

People and Places

Guidance for land and building projects for medium grants - £10,001 to £100,000

This guidance is for applicants applying to the People and Places programme for grants from £10,001 to £100,000, where the project includes capital costs involving land, buildings or other construction-related works (regardless of how much of this you are requesting from us).

These notes complement the guidance in the **Medium Grants application form** and the **People and Places guidance notes**. Please make sure you have read all sets of guidance notes before making a start on your application.

Additional detailed information such as drawings, surveys, consents and costings may be required for capital projects but we'll ask you for these when we need them.

If your capital costs are for the purchase of equipment only - with no involvement of land/property or statutory consents - you should be able to provide these details in your application form and enter the cost on the equipment line of the project budget spreadsheet.

Supporting you with your capital application

We understand that you have a lot of work to do to produce your capital application. We will offer you support to help you provide the information we require. If you have already received an application form, this support can be accessed by contacting your allocated Funding Officer. Otherwise you can call our enquiries line on 0300 123 0735.

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Additional guidance notes for capital projects

If you are awarded a grant, we will give you more information about how to manage it and what our requirements are but we've included here some of the things you should be aware of now. For example, we have highlighted costs that you should include in your project budget. Please speak to your Funding Officer or contact our Enquiries line if you have any questions.

Timescales and level of project development

If we award you a grant, you will need to be able to start work on site within seven months of the date of our offer letter. You will have one month to accept the offer, then a maximum of six months lead-in time.

These timescales mean that for most capital projects your project should, at the time of submitting your application, be at Stage 4 (Technical Design) of the [RIBA Plan of Work 2013](#), with building regulations full plans approval or equivalent under the approved inspector scheme (Plans Certificate). You should also have all required statutory consents, so that your project is ready to go out to tender shortly after an award. Your Funding Officer will discuss this with you during the assessment of your application.

Lead-in payment

If we award you a grant, we understand that you will need to pay out money for professional fees for further developing your project and meeting our legal requirements. We will give you up to five per cent of your capital grant to help cover these costs. We will need you to provide original invoices or the equivalent as evidence of your expenditure before any capital grant can be released.

We will not give you more of your grant until you have met our legal requirements and sent us a satisfactory tender review report.

Legal requirements

All grants for projects involving land and buildings are subject to our Terms and Conditions for Capital Grants which require you to meet specific legal requirements. You can find these on the [People and Places page](#) of our website. Please read these to make sure you will be able to accept them as they cannot be changed.

Certificate of Title

Projects are required to have a freehold or leasehold title to any land or property to be used for the project (or be able to provide evidence from your solicitor that a legally-binding contract is in place for the purchase/lease). Please see our Terms and Conditions for Capital Grants on the [People and Places page](#) of our website for details of the length of lease required.

Legal Opinion

If your organisation is not a statutory body and we award you a capital grant you may need to provide a Legal Opinion from your solicitor before we can make capital payments above the five per cent lead-in payment. The Legal Opinion will confirm that your organisation has the legal power under its constitution for the project purpose and to sign the legal documents associated with your grant.

You should make provision within your budget for the legal fees for 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

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

- a letter from your solicitor confirming they are acting on your behalf, details of the transaction, the estimated date of completion, the date that funds are required to reach your account, and the amount
- a completed Certificate of Title.

Planning consent

If you are applying for a capital grant and planning permission, listed building consent or conservation area consent is required for your project, we expect you to have obtained these consents before submitting your application to us. You will also need to tell us of any conditions imposed in respect of these consents.

We also require you to have consulted on any other consents needed for your project, and you will be required to provide evidence of all of these with your application.

Insurance cover

Please make sure you have appropriate insurance cover while any capital works are in progress. You must also make sure 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. Statutory Bodies may decide not to take out such insurance if it is legally allowable. You must tell us which capital assets will not be covered by insurance and guarantee in writing that all such assets will be replaced for their original purpose if lost, damaged or stolen.

Contingency

Your capital budget should include an amount of money to cover unexpected costs (a contingency). Usually this is around 10 per cent of your budget but you should consider the nature and risk of the project and allow for inflation. If your project involves other funds, we would expect this allowance to be shared pro rata.

Statutory obligations

Please make sure you meet any legal obligations that may apply to your project. For example, you should ensure that building projects do not prevent you from fulfilling the requirements of The Equality Act 2010 in relation to access for people with disabilities -

www.gov.uk/guidance/equality-act-2010-guidance.

Procurement

You will be required to obtain at least three competitive tenders for building work and services costing more than £10,000 unless it is being undertaken under a pre-tendered arrangement such as a Public Private Partnership or Private Finance Initiative scheme.

Before we can pay a capital grant to you for building work, you will be required to show us that an appropriate procurement process has taken place by providing us with a copy of the completed tender review report (provided by a suitably qualified member of the professional team). Where building work is being commissioned under pre-tendered arrangements, you must still show that contract costs have been checked to confirm value for money. If you do not intend to accept the lowest tender for the building work, you must provide an acceptable

explanation as to why and obtain our consent. We will provide further guidance on our tender review requirements if you are awarded a grant.

Before you enter into a building contract you need permission from us to proceed. We will carry out the review of your tender documentation and returned tenders to establish that it is sufficient to meet our requirements.

If the prices given during the tender process are higher than the estimates given in your application, we cannot give you additional funding. You could fund the balance yourself, negotiate a reduced tender amount or tender again. If you decide to send the tender out again, you must still be able to start on site within six months of accepting your grant offer. If you still cannot match the original estimate, you should contact your funding officer to discuss the matter. You must tell us in writing 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.

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

Environmental sustainability

We want to encourage projects to be environmentally sustainable and to demonstrate this in their approach to creating jobs and economic growth. We have enclosed a list at Appendix A to help you ensure that your capital project is designed to be energy efficient in its design and use, and adaptable to the impacts of climate change.

See also the following links for guidance on best practice: [Well-being of Future Generations \(Wales\) Act](#). In general: [New Economics Foundation Blue New Deal](#), and [The National Lottery Community Fund sustainable development guide](#).

Appendix A: Environmental sustainability list

We encourage projects to be environmentally sustainable and to demonstrate this in their approach to creating jobs and economic growth, including in the design and development of the capital elements of the project. We have set out the list below to help you ensure that your capital project is designed to be:

- energy efficient in its design and use, and
- adaptable to the impacts of climate change.

BREEAM

Whilst we do not expect you to achieve BREEAM certification (Building Research Establishment's Environmental Assessment Method), we do expect all capital projects to demonstrate that the method has been embraced and adopted as far as is reasonably practicable. (For more information visit www.breeam.org/)

Building services commissioning

Building services are the heating, cooling and ventilation systems in your building. These systems can be complicated to use and building users often struggle to operate them efficiently. Therefore, these services should be commissioned by appropriate mechanical and electrical contractors accounting for usage patterns, seasonal variations and set room temperatures. The contractors should also provide training and support on using systems efficiently. The professional team should produce a simple guide for the building's users.

Thermal comfort and natural ventilation

The building should be designed to provide a comfortable environment for the occupants. Your professional team will be able to advise you on the typical room temperatures to suit the building's use. We expect that they will refer to the latest Chartered Institution of Building Services Engineers (CIBSE) guidance when setting the room temperatures.

Reduction in CO2 emissions

We expect the buildings we fund to be designed to have an improved energy performance rating and reduced carbon footprint. One way of achieving this is by adopting a "fabric-first" design approach which reduces the building's heating demand by minimising heat loss through the building's external fabric (walls, roof and floors). Typically in existing buildings this can be achieved by installing insulation and replacing single glazing with more efficient glazing where appropriate.

Use of low or zero carbon technologies (LZCs)

Using renewable sources to generate electricity and heat will also reduce the building's carbon footprint. These renewable technologies are termed "Low and Zero Carbon Technologies" (LZCs). They include: ground and air source heat pumps, wind turbines, solar thermal and photovoltaic panels, biomass and microhydro systems. Your development budget should include for carrying out a survey to determine the best system for your site.

If you are considering claiming payments through the Feed in Tariff (FITs) or Renewable Heat Incentive (RHIs) schemes, you should refer to Ofgem's guidance on eligibility: www.ofgem.gov.uk/

At the time of writing, the installation of such measures funded

through grants received from public bodies will mean you are not eligible to claim payments through FITs or RHIs. Therefore, if you want to claim the incentives, these elements will need to be funded alternatively. Ask Ofgem to assess the most appropriate way in which to fund such energy efficiency measures.

Promoting green travel

Travel which uses no (or low) levels of carbon dioxide, such as walking, cycling or using public transport is classed as “green travel”. We expect that consideration is given to accommodating such modes of transport in the building design. This could be achieved by including cycle stands and shower and changing facilities or electric vehicle charging points using ‘green’ electricity for instance.

Climate change adaption

We expect that the buildings and land we fund will be designed to produce low or zero carbon emissions. They should also be resilient to the future consequences of climate change:

- increase in winter rainfall and the frequency and intensity of the rainfall
- rising sea levels
- hotter average temperatures and an increase in the number of extremely hot days
- increased thermal discomfort in buildings.

The building could be designed to minimise water consumption and reduce water run-off from the site. The design should also include measures to prevent the building becoming uncomfortably hot such as using solar shading where appropriate to the external windows. If your area is liable to flooding you may wish to consider the location of electrical sockets etc.

When developing land, you may wish to consider an assessment to identify the most appropriate solution for mitigating this.

Appropriate building materials

It is important that you consider using building materials which have a low environmental impact and are responsibly sourced. Where possible you should also re-use materials and ensure that the building design will protect exposed parts of the building to minimise the frequency of replacement and keep maintenance costs down.

Waste management

We expect that systems will be put in place during the construction to manage the re-use and disposal of waste. When the building comes into use, it should have facilities and processes for recycling.