



# Guidelines for Hut Managers

No. 8

July 2020 \*



## Sources of Funding for Hut Improvements

### Scope and context

Major hut improvements are expensive. Such projects need careful planning and costing. They also need to be 'sold' to club members to ensure their support. Improvement projects may be carried out by members and/or contractors. Where work is to be carried out by club members and other volunteers you should consider your health and safety and civil liability obligations – see hut guidelines nos. 3.1 & 3.2 *Fire Safety*, no. 5 *Maintenance* and no. 6 *Civil Liability* (downloadable from the respective council websites – see the info. box on page 5).

Raising funds to pay for improvements can be difficult and very time consuming. In some cases clubs may be able to finance improvement projects from their own resources. However, clubs may need to seek outside funding to pay for such projects.

### Internal sources of funding

#### Club members

Members may provide funding by making donations or loans to their club.

#### Donations

Donations from members may be enhanced by clubs becoming –

##### ***i) A Community Amateur Sports Club (CASC)***

Mountaineering clubs can register with HM Revenue & Customs (HMRC) as a Community Amateur Sports Club (CASC) and thereby obtain some of the benefits enjoyed by charitable organisations, in particular 'Gift Aid' on individual donations. This allows a club to claim a tax rebate from HMRC by tax-paying members. Members making Gift Aid donations can set these off against their income tax liabilities. Furthermore, clubs registered as CASCs are also entitled to mandatory rate relief of 80% on their hut(s) in respect of the business rates (non-domestic rates) levied by the local authority.

Clubs need to bear in mind that HMRC now requires clubs to keep records of their members' activities and to prove that at least 50 per cent of their membership are active. See hut guidelines 1 *Club Organisation and Ownership of Property*.

##### ***ii) A Charitable Incorporated Organisation (CIO or SCIO)***

Clubs can become charities to take advantage of the benefits available, in particular the tax advantages relating to gift aid and inheritance tax. If so they can incorporate themselves by becoming a Charitable Incorporated Organisation (CIO) in England & Wales and in Scotland a Scottish Charitable Incorporated Organisation (SCIO).

See hut guidelines 1 *Club Organisation and Ownership of Property* and 9 *Trustees and Charitable Incorporated Organisations* downloadable from BMC and MScot websites – see links in the information box on page 5.

# Sources of Funding

## Interest-free Loans

Members may make loans to their club for a given period to fund the project. The loans may be made in units of, say, £25, £50, £100 as debentures or IOUs. These may be repaid at predetermined dates in the future or by means of draws at the club's AGM or annual dinner.

## Lotteries and raffles

Funds may be raised by running lotteries and raffles with the winning numbers and prizes being drawn at the club's AGM or annual dinner. Lotteries need to be run for members only, otherwise a licence, obtainable from your local authority, is required.

Where a members' only club raises funds from lotteries or raffles in which the general public participate it may be liable for corporation tax. For further information see –

[www.sportenglandclubmatters.com/club-finances/budgeting/finances-tax-and-sports-clubs/](http://www.sportenglandclubmatters.com/club-finances/budgeting/finances-tax-and-sports-clubs/)

**Note:** *When setting fees for their huts clubs need to bear in mind that they should cover the annual running costs including repairs as well as long term maintenance costs. Ideally, the club should endeavour to build up reserves to meet improvements and future maintenance costs (see Hut Guideline 5. Maintenance).*

## External sources of funding

### BMC club loan scheme

This scheme has been discontinued.

### Bank loans

Clubs may borrow money from banks. Such loans may be secured on their property or by guarantees provided by members. Commercial rates of interest will apply.

### Grants

Grants are available from a number of sources and examples are given below. Conditions vary; for example, the club may have to demonstrate that it can match the amount requested.

### Local authorities

Local authorities may provide grants for improvements to huts but, given the current economic situation and spending cuts, councils will probably have other priorities. Local government grants may be subject to various conditions. Consult your local authority's website.

### Grants from national sports bodies – Sport England, Sport Wales and *sportscotland*

Note that these bodies, which administer National Lottery funding for sport in addition to providing direct funding, have a list of priorities and funding for building projects may not be high on the list. Follow the links on the appropriate websites to ascertain if your proposal may qualify and the likelihood of funding – see links below.

### Sport England

Information about current grant schemes can be found at –

[www.sportengland.org/how-we-can-help/our-funds](http://www.sportengland.org/how-we-can-help/our-funds)

Be sure to follow the links to *Got a Great Idea?* and *Other ways to generate funding*

### Sport Wales

[www.sport.wales/grants-and-funding/](http://www.sport.wales/grants-and-funding/)

### *sportscotland*

[www.sportscotland.org.uk/funding/](http://www.sportscotland.org.uk/funding/)

# Sources of Funding

## Sources of grant funding in Scotland

Hut in Scotland belonging to clubs from S of the border may be eligible to apply for some of these grants – enquire.

### The Scottish Mountaineering Trust (SMT)

This is probably the first port of call when seeking funding for hut renovation projects in Scotland. Full details can be found on [www.thesmt.org.uk](http://www.thesmt.org.uk) from where an application form can be downloaded; please refer to the notes that preface that form.

The SMT may grant the entire amount of money requested, or may offer the sum as part grant and part interest-free loan.

### The Mill Cottage Fund - a Scottish Charitable Incorporated Organisation (SCIO)

The Fund can make grants for mountain safety education and training if your hut is made available for those purposes. The Fund may also make grants for the provision of suitable accommodation and for its improvement. Enquiries c/o [huts@mountaineering.scot](mailto:huts@mountaineering.scot)

### The Scottish Council for Voluntary Organisations

[www.scvo.org.uk](http://www.scvo.org.uk) – follow the link to funding [www.scvo.org.uk/funding](http://www.scvo.org.uk/funding) and read the *Step by step guide*. See also [www.fundingscotland.com/](http://www.fundingscotland.com/) follow the links to *Funds* and to *Funders*.

## Grant-awarding trusts

There are many charitable bodies in the UK, some of which may be prepared to award grants to mountaineering clubs for improvements to their huts. However, because of regulations governing charities, most are able to make donations only to other registered charities or recognised organisations, such as CASCs or CIOs or SCIOs.

**Important note:** *When seeking funding from trusts it is very important to carry out thorough research before submitting your application. You will save yourself much time and effort and increase your chances of success if you first ensure that your project is eligible for funding by the trust and that it does, in fact, make grants for your type of project and for the amount that you are seeking.*

## Sources of information

The best ways to research trusts that may potentially fund your project is by using printed directories or websites. The printed directories are expensive but it may be possible to arrange to borrow a copy from your local library via the inter-library loan scheme. There are also online databases such as [trustfunding.org.uk](http://trustfunding.org.uk) (see p. 4) which may be accessed by subscription.

**Directory of Grant-Making Trusts:** This is available from the Directory of Social Change, follow the link on the home page [www.dsc.org.uk/](http://www.dsc.org.uk/) That page also provides links to other sources of information

The entries in the directory include concise contact details, what is and what is not funded, type and range of grants made, and examples of recent grants. The extensive indices – by geographical area, field of interest and type of beneficiary, and type of grant – allow users to target the trusts that are most relevant to their needs. This publication presently costs £125.

### Other websites

[www.dsc.org.uk/funding-websites/](http://www.dsc.org.uk/funding-websites/) and [www.fundsonline.org.uk/](http://www.fundsonline.org.uk/)

[www.grantsonline.org.uk](http://www.grantsonline.org.uk) – access starts at £15 + VAT/month for a single user.

Inclusivity >>

# Sources of Funding

## Inclusivity

Mountaineering huts tend to be *exclusive*. Their use is often limited only to clubs affiliated to the BMC or to Mountaineering Scotland. '*Inclusivity*' is the key word; if you are prepared to make your hut available to other organisations at various times, for example on some days during the week, then you may possibly improve your chances of obtaining grant funding. Similarly, when approaching funding bodies that support businesses it may help to emphasise that operating your hut is analogous to running a small business and that use of the hut generates trade for the local community.

## **Note: Planning for Improvements**

The checklist below outlines the essential steps necessary for carrying out a successful building project – refer to Guideline 13 *Planning and Managing a Major Building Project*.

### **Project planning checklist**

- Club committee considers the project.
- Obtain the members' approval of the project at the AGM or at an EGM if necessary.
- Appoint a sub-committee to handle and manage the project.
- Prepare a feasibility study or appoint professionals to undertake the study (including drawings and budget).
- Produce a business plan.
- Consider how the project might be funded.
- Fund the project from club funds and members. Apply for grants if necessary.
- Consider becoming a CASC or a CIO / SCIO to facilitate fundraising. This will entail changes to the club's constitution at an AGM or EGM to comply with the relevant legislation.
- Appoint professional advisors (architect, quantity surveyor, clerk of works) if you want or need them.
- Apply for planning and building approval if this is required.
- Prepare the tender document for the work to implement the project – the specification of the work required is very important.
- Obtain quotations from a number of contractors.
- Consider any savings required to meet budget.
- Select a contractor and enter into a written contract with the firm (consider a standard construction contract).
- Agree start and completion dates with the contractor for the work and arrange to close the hut for the period required. Allow for some slippage in the timetable.

[About Hut Guidelines >>>](#)

# Sources of Funding

**Note:** If viewing this .pdf while online then clicking on any [URL](#) will take you to that website.

## About Hut Guidelines

These guidelines have been produced by the Huts Group of the British Mountaineering Council and the Huts Advisory Group of Mountaineering Scotland to assist those operating mountain huts in Britain.

Contact the BMC Huts Group by e-mail – [huts@thebmc.co.uk](mailto:huts@thebmc.co.uk) or telephone 0161 445 6111.

Contact the MScot Huts Advisory Group by e-mail – [huts@mountaineering.scot](mailto:huts@mountaineering.scot)

**Websites:** [www.thebmc.co.uk](http://www.thebmc.co.uk) and [www.mountaineering.scot](http://www.mountaineering.scot)

**URLs:** If any of the URLs (web addresses) given on the preceding pages are found to be 'dead links' please notify [huts@mountaineering.scot](mailto:huts@mountaineering.scot)

**Disclaimer:** These guidelines were revised on the date shown below and the information herein is believed to be accurate at the time of writing. No responsibility can be accepted for any loss of benefit or entitlement arising through use of these guidelines – they are not intended to be definitive.

***Version no. 6.2 – July 2020***

These guidelines are updated periodically; to check on the currency of this version go to one of the websites above where the latest version will always be displayed.