your project
- professional fees associated with strategic planning
- fundraising for the organisation
- training staff
- networking and attendance at conferences or partnership work that benefits the project you want us to fund.

Ineligible overheads include:

- costs incurred or expenditure committed before we make you a grant
- any costs which someone else is paying for, whether in cash or in kind.

### **VAT**

You may need to pay VAT on purchases you make as part of your project. As we are not able to add VAT to grants once they are awarded, it is important that you know whether or not your organisation can claim back VAT from HM Revenue and Customs. You must only include VAT in the amount you request from us if you cannot claim it back from HM Revenue and Customs. You are urged to consult HM Revenue and Customs to discuss your case. Their helpline is open 8am to 8pm Monday to Friday 0845 010 9000 and their website is [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

# Part two

## Applying for funding to the Community Asset Transfer programme

This section gives details of the application process, including the timetable for Round 3 of the CAT programme.

## Programme timetable

Please see the flow chart below for our Round 3 timetable. Further details of the application process can be found on page 15. Dates may change due to unforeseen circumstances. If the changes affect your application we will let you know the revised dates.



what you will do



what we will do

### Round 3 Stage One Timeline

**24th November 2010.** Round 3 of the CAT programme opens. Application forms are available to download from our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)



**By noon on 3rd March 2011.** Complete and send us your stage one application with your organisation's most recent business plan.



**Within 10 working days** of us receiving your application we acknowledge that we have received it.

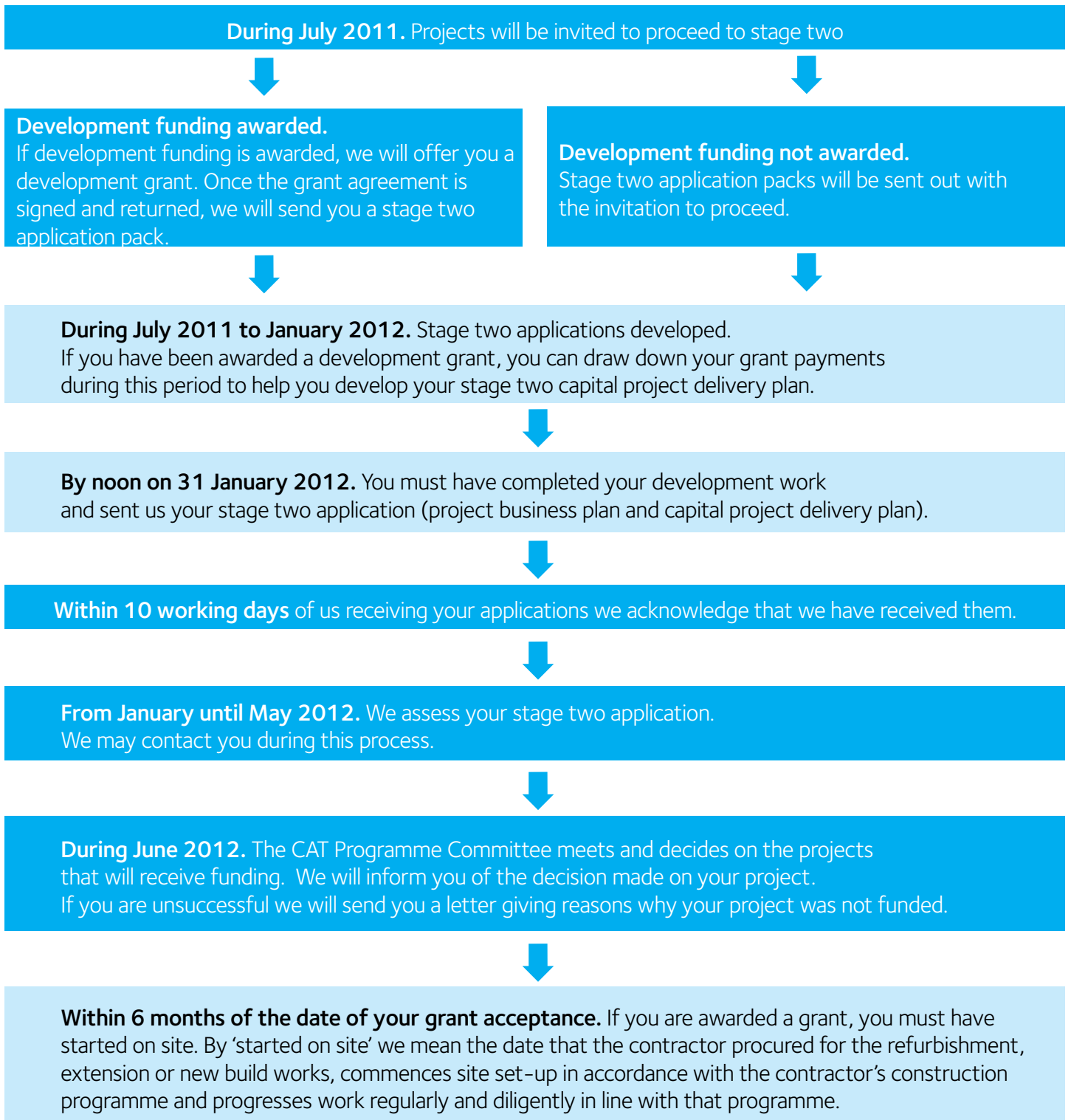


**From March until June 2011.** We check if your project is eligible to apply and if so, assess your stage one application. We may contact you during this process.



**During July 2011.** The CAT Programme Committee meets and decides on the projects that can progress to stage two. We will inform you of the decision made on your application. If you are unsuccessful we will send you a letter giving reasons why your project was not recommended to proceed further. If you are successful you will be invited to proceed to stage two.

**Round 3 Stage Two Timeline**



## The application process

Round 3 of the CAT programme will be a competitive process with a limited amount of funding available. Funding will be delivered as part of a two stage process. You will be required to complete a stage one application, but you will only be required to develop and submit a stage two application if your stage one application is successful.

If, having read these guidance notes thoroughly, you think your project is eligible and might be what we are looking for, you can download an application form from our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk). Applications for this round can only be accepted on the Round 3 Application Form.

### How many applications can be submitted?

You can only submit one application during each round of the CAT programme. If you have been successful in the previous round of the programme you may still submit an application for a different project in Round 3.

## Stage One

As part of stage one you are required to complete an application form which tells us about your project. In addition you will also be required to send us the following separate documents:

- governing documents
- most recent annual accounts
- any required bank or building society account documentation
- project programme in a Gantt chart format (if applicable)
- evidence from the public sector organisation confirming their commitment to transfer the asset
- options appraisal
- evidence of the market value of the asset
- your organisation's most recent business plan

Your organisation's business plan can be in its own format but should describe your business, its objectives,

its strategies, the market it operates in and its financial forecasts. It may not necessarily include references to the project for which you are seeking funding from the CAT programme. We will review your business plan in order to help us assess your organisation's readiness, and capability, to take over an asset. It should not be confused with your project business plan, to be submitted during stage two and which focuses solely on the project for which you are seeking CAT programme funding.

Do not send us any other materials, other than what we ask for, as we will not use them in our assessment. If we need any more information, we will ask for it.

### Deadline for stage one

Your completed stage one application must be submitted no later than **noon on the 3 March 2011**. Please send them to [cat@biglotteryfund.org.uk](mailto:cat@biglotteryfund.org.uk) or to the address below:

Community Asset Transfer programme  
Round 3  
The Big Lottery Fund  
10th Floor  
Helmont House  
Churchill Way  
Cardiff  
CF10 2NB

We do welcome alternative formats when there are particular communication needs. Please discuss this with us if you think this applies to you.

### What do we do with applications once we have received them?

When we receive your application, we will check that you have sent us everything we asked for. If you have not we will write to you and give you 10 working days from the date of the letter to send us any missing information. If you do not meet this deadline we will not assess your application.

Once we have received a complete application we will consider the information you provide to ensure your

organisation and project meet our programme guidance and requirements. If they do not we may reject your application.

If the programme is highly oversubscribed then an initial scoring exercise may be undertaken following the completeness and eligibility check. Applications will be numerically scored and ranked based on what we believe makes a good project and what best meets the priorities of the programme. Only stronger applications will proceed to full assessment.

If your application is complete and is eligible for funding under this programme, and passes our initial scoring system (if applicable), we will carry out a detailed assessment of your project and grade your application against the following criteria using the information provided in your application form.

1. The proposed project outcomes meet an identified need and help to achieve the programme outcomes.
2. The organisation can deliver the project well and achieve the proposed project outcomes.

In addition to these two criteria we will be seeking to test whether your business proposals will generate significant income to ensure economic sustainability.

If you have requested development costs, we will also review these during assessment to ensure that they are relevant and reasonable. As part of our review of your application, we may visit you to discuss with you and your professional team the information you have provided. We may use technical advisors to assist us with this review.

You will need to have a contact person we can talk to. They must be able to talk about the project and provide further information if necessary, for example, a more detailed budget breakdown.

It will usually take us up to three months to assess your application. If it will take longer we will tell you the new timescales.

If your project meets our criteria, your application will be presented to the CAT Programme Committee for a decision.

We will write to you with our decision during **July 2011** and tell you whether you are invited to progress to stage two. If we have agreed your development costs, we will offer you a development grant.

We anticipate inviting between eight to twelve projects to proceed to stage two. If we decide not to fund your application we will tell you why.

We expect we will get more applications for good projects than we can support and our grant funding decisions are made at our own discretion. If we decide not to support your application, it does not mean that we do not value the work that you do.

## Stage Two

If we decide to invite you to stage two you will need to provide more detail on your project. For your stage two application you will be required to complete a **project business plan and capital project delivery plan**.

If you have been awarded a development grant, you will be required to sign and return the grant agreement before we issue you with the stage two application pack. Once all of the grant formalities are agreed, the development funding will be available for you to draw down. You should use this funding to help you to fulfil the capital requirements of your stage two application.

We will be inviting more projects to proceed to stage two than we can fund. Therefore, the process will remain competitive and if you are invited to submit a stage two application this does not guarantee that we will fund your project. If you are not successful at stage two but received development funding you will not have to pay this back.

## Deadline for stage two

Your completed stage two application, project business plan and capital delivery plan must be submitted no later than **noon on the 31 January 2012**. Please send them to [cat@biglotteryfund.org.uk](mailto:cat@biglotteryfund.org.uk) or to the address below:

Community Asset Transfer programme  
Round 3  
The Big Lottery Fund  
10th Floor  
Helmont House  
Churchill Way  
Cardiff  
CF10 2NB

## What do we do with stage two applications once we have received them?

When we receive your stage two application, we will check that you have sent us everything we asked for. If you have not we will write to you and give you 10 working days from the date of the letter to send us any missing information. If you do not meet this deadline we will not assess your application.

Once we have received a completed project plan and capital project delivery plan we will consider the information you provide to ensure your organisation and project meet our programme guidance and requirements. If they do not we may reject your application.

We will assess your stage two application and may contact you again to discuss your proposal in detail. During this process, we will undertake a detailed review of your project business plan and capital project delivery plan. As part of this review we may visit you to discuss with you and your professional team the information you have provided. We will use technical advisors to assist us with this review.

If your project meets our criteria, your application will be presented to the CAT Programme Committee for a decision. We will write to you with our decision during **June 2012**. We anticipate awarding grants to between

five and nine projects under Round 3. If we decide not to fund your application we will tell you why.

## What happens if you are awarded a grant

If you are awarded a grant you will have to accept our terms and conditions. You will be accountable for the grant. This means that even though you may sub-contract some of the work, you are responsible for ensuring that the project is delivered, the project outcomes are met within agreed timescales and budget and in line with the terms and conditions. **A copy of the standard terms and conditions for the CAT programme is available on our website. Please read them to make sure you will be able to accept them.**

Once you have formally accepted the grant offer, we will send you a post award guidance pack that will explain our grant formalities.

If you have secured funding from other sources for the capital element of your project we will require written confirmation before we release your grant.

## Legal requirements

If we award you a capital grant, we will set out in our grant offer letter the timetable within which you will be required to meet specific terms and conditions for grants. We will send you a letter outlining the legal documents required which you will need to give to your solicitor as soon as possible. We will also set out the timeframe within which you will need to start the building work.

## Certificate of title

If you are awarded a grant, you will need to provide a completed certificate of title from your solicitor before we can make capital payments. You must provide the certificate of title in the standard form we require, which will be available on request. 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 nature of the title
- that all relevant searches have been made and no adverse entries found

- that the title is good and marketable with no easements, restrictive covenants or leases, and in the case of leaseholds includes no break or forfeiture provisions, which would prevent full and continuous project delivery throughout the period of the grant agreement.

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 £500 plus VAT. Your solicitor will advise you on the cost of providing a certificate of title, which should include the search fees, land registry and companies house fees.

### **Our Security Requirements**

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 duration of the asset-monitoring period which is 20 years. This means we require you to make legal commitments to us to secure grant purpose.

If you are awarded a capital grant you will need to provide a legal charge over the land and buildings before we can make any payments. This will be in the standard form we require. The legal charge will remain in place for 20 years.

You should make provision within your project costs for the legal fees you will incur providing the charge. Your solicitor will advise you on the cost. As an indication only, we think it is reasonable to include an estimate of £1000 plus VAT.

### **Legal opinion**

If we award you a capital grant you will be required to provide a legal opinion from your solicitor before we can make capital payments.

The legal opinion must be completed in the standard form we require and be 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 governing document for the project purpose and to sign the legal documents associated with your grant.

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.

### **Buying land and buildings**

Before we can make payment for the purchase of land you will also need to send us a letter from your Solicitor or a Licensed Conveyancer requesting that we pay grant to the solicitors' 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 solicitors and confirmation that they are acting on behalf of your organisation.

### **Capital assets**

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. Sub-letting to generate income is acceptable under the CAT programme.

You may not change the purpose for which the capital assets are being used without our written permission. We will hold you responsible for the condition and use of the land and buildings for the asset-monitoring period, which will be 20 years. The asset-monitoring period starts from the date of the grant agreement.

### **Insurance cover**

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. We may ask you to provide evidence of insurance cover as part of our monitoring checks.

## State aid

Public funding for organisations carrying out commercial activities, even those with charitable status, is governed by the European Commission's 'state aid' rules. In developing your application, it is important that you consider and, if necessary, take advice on state aid regulations. In addition if, when we assess your application, we think that there is a possibility that the level of grant requested may not be in line with state aid rules, we will contact you for further information about your plans and to discuss our concerns.

Further information on state aid may be found on the website of the Welsh Assembly Government: <http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en>

## Statutory obligations

You will be required to meet your obligations under the legislative framework for Wales. 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, human rights legislation and the Welsh Language Act. We suggest you seek advice from either your own advisor or the relevant Government agency.

## Procurement

Big Lottery Fund must comply with the EU directives on procurement. You will need to check whether this applies to your project. If it does, you must tender openly for the goods and services in accordance with these requirements.

## Monitoring your project

Monitoring is the routine collection of information about the work of your project. This information will help you answer questions about your project's progress. We will expect you to monitor your progress towards achieving your outcomes during the life of the grant. We also encourage you to monitor the performance of your project as a whole. This will help you see if your project is working well and make changes that will improve your services and provide better value. It will also help you when you're reporting on your progress to us.

Before you start your project we will make sure that you know what information you will need to give us during the life of your grant so that you can plan what aspects of your project to monitor.

## Reporting to BIG

If you are successful, we will ask you to provide us with information on a regular basis so that we can find out about your project's progress, what difference our money is making and make sure that it is being well spent. When we review your reported progress, we may ask for clarification or additional information about particular areas. Therefore, it is important that your main contact has a good understanding of your project's progress.

Typically all projects that we fund will be asked to provide us with the following information throughout the life of your grant.

- ▶ Once your grant is awarded we will ask you to confirm what monitoring systems you have put in place and whether or not these are in line with what you originally proposed in your application.
- ▶ A mid-year progress check for each year of your project when you will be asked to report against each of your indicators to show your progress towards achieving your outcomes, give details of activities that have taken place, and provide a brief update on spend against funds received.
- ▶ At the end of each year we will ask you to complete a more detailed report about your progress and a

more thorough account of your project budget to date.

- ▶ At the end of your project we will ask you to report on your progress in the final year as well as the overall success of the project.

### **Evaluating your project**

If we award you a grant, we want to be confident that your project makes a difference and identifies opportunities for improvement. It is important for your organisation to understand why certain approaches do or do not work, to identify good practice, and to analyse how certain outcomes are being achieved. As such, self-evaluation forms an important part of project planning and management. We therefore strongly encourage you to develop evaluation plans and identify opportunities for reflecting on and sharing learning throughout the life of your project, in addition to routinely collecting information via your monitoring agreement with us.

The information you collect as part of your self-evaluation will help you to tell us and other people who are interested in your work how your project is progressing, and about the challenges you are facing. Later in the life of your project, you will also be able to provide more convincing evidence to potential funders, and new partners about the success of your project, and how you have adapted it to changing circumstances.

Self-evaluation is something that you are in charge of and can carry out in a variety of ways. You should work with people involved in your project (including beneficiaries) to identify the key questions you'd like to explore during the life of your project, how to investigate them, and what to do with the findings. You should fully develop and implement your evaluation plans at the start of the project. For further information about approaches to self-evaluation, please see our 'Understanding self-evaluation' guidance which is available on our website [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

You may want your project staff to carry out self-evaluation activities, and/or you may want to get support and advice from other agencies or consultants. We are happy for you to budget for this within your grant application under 'Monitoring and evaluation', as long as your plans are in proportion to the size of your project. Typically, we encourage applicants to set aside between 5-10 per cent of their total project cost for a combination of monitoring and evaluation activities and the learning that arises from these.

We will also evaluate the programme and funding arrangements as a whole, and will require you to take part in this wider evaluation.

### **Public announcement and acknowledgement**

We are required by law to tell the wider public about the grants that we make and, as part of this process, we may want to publicise your project. However, when doing this we would make sure that confidentiality is not compromised.

# Part three

## Before you fill in your application

Before you fill in the application form you will need to have planned your project in detail. We will only make grants to organisations that can show us that they have the capacity to manage them effectively. Your grant comes from public funds and you must be able to account for the money we give you. You need to think about the following:

### Asset transfer and security of tenure

The asset must be transferred to your third sector organisation within six months of the date that appears on the certificate of practical completion (if not before).

**The form of tenure that we anticipate your third sector organisation will hold is either a registered freehold OR a registered and assignable lease of at least 20 years without a break clause. The minimum number of years remaining on the lease is calculated from the date of the grant agreement.**

Please note that before any grant monies are released, either:

- ▶ The asset transfer will have to be complete
- or

- ▶ A contract for the transfer of the freehold or agreement for lease will have to be in place, which is unequivocal that the asset will be transferred and which makes sufficient provision so that the ultimate lease is satisfactory to all parties (including the Big Lottery Fund)
- or

- ▶ Where a project is to be constructed on land that the grant holder will take on lease, and the lease has not been completed prior to release of funds, the Fund may require the public sector organisation to lodge a restriction over their freehold title to protect the Fund's interest during the period of the building works until such time as the lease can be completed and the legal charge registered.

## Community empowerment

The CAT programme is focused on enabling communities to have more control and influence over their future development. It is therefore important that you consider how people will become involved in deciding how local assets are used. You should also consider plans for community ownership of the asset including how the community will support the project through active participation in decision making and governance.

## Partnerships

We require all applicants to be part of a partnership. The two organisations that must be central to this partnership are the lead applicant (the third sector organisation that the asset is to be transferred to) and public sector body that own the asset being transferred.

Other partner organisations can be involved, as they can provide valuable help and advice in delivering the project and its outcomes.

For more information about partnerships please refer to the document 'Working in partnership: a sourcebook' on our website:

[www.biglotteryfund.org.uk/er\\_eval\\_working\\_in\\_partnership\\_sourcebook\\_uk.pdf](http://www.biglotteryfund.org.uk/er_eval_working_in_partnership_sourcebook_uk.pdf)

## Long-term sustainability

It is essential that projects receiving funding under the CAT programme are viable and sustainable in the long term – economically, environmentally and socially. We will therefore look for evidence of:

- robust management and governance arrangements;
- diverse and secure sources of ongoing revenue backing whether from grant funding, private funding, or income generation through social enterprise; and
- excellent relations with the local community, providing ongoing demand for the activities and services to be offered.

## **Costing your project**

In the application form you must provide a project budget showing what the grant will pay for. You need to be able to justify the amount of funding you have asked for. For example, if you would like the grant to pay for salaries, it must be clear how you worked out the level of salaries.

If you would like the grant to fund salaries, you must ensure that you include any extra costs incurred such as National Insurance and pension contributions. We would expect that all new posts be openly recruited; you should include any necessary costs to do this.

For help in completing your budget and in working out your overheads please refer to 'Applying for your project overheads: Guidance for Big Lottery Fund Applicants'.

You should consider your VAT position carefully. Your ability to charge income as part of your ongoing revenue sustainability plan may have a consequence on your current VAT position. When calculating the total cost of your project, you should take into account any VAT costs that may arise. We cannot provide VAT advice so you should contact your local Revenue and Customs office to determine your position.

It is important that you have procedures in place for handling and managing the project budget. This includes a proper bookkeeping system, regular financial checks and properly prepared accounts. We would expect you to comply with the Statement of Recommended Practice (SORP). For further information on SORP refer to the Charity Commission website at <http://www.charity-commission.gov.uk>. We are not responsible for the content of external websites.

## **Good governance**

Governance means the way your organisation is set up and run. It is partly about the procedures, policies, documents and management arrangements you have in place for the way you administer and control your organisation, including its finances and delivery of what it has been set up to achieve. We have developed a 'Good governance guide' which you can find on our website at the following address:

[http://www.biglotteryfund.org.uk/good\\_governance\\_guide2.pdf](http://www.biglotteryfund.org.uk/good_governance_guide2.pdf)

## **Management and staffing**

We expect you to have adequate structures in place to manage the project. The structure will depend on the type of organisation you are, but it could be a management committee, a sub group, a project board or the management team of a department.

If you are a third sector organisation with a management committee in place, there must be at least three members on it, one of whom must be at least eighteen years old.

## **Equality considerations**

We believe that organisations that put equality right at the heart of project design and implementation are more likely to achieve better outcomes. We have developed a guide called 'Equality matters', which provides practical help on how to incorporate equality into planning new projects. It explains the Big Lottery Funds equality principles and why it is important to pay attention to these if you are applying to the Big Lottery Fund for a grant. You can find 'Equality Matters' on our website at the following address:

[http://www.biglotteryfund.org.uk/equality\\_matters.pdf](http://www.biglotteryfund.org.uk/equality_matters.pdf)

### **Beneficiary monitoring**

The categories we are using to collect beneficiary information reflect a combined version of the categories used in the different Census 2011 across the UK.

The category 'mixed ethnic background' should only be selected if your project will mostly benefit people whose parents are of two or more ethnic backgrounds. It should not be selected if your project will benefit people from a range of ethnic backgrounds.

The category 'disabled people' should be selected if your project will mostly benefit people with a physical, mental, learning, sensory or cognitive impairment.

### **Welsh Language Scheme**

Under Big Lottery Fund's Welsh Language Scheme, projects are required to demonstrate how they are accessible to Welsh speakers in their community. This includes providing all materials funded by the grant in both Welsh and English, advertising any posts funded by the grant bilingually and taking the linguistic nature of the community into consideration throughout the life of the grant.

Further guidance on these requirements are available in Big Lottery Fund's Welsh Language Scheme [http://www.biglotteryfund.org.uk/wales/about-wal/welsh\\_language.htm?regioncode=-wal](http://www.biglotteryfund.org.uk/wales/about-wal/welsh_language.htm?regioncode=-wal)

### **Policies and procedures**

It is important that you have appropriate policies and procedures to manage the project and that you explain how you will apply these to the project. These may include policies such as: equal opportunities, health and safety and procedures that will allow you to manage your governance, finances, staff and any aspects of your project work. It is important that you meet our equality principles, listed at the start of these guidance notes.

If you are applying for a project to work with children, young people, or vulnerable adults, we will need to be sure the children, young people, and vulnerable adults you work with will be safe. As a minimum you must

have a policy that explains how you make sure of this, and that the policy is put into practice. It is your responsibility to have in place acceptable protection policies and procedures for children, young people, and vulnerable adults, which the Big Lottery Fund may ask to inspect at any time.

### **Support and advice**

You may have questions about applying, planning or delivering your project. There are many sources of advice and help ranging from funding streams (grants or loans) or other support such as business planning advice, training, networking opportunities, information on best practice and further advice on funding. We have compiled a list, on the CAT pages of our website, of some organisations which you may find helpful. Our website contains frequently asked questions about the CAT programme which you may also find useful.

# Appendix one:

## Glossary of terms

### **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.

### **Asset management**

Systematic and coordinated activities and practices through which an organisation optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organisational strategic plan

### **Asset monitoring period**

The period over which we will monitor your project to ensure that the grant purpose is being met. 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 of the grant agreement.

### **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 the lease is 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.

### **BREEAM**

British Research Establishments Environmental Assessment Method - BREEAM is widely regarded as a measure of best practice in environmental design and management.

### **Building and engineering works**

Work required to deliver the project such as extension, modernisation or conversion.

### **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.

### **Capital assets**

Assets that have a large monetary value such as land, buildings, equipment, and vehicles.

### **CDM regulations**

The Construction (Design and Management) Regulations 2007. These cover health and safety regulations for building works.

### **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 are to be corrected by the making good defects procedure.

### **Certificate of title**

A written document (on our standard form) from a solicitor confirming that the grant recipient is the leasehold or freehold owner of the land and buildings to which the grant relates and that there is nothing about the land and buildings which might stop the grant being used for the grant purpose.

**Community of interest**

A collaborative group of people who share a common interest, goal, mission or business process and therefore may not be easily defined by a particular geographical area.

**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 (e.g. architect, architectural technologist or technician, 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 promise to another person to take action or not to take action.

**Easements**

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

**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.

**Freehold**

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.

**Gantt chart**

A pictorial representation of a project plan, showing activities, milestones, and dependencies.

**Grant purpose**

What our grant must be used for.

**Land Registry**

The national land database where landowners can record their ownership. If they do so their land is registered land. Anyone can find out who owns a piece of land if it is registered at the Land Registry.

**Lease**

An agreement between landlord and tenant granting the tenant the right to possess the leasehold property subject to payment of rent. Under normal circumstances, the tenant is free to do what they want with the property for the duration of the lease, provided they comply with the requirements of the lease.

**Leasehold**

A form of land ownership that the tenant holds from a landlord for a limited number of years.

**Legal charge**

A legal document that registers the interest of the person who lent or granted the money/BIG's interest over the property. The legal charge prevents the property owner from selling the land without the consent of the lender, so the charge is the lender's security for the loan/grant. If the owner goes bankrupt or fails to keep to the rules about how the money must be used, the legal charge should mean that some or all of the money could be recovered.

### **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 legal charge or other document that we may ask the grant recipient to sign.

### **Licensed conveyancer**

A person qualified to prepare the legal documents and carry out the legal process of transferring ownership of property (as an alternative to using a solicitor).

### **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.

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.

### **Overheads**

By overheads we mean the costs of employees, volunteers, equipment, space and services that partly support the project you want us to fund, but also support your other work.

### **Planning permission or planning consent**

The permission required from the Local Authority to build on land, or change the use of land or buildings.

### **Peppercorn rent**

Minimal rent paid to keep a claim, or title, in force.

### **Practical completion certificate**

Certificate issued that the works are for all practical purposes complete. While not necessarily complete in every respect, the building should be safe and capable of occupation. The issue of this certificate represents a significant contractual milestone.

### **Private sector**

Sole traders and organisations run for private profit and that are not controlled by the state.

### **Project Start**

By start we mean 'started on site'. That is the date that the contractor procured for the refurbishment, extension or new build works, commences site set-up in accordance with the contractor's construction programme and progresses work regularly and diligently in line with that programme.

### **Public sector**

The public sector comprises central government, local government and public corporations as defined for the UK National Accounts. Lists of all these are shown in the UK National Accounts Sector Classification Guide on the National Statistics website.

- ▶ Central government includes all administrative departments of government and other central agencies and non-departmental public bodies.
- ▶ Local governments includes all government units with a local remit.
- ▶ Public corporations are companies or quasi-corporations controlled by government.

For the purpose of the CAT programme, Universities, Colleges and other higher education establishments will also be classified as public sector.

### **Refurbish**

To renovate, re-equip, or restore

### **Registered land**

Registered land is governed and maintained by the Land Registration system. Land and buildings that are registered at the Land Registry are allocated a unique title number. The particular piece of land is documented by a land registry 'official copy of title', which shows the title number, the property description, the name of the landowner (registered proprietor) and any other matters relevant to the land and recorded by the land registry.

**Restriction (on title)**

An entry made on the official copy of title at the land registry (see registered land) notifying someone of the lender's interest in the property. The restriction will warn anybody having possible dealings with that property that the landowner needs the lender's consent before selling or leasing the land.

**Restrictive covenant**

A covenant acknowledged in a deed or lease that restricts the free use or occupancy of property.

**RIBA (Royal Institute of British Architects)**

This is the qualifying body for British architects.

**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.

**Social enterprise**

A business with primarily social objectives whose surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

**State aid**

State aid is an EC term for any public support given selectively to an undertaking that could potentially affect competition and intra-community trade. State aid provided by European Union Member States can distort the market, which in turn can result in lower competitiveness for business, less innovation and ultimately higher prices for consumers. There is therefore a need for effective State aid control in order to maintain a level playing field for free and fair competition in the single market.

**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.

**Tenure**

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

**Third sector**

The Welsh Assembly Government defines the third sector as organisations that are independent from the state, with a motivation derived from values and social purposes rather than the pursuit of profit, and which re-invest surpluses principally in pursuit of these values rather than make them available for private distribution.

**Title**

The legal right by which property is owned or occupied.

# Appendix two: Project Examples

## Social Enterprise Centre

A Social Enterprise Centre will be developed in a disused and dilapidated Town Hall Building. The community use of the building has reduced significantly since the 1980s and the local council has agreed to transfer the freehold to the applicant at a cost of £1. The applicant will use the grant to contribute to the refurbishment of the building and to fund the employment of a Centre Warden and part-time Caretaker to manage the facility.

The Centre will provide new office accommodation for up to six key organisations, event and exhibition space and rooms suitable for training, seminars or meetings, all with ICT facilities. The hire of the accommodation and facilities will generate an income to be invested in the sustainability of the facility and activities. The centre will also provide a youth music software studio and a fabrication laboratory and space for various other community activities including leisure, training, advice and guidance and the promotion of rural development and enterprise in the area.

This is an area of high deprivation and high levels of economic inactivity and unemployment. The office accommodation will be used by local organisations such as the local CVC, Citizen's Advice Bureau and organisations supporting disadvantaged and disabled people into employment, and many of the activities provided will be related to their work, for example advice and guidance, training opportunities and help for social enterprises.

### Project Outcomes

- ▶ **Programme Outcome 1: Build the capacity of enterprising communities**  
The project will develop a sustainable community facility which will demonstrate viability through multi-use social and community entrepreneurship.
- ▶ **Programme Outcome 2: regeneration and economic sustainability of communities**  
The provision of office accommodation and training will make a contribution to the local economy, providing employment opportunities in the local area.
- ▶ **Programme Outcome 3: promote and strengthen third sector organisations**  
Support for social enterprise will elevate the third sector as a socio economic force by increasing the deployment of social enterprise models in the area.
- ▶ **Programme Outcome 4: improve partnership working**  
The facility will work in partnership across sectors to provide services for a wide profile of users and beneficiaries.

## Multi-purpose Leisure and Community Facility

The grant will fund the development of a disused manufacturing plant, transferred at nil cost from the local council, into a multi-purpose leisure and business facility to include a ten pin bowling centre, a furniture recycling centre, a food bank, a conference centre, a commercial standard kitchen and community cafe. The profit generated from the bowling alley will be reinvested into the community projects which will benefit local residents experiencing hardship.

In addition to providing a leisure facility, the bowling alley will instigate the provision of a focal point for the community, promoting social inclusion and community cohesion. The facility will be situated in an area of deprivation and will benefit local families and residents on low incomes via the food bank and recycling centre. The local economy will also benefit from the additional visitors attracted to the facility.

### Project Outcomes

- ▶ **Programme Outcome 1: Build the capacity of enterprising communities**  
The project will develop and sustain the provision of the recycling centre and food bank supporting local residents on low incomes.
- ▶ **Programme Outcome 2: regeneration and economic sustainability of communities**  
The project will generate an income from the bowling alley to sustain and develop the facility and increase economic activity and income in the local area.
- ▶ **Programme Outcome 3: promote and strengthen third sector organisations**  
By supporting the food bank, recycling centre and community cafe, the project will support sustainable social enterprise.
- ▶ **Programme Outcome 4: improve partnership working**  
A management committee will be established with cross sector membership to manage the facility and develop community activities.

## Environment Centre

The project will enable the applicant to acquire the freehold of the grade II listed building that they currently lease from the local council at a price of £100,000, which represents 50% of the current market value. The organisation currently uses only part of the building for office accommodation and not for the delivery of activities or services. The grant will be used to refurbish the building to operate as a training and a visitor centre and also to create two incubation units to help local craft enterprises develop their businesses. The grant will also contribute to staff costs and the cost of delivering activities including the provision of environmental and placement opportunities, skills development, training and the promotion of environmental sustainability.

The facility is located in an area of deprivation and high unemployment and will contribute to the regeneration of the area and the local economy with the support provided for social enterprise and by creating opportunities for skills development, with clear routes to further training or employment.

### Project Outcomes

- ▶ **Programme Outcome 1: Build the capacity of enterprising communities**  
To develop a sustainable Environment Centre which will generate sufficient income to sustain support services when the grant has ended.
- ▶ **Programme Outcome 2: regeneration and economic sustainability of communities**  
To provide access to training or alternative education and support people to progress into employment or further learning.
- ▶ **Programme Outcome 3: promote and strengthen third sector organisations**  
The incubation units will provide sustainable facilities and support for social enterprises in the local area.
- ▶ **Programme Outcome 4: improve partnership working**  
To engage with local partners from across sectors to use and support the facility.