CONTENTS

INTRODUCTION 04
SPORT ENGLAND STRATEGY 2017-2021 06
STRATEGIC OUTCOMES PLANNING MODEL 08
APPLICATION CRITERIA 10
SOLICITATION PROCESS 16
INTRODUCTION

The key objective of the Fund is to support the sector to invest strategically to deliver local outcomes essential to those local communities. This means starting with local insight and really understanding what the local community needs and wants. It means thinking about a whole area to make sure existing and future facilities will work together, not just looking at an individual building or the needs of an individual sport.

Building the right facilities in the right places makes taking part in sport and physical activity a realistic option for many more people and leads to a better experience for those who are already engaged. We want to place the customer at the heart of all our decisions about facilities, both where Sport England invests and where we offer advice. Tackling inactivity is a major priority with our new strategy and this Fund aims to support projects that can encourage people to lead an active and healthy lifestyle.

The Strategic Facilities Fund will direct capital investment into a number of key local area projects that are identified through a strategic vision with the impact on local outcomes and KPI’s clearly identified. Projects that can provide an integrated offer of services and facilities will be prioritised. Sport England also recognises that some of the biggest increases in activity have been where sport can be located alongside other services such as schools, libraries or doctors surgeries; providing a focal hub for the community. The Fund will further support multi-sport facilities, where families can be active in the same place, ensuring year-round use and offer the best return on investment

Sport England will want to make sure that public money it invests in facilities will serve local communities for many years to come, so we will rigorously test the business plan for any new facility. These plans must have clear local outcomes and demonstrate not only a robust return on investment for the capital (against outcomes as well as financial) but also cost effective operating solutions. The fund is designed to encourage applicants and their partners to invest capital and revenue funding to ensure long-term sustainability of facilities and delivery of community benefit.

The **key objectives of the Fund** are:

1. To encourage the market to be clear about the purpose of their investment, encouraging development of sustainable environments capable of supporting service delivery which delivers against their local outcomes.

2. To encourage the market to work collaboratively (cross sector and boundaries) utilising insight to determine local outcomes, target audience and to understand the behaviour change needed to achieve the outcomes.

3. To attract capital investment into local facilities, providing new opportunities to encourage people to live healthier and more active lifestyles.
Key features which applications will be expected to demonstrate are:

- A clear strategic vision and planned approach focused on local outcomes (cross-sector collaboration, health, leisure, social services, libraries, crime prevention etc)
- Utilisation of local insight to identify the target audiences, the behaviour change required and how to achieve this
- Clarity on how sport and physical activity can impact on achieving the outcomes
- A facility mix which has been developed through a thorough understanding of the target audience and behaviour change
- A cost effective build and financially sustainable operating model
- Integrated service facility offer (co-location where appropriate)
- A facility that provides the potential to deliver the identified outcomes
- An operating contract that can deliver the desired outcomes
- An effective data analysis system to evaluate performance and assess achievement of outcomes

Sport England has allocated a budget of circa £40m of National Lottery funding to award through this fund during 2017-2021. Applications will be invited on a solicited-only basis and grants of between £500,000 and £2,000,000 can be considered for a standalone project or as a contribution to a strategic plan that includes more than one project. The funding available is for the development of the capital infrastructure, which can contribute to the costs of new build, modernisation or refurbishment and purchasing of major fixed equipment as part of the facility development. Early engagement with Sport England is a key requirement of the funding process. Revenue support may be available to applicants to support the delivery of project outcomes and this should be discussed with Sport England during the early engagement stage.

Projects will need to demonstrate how the grant will help to deliver key local outcomes and what measures will be used to demonstrate the impact on local communities.

Sport England’s investment further requires projects to measure against the following Key Performance Indicator’s:

- **KPI 1**: An increase in the percentage of the local population taking part in sport and physical activity at least twice a month.
- **KPI 2**: A decrease in the percentage of local people physically inactive.
In December 2015 the Government published *Sporting Future: A New Strategy for an Active Nation*. This set a bold and ambitious direction for sport policy and looks beyond simple participation to how sport changes lives and becomes a force for social good. At the heart of this strategy are five outcomes: Physical Wellbeing, Mental Wellbeing, Individual Development, Social & Community Development and Economic Development.

Sport England’s strategy was launched in May 2016 in response to *Sporting Future*. Our vision is that everyone, regardless of their age, background or level of ability, feels able to engage in sport and physical activity. Some will be young, fit and talented, but most will not. We want everyone to feel welcome, to find something in sport and activity that meets their needs and for the sector to value them as customers.

An overview of our strategy, how we think and how we decide to invest is illustrated below. Further information on our strategy can be found here: [https://sportengland.org/activenation](https://sportengland.org/activenation)

Sport England’s contribution to support delivery against the 5 Government outcomes focuses on two areas, each with a number of specific aims:

1. **More people from every background regularly and meaningfully engaging in sport and physical activity**
   - Inactive people becoming active
   - More resilient habits
   - More positive attitudes among young people
   - More diverse volunteers
   - Improved progression and inclusion in talent development
2. A more productive, sustainable and responsible sport sector

- A more demand-led sport sector that welcomes everyone
- Improved governance
- Improved financial efficiency
- Increased and more diverse revenue generation
- Increased diversity of leadership
- A diverse and productive workforce

Underpinning Sport England’s strategy is a Behaviour Change Model and a set of Investment Principles which will both inform where Sport England invests and how these investments are supported and managed. The model and principles have been used in the development of 7 Investment Programmes, with ‘Facilities’ being one of those. The Strategic Facilities Fund is positioned at the core of the ‘Facilities’ Investment Programme, but has the potential to contribute across other investment areas with strategic projects impacting on both local and national outcomes.
Having a clear, strategic and sustainable approach to sport and physical activity is essential to making effective investment into provision – both facilities and services. Creating a focus and vision on local outcomes, informed by customer insight and delivering interventions (capital and revenue) that affect behaviour change in the target audience will ultimately deliver local outcomes for a place.

With limited resources, changing demographics and increased pressure on essential services such as health, mental health, adult social care and education; sport and physical activity is increasingly seen as a co-producer of local outcomes. Our most successful projects involve a range of partners from different sectors who wish to position sport and physical activity to make a significant contribution to their local community and create places where people can live healthy, fulfilling, productive, meaningful and happy lives.

The Strategic Facilities Fund is not a stand-alone funding stream; it is part of a portfolio of support and tools designed to strategically support the sector (Local Authority provision in particular).

Sport England recognises that no partner will be starting with the blank piece of paper and that support is required to achieve their vision. The “Planning for Outcomes” Model (see Fig 1 below) illustrates the process which Sport England would envisage a local authority to follow in partnership with key stakeholders and other sectors.

This model will further provide a robust and consistent approach in the sector for establishing local need and achieving the best return on the use of limited resources. Early engagement between Sport England and applicants is advised so initial support, guidance and tools can be provided.

Capital interventions that are identified through the ‘Planning for Outcomes’ Model may include projects that are closely aligned with the key criteria of the Strategic Facilities Fund and could then be considered for funding.
Develop shared local strategic outcomes for your place

Understand your community and your place

Identify how the outcomes can be delivered sustainably

Secure investment commitment to outcome delivery

A Develop an understanding of the wider local strategic outcomes for your place

B Using a cross sector approach, identify local community needs and priorities

C Establish the contribution sport and physical activity can make

D Secure ‘buy in’ to the shared local strategic outcomes

A Gather insight from the local community and stakeholders to identify barriers and opportunities for behaviour change

B Consider the contribution from the wider physical and social environment

C Establish where you are now and where you want to be in the future

D Agree the objectives needed to contribute to shared local strategic outcomes

A Consider a range of facility and service interventions across the broad range of provision

B Determine the optimal and sustainable mix of facility & service interventions

C Explore and identify effective management option(s) to deliver core facility and service intervention

D Establish the key performance indicators (KPIs) for each intervention

A Agree a sustainable and effective business case

B Identify resource requirements to support implementation

C Secure stakeholder commitment and move to implementation

D Agree the objectives needed to contribute to shared local strategic outcomes

C Establish the key performance indicators (KPIs) for each intervention

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APPLICATION CRITERIA

This will be a very competitive investment fund, targeted at local authorities (although the applicant body may be a different organisation) and operated under a solicitation-only process (see page 17). Projects will be considered for the fund using two sets of criteria. The first one will determine whether a project is eligible for this fund before an application is solicited. The second will determine the extent to which the project will achieve the outcomes that the local area and Sport England is seeking.

ELIGIBILITY CRITERIA

Projects will need to meet the following criteria in order to be considered eligible for funding.

The project must:

- Be identified as a priority within a local authority strategic vision, demonstrating local customer insight, cross sector collaboration and local priorities identified
- Be proposing to develop key local facilities identified through this work and in consultation with local cross sector partner organisations
- Request a capital grant between £500,000 and £2 million
- Require funding for the development of capital infrastructure, which can contribute to the costs of new build, modernisation or refurbishment and major fixed equipment where it is an integral part of a project.
- Not include costs of non-fixed equipment as this is not covered by the fund
- Request funding for elements of a capital project which have not yet started on site
- Be based on a site(s) where the applicant holds ownership or long-term (minimum 25-years) leasehold
- Include recognised sporting activity of at least two sports and other activities
- Identify confirmed and/or anticipated capital partnership funding for the project from the applicant and other parties (public and/or private)
- Provide a commitment from the applicant to fund the required level of revenue and/or financial borrowing that will support the project in the long-term demonstrating its sustainability

The second criteria for assessment will determine the extent to which the project will achieve five key principles of creating and operating a sustainable local community facility including Impact, Sustainability, Capital Delivery, Monitoring & Evaluation and Service Delivery Review.

Applicants will be asked to provide further information on each of these principles as part of their full application.
1. IMPACT

Applications must show how the proposed investment will contribute to the delivery of local outcomes which directly relate to the outcomes identified in the Government’s Sport Strategy ‘Sporting Future: a new Strategy for an Active Nation’:

- Physical Wellbeing
- Mental Wellbeing
- Individual Development
- Social & Community Development
- Economic Development

Applicants should further demonstrate how the project will impact against local priorities and Sport England’s Key Performance Indicator’s:

- **KPI 1**: An increase in the percentage of the local population taking part in sport and physical activity at least twice a month.
- **KPI 2**: A decrease in the percentage of local people physically inactive.

Projects will need to provide clear evidence of:

- A clearly articulated vision of not only what local outcomes the project wants to achieve but also how and why
- A customer insight led approach, demonstrating an understanding and the application of Sport England’s behaviour change model in consulting on what the local community needs are
- Identified local priorities that the project will help to address for the local area with a joined up cross-sector shared vision and commitment (e.g. Health, Education, Social Services and Leisure)
- How the project will support delivery of the shared vision and outcomes
- Evidence that the operator of the facility will be required to contribute to the outcomes and KPI’s set out in the strategic vision
- What impact the facility will have on demographic groups who are currently under-represented in terms of their engagement with sport and physical activity. These include many different groups such as women, older people, disabled people and people from lower socio-economic backgrounds
- Strong partnerships which will last beyond the initial development of the project and underpin the long-term sustainability of the facility
- Synergy with any existing provision to ensure there is no duplication or displacement, particularly through rationalisation or co-location, and working with other local partners to determine where capital or revenue investment is most needed
- The mechanisms that will be in place to collect, report and interpret the impact of the investment on delivery against local outcomes and getting more people engaged in sport and physical activity

Priority will be given to projects that are identified through a strategic vision with cross sector shared priorities and outcomes, demonstrating how Sport England investment will have a direct impact on achieving these.
2. SUSTAINABILITY

Applicants must evidence the need and demand for the project as well as demonstrating how the facility will be operated and financially supported over a 25-year period (minimum) to ensure that local priorities and outcomes are achieved and the facility is maintained to a high standard.

Projects will need to provide clear evidence of:

- A customer insight led approach which identifies a real need and demand in the local community for the proposed facilities, and where possible, sharing a site or co-locating with other community services and/or private sector activities. This could be done through a combination of:
  - Application of Sport England’s behaviour change model in order to determine/understand the local target audience and what type of facility provision would help to deliver the required local outcomes
  - Cross sector and operator buy-in and commitment from partners that demonstrates how the project will reach the target audience
  - Supply and demand needs analysis using Sport England’s Facility Planning Model and other strategic planning tools
  - Joined up planning across boundaries, both within and across local authority areas where there’s an opportunity
  - Evidence of partnership working and community involvement having taken place to shape projects and a commitment to draw in local investment and resources
  - Active Lives Data: [https://www.sportengland.org/research/about-our-research/active-lives-survey](https://www.sportengland.org/research/about-our-research/active-lives-survey)
  - How the project will fit with wider capital and/or revenue investment strategies
• Using the need and demand analysis to scope, plan and shape the project
• Established partnership working between the organisations involved in the project which will last beyond the opening of the facility
• How value for money considerations such as multi-sport use of facilities, service integration with other agencies and cross-sector support has shaped the project and the desired outcomes
• Agreements with key partners, demonstrating a commitment to support the on-going revenue costs associated with wider community outreach work and ensuring adequate life-cycle costs are accounted for in the facility operational budget

• A sustainable business plan (five-years minimum) which combines capital, revenue, public and private resources to support the facility’s sustainability including sport and physical activity programmes and lifecycle costs
• An operational model and contract for the facility with KPI’s aligned to local outcomes
• Developing and improving the service delivery with outcome performance of the facility measured and reported

Priority will be given to projects that are able to evidence a strategic need and vision for the proposed facilities that will support delivery of local outcomes, provide an integrated service offer and have a viable business plan demonstrating operational efficiencies and sustainable facility provision in the long-term.
3. CAPITAL DELIVERY

Projects should clearly show that they are in a position to undertake the capital build and draw down funding in a specified period to be agreed by Sport England.

Projects will need to provide evidence of:

- A detailed project plan for delivery of the facilities from inception to completion with realistic milestones
- Project and risk management structures/plans in place that will mitigate risks to ensure successful delivery
- Consideration of viability and risk factors associated with other sources of funding and ability to drawdown a Sport England grant in specified financial years
- Approvals required for the facility development to proceed including procurement (professional team, contractor, operator), detailed planning permission and securing the required funding commitments
- How the design of the facility relates to local community need and the wider strategic vision and outcomes
- The proposed design and specification plans for the facility having been developed with Sport England using our design guidance, affordable models and case studies
- A procurement strategy (identified routes for appointment of a design team and building contractor) and delivery mechanism (how the facility will be built and operated) for the project

Priority will be given to projects that engage with Sport England at an early stage in a project's development and that can provide a robust capital delivery plan (with key milestones) that is achievable within an agreed timescale.

4. MONITORING & EVALUATION

Applicants must be able to clearly and consistently measure the impact of their project and demonstrate how the capital investment has delivered on the project’s local outcomes.

Applicants will need to provide clear evidence of:

- The project objectives, providing a clear line of sight to the outcomes listed in Sport England’s strategy (see example opposite)
• The target audience(s) that the project intends to impact on
• The level of measurement and evaluation proposed, which must be appropriate for the given scale and type of investment. This will include details of any assigned budget and/or resource to complete the data collection and analysis
• Specific data collection methods for the project. This will include an understanding of the relevant questions and measures required to collect information linked to the local audiences, KPIs and outcomes
• Specific data outputs and reports that will be created to evidence the impact, including details of the frequency of reporting
• How the project team will draw conclusions and learn from impact measurement and evaluation to where necessary, adapt and improve delivery

Priority will be given to projects that support delivery of local need/outcomes, will provide a good return on Sport England investment and ultimately lead to a best practice facility model of which the principles can be replicated elsewhere in England.

5. SERVICE DELIVERY REVIEW

Applicants will need to demonstrate the impact of investment and how this can support improvements in local area services. Priority will be given to projects that can evidence this is in a number of ways including:

• An outcome focussed operating contract for sport and leisure facilities using Sport England’s Procurement Toolkit
• A balance between financial sustainability and delivering community outcomes
• Data capture agreements established to demonstrate the impact on local and Sport England outcomes
THE SOLICITATION PROCESS

The Fund is operated via a national project pipeline which identifies the number of local authorities and projects that Sport England is engaged with and supporting, both at a local and national level. The pipeline is very competitive with a high level of demand for Sport England support and this will further increase during the Sport England strategy period (2016-21). It should be noted that being identified on the pipeline does not guarantee a project funding support from Sport England.

The Fund can only be accessed through the solicitation of a National Lottery funding application by Sport England. Local authorities that are actively developing a strategic vision for their area through cross-sector collaboration, customer insight and identifying local priorities, should have already engaged Sport England for advice and support. At an appropriate stage of this programme, Sport England can identify whether a project is suitable for the Fund and request for an Expression of Interest (EOI) to be submitted by an applicant. If an EOI is deemed eligible and can demonstrate a project’s ability to address the five key criteria of the fund; then Sport England will consider soliciting an application for funding (this will require Sport England’s Investment Committee approval).

If approval is given, Sport England will formally solicit an application and an online application form will need to be completed. In addition, the applicant (and their project team) will be expected to work with Sport England through the development stages of the project and will require Sport England agreement at key stages of design and procurement. Sport England’s Capital Projects team will work closely with the applicant through this process.

At an agreed development stage, the applicant will formally submit their lottery application (with detailed plans) for assessment by Sport England against the key criteria of the Strategic Facilities Fund.

TIMESCALES

The Fund is live and the process outlined above should be followed.

Sport England (in consultation with an applicant) will identify when, in a project’s overall delivery programme, an application will be submitted and a date for a funding decision to be considered.

DECISION MAKING

The administration of the fund and assessment of applications will be undertaken by Sport England.

Sport England’s Investment Committee, under delegated authority from the Sport England Main Board, will make funding decisions on all applications received to the Strategic Facilities Fund.

DECISION OUTCOMES

The funding decisions made by Sport England’s Investment Committee will fall under three categories:

- **Award** – an offer of grant through a Lottery Funding Agreement
- **Deferral** – further work to be undertaken on the application prior to an award being reconsidered
- **Rejection** – the project is not supported for specific reasons aligned to the criteria of the fund
**AWARD**

This will be offered to projects that are fully developed, have met the key criteria of the fund and are deliverable against Sport England’s National Lottery funding requirements. Specific conditions will be attached to any award being offered to a project and this will be managed through a Lottery Funding Agreement which will be in place for a 25-year period. Applicants offered an award will continue to receive support from Sport England through the project’s further development and construction.

**DEFERRAL**

A funding decision on an application may be deferred if there are significant project issues that need resolving before an award can be considered. Sport England will offer further support to a project in this situation prior to the application being reconsidered.

**REJECTION**

If an application is rejected, the applicant will receive formal notification of this decision, together with an explanation of why the project did not receive support. It should be noted that the solicitation of an application does not guarantee an offer of funding from Sport England.

**MORE INFORMATION**

For more information on the fund, visit [www.sportengland.org/strategicfacilities](http://www.sportengland.org/strategicfacilities)