

# Mental Health Matters

## Capital application guidance notes



Extra information needed for capital grant applications costing between £10,000 and £49,999



## Mental Health Matters Capital application guidance notes

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These guidance notes are for use alongside the programme guidance notes for Mental Health Matters. It is not possible to make an application for a grant for land or buildings using these guidance notes alone.

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# Introduction

These guidance notes are for organisations applying to the Mental Health Matters programme whose application includes capital expenditure of between £10,000 and £49,999 on the following:

- undertaking small scale alteration or refurbishment of buildings that will be used to deliver the project.

We will provide capital funding of up to 5 per cent of the grant you are asking us for, up to a maximum of £49,999.

These guidance notes explain the issues you need to consider before making your application and the extra information you will need to send us. It also explains the specific legal requirements you will need to meet if you are awarded a capital grant. If the cost of your alteration or refurbishment work is £10,000 or more (excluding VAT) you will need to complete Capital Grant Checklist 1 (to be found in Appendix B of this guidance) and send it to us with your application. If the cost of the work is less than £10,000 (excluding VAT) you will not need to comply with these guidance notes before you send your application to us, or complete the capital grant checklist.

It is likely that you will already have carried out some of the work described in this guidance as part of the preparation for your application. However, it is important that all applicants read these guidance notes, particularly if your experience of land and building work is limited.

These notes also include a glossary of capital terms (**Appendix A**), which you may find helpful.

# 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 the refurbishment of buildings you must have security of tenure (freehold or leasehold ownership) of the land and buildings where the capital project will take place.

**1.1.2** For capital grants of up to £49,999 you must hold freehold tenure (registered or unregistered) OR a lease which cannot be brought to an end by the landlord for at least five years.

**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.

### 1.2 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:

- a. the needs that your project aims to meet
- b. the project's objectives, benefits and outcomes
- c. for each option considered:
  - 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

d. your preferred option, and an explanation of why you have chosen it.

## 2.0 What you need to send us

### 2.1 Applications for alteration or refurbishment of buildings

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

**2.1.2** Make sure you sign and send us the 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 application checklist before you submit your application.

**2.1.4** 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.

## 3.0 If we award you a grant

### 3.1 Post award capital grant checklists

**3.1.1** If we award you a capital grant under the Mental Health Matters programme, in addition to the requirement to submit a project business plan, you will be required to submit for our agreement and approval a capital project delivery plan in the form of a post award capital grant checklist.

**3.1.2** Post award capital grant checklist 3 is for capital grant awards of up to £49,999. This

checklist is included in Appendix B and explains the additional information you should send us. With your application, you will need to provide us with evidence of cost. This can either be in the form of an elemental cost estimate, produced either by a registered professional quantity surveyor or building surveyor, or if competitive quotes have already been obtained, copies of at least three quotes invited from independent builders.

**3.1.3** The completed checklist 3 and accompanying information should be submitted with your business plan by 29 August 2008. When we have received this information we will undertake a detailed review of your capital project delivery plan. You will be contacted during the review process and we may want to visit you to discuss with you and your professional team the information you have provided. We may use technical advisors to assist us with this review.

**3.1.4** If there are any key issues or risks we identify as part of the review, we will discuss these with you and agree a timetable for their resolution or amendment. We expect that Mental Health Matters projects will commence within 6 months of your business plan being approved.

**3.1.5** If the capital project plan has been completed to our satisfaction we will contact you to discuss the continuation of your grant. You will receive further details about this process if you are awarded a capital grant.

## **3.2 Lead-in payment**

**3.2.1** We understand that most grant holders under the Mental Health Matters programme will need to appoint professionals to enable them to develop the capital element of their project, through to the requirements of the post award capital grant

checklists, and to meet our legal requirements.

**3.2.2** We will therefore normally release up to five per cent of the capital grant requested, to help cover the costs you will incur in developing your project through to the requirements of the capital grant checklist.

**3.2.3** We will not be able to release any payments above the five per cent until we have received and approved your capital grant checklist.

## **3.3 Legal requirements**

**3.3.1** 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.

**3.3.2** If we award you a capital grant, we will set out in our grant offer letter the timetable within which you will be required to meet specific terms and conditions for capital grants. We will also set out the timeframe within which you will need to start the building work.

## **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 will extend for a period of five years.

**3.4.4** In compliance with the recommendations set out in Big Lottery Fund's Welsh Language Scheme, all signs (for example, entrance signs or toilet signs) that have been funded by our grant must be bilingual.

### 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 in Wales. For example, recipients should ensure that the building project fulfils 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.

**3.6.2** The Welsh Assembly Government has developed Accessible Venues Guidance. This includes a minimum, good and best practice grading system to inform venue providers what action they need to take in order to offer a full service to disabled people. Details of this guidance can be found at:

<http://new.wales.gov.uk/topics/equality/equalitypublications/acc-venue-guidance?lang=en>

**3.6.3** You should arrange an access audit, which examines what obstacles there may be for disabled people in a facility. The access audit should make recommendations, which you should incorporate with the design and costs of your facility. The following areas should be considered during the audit:

- approach and car parking
- routes and external level change, including ramps and steps
- entrances, including reception
- corridors, internal doors and internal ramps
- lifts, stair lifts and internal level changes
- toilets
- fixtures and fittings
- materials and finishes
- means of escape
- providing information.

**3.6.4** You can obtain the Codes of Practice on Employment and Services provisions to the Disability Discrimination Act from The Stationery Office (Phone: 0870 600 5522).

### 3.7 Procurement

**3.7.1** 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 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 explain why not and obtain our consent. We will provide further guidance on our tender review requirements in our "Guide to Your Grant" documentation.

**3.7.2** Before you enter into a building contract you must seek our written acceptance of your choice of contractor.

**3.7.3** 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 your grant officer to discuss the problem. You must tell us if you want to make any significant 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.

**3.7.4** 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](http://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](mailto:info@cae.org.uk)

Website: [www.cae.org.uk](http://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](http://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.

**Building cost information service (BCIS)**

This service from the Royal Institute of Chartered Surveyors provides a quarterly review of building prices that can be used for feasibility studies and forecasting building costs. Average building costs based on the analysis of more than 10,000 tenders are shown in tables per square foot and per square metre for all types of buildings in various locations.

**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 powers provided within the Building Act 1994, which apply in England and Wales, 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 Department for Communities and Local Government website at <http://www.communities.gov.uk>

**Capital assets**

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

**CDM regulations**

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

**Certificate of practical completion**

Formal document issued under the building contract (by the contract administrator) to show that the building work is complete apart from any defects, which 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 leasehold or freehold owner of the land and buildings to which the grant relates and that there is nothing about the land and buildings which might stop the grant being used for the grant purpose.

**Change control**

The process by which changes to the building contract are managed and recorded.

**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.

**Easements**

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

**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 1994.

**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.

**Freehold**

A form of ownership of land or buildings where ownership cannot be taken away from the owner unless they agree. This is the most permanent way in which someone can own land or buildings. The owner owns the property forever, or until they sell it or give it away. They not have to pay anyone for the use of the land and buildings.

**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 you 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.

### **Land registry**

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

### **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.

### **Legal charge**

A document that contains rules about how land and buildings may be used. An owner of land gives a legal charge to someone who lends or grants them money. If the owner goes bankrupt or fails to keep to the rules about how the money must be used, the legal charge should mean that some or all of the money could be recovered. The legal charge will also stop the owner from selling the land without the consent of the person who lent or granted the money.

### **Legal opinion**

A written document from a solicitor in which the solicitor confirms that they believe the recipient has the legal power to sign the terms and conditions of grant and any legal charge or other document that we may ask the grant recipient to sign.

### **Licensed conveyancer**

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

### **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 English Heritage or Cadw (the historic environment division within the Welsh Assembly) 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 701/7/94  
(1 August 1994)  
VAT reliefs for people with disabilities
- VAT Notice 701/1/95  
(1 January 1995, update February 1997)  
Charities leaflet
- VAT Notice 708  
(August 1997)  
Buildings and construction
- VAT Notice 701/6  
(March 1997, supplement April 1997)  
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.

### **Parent company deed of guarantee**

If a building company is a subsidiary of (i.e. owned by) another, the deed of guarantee states that the parent company must fulfil the contractual obligations (e.g. finish the building for the agreed price) if the subsidiary fails to complete or is closed down.

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

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

### **Planning supervisor**

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

### **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.

### **Refurbishment**

To renovate, re-equip, or restore a building.

### **Registerable**

Land or buildings are Registerable if the ownership of them can be registered at the Land registry. Freehold ownership is always Registerable. Leasehold ownership is Registerable where the tenant still has seven years or more of ownership according to the Lease.

### **Registered land**

Land and buildings registered at the Land Registry. If they are registered they will be given a "title number", which is unique to the land and buildings, and which the recipient or its solicitors should know and be able to produce. A title number can prove whether a recipient owns the land and buildings.

**Restriction (on title)**

A document entered into by a landowner which confirms that they will obtain our consent before selling their land and or buildings or leasing them to someone else. The restriction is a document that will be registered at the land registry so that anyone looking at the recipient's ownership of the land will know that our consent is required. If the land is not registered land at the time of the grant offer then the recipient will complete a deed of undertaking instead. Statutory bodies will usually be asked to enter into a Restriction in the form of a deed of dedication.

**Restrictive covenant**

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

**Retention**

A percentage of the cost of the building works not paid to the contractor until the work is completed satisfactorily and the making good defects certificate has been issued.

**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 (freehold or leasehold or licence).

**Title**

The legal right by which property is owned or occupied.

**Unregistered land**

Land and buildings not registered at the Land Registry. It is not so easy to prove land ownership as it is with registered land; instead, a recipient will need to show that they own the land by producing legal documents and will usually need their solicitor's help to do so.

# Appendix B

## Capital grant checklists

- B1** Capital grant application checklist 1 – to be submitted with the application form
- B2** Capital grant application checklist2 – does not apply to the Mental Health Matters programme
- B3** Capital grant (post award) checklist3 – to be submitted after you have received an offer of grant.

# B1

## Capital grant application checklist 1:

Capital grant applications for projects that involve building works (including small scale refurbishment or alteration).

If you are applying for a capital grant, you must complete this form and send it and the supporting information we have asked for with your application. We cannot assess your application until we have received this information.

**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 including your users' accommodation and technical requirements including the:**

- type of project (i.e. alteration 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.

**2. An options appraisal**

- A description of the options you considered for delivering the land and buildings part of your project, including the estimated costs of each option, and the reasons you chose this option to meet your need.

**3. Capital Project Programme**

- Details of the planned timetable for your project including the principal feasibility, planning, design and construction activities.

**4. Details of the professional team members you have or will employ to deliver your project**

**B Tick the boxes to confirm that:**

● you hold a freehold interest, or a leasehold interest, which cannot be brought to an end by the landlord for at least five years, in the land and/or buildings

or

● you will use part of the grant to buy a freehold interest, or a leasehold interest, which cannot be bought to an end by the landlord for at least five years, in the land and/or buildings

● planning permission is not required

or

● planning permission is required but has not yet been applied for

or

● planning permission is required and I enclose a copy of the planning consent.

**C Summary of capital costs**

Complete the summary of the capital costs table below. The costs include building purchase, construction, non-recoverable VAT, project contingency, inflation allowances, professional fees and administration.

Capital cost item	Amount £
a. Land or building purchase	
b. Construction costs	
c. Furniture and equipment	
d. Professional fees	
e. Other costs (please specify what these are in a separate note if including an amount in this box)	
f. Inflation	
g. Contingency (minimum ten per cent)	
h. Non recoverable VAT	
<b>I. Total capital cost</b>	

Tick the box to confirm that you have also provided a written commentary explaining the basis of the cost summary including any assumptions in terms of VAT, inflation and contingency.

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**

## B3

### Capital grant post award checklist 3:

Capital project delivery plan requirements for projects awarded a capital grant of up to £49,999 (for projects that involve building works including refurbishment and alteration)

If you have received a capital grant of up to £49,999, you must complete this form and send it with the required supporting information detailed in the sections below.

---

**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 noting any change from the checklist submitted with your application**

**2. 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 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.

**3. 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 (for example poor ground conditions) and separately stating the cost of external works, preliminaries, contingencies and inflation.

**4. Details of the date you plan to start on site and the date you plan to complete the work**

**B Tick the boxes to confirm:**

- you hold a freehold interest, or a leasehold interest, which cannot be brought to an end by the landlord for at least five years, in the land and/or buildings.

or

- you will use part of the grant to buy a freehold interest, or a leasehold interest, which cannot be bought to an end by the landlord for at least five years, in the land and/or buildings and have enclosed:

- a description of the building you want to buy (if not included in item 1 above)
- details of the title (freehold or leasehold, including the length of lease)
- the timetable for purchase
- a surveyor's report on the condition of the 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 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.

**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

### Draft standard capital terms and conditions for Mental Health Matters

#### Definitions

“We” and “our” refer to the organisation receiving the grant bound by these terms and conditions. “You” and “your” means the Big Lottery Fund and includes your employees and those acting for you.

The “project” means the project that you are giving us the grant for as set out in our application form and any supporting documents, and/or as varied by the Grant Agreement.

The “Grant Agreement”, which we have accepted and signed, includes and incorporates these standard terms and conditions and the grant offer letter together with any other conditions we have agreed.

#### In general

1. If any part of the capital grant is to 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 if required we will provide you with evidence of our registered freehold, unregistered freehold or a lease with at least five years unexpired term without a lessor’s break clause on the land and building that will benefit from the capital grant in order that you can be satisfied that it is suitable for the purposes of the grant.

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 any 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 all or part of our capital grant is to be used for any building work we understand and accept:

- that you will keep ninety five percent 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 RIBA (Royal Institute of British Architects) form or other appropriate invoices;
- that you will keep five per cent 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.

**6.** 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.

**7.** 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.

**8.** 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.

**9.** 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 five years.

**10.** We understand and accept that the asset monitoring period will start from the date of completion of the building work.