

Land and building projects guidance

For projects above £10,000



People and Communities/Empowering Young People

1. Introduction

Our aim is to support people to shape and sustain the places that matter to them.

Places and spaces are valuable and meaningful to communities because of the social activities that take place and the relationships that are formed there. We support communities to improve their physical places and spaces so they welcome a wide range of people and have a lasting impact on community life.

- We will achieve this by supporting new ways to enable people to influence the vision for places and spaces and decide together how to improve their communities.
- This will mean places and spaces are designed for and with residents and promote greener, healthier choices.
- In the past we have seen capital funding as our main source of support for places and spaces, whereas now we want to protect, maintain and improve community spaces through all of our grant making. This is more than bricks and mortar - it's about the kinds of social activities that take place and the benefits these bring to communities.

This additional guidance* is for organisations in Northern Ireland applying for a grant of over £10,000 that involves the purchasing, refurbishing or developing of land and buildings or other construction-related works. It contains some key consideration for land and/or building projects, and a checklist to ensure that you are well prepared to deliver your project.

As with all of our funding, we are interested in the community activity that takes place as a result of the work you are doing, but for ideas that involve land and buildings we also need you to demonstrate that:

- you have considered other options to help deliver your idea and why you have chosen your preferred option;
- you have a good understanding of other facilities in the area and why your idea is needed.

***These notes should be read alongside the People and Communities/Empowering Young People guidance, where you will find more information about our funding priorities.**

2. Supporting you with your land and building application

Please get in touch if you would like more information, or if anything in this guidance is unclear. If you have already discussed your proposal with us, additional support can be accessed by contacting your Funding Officer, especially if you feel your project does not fit in with these guidance notes.

3. What we fund

We seek to support a variety of projects that help communities make a difference. We anticipate meeting the costs of the construction and associated professional services. We can also support organisations to:

- plan a new project
- engage the community with the project
- gain new skills to manage the project or capacity building and running costs
- produce a feasibility study, options appraisal or property survey.

Our funding also provides support to projects where there is a mix of funders involved or we are the sole funder. In either case, what is crucial is that you can demonstrate wider community support for your idea and that it has been planned well.

4. Key considerations

Feasibility study / options appraisal

A feasibility study will help you understand how practical your proposals are, and your options appraisal should detail the options you have explored for delivering your project, including leaving things as they are. These reports may be combined.

Land ownership

For any land or building projects, you will be required to demonstrate your ownership of the land and buildings. Make sure you have a satisfactory freehold or a leasehold title that cannot be brought to an end by the landlord for at least five years from the date of practical completion. If you do not yet own the property, we will need evidence from your solicitor that you have a legally binding contract in place for the purchase of the freehold or lease - see checklist sections 5.2 and 5.5 for more details.

Planning permission

You may need planning permission to deliver your project. Please contact the Planning Department of your Local Council or a construction professional for advice about this matter. This is particularly important for projects based in a conservation area or a listed building. We require these consents to be in place before we can award funding.

Project delivery

As part of your application, we need to know all costs associated with your construction project. You will need to undertake a fair and transparent procurement process in order to select a qualified and competitive construction company or other provider to support your capital project. We ask that you obtain at least three quotes or tenders for the work - see section 5.8 for more details.

We expect you to complete this procurement process before we can make a grant award. However, we recognise that under some circumstances it can be difficult to achieve three quotes or tenders. Talk to your Funding Officer if this is a concern for you.

Legal requirements

All grants for projects involving land and buildings are subject to our standard terms and conditions for capital grants and will need you to meet specific legal requirements - see section 5.5 in the checklist. You may need to engage a legal professional to help you comply with our requirements.

Statutory obligations

You will be required to meet your obligations under the law for construction projects. If you have any concerns please seek independent legal advice. We also ask that you consider other matters such as ensuring your project is inclusive.

Health and safety

Some construction projects can be complicated and hazardous. It is important that you develop a risk register and establish how to mitigate the risks that you have identified. You may be required to comply with the Construction (Design and Management) Regulations (Northern Ireland) 2016 and you may need professional support to do so.

Professional team appointment

Although we will adopt a proportionate approach for smaller refurbishment and landscape projects, for schemes requesting £100,000 and above, we expect you to appoint a lead building professional (as described in our terms and conditions). You may wish to use a professional such as an architect, landscape architect, project manager or civil/structural engineer to help you develop the proposals.

5. Checklist for land and building projects

Project name

**Name and address
of organisation**

**Main contact
details**
(telephone number
and email address)

**Address of the
project site**

**Postcode for the
project site**

**Local Council for
the project site**

When you have considered each section tick the box

5.1 An options appraisal or feasibility study

A description of the options you considered for delivering the land and/or buildings part of the project, including:

- the location of the land or building in relation to the accessibility of its users
- how it will help facilitate the delivery of your planned activities
- the estimated costs of each option
- a risk assessment
- ongoing maintenance costs
- the current condition of the land or building being considered and any constraints such as utilities, ecological, geological or structural
- the current permitted use of the land or building being considered and whether this is in line with the intended use
- the preferred option and why you have chosen it - especially if this isn't the cheapest option.

5.2 Confirmation of ownership of the land or buildings

- a. If you have or will obtain a lease of the land and/or buildings for the minimum term required for your grant, you must supply:
 - a copy of the existing lease, **or**
 - draft lease, if available, **or** draft Heads of Terms for the proposed lease.
- b. If you already own the land or building you must enclose: a copy of your Land Registry title entries or your lease.
- c. If you will use part of the grant to buy a freehold interest in the land and/or buildings, you must enclose:
 - a description of the land and/or building you want to buy
 - evidence that Heads of Terms for the purchase have been agreed (payment should have not been made)
 - the timetable for purchase
 - an independent surveyor's report on the condition of the land and/or buildings, its current/open market valuation for the purposes of this project, which is less than six months old (with any restrictions upon usage noted) and whether it is suitable for the intended grant purpose
 - details of any potential issues such as access to the site, contamination or rights of way.

Please read this short summary of our terms and conditions for security and ownership of leasehold property. Your Funding Officer can provide the full terms and conditions.

5.3 Security of tenure

Where a grant relating to land and buildings is over £100,000, we will need to take security over the relevant asset (e.g. land and/or buildings). This security will be in the form of a deed that restricts the use of the land to the use approved by the grant and limits your ability to dispose of the asset without our consent. You will need to instruct solicitors to liaise with our legal department to ensure the security is in place before any funds can be released to you. We can provide more details on the process and requirements if this is relevant to your application.

5.4 Leasehold requirements

Where your ownership of the land and buildings is leasehold, your lease must comply with certain requirements.

- For awards up to £100,000 the lease must not contain any early termination rights for either party.
- For any awards over £100,000, the lease must i) not contain any early termination rights for either party; ii) be freely transferable; and iii) not allow for an automatic return of the land and buildings to the landlord in the event your organisation becomes insolvent.
- The required duration of the lease depends on the amount of the award. Where the award is up to £500,000, the lease must be for at least five years from the date of practical completion of the funded works.

5.5 Asset liability period and monitoring period

The asset liability period is the period for which we retain a legal interest in the capital asset funded and the period of time that we can enforce our security. The duration of the asset liability period will depend on the amount of the grant. The capital terms and conditions provide more information on this and will set out the asset liability period which will be applicable for your award.

The asset liability period for capital grants under this programme is 5 years.

5.6 Survey and design information

We appreciate that some projects are more complex than others. However it is important that we understand your proposals. Please supply as much of the following as possible:

- all survey information undertaken to help plan for the project: details of any surveys required (for example, asbestos, structural, ecological and how these constraints have been dealt with)
- a schedule of drawings along with a site plan showing the outline of the building and the site, surrounding properties and access routes at an appropriate scale;
- colour photographs of the existing site or buildings (inside and outside);
- floor plans or general arrangement drawings (including cross sections) showing the proposals, noting the gross internal floor area (GIFA) in square metres at an appropriate scale
- an outline specification of the proposed works and a description of how the building and the site will allow access to all (in accordance with the Disability Discrimination Act 1995 and Building Regulations/Standards in relation to: ramped access, induction loops, accessible toilets, signage, use of colour to aid the visually impaired, lifts and access by wheel chair users).

5.7 Description of the proposed building or landscape work

Please describe your proposals in detail, including:

- type of project (for example, extension, refurbishment or landscape improvement) and the extent of the building work undertaken
- the facilities created and how they will support the difference you plan to make in your community and your locality (see the introduction)
- type and number of users and potential users, the activities they will undertake and any specific requirements they may have
- the planned timetable for the planning and delivery of the project, include the dates when you plan to start and finish the work on site.

5.8 Procurement

The cost of any construction work will form part of your application. In order to obtain some estimated costs, you will need to engage with qualified suppliers using an appropriate procurement process compliant with your organisation's procurement policy, and you will need to adhere to any publicly funded legal requirements in advance of your application. As part of your application, we may require a report from a suitably qualified member of your team to include the following in the first instance:

- procurement method undertaken (e.g., quotes, competitive tender)
- if applicable, include details of the appropriate form of contract to be used
- number of bids received
- lowest and highest bid received
- evaluation criteria used to evaluate bids (to show transparency and fairness in the process used)
- name of preferred supplier and price, indicating if this bid was the lowest. If you decide not to accept the lowest quote or tender received, we will need to understand why.

Please be aware that we would expect you to complete any appropriate procurement process compliant with publicly funded legal requirements and to comply with your own organisation's procurement policy before we will release our funds.

5.9 Summary of capital costs

Capital cost item	Amount (£)
a. Land and/or building purchase	
b. Construction costs including any preliminaries	
c. Furniture, fittings and equipment	
d. Professional fees (do not include costs already incurred)	
e. Other costs such as legal, administration, statutory and/or survey fees. (Specify what these are in a separate note)	
f. Inflation	
h. Contingency (10% of total capital cost, excluding inflation value)	
i. Non-recoverable VAT	
Total capital cost £	

5.10 Cost estimates

- Please provide copies of at least three recent quotes or tenders from independent contractors and confirmation of which one you will accept, including the tender report by a professional from a recognised body, where appropriate.

5.11 Other considerations

Please confirm that you have consulted with your local Council planning department and building control department on the following:

Planning permission

- if planning permission is **not** required - please provide evidence
- if planning permission is required, make sure a copy is enclosed
- make sure you have considered any conditions attached to the planning approval

Building regulations

- if building regulation approval is not required - please provide evidence
- if building regulation approval is required, make sure it has been obtained and a copy is enclosed
- you will use an approved inspector ensuring compliance with regulations and building control has been informed via an initial notice.

We will also need confirmation that:

- you will adhere to client duties within the CDM (Northern Ireland) Regulations 2016
- the long term environmental impact of your building / landscape project has been considered and you have described how you plan to reduce your carbon footprint
- you have described how your proposals ensure that your site / property will be accessible to all
- you have included a list of the furniture, fittings and equipment you will need (for example chairs, tables, kitchen cupboards and signs)
- you have considered the impact of VAT and/or inflation in your cost estimate.

6. Monitoring and claiming your grant

Please remember that if you are successful and are awarded a grant for a construction project, we shall inspect the work being undertaken at different stages, in particular when the work is complete. We need to be satisfied with the quality of the work undertaken and be confident that the new facilities that you have created will let you deliver the outcomes you described in your main application.

In addition, prior to the construction project beginning please ensure that you have a financial plan. We do not pay for construction work in advance of it being undertaken, instead we release our grant towards the costs you have incurred during the project and this must be evidenced by invoices and/or certification by your professional advisor(s).

Get in touch

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