Feasibility Study Outline

It is sensible to tackle the feasibility in two stages, as there are some really important issues which can quickly indicate that you can go no further.

**Stage 1 should cover:**

* **Governance** - is the organisation set up in a way which will allow it to own and manage the asset? Are you the best group to take the negotiation forward or is there a more sensible alternative? Do you need to work in partnership?
* **Land / building ownership** - can it be secured? On what terms? Are there constraints on what can be done with it? Are there any Covenants? Will there be conditions in the transfer terms which prevent you generating enough income or developing as you wish? Is it in the right place for what we want to do? Is there space to expand if that is your ambition?
* **Technical** - are there likely to be problems (or huge costs), associated with developing the land or buildings, e.g.: contamination, flooding, planning consent, structural problems? Is the site suitable for the quality of pitch or ground we need? What is the condition of the building? Is it Listed?
* **Capital viability** - are you likely to be able to raise the capital necessary to buy and develop the land / building? Are there funders already interested in investing? Can you raise money from your own members and users?
* **Timeframes** – is there going to be enough time to complete a business plan and raise finance to acquire or invest in the site?
* **Community / Users** – are there other users of the facilities at the moment who need to be accommodated? Do you need to ensure public access and how will this affect your plans? What is the view of the local community? Will they support your bid? Are we good at involving people of different ages, ethnic groups and gender in sporting opportunities?
* **Capacity** – do you have enough people, energy and time to bring the bid and the project to a successful conclusion? Do you have enough volunteers? Will you need to employ or transfer staff to run the asset and is this something you want to do?
* **Strategic** - do you have the support of your main stakeholders, funders, Sports Partnerships, Governing Bodies, etc? Do plans fit with sports and other relevant strategies?
* **Staffing** - Where there is the transfer of a sports facility as a going concern, along with its staff, which may be the case where activities and services as well as assets are transferred, the Transfer of Undertakings (Protection of Employment) Regulations 2006, (TUPE), needs to be fully considered. TUPE is designed to protect the employment rights of employees where an undertaking has been transferred, or part of an undertaking is transferred. For more information on TUPE and asset transfer see, <http://locality.org.uk/resources/asset-transfer-legal-toolkit-stake/>

**Stage 2 should cover:**

* **Site condition and valuation** – an independent commercial valuation forms the basis of your negotiations about transfer terms and price. A condition survey by a surveyor gives you invaluable information about the state of the building, essential repairs that are needed and likely long term upkeep costs. A specialist survey may be needed if the building is unusual, old or listed. An energy survey is highly recommended to find out likely heating costs and how these might be reduced, when the boiler will need replacing and so on. An access audit is also needed to understand how to improve the building’s accessibility so that you can meet your legal equalities obligations. If the condition of grass pitches is important then it is recommended that an agronomist is appointed to determine the condition of the pitches and identifies any work that needs to happen to improve the pitches to an acceptable standard.
* **Costed plans** - estimates of the cost of repair, refurbishment and reconfiguration based on how you intend to use the asset. Estimates and designs for any new buildings we plan to put up. Surveys for any new infrastructure such as access roads, car parking and security. Planning advice if a change of use is likely or planning permission will be needed. Planners will usually offer some initial advice for free. Capital funding plan identifying potential sources of capital funding – this would include possible grant and loan providers, community share issue, etc. Plans for how to continue providing services during any building works.
* **Financial plan** – what are the current costs of managing the facility? It is vital to obtain as much information as possible from the owner on historic costs over several years. Are you going to be able to cover your revenue costs and put enough aside for repairs and emergencies? Will your cash flow be sufficient to pay bills and staff when they are due or will there be seasonal fluctuations which cause problems? Do you understand the VAT implications? Is there market demand for what you propose (e.g. a café, bar, room hire), and what sort of competition is there in the area? If it is going to take several years to become viable (able to cover costs), will you need a bridging loan to cover the gap and how will you service the loan?
* **Legal and Management** – is the club or community organisation ready to take on a big project? How might the organisation need to change – for example is its back-office services fit for purpose for a much larger organisation? Is the legal structure fit for purpose? How will the project be led and managed? For example, do you need a sub-committee? Will you need a paid project manager to manage a building project? How will you obtain legal advice and services? Can you pay or do you have [pro-bono](http://www.bitc.org.uk/programmes/prohelp) (free) advice available? Have you explored the risks and legal implications of staff transfer (TUPE), employment, public access, loan finance, health and safety, equalities legislation, child protection and so on and can you meet your legal and financial obligations?
* **Outcomes** - at the end of the day, is it likely that the work involved in the asset transfer is going to pay off in a stronger club, better facilities, more people involved in sport and a healthier community? How will owning or having security on your site ensure that happens? Will it mean you can attract different users, funders or members? Will it mean you can charge more for your services? Will it mean you can expand the number of games, teams, or sessions? Will you make a better job of marketing and managing the facilities than the Local Authority? Will the wider community feel more pride in the facilities and take better care of them?