

## **Standard Terms and Conditions for People & Places Wales Capital Grants**

**The Big Lottery Fund (“we”) has offered a grant to the organisation named in the grant offer letter (referred to as “you” in these Terms & Conditions) for the capital project described in your application or as otherwise agreed with us (“the project”).**

1. If any part of the capital grant is to buy or build, refurbish, extend or alter buildings or land (“**capital assets**”), then you understand that these standard terms and conditions will apply to your grant in addition to any other grant conditions. More information is provided in the relevant capital guidance.
2. You understand and accept that we may require security over any capital assets funded by the grant as described in these Terms & Conditions. If we have asked for security, you understand that we will not pay more than a maximum of 5% of the capital grant until we have received the relevant security documents completed to our satisfaction.
3. You confirm that you do not have any undisclosed loans secured on the capital assets. You will not take out any loans secured on any capital assets funded or part-funded by the capital grant unless you receive our agreement in writing first. Our agreement may be subject to conditions.
4. If any part of the capital grant is to buy land (whether freehold or leasehold), you will send us 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 from your solicitors that all necessary consents for the use of the property for the purposes of the grant have been obtained;
  - a certificate of title completed by your solicitors (in a form which we will supply);
  - if the grant is over £100,000, a deed of dedication and, if the property is registered, an undertaking from your solicitors to lodge a restriction at the Land Registry, or if the property is unregistered, a deed of undertaking;
  - if the grant is over £350,000 and you are not a statutory body, a signed legal charge and an undertaking from your solicitors to register the charge at the Land Registry and at Companies House, if appropriate;
  - confirmation from your solicitors (by way of a legal opinion in a form which we will supply) that you have the legal powers necessary to sign the documents.
5. If any part of the capital grant is to buy leasehold land, then you will send us a copy of the lease and the lease will be for the following minimum term of years or for the minimum asset monitoring period in clause 12, whichever is the longer:
  - For a capital grant of up to £100,000: a lease of at least 5 years, without a break clause.

- For a capital grant of £100,000 or more but less than £350,000 a registered and assignable lease of at least 10 years, without a break clause.
  - For a capital grant of between £350,000 and £1 million: a registered and assignable lease of at least 20 years, without a break clause.
6. If all or part of your capital grant is to be used for building work you understand and accept that:
- we will keep 95% of the capital grant until you have provided in a satisfactory form:
    - evidence that you have received any 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 you are commissioning the building works under pre-tendered arrangements, you must provide evidence of the tender process undertaken to identify existing contractors;
  - we will make payments in stages when we receive builders' invoices or against interim certificates completed on the RIBA (Royal Institute of British Architects) form or other appropriate invoices;
  - we will keep 5% of the part of the grant for the building works until we receive the certificate of practical completion. You must then send us the making good defects certificate; the final certificate; and confirmation that you have obtained the building regulations completion certificate and the buildings insurance certificate; and
  - if you want to make significant changes to the scope of the building works, you must get our permission in writing before going ahead.
7. If all or any part of your capital grant is to be used for building work you understand and accept that:
- we will require confirmation from your solicitors (by way of a certificate of title, in a form which we will supply) that you are the leasehold or freehold owner of the capital assets to which the grant relates, together with a copy of the lease if leasehold, and that the capital assets may be used for the grant purpose;
  - we will keep 95% of the capital grant until you have provided in a form which is completed to our satisfaction:
    - a copy of the tender review report. If you are commissioning the building work under pre-tendered arrangements, you will provide us 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 of work; and
  - evidence that you have secured all the required partnership funding for the capital project;
- you 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, you must employ a structural engineer;
  - you 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 2015, you will confirm that you have appointed a principal designer.
8. You will not sell, lease, let, sub-let or otherwise dispose of or change the use of any capital asset without first obtaining our written consent, which may be subject to conditions. If you sell or dispose of any capital asset, you may have to repay us all or part of the money you have received from us. The amount you repay will be in direct proportion to the share of the project cost that came from us. If, with our consent, you sell any capital asset wholly or partly bought with the grant, the sale must be at full market value.
9. We will continue to monitor capital assets bought with the grant after the project is over and you will supply information about and allow us to inspect the capital assets in accordance with our standard procedures for the longest of the following applicable periods:
- for freehold 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 £100,000 for building work (on freehold or leasehold land already owned by you): 5 years
  - for capital grant of more than £100,000 but less than £250,000 for building work (on freehold or leasehold land already owned by you): 10 years
  - for capital grant of between £350,000 and £1million for building work (on freehold or leasehold land already owned by you): 20 years
  - for other capital assets if bought with up to £100,000 of capital grant: 5 years after the purchase or the length of the grant agreement whichever is the shorter

- for other capital assets if bought with more than £100,000 of capital grant: 10 years after purchase or the normal economic life whichever is the shorter.
12. You 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.