Derby Townscape Heritage Initiative

Guidance Notes
To be read in conjunction with the Eligible Works document

September 2014
Derby Townscape Heritage Initiative

Introduction

This grant scheme is funded by Derby City Council and Heritage Lottery Fund (HLF). The THI targets the conservation of key historic buildings. Works funded under the grant will use appropriate techniques, traditional methods of construction and high quality natural or traditional materials.

Grants are available to:

- **Repair the fabric of buildings – up to 60%**
  Grants are available for repairs to the historic building fabric using traditional building methods and materials to ensure the conservation of the building.

- **Restore authentic architectural details – up to 75%**
  Grants are for the reinstatement of historical architectural features, again this must be using traditional materials and methods. In those instances involving shop premises, this could well involve the replacement of an inappropriate shop front with a wholly traditional shop front based on historic evidence (details at local studies library or at [www.picturethepast.org.uk](http://www.picturethepast.org.uk))

- **Bring vacant floor space back into use – conservation deficit model**
  For works to floors within the building which may not currently be in use, this could include for office space, additional retail space or for residential use. The grant can be used for re-wiring, plumbing, flooring but not for fitting out the space.

Grant Information

Grants are not available for routine maintenance and redecoration. Eligible and non-eligible works can be undertaken in the same programme of work, but costs must be separately identified.

Grants are not means tested, they are discretionary and there is no automatic entitlement. All grants must be applied for and will be appraised in line with the guidance at the time of submission.

Any approval or consent given by the Council under these conditions in the relation to the works does not relieve the grant recipient of the need to obtain other necessary consents, approvals, permissions or clearance required under planning, ancient monuments, historic buildings or wildlife acts, building regulations, ecclesiastical or other relevant legislation. All necessary consents etc. must be obtained before the works begin and it is a condition of the offer of grant that all consent requirements are complied with.
Before you apply

*These notes provide information on how to apply for THI Grant Assistance. This document sets out the process involved and is for guidance only.*

Each grant funded project will, to a degree, be unique; therefore regular contact with the THI Officer is recommended throughout your project. Contact details are as follows:

Valeria Passetti, Derby THI Officer - Valeria.passetti@derby.gov.uk

You are advised to contact the THI Officer before applying to discuss your project. The THI Officer will be able to work with you to assess the works that are needed, give an initial estimate of costs, confirm what can be funded, help put together the application and guide you through the process to completion of the works.

**Interest in the property**

To apply for a grant you must own or lease the property and in the case of a lease it must have at least 10 years still to run. If you do not have such an interest, you must get the owner or leaseholder to make the application with you jointly. A lease with a break clause in it will not be acceptable.

**Other grants and loans**

If you have made a successful application to the Heritage Lottery Fund for any other grant or loan towards this project, you will not be eligible for a THI grant.

**Grant Agreement**

If you are offered funding then you will be given a timescale to complete the works funded by the Derby THI, unless agreed otherwise with the THI Officer. There is also a grant claim back if the property is sold within a certain timescale or falls under the HLF conditions. For further information please find the information on claim back at the end of this document.
Stage 1 – Initial Contact

Contact the THI Officer for a preliminary discussion about any proposed works. This initial discussion will help you to gain a clear understanding of whether your proposal is;

1. eligible for grant assistance,
2. consider which works are eligible under this scheme,
3. the likelihood of you receiving grant aid and
4. if any Local Authority Consents or notifications will be required.

These discussions will often involve a site visit to discuss the project and the requirements for any grant application.

The THI Officer will provide you with a THI Application Pack, containing the details of the scheme, the application form and guidance documents.

Applications for a THI Grant cannot be made retrospectively. You will not be paid any grant money if:

- you start the eligible works before your application is approved;
- you start eligible works after you have been awarded a grant but before you have accepted the grant by signing and sending back all the relevant paperwork to the THI Officer or let the THI Officer know of the work start date.

Professional advice

You must appoint an appropriately experienced and qualified professional, such as an architect, to plan and oversee the works to completion for any work above £5,000. Professional fees are eligible for grant aid.

Stage 2 – Full Application

Once you have a clear idea of which works are likely to be eligible for grant aid, you will be asked to draw up a schedule of works. This information is necessary to identify specific repairs and enable further discussions about eligible works with the THI Officer.

When a schedule of eligible works has been agreed, a specification for the works can be drawn up which itemises the details of the repair, including materials and methods to be used. All repair works to the building must be undertaken in keeping with the character and
Derby Townscape Heritage Initiative

integrity of the building, and of the area in which it lies. Advice on appropriate materials and techniques of repair can be obtained from the THI Officer and must be in accordance with relevant national policies and advice issued or endorsed by English Heritage.

Once your schedule of works and specifications has been agreed, you will be asked to provide quotations (or tenders) for the works detailed in the 'Schedule of Works'.

Making an application

The application form must be completed and returned with a substantial amount of detailed information about the proposed works. Incomplete applications will not be processed until all the information is supplied. The following is required in addition to the application form in all instances:

- You must be able to demonstrate your interest in the property and provide proof of ownership and/or possession of the property. This documentation must also identify any encumbrances;

- if the proposed works require any statutory consents (such as planning permission, listed building consent, scheduled monument consent or building regulation approval), copies of any relevant notifications must be attached;

- Any outstanding issues of Planning Enforcement or unauthorised work to the property need to be resolved in writing to the satisfaction of Derby City Council. Copies of such correspondence/ notifications must be attached. (Additional conditions of approval may be imposed to address such issues.);

- If you have had any grant offers or awards from other sources, you must attach copies of any relevant letters. These should indicate the amount and any conditions attached to the grant offer. You must also tell us if you have applied for any other grants.

You will be asked to include a summary of the eligible works proposed. However, you must attach full details of the proposed works, which should include:

- a full specification of works;

- drawings: relevant annotated plans, elevation and cross sectional drawings at an appropriate scale;

- photographs of relevant elevations and details;

- work programme and cost plan etc. as appropriate.
Tendering

Pre-application advice on the level of detail required to achieve an appropriately detailed tender can be given by the THI Officer.

As the grant scheme is financed with public money, the Council requires that a formal design, specification and tender procedure is followed for professional services including consultants and contractors. This will involve the applicant engaging appropriate professional advice at the outset. Subject to the proposed scheme of repair/enhancement being approved for grant purposes, these professional costs are grant-eligible.

Professional Advisor Costs

Appropriate professional fees (usually up to a max of 12.5% of the cost of eligible works and decreasing as the cost of work increases) and associated application fees (such as planning application and building regulation application fees) are also grant eligible.

- Should the value of the consultancy fee be less than £5,000 then a consultant can be appointed without a competitive process.

- Where the fee is between £5,000 - £30,000 3 quotes would be required.

- Where the fee is above £30,000 then a formal competitive tender process will have to be followed.

Appropriate professional services are those with qualifications and/or experience in conservation. There are conservation accredited building surveyors, architects, structural engineers, quantity surveyor - a list of which can be obtained from the RICS in the case of surveyors, the RIBA, AABC or the local craft register at www.derbyshirehistoricbuildings.org.uk.

Appointment of Contractors (Eligible Work Costs)

The application for grant should be supported with detailed construction costs for the eligible works. Costs for construction works are to be supported by tenders or quotations from contractors secured following a competitive process. The thresholds for competitive process are as follows:

- If the cost of the works is under £30,000, the applicant, through the agent will need to obtain three competitive quotes for the works.

- Where the value of the construction works is over £30,000 a formal tender process with sealed quotations returned to Derby City Council is required (Tenders to be sealed and returned to a specific office at
Derby Townscape Heritage Initiative

Derby City Council. The reference number, deadline, mailing envelope label and more information about opening the tenders will be provided by the THI Officer).

You should only invite tenders from contractors known to be able to achieve the standards required and with demonstrable experience of working on conservation projects.

Derby City Council does not recommend any contractors. If you need a source of contractors then a good place to start if the Derbyshire Crafts Register. This can be found at: - www.derbyshirehistoricbuildings.org.uk/craftsregister

In all cases the most competitive quote will be selected to base the grant offer upon. If you want to accept a tender other than the lowest, you must submit written reasons why, when submitting your application. If the THI Board does not agree with these, any grant awarded will be reduced by a percentage, which reflects the difference between the lowest acceptable tender to the THI Board and the one you accept.
Bringing Floor space back into use

For a project which will bring vacant floor space back into use a development appraisal is also required. These grants will be calculated on a case by case basis according to the deficit funding method. A percentage grant rate may be applicable in some instances depending on which are more appropriate to the particular project.

Development appraisals (if grant is on deficit basis) form the financial basis for calculating grants towards the ‘conservation deficit’ - that is the difference between the costs of the conversion and the external and internal repair works and other development costs, and any added value when converted.

A development appraisal takes the form of a residual valuation (Please ask the THI Officer what needs to be included). This is a technical term for an assessment of all the costs in bringing a building back into use in comparison with the value of the building once the works have been completed. Valuations must be carried out by an appropriately qualified independent professional Valuer.

Stage 3 – Assessment and Offer Procedure

Applications for grant aid for properties are assessed on a property-by-property basis, and against the following criteria:

- Whether the building is a target property, these properties are a priority for grants;
- The conservation and townscape merit of the building, and the extent to which the proposals will enhance this;
- The need for repair of the building;
- The use of appropriate materials and techniques of repair, in keeping with national conservation standards;
- The extent to which architectural details will be reinstated;
- The implementation of a comprehensive repair strategy to ensure the long-term life of the building;
- The regard paid to the special character and interest of the property and the area in which it lies;
- Whether the proposals fully meet the criteria set out in the Eligible Works and Guidance document.

You will be notified of the outcome by letter as soon as possible after the decision has been made.
An offer of grant assistance will be set at a maximum level, which normally will not be increased. Derby City Council may, however, decrease the level of grant assistance offered, but normally only where the final costs for work undertaken is less than the quoted price or where less than the full schedule of works is undertaken in agreement with Derby City Council.

The offer letter will be accompanied by:

- a formal acceptance form for the applicant to complete/return,
- a blank monitoring form for use later and
- a request for details of the grant recipient in order that prior arrangements can be put in place within the Council’s financial system to facilitate the speedy payment of grant by BACS at the appropriate time.

Accepting the Grant Offer

You will be required to formally accept the offer of Grant Assistance in writing (using the form which will be provided) within 2 months of it being offered and agree to abide by the Terms and Conditions of Grant Assistance. You may be required to agree to additional Terms and Conditions, which will be detailed in the offer letter.

Stage 4 – Commencing Works

You must start the work within 4 months of the grant offer, unless otherwise agreed with the THI Officer.

Once you have formally accepted the Offer of Grant Assistance, you should notify the THI Officer of your intention to start on site (by e-mail headed ‘commencement of works’ to the THI Officer) 7 days before work is due to commence. This is to enable a pre-start meeting to be arranged between your contractors and the THI Officer for the scheme. After this meeting has taken place then your project is ready to begin.

The work carried out and methods used must comply with the agreed Schedule of Work and the relevant advice leaflets. Failure to do so will result in the offer of grant assistance being withdrawn, or require the return of Grant Assistance where payments have been made.

You must ensure that you maintain adequate insurance cover on the property, the works and any materials and goods delivered to it, against loss or damage arising as a consequence of the project being undertaken. Such insurance should be held in the joint names of you
and your contractor unless otherwise agreed in writing. The proceeds of any claims must be applied towards the cost of the reinstatement of the works the property and the replacement of any goods or materials damaged, as necessary.

Inspection

The THI Officer (or their authorised representatives) will inspect the work on site periodically to ensure that it is progressing satisfactorily. You can attend any of these site meetings if you so wish.

*Please note: That the liability of works is with the applicant’s professional advisor. Derby City Council and the Heritage Lottery Fund accept no liability for the professional advice offered by its representatives.*

Completion

You must complete the works within a time period agreed in advance, generally within 9 months of the offer being made, unless the THI Officer agrees in writing to extend this period.

Publicity

Heritage Lottery Fund and Derby City Council reserve the right to use illustrations, photographs or details of your project in promotional literature and information.

During the contract period and whilst works are being undertaken on site you may be required to erect, on a prominent part of your property, a sign board (provided by the THI Officer) which acknowledges the contribution made to the project by the scheme funding partners.

Stage 5 - Claims Procedure

On completion of the works, it is expected that the applicant’s professional advisor will issue a formal ‘practical completion’ certificate, you should notify the THI Officer so that a final inspection of the completed works can take place and to assess the quality of work undertaken and ensure that all conditions have been complied with.

Single Claim

Following this meeting you will be requested to submit original copies of paid, receipted invoices for the grant assisted works which will normally be paid by the Council direct to you as Applicant.
Interim payments - if previously agreed by the THI Officer or Derby City Council.

If an interim (or stage) payments are to be made, rather than a full final payment, then grant assistance may be paid against original copies of paid, receipted invoices (or architects or surveyors interim certificates) for the completed elements of grant assisted works. Interim Certificates can only be paid to 90% of the Grant Assistance awarded until the site has been finally inspected and approved by Officers of the City Council or their representatives (and where a Building Contract has been entered into, a “Practical Completion” Certificate has been issued).

On completion of all works on site you will be requested to submit a full set of invoices for all works to your property and not just those which have been grant assisted. This information is necessary for audit and monitoring purposes.

Retention

10% of the total grant will be withheld until the THI Officer is satisfied that all works have been completed to the required standard and has received a copy of the Practical Completion Certificate.

Grant Claim Back

The Grant will become repayable, and any future payments stopped, if:

1. you breach any of the conditions of the grant contained within, or referred to, in the offer letter;

2. you cease to operate, are declared bankrupt or placed in receivership or liquidation;

3. you are shown to have completed your application for the Grant fraudulently, incorrectly or misleadingly;

4. you act fraudulently or negligently in carrying out the Project; or

5. any competent authority directs the repayment of the Grant.

Repayment may not be required if any breach is capable of being remedied and is remedied within whatever period we prescribe, or in relation to any element of the Works which has been completed the heritage benefit of which we agree is not jeopardised by failure to complete the remainder.

Clauses for the repayment of the grant vary depending whether the grant was offered on the basis of conservation deficit or fixed percentage and will form part of any offer. Please see the process for each in the following two tables:
For grants offered on the basis of the **conservation deficit** money will be recoverable:

a. On completion of the disposal of your entire interest in the Property, or two years from completion of the Project (whichever is the earlier), you must recalculate the conservation deficit (on the same basis as you were required to calculate the estimated conservation deficit in the development appraisal included in your application) using the actual building and other development costs and (at our option) either:

b. the value realised in an open market sale of your interest in the Property; or

c. valuation on that basis as defined by the Royal Institution of Chartered Surveyors prepared by [the District Valuer/a qualified independent valuer approved by us] and submit that recalculation to us. You must forthwith repay to us the amount which we agree bears the same proportion to any reduction in the conservation deficit as the Grant bore to the estimated cost of the Project.

For the purposes of Reclaim clause above, your interest in the Property shall be deemed to be the interest you were assumed to have for the purpose of calculating the estimated conservation deficit or your current interest, whichever is the more valuable.

For grants offered on the basis of the **fixed-percentage** up to and including £15,000 we will not require repayment. For grants including a contribution of £15,001 and above money will be recoverable –

a. If you intend to sell or let the Property or a part of it (‘a disposal’) during a 10 year period you must tell us and on completion of the sale or lease pay to us the Grant or a proportion of it calculated in accordance with the following formula:

\[ G \times (CV - OV) \times (10 - Y) = R \]

\[ C \times 10 \]

where

\[ G = \text{the Grant}, \]

\[ C = \text{the eligible cost of the Project excluding Value Added Tax (if any) you have recovered}, \]
Table continued…

OV = the open market value of your interest in the Property agreed with us at the start of the project being £[ ],

CV = the open market value of your interest in the Property on completion of the disposal,

Y = the number of complete years from the date of this Agreement; and

R = the amount we require to be repaid to us out of the proceeds of the disposal.

a. We may at any time assign or transfer the benefit or burden of this agreement to the granting authority and allow it to conduct any proceedings against you for breach of it.

b. We reserve the right to suspend or stop payment of the Grant if National Heritage Memorial Fund (NHMF) is unable to continue funding the Scheme if the National Lottery ceases to operate or insufficient funds are made available to the granting authority from it.

These terms and conditions will last for [5 years for grants including a contribution from the granting authority up to and including £15,000 and 10 years for grants including a contribution from the granting authority of £15,001 and above] years from the date of the grant Agreement.

Other useful information

All correspondence will be sent directly to the applicant, including the grant offer, will be copied to the applicant’s agent to ensure that they are kept informed of progress.

The THI Officer will help as much as possible throughout the grant process. If you have any questions, please e-mail: -

The THI Officer Valeria Passetti on valeria.passetti@derby.gov.uk

Please pass a copy of this guidance note to your Architect/Surveyor.