



Photo: Nigel Pacey, Biggar RFC



Club Sustainability Fund Capital Fund - Season 2016/17

Guidance Notes

Executive Summary

As part of its commitment to invest significantly in helping member clubs become more sustainable, Scottish Rugby has established a Club Sustainability Fund (CSF) for Capital projects. The Capital strand of the CSF may be available to clubs with a successful track record of working/investing in their community to increase the quantity and quality of rugby participation amongst boys, girls, men and women. Such clubs may apply for funding to upgrade their facilities and improve the quality, capacity and longevity of rugby participation e.g. new/improved pitches, floodlights for training/playing, or upgraded changing accommodation.

Some projects may also meet the aims and criteria of sportscotland's Sports Facilities Fund (SFF). To make it easier for clubs to apply for both funds, Scottish Rugby and sportscotland have developed a combined application form for the CSF Capital strand and the SFF. By submitting an application form, clubs are deemed to have consented to Scottish Rugby sharing that application form with sportscotland for the purposes of that club applying for funding from the SFF. Scottish Rugby cannot guarantee that any club will receive SFF funding. Clubs that do not want Scottish Rugby to share their application form with sportscotland must inform Scottish Rugby in writing at the time of the application.

The Capital strand of the CSF is for capital expenditure only. Scottish Rugby define capital expenditure as expenditure on the purchase, upgrade or construction of an asset. This includes any costs directly incurred in the process such as: Architect fees, Quantity Surveyor and Engineers fees and Solicitor's fees in respect of planning, building warrant asset purchases or leases.

Clubs can apply for up to £50,000 through the Capital strand of the CSF with larger awards available at Scottish Rugby's discretion if the club can demonstrate an exceptional impact on rugby development in their local community. Clubs must be able to demonstrate a minimum commitment of 20% of the total project cost with a maximum of 10% of this from in-kind support.

Capital projects that are already underway are not eligible for funding.

Applicants must take time to read over this CSF Capital strand Guideline document and related Application Form before deciding to submit an application. Applicants must also contact their Scottish Rugby Club Services Manager for guidance prior to making an application.

Projects which include facility improvements designed to improve accessibility for people with a disability e.g. accessible ramps, lifts, toilets may be eligible for an additional funding contribution from Hearts and Balls, one of Scottish Rugby's charitable partners. Scottish Rugby will work with Hearts and Balls to assess applications accordingly and communicate any awards.

What kind of project is eligible to apply for funding?

The following examples illustrate the types of projects which are eligible for funding, however this list is not exhaustive. Clubs must discuss their application with their Club Services Manager in order to ensure their project fits with the CSF's aims and eligibility criteria.

Eligible project types

- The provision of new playing or training facilities
- The provision of new changing accommodation
- Extension or upgrading of existing playing or training facilities
- Extension or upgrading of existing changing accommodation
- Meeting rooms with a sport related use
- Floodlighting to training facilities (including natural grass training areas)

Projects that contain elements of social areas, storage facilities for playing equipment, administration spaces and spectator areas will only be considered for funding if they are part of a bigger project encompassing changing and playing/training facilities.

The purchase of major items of non-personal equipment with an effective working life of not less than 7 years.

What kind of projects do Scottish Rugby prioritise?

All applications will be considered by Scottish Rugby on merit based on the criteria set out in this document together with any other relevant criteria that Scottish Rugby may reasonably apply, but priority will be given to those which can demonstrate the greatest need and impact in the context of rugby development.

Some examples of priority projects

- Facilities which increase opportunities for or improve the quality of rugby training and playing.
- Projects that increase capacity for youth participation and in particular women and girls sections.
- Projects which clearly demonstrate the community sport hub philosophy, encompassing multi-activity/club use and promoting integrated community planning.
- Upgrading existing or new synthetic or grass pitches.
- Upgrade existing or new changing accommodation at existing or new training or match pitches.
- Permanent or portable floodlighting which extends usage of training pitches.
- Rugby clubs outside of the BT Premiership will take priority.

The following types of projects are not eligible for CSF Capital strand funding:

- Projects with a value less than £10,000 including VAT (clubs should apply for such funding through the CSF – FastTrack or the Big Lottery Fund-Awards for All programme)
- General repairs, renewals, replacement and maintenance
- Purchases of mini buses or vans
- Projects solely for bars, dining rooms, dedicated social areas, equipment Storage, administration rooms or spectator accommodation
- Bedroom/residential accommodation
- Personal equipment
- General sports equipment not having a life expectancy of more than 7 years
- Buildings with a life expectancy of less than 20 years.
- Works undertaken solely to comply with the requirements of the duty to make adjustments under the Equality Act 2010. Please note that Scottish Rugby may be able to provide additional support for projects that improve accessibility through our charity partner Hearts and Balls.
- Feasibility studies and design competitions
- Speculative purchase of land and/or facilities for utilisation/development in the long-term
- Purchases of land and/or facilities as a means of saving on payment of rent
- Any projects which in the reasonable opinion of Scottish Rugby have been started prior to an application being made or a funding approval decision being taken. Letting of a construction contract constitutes a project start. Engaging design consultants does not constitute a project start. Funding will not be provided retrospectively.

What requirements will a Capital project have to meet?

Clubs must demonstrate all of the following in an application:

- A clear need and demand for what is proposed.
- Their commitment to developing rugby in their local community by having a track record of running several adult and youth teams and be able to demonstrate strong links to local schools
- The positive impact the project will have on the club and local rugby community e.g. increase in participation, new section etc.
- The financial justification for the requested level of funding.
- The operational viability of the project for the period of the award. Maintenance and eventual replacement must be planned and funded by the applicant, taking account of realistic income projections.
- That the facility will be fit for purpose in terms of location; scale and content; design; accessibility; management; and environmental impact.
- That with funding from Scottish Rugby and/or sportscotland the applicant has the finance or will be capable of raising the balance of finance to start the project within 12 months of the date of the award.
- That the project can be completed within a stated timescale.
- That links are/will be established with the sports programmes, strategies and/or initiatives operated by the clubs local authority or Active Schools network.

Who is eligible to apply for funding?

Eligibility includes:

Voluntary rugby clubs

A rugby club can apply on behalf of a public body such as local authorities where the public body owns and operates the rugby club facility and a long term agreement is in place.

[Provided that:

- The organisation's governing documents clearly indicates a primary purpose of providing rugby playing and training opportunities.
- Where membership of the applicant organisation is required, membership is open to all sections of the community & applicants constitution incorporates an appropriate "Open to all clause"

Example:

Membership is open to all and no application for membership will be refused on other than reasonable grounds. There will be no discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex; sexual orientation, political or other opinion.

- The organisation does not distribute profits to the proprietors, directors and/or shareholders but re-invests all surpluses in the project or facility. For club projects, the applicant's constitution must incorporate an appropriate "Dissolution clause."

Example:

If, upon the winding up or dissolution of the club there remains after the satisfaction of all the club's debts and liabilities any property whatsoever, the same shall be given or transferred to some other organisation or organisations having objects (that is, aims and activities) similar to the objects of the club, such organisation or organisations to be determined by the members of the club by resolution passed at a General meeting at or before the time of the dissolution, and in so far as effect cannot be given to such provision then to some charitable objects.]

Application process

Clubs can ordinarily apply for up to £50,000 of funding from the CSF capital strand, with larger awards available at Scottish Rugby's discretion. In any event, please note that applications are primarily for projects with a total cost of under £200,000 as projects in excess of this amount, by their nature, are more complex with longer and more detailed planning processes. In relation to SFF applications, sportscotland also have a different two stage application process for projects over £200,000.

If your rugby club is considering a project with a total cost of over £200,000 there is potential funding available. In this instance please contact your Scottish Rugby Club Services Manager as early as possible in the planning process to discuss and get their support. Your Club Services Manager will also provide the link to the relevant sportscotland contact.

Assessment process

Applications must be received by **7 November 2016**.

The application process will normally take just over two months to the end of January 2017.

Scottish Rugby aims to turn around decisions on applications within the timescales noted above, however this is entirely dependent on applicants providing the information needed to fully consider the application. On occasions further investigation may be required which will require more time.

All applications will be objectively assessed and ranked by Scottish Rugby against the following six categories:

- Rugby Development – demand and positive impact, existing and proposed number of players and teams etc.
- Planning – planning permission, location, appropriateness of facility etc
- Finance – capital and operational viability, value for money etc
- Design – whether the project is fit for purpose
- Management – Operational management and usage, maintenance and replacement etc
- Legal – security of tenure, constitution etc

What are the potential outcomes for my application:

Approve an award, either in full, part or conditionally

Defer taking a decision until further information is provided by the applicant

Make no award

If there is a high volume of applications only those applications ranked as having the highest priority will receive an award.

All awards may be subject to additional terms and conditions imposed at the discretion of Scottish Rugby. The final amount of any award is at the discretion of Scottish Rugby and may be less than the amount requested.

Payment of Awards

Payment of successful awards will be made on evidence of expenditure or contractor invoice in a staged basis relevant to the award offer.

What information will I need to submit alongside my application form?

- Governing documents
- Memorandum and Articles of Association/ Constitution
- Minutes adopting the organisations governing documents
- List of names & addresses of office bearers
- Dimensioned design drawings.
- Photos of existing site
- Site plan or location plan
- Planning Permission in Principle or Full Planning Permission & stamped approved drawings.
 - Evidence of Security of tenure of project site.
 - Owned sites require copy of title deed documentation and solicitor's letter confirming ownership
- Leased sites require copy of fully-signed lease, rental or access agreement
- Quotation or estimates
- Outline specification of works
- Latest & previous 2 years annual accounts
- Current Bank statements
- Details on how this project fits into your club plans and priorities. Larger projects will require a business plan.
- Management or access agreements
- Child protection policy

Funding

How much funding can I apply for?

All applicants with a total project value between £10,000 and £200,000 (inc. VAT) are eligible to apply for ordinarily up to £50,000

Awards of over £50,000 will be considered if the project is exceptional and can demonstrate a considerable increase in rugby participation in that local community.

How much of an 'applicant contribution' is required?

Projects require a minimum applicant contribution of 20%*

Scottish Rugby expect applicants to meet at least 20% of the eligible project costs from their own resources, which may include bank borrowing and members' loans. The 20% can be made up from up to 10% of in kind contribution e.g. club members providing labour or relevant skilled services free of charge, donation of materials or equipment etc.

In relation to SFF applications, please note the following sportscotland funding conditions related to loans or bank borrowings:

Where the applicant's contribution is made up in part, or whole, of borrowings from a bank or another financial institution or a loan from sources other than members, sportscotland reserves the right to ask for a standard security on the facility to protect our investment. The applicant will be responsible for all costs connected with this matter. We also reserve the right to ask for a standard security on other projects as appropriate to protect the investment. These costs will not form part of the eligible project cost and the applicant will have to budget for this expenditure separately.

Example:

£160,000 total project cost

Minimum 20% applicant contribution - £32,000 (£16,000 cash / £16,000 contribution in kind)

Project cost eligible for funding - £128,000

Scottish Rugby award ordinarily up to - £50,000

sportscotland can fund up to 50% eligible project cost - £64,000

Balance club will have to find through increasing their contribution or source additional funding - £14,000

*Areas of deprivation

The Scottish Index of Multiple Deprivation (SIMD) identifies small area concentrations of multiple deprivation across all of Scotland.

Applicant's minimum contribution from those within these areas is reduced to 10% of the eligible project cost.

In order to qualify for the reduced applicant contribution of 10% an applicant must be able to demonstrate that at least 70% of the members and/or users are residents of the deprived area. This rule will also cover applications for facilities that are geographically out with the boundary of a priority area but are within ten minutes walking distance of the area it serves/will serve.

Additional considerations

Value Added Tax

If the club is not registered for VAT or is not in a position to have the project zero-rated for VAT purposes (as is sometimes the case for charities approved by HMRC) it is essential that the VAT burden is included in the project costs.

Scottish Rugby recommend that each club consults with their local VAT office on the scope to obtain exemption or partial exemption from VAT for the relevant project.

Contracts / appointments

For projects costing less than £20,000 (excluding VAT and professional fees) prices must be the result of competition with a minimum of three tenders/quotations having been sought.

For projects costing more than £20,000 (excluding VAT and professional fees) it is recommended that each club carry out the work using a suitable version of a Standard Form of Building contract. They will also need to be satisfied, that the contract price is obtained as the result of competitive tendering in accordance with industry contract tender.

Valuation of property/land

Any land being purchased as part of the project or land gifted to the applicant (where the cost of the land is to be classed as an in-kind contribution) will, where eligible, be subject to a District Valuer (DV) valuation. The latter's decision will be final. The cost of the fees for the DV service can be considered part of the eligible project cost. Should an applicant decide not to progress an application Scottish Rugby and sportscotland reserves the right to reclaim all the cost of the DV's fee.

In relation to SFF applications, please note the following considerations for sportscotland funding:

Inclusive sports development

As a public sector body sportscotland must adhere to the general equality duty as outlined in the Equality Act 2010. A number of people from different groups in society are protected under this legislation. The protected characteristics relevant to our general duty are: age, disability, gender reassignment, race, religion, sex, and sexual orientation. The Equality Act encourages sportscotland to think about providing opportunities for all of the protected groups. Funding applicants should be able to demonstrate an inclusive approach.

Certification

The Government's financial directions to sportscotland require sportscotland to obtain from applications whatever information may be necessary to safeguard Lottery and Scottish Government funds and carry out random validation checks. In order for sportscotland to process details properly it is important that you ensure the details provided are correct. If details are provided whereby the application has been completed fraudulently, incorrectly or misleading material has been put forward the application will be invalid and you will be liable to return any sums already paid out as a sportscotland award, with any offer being formally withdrawn.

Data protection

Scottish Rugby and sportscotland will use and process information in accordance with the requirements of the Data Protection Act 1998. The information you provide us with may be held on files, both paper and electronic. We will use this information to process applications, investments and payments, to prepare statistics and to monitor and evaluate effectiveness of both individual grants and our investments. Please note that by signing the application form you are giving explicit consent for the data collected about you and/or your organisation to be recorded, processed and used for the purposes outlined above or for any other legitimate reason.

Freedom of information

As a public body, sportscotland falls under the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 to disclose any information (including applications for funding and ancillary written documents) it holds on a particular topic when requested to do so by a person or organisation. In certain circumstances some of the information may be subject to an exemption and will not have to be disclosed.

However you must inform sportscotland in writing as soon as possible if this places a burden on you or your organisation. sportscotland will be able to advise you further on this matter. For the avoidance of doubt sportscotland's decision with regards to questions of disclosure and non-disclosure shall be final.