



Scotland

Investing in Communities

Land and buildings application guidance notes

Extra information we need for capital grant applications of more than £10,000 but less than £250,000 for projects which include any of the following:

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

These guidance notes are for use alongside the programme guidance notes for Investing in Communities. It is not possible to make an application for a grant for land and buildings using these guidance notes alone.

	Pages
Introduction	3
Big Lottery Fund requirements	4
1. Issues to consider before making an application	4
2. What you need to send us	6
3. If we award you a grant	7
Appendix A Glossary of terms	12
Appendix B Capital grant checklists	18
Appendix C Standard terms and conditions for capital grants	28
Appendix D Standard legal documents	32
Appendix E Recognised building professionals	48

Introduction

These guidance notes are for organisations applying to Investing in Communities whose application includes capital grant expenditure of more than £10,000 and less than £250,000 on 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 of land, for example landscaping works
- altering, refurbishing or extending a building you already own or lease
- constructing a new building.

These guidance notes explain the extra information we need with your application. This differs depending on the type of capital project or size of grant for which you are applying.

These guidance notes also explain the specific **legal** requirements you will need to meet if you are awarded a capital grant.

These notes also include a glossary of capital terms (**Appendix A**), along with some useful information regarding recognised building professionals (**Appendix E**), which you may find helpful.

These guidance notes do not apply to organisations applying for capital grants:

- of less than £10,000, and
- for the purchase of equipment and vehicles only.

Big Lottery Fund requirements

1.0 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 The form of tenure we require you to hold depends on the total amount of capital grant we award your project.

- Grants up to £50,000: heritable OR a lease which cannot be brought to an end by the landlord for at least five years.
- Grants of more than £50,000 and less than £250,000: heritable OR an assignable lease of not less than 10 years without a break clause.

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

1.1.4 Where a building is to be constructed on land that you will lease, 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 allow you to lease and occupy the building once the construction is completed.

1.2 Options appraisal

1.2.1 An options appraisal is a key part of the planning process for all projects involving land and buildings. To be considered for funding, you must send an options appraisal with your grant application.

1.2.2 An options appraisal should give details of all the options you have explored for delivering the accommodation needs of your project and should include the option of leaving things as they are.

For each option considered you should cover the following areas:

- 1) the needs that your project aims to meet
- 2) the project's objectives, benefits and outcomes
- 3) for each option considered:
 - a how it will help facilitate the delivery of your project's outcomes and the needs it aims to meet
 - the estimated costs (capital and revenue costs)
 - a risk assessment
- 4) your preferred option, and an explanation of why you have chosen it.

1.3 Buying land or buildings

- 1.3.1 Your application should explain why buying land or 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
 - that the property represents 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 of 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

- 1.4.1 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.

1.5 Procurement

- 1.5.1 If you are applying for a capital grant of up to £50,000 for building work, before submitting your grant application you are required to obtain at least three competitive quotes for the building work.

2.0 What you need to send us

2.1 Applications for buying land and buildings and for building work

2.1.1 See capital grant checklists one and two in **Appendix B** of this guidance. The checklists explain the extra information you should send us with your application.

- Capital grant checklist one is for capital grant applications of up to £50,000.
- Capital grant checklist two is for capital grant applications of more than £50,000 and less than £250,000.

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

2.1.3 You must ensure that you are able to meet all of the requirements of the capital grant checklist before you submit your application. You cannot apply for grant to cover the costs you incur in meeting the capital checklist requirements. We can only fund costs incurred, or expenditure committed to, after the date of a grant offer.

2.2 Applications for only buying land and buildings (no building work required)

2.2.1 See capital grant checklist three in **Appendix B** of this guidance. This checklist explains the extra information you should send us with your application.

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

2.2.3 You must ensure that you are able to meet all of the requirements of the capital grant checklist before you submit your application. You cannot apply for grant to cover the costs you incur in meeting the capital checklist requirements. We can only fund costs incurred, or expenditure committed to, after the date of a grant offer.

2.2.4 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.

3.0 If we award you a grant

3.1. Lead in payment

We understand that grant holders under Investing in Communities 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.

We will therefore normally release up to five per cent of the capital grant requested, as a development payment to help cover the costs you will incur in developing your project and meeting our legal requirements.

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

3.2 Legal Requirements

3.2.1 All grants for projects involving land and buildings are subject to the standard terms and conditions for capital grants in **Appendix C** 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.

3.2.2 Certificate of title

If we award you a capital grant of more than £50,000, you will need to provide a completed certificate of title from your solicitor before we can make capital payments above the five per cent lead in payment. You must provide the certificate of title in the form in **Appendix D**. The certificate of title must be signed by your solicitor, who will be acting under a duty of care to us, and will confirm:

- i. the title
- ii. that all relevant searches have been made and no adverse entries found
- iii. that the title is good and marketable with no burdens, servitudes, restrictive covenants or leases 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 relevant Register of Sasines or Land Register of Scotland search fees and companies house fees.

3.2.3 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 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.

Statutory bodies

If your organisation is a statutory body and we award you a capital grant of more than £50,000 you will need to complete a deed of dedication before we can make capital

payments above the five per cent lead in payment. The deed of dedication must be completed in the form attached in **Appendix D** 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, it is reasonable to include an estimate of up to £750. Your solicitor will advise you on the cost of providing a deed of dedication.

Other organisations and bodies

If your organisation is not a statutory body and we award you a capital grant of more than £50,000 and less than £250,000, before we can make capital payments above the five per cent lead in payment, you will need to:

- enter into a Letter of Undertaking with the Fund

You should make provision within your project costs for the legal fees you will incur providing the Letter of Undertaking. As an indication only, it is reasonable to include an estimate of up to £750. Your solicitor will advise you on the cost of providing the Letter of Undertaking attached in **Appendix D** of these guidance notes.

3.3 Buying land and buildings

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

- A letter from your Solicitor 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.

and

- For grants of up to £50,000, a letter from your solicitor confirming the form of title you are going to acquire, (heritable or leasehold), and if leasehold, the length of the lease, which must be at least 5 years without a break clause.

or

- For grants of more than £50,000 a completed certificate of title as explained in section 3.2.2 above and a Deed of Dedication or Letter of Undertaking as explained in section 3.2.3 above.

3.4 Capital assets

- 3.4.1 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.
- 3.4.2 You may not change the purpose for which the capital assets are being used without our written permission.
- 3.4.3 We will hold you responsible for the condition and use of the land and buildings for the asset-monitoring period. The asset-monitoring 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 below.

Grant type and size		Asset monitoring period
Grants for buying freehold land and buildings		40 years
Grants for building work not involving buying land and buildings:	Up to £50,000	5 years
	Of more than £50,00 but less than £250,000	10 years

3.5 Insurance cover

- 3.5.1 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.
- 3.5.2 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. If you are not going to insure the land and buildings we have funded, you must tell us this and agree in writing to repair or replace the land and buildings for the original purpose in the event of damage.

3.6 Statutory obligations

- 3.6.1 You will be required to meet your obligations under the legislative framework for the country in which the project is being carried out. For example: grant holders 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 either your own adviser or the relevant Government agency.

3.7 Procurement

- 3.7.1 If we have awarded you a capital grant of more than £50,000 you will be required to seek at least three competitive tenders (quotes) for building work unless the work is being undertaken under a pre-tendered arrangement such as a Public Private Partnership or Private Finance Initiative scheme.

- 3.7.2 Before we can pay 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. Where building work will be commissioned under pre-tendered arrangements, you must still show that how 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 explain why not and obtain our consent. We will provide further guidance on our tender review requirements in our 'Guide to Your Grant' documentation
- 3.7.3 Before you enter into a building contract you must seek our written acceptance of your choice of contractor.
- 3.7.4 We cannot give you extra grant, if the prices given during the tender process are higher than the estimates given in your application. You could fund the balance yourself, negotiate a reduced tender amount or send out the tender again. If you still cannot match the original estimate, you should contact grant officer 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.
- 3.7.5 Public bodies must meet the relevant UK and European legislation on procurement, together with the provisions of the World Trade Organisation General Procurement Agreement. 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.

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

Phone: 020 7403 3020

Minicom: 020 7403 0040

Website: www.employers-forum.co.uk

Centre for Accessible Environments

70 South Lambeth Road

London SW8 1RL

Tel/textphone: 020 7840 0125

Fax: 020 7840 5811

Email: info@cae.org.uk

Website: www.cae.org.uk

Disability Rights Commission

DRC Helpline

FREEPOST MID02164

Stratford upon Avon

CV37 9BR

Phone: 0845 762 2633

Textphone: 08457 622 644

Website: www.drc-gb.org

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 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 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 control approval

Confirmation from the local authority building control service that project proposals and plans comply with the building regulations.

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 regulations

Rules made under the powers provided within the Building (Scotland) Act 2003 which 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 regulations from the local authority or the approved agent. For further information on building regulations refer to the Scottish Building Standards Agency website at www.sbsa.gov.uk

Burdens and Servitudes

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

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.

CDM Co-ordinator

A person or organisation appointed to oversee compliance with the CDM regulations.

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 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 is nothing about the land and buildings 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 (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 acknowledgement of a legal responsibility to another person.

Deed of dedication

If the grant recipient does not own the land or buildings to which the grant relates the landowner might be able to sell the building before the purpose of the grant has been met. The deed of dedication is a document the landowner must sign to confirm that the land or buildings will be used for the grant purpose and will not be sold without the consent of the Big Lottery Fund.

Deed of undertaking

If we ask for a restriction but the land is not registered then we require the landowner to complete a deed of undertaking confirming that, if at any time in the future the land is registered, at that time that they will register a restriction at the land registry.

Elemental Cost Estimate

An estimate of the costs of a building project, broken down into a series of elements such as external works, preliminaries, contingencies, inflation, etc. The quantity surveyor or building surveyor that you choose to prepare your estimates will be familiar with this term.

Employer's agent

A building professional who is appointed by you to fulfill your duties under the Construction (Design and Management) Regulations 2007.

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 as lines linking the relevant ends of the activity bars).

Good and marketable title

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

Grant purpose

What our grant must be used for.

Gross floor area (GFA)

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 or architectural technologist or building surveyor) who takes overall responsibility for coordinating of 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) owns the land and buildings for a limited number of years. The rules of ownership will be dealt with in a document known as a lease (see above). Often the ownership under the lease will be for many years and the tenant will pay a sum of money to "buy" the leasehold ownership from a previous tenant or from the landlord and then will pay a small rent to the landlord each year during its ownership.

Letter of Undertaking

This is an undertaking by the heritable or leaseholder owner of the property confirming that the land and building will be used for the purposes for which the grant was made.

Listed building and Listed building consent

A building which, because it has special historic or design features that require protection, has been given 'listed' status by Historic Scotland) and requires special approval if it is to be altered or extended.

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 2004)
VAT relief for people with disabilities
- VAT Notice 701/1/
(May 2004)
Charities leaflet
- VAT Notice 708
(July 2002)
Buildings and construction
- VAT Notice 708/6
(August 2006)
Energy-saving materials
- VAT Notice 701/6

(September 2003)

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 or rejection decision made on a planning application by a planning committee.

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 e.g. the contractor setting up the site office.

Professional indemnity insurance

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

RIBA (Royal Institute of British Architects)

This is the qualifying body for British architects.

RIAS (Royal Incorporation of Architects in Scotland)

This is the qualifying body for architects in Scotland.

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.

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

Capital grant checklists

B1 Capital grant checklist 1

B2 Capital grant checklist 2

B3 Capital grant checklist 3

B1

Capital grant checklist 1:

Capital grant applications of £10,000 to £50,000 (including new building, refurbishment, alteration or external works and buying land or buildings on which the building works will be carried out).

If you are applying for a capital grant of between £10,000 and £50,000, 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

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 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 or general arrangement drawings showing your proposals, noting the gross floor area in square metres and a basic specification for the proposed works, at a suitable scale (A3 minimum size)
- a description of how the building and the site will allow access to and use by those with disabilities in accordance with the Building Regulations, Disability Discrimination Act and British Standard 8300, for example ramped access, induction loops, disabled toilets, clear signage, lifts.

and

Copies of at least three quotes by independent builders and confirmation of which estimate you will accept

and

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

B. Tick the boxes to confirm:

• you hold a heritable interest, or a leasehold interest, which cannot be brought to an end by the landlord for at least five years, in the land and/ 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 five 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 control department and:

• building regulation approval is not required

or

• building regulation approval is required and will be obtained.

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

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

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 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

B2

Capital grant checklist 2:

Capital grant applications of more than £50,000 and less than £250,000 (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 more than £50,000 and less than £250,000, 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

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 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 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 the Building Regulations, 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 materials
- an outline specification for the building or works
- colour photographs (or colour copies) of the existing site or buildings.

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

and

B. Tick the boxes to confirm that each of the following documents is available to be forwarded immediately to the Big Lottery Fund if we ask for them.

a. A cost estimate

- An elemental cost estimate (produced either by a registered professional Quantity Surveyor or Building Surveyor) using square metre rates and identifying allowances made for abnormal costs (e.g. poor ground conditions) and separately stating the cost of external works, preliminaries, contingencies and inflation.

b. A cash flow forecast for all expenditure and income

and

c. Details of the site appraisal

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

d. 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.

and

C Tick the boxes to confirm that:

- you hold a freehold 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

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, 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 control department and:

- building regulation approval is not required
- or**
- building regulation 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	<input type="text"/>
b. Construction costs	<input type="text"/>
c. Furniture and equipment	<input type="text"/>
d. Professional fees	<input type="text"/>
e. Other costs (please specify what these are in a separate note if including an amount in this box)	<input type="text"/>
f. Inflation	<input type="text"/>
g. Contingency (minimum ten per cent)	<input type="text"/>
h. Non recoverable VAT	<input type="text"/>
i. Total capital cost	<input type="text"/>

E. Breakdown of construction costs

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

New build	
Total cost of new building(s)	£
Cost per square metre (expressed as £/m ² GFA)	£ per m ²

Alterations or refurbishment	
Total cost of alterations	£
Cost per square metre (expressed as £/m ² GFA)	£ per m ²

External works	
Total cost of external works	£
Total cost of construction works	£

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
<input type="text"/>	<input type="text"/>
Professional qualification	Name of practice
<input type="text"/>	<input type="text"/>
Address	Phone
<input type="text"/>	<input type="text"/>
	Fax
	<input type="text"/>
Postcode	Date
<input type="text"/>	<input type="text"/>

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

<input type="text"/>	
Name	
<input type="text"/>	
Position	Date
<input type="text"/>	<input type="text"/>

B3

Capital grant checklist 3:

Capital grant applications for only buying land and buildings (i.e. 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 cannot consider your application without it.

Unique Reference Number
(for internal use)

Project name

Organisation name

Address of land or buildings

Postcode

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 and your users' accommodation requirements including:

- a description of the land and/or building you want to buy
- your users' accommodation requirements, including 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 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, its current market valuation (with any restrictions upon usage noted) and whether it is suitable for the grant purpose
- a description of how the building and the site will allow access to and use by those with disabilities in accordance with the Building Regulations, Disability Discrimination Act and British Standard 8300, for example ramped access, induction loops, disabled toilets, clear signage, lifts.

B. Tick the boxes to confirm that:

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

or

Planning permission for a change of use is required but has not yet been applied for.

or

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

You will use part of your grant to buy a heritable interest, or a leasehold interest which cannot be brought to an end by the landlord for at least five years (for capital grants up to £50k) or ten years (for capital grant in between £50k and £250k)

C Summary of capital costs.

Complete the summary of the capital costs for the land or buildings you intend to buy in the table below.

Complete the box below to confirm the proposed cost of buying the land and building.

Capital cost item	Amount £
A. Land or building purchase	<input type="text"/>
B. Fees and charges (for example conveyancing fees stamp duty, land registration fee and so on).	<input type="text"/>
C. Other costs	<input type="text"/>
I. Total capital cost	<input type="text"/>

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 stage two application.

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

Name

Position

Date

Appendix C

Standard Terms and Conditions for Capital Grants

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 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% 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% 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 freehold 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;
 - 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 over £50,000, a certificate of title completed by our solicitors (which you will supply), together with a signed standard security or deed of dedication or letter of undertaking; and
 - if the grant is over £250,000 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.
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 monitoring period in clause 11, whichever is the longer:
 - For capital grant of up to £50,000: a lease in excess of 5 years, without a break clause.
 - For capital grant of more than £50,000 but less than £250,000 an assignable lease in excess of 10 years, without a break clause.

- For capital grant of between £250,000 and £5 million: an assignable lease in excess of 20 years, without a break clause.
- If the grant is over £250,000 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% 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 regulations 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 (Royal Incorporation of Scottish Architects) form or other appropriate invoices;
- that you will keep 5% 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 regulations completion certificate; and confirmation that we have obtained the buildings insurance certificate; and
- 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.

8. If our capital grant is more than £50,000 and to be used for **any building work** we understand and accept that:

- you will require confirmation (by way of a certificate of title, which you will supply) from our solicitors that we are the heritable or leasehold 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% 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 £50,000 for building work (on heritable or leasehold land already owned by us): 5 years
 - for capital grant of more than £50,000 but less than £250,000 for building work (on heritable or leasehold land already owned by us): 10 years
 - for capital grant of between £250,000 and £5 million 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 £50,000 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 more than £50,000 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 D

Standard Forms of Legal Documentation

- D1 Standard Certificate of Title**
- D2 Standard Deed of Dedication**
- D3 Standard Letter of Undertaking**

**CERTIFICATE OF TITLE
(Scotland only)**

<p>Name of Grant Recipient:</p> <p>Is the Grant recipient the same as the landowner: Yes/No</p> <p>If “No”, who is the landowner:</p> <p>Name of Project</p> <p>URN:</p>	<p>Address of Property:</p>				
<p>Shown edged red on attached plan</p>	<p>Yes <input type="checkbox"/></p>				
<p>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 Grant Recipient to the Big Lottery Fund) forms Part 1 of the schedule.</p>	<p>Yes <input type="checkbox"/></p>				
SECTION 1 – GENERAL					
<p>1. Is the property concerned heritable or leasehold? (If leasehold, please also complete Section 2)</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; padding: 5px;">Heritable</td> <td style="width: 50%; text-align: center; padding: 5px;">Leasehold</td> </tr> <tr> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Heritable	Leasehold	<input type="checkbox"/>	<input type="checkbox"/>
Heritable	Leasehold				
<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"/>	<input type="checkbox"/> <input type="checkbox"/>

Name of Firm/organisation	Address

SCHEDULE

Part I

Description of the Property

Part II
Disclosures

DEED OF DEDICATION

DATED the day of 200X

BETWEEN [] of
[] (“the Landowner”) (1), and

the **BIG LOTTERY FUND** of 1 Plough Place London EC4A 1DE (“THE FUND”) (2)

WHEREAS

- (A) The Landowner has agreed to a project being carried out on land belonging to the Landowner with the use of money to be provided by THE FUND.
- (B) The Landowner has agreed to enter into this Deed in recognition of the fact that the project is to be funded in whole or in part by THE FUND.

NOW THEREFORE

1. Definitions

- 1.1 In this Deed the following words and phrases shall have the following meanings save where the context otherwise requires

“the Land” means all that land [and buildings] at [state address] [as the same is registered in the Land Register of Scotland under title(s) number(s)] [in the Register of Sasines for the County of [] [and as edged red on the Plan]

“the plan” means the plan attached hereto

“the project” means the project to be funded under URN:[] and subject to THE FUND’s standard conditions of grant

- 1.2 Unless the contrary intention is expressed the defined terms in the standard conditions shall have the same meaning here.

- 1.3 Unless the contrary intention appears references in this deed to

- 1.3.1 parties and other persons include their successors and assigns.

- 1.3.2 an obligation of the Landowner to do something shall include an obligation to procure that it is done and an obligation not to do something shall include an obligation not to permit, suffer or allow it; and
- 1.3.3 a defined term shall include each and every part.
- 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 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. 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.
5. 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 undertaking.
6. The Landowner consents to registration hereof for preservation and execution.

Executed by the
BIG LOTTERY FUND

by
Chief Executive

Date:

Witness;

Name:

Address:

Executed by

[Landowner]

Date:

Witness:

Name:

Address:

Plan
[to be attached]

[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 [Grantee] (Witness)
..... (Name)
.....(Address)
.....
.....

Appendix E

Recognised building professionals

Professionals we usually expect to act as lead building professionals with the Planning Supervisor 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 (membership optional)
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

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 of <i>Project Safety</i>
RIBA	The <i>RIBA</i> maintains a register of <i>Planning Supervisors</i>
BSC	British Safety Council
Please note that the Health and Safety Executive does not formally recognise the above <i>Project Safety</i> membership organisations, although these four bodies are widely supported and have a large membership in the construction industry.	

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

For new build projects	
<i>Total capital cost of building work and fees (excluding vat)</i>	<i>Who should be involved as a minimum</i>
£30,000 to £100,000	A Building Surveyor, or an Architect and a Quantity Surveyor
£100,000 or more but less than £500,000	A Building Surveyor, or an 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	
<i>Capital cost of building work and fees* (excluding vat)</i>	<i>Who should be involved as a minimum</i>
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