



LOTTERY FUNDED

Peckham Townscape Heritage Initiative

A new lease of life for older buildings in Peckham town centre

Detailed Guidance for freeholders and leaseholders

nos. 224-238 High Road Leyton



For further information about the Peckham Townscape Heritage Initiative please contact:

Julie.Mallett@Southwark.gov.uk
020 7525 3265 / 07946 230514

Project Manager, Peckham Townscape Heritage Initiative
Planning Division, Planning Projects, PO Box 64529, London SE1P 5LX

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1. What is the Peckham Townscape Heritage Initiative (THI)?

The Peckham Townscape Heritage Initiative is a project funded by the Heritage Lottery Fund and Southwark Council which aims to contribute to the improvement of Peckham's town centre for the benefit of everyone who lives, visits and works there. Townscape Heritage Initiatives have been funded by the Heritage Lottery Fund up and down the country since ?

Funding is available for the repair, re-use and restoration of the some of the historic buildings within the Rye Lane Peckham Conservation Area.

The Peckham Townscape Heritage Initiative is just one of a number of regeneration projects that Southwark Council is supporting in Peckham town centre. These include:

- The run-down arcade in front of the station is being demolished and a new public square being developed outside Peckham Rye Station allowing easier access to the station, and will include the railway arches being brought into use.
- New housing including social rent and affordable residential units being built on either side of the entrance-way to the library and on the Flaxyards site. There will also be new retail and business units looking into the library square plus a permanent community arts centre on the site of the temporary structure that has been occupied by Peckham Platform for a number of years.
- Mountview Academy - a well-known drama and creative arts college - is building its new base on the site behind the library. It is expected to open in the autumn of 2018.
- The redevelopment of the Aylesham Shopping Centre. Design is at an early stage for extending the town centre adjacent to the northern end of Peckham Rye to provide attractive high quality new streets and a varied retail offer. The new area will include the re-location of Morrisons supermarket and a new arcade through the revitalised Jones and Higgins store. In addition, a significant number of new mixed-tenure homes will be delivered.

On the front cover of this document are 'before' and 'after' photos of a similar project in Leyton in east London. They show the kind of difference a Townscape Heritage Initiative projects make to an area.

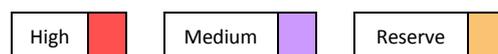
2. Which Buildings are Eligible for THI Funding?

There are forty four buildings that have been identified as 'eligible' for funding. These are situated in Peckham High Street, Peckham Hill Street and Rye Lane. They are listed overleaf and a map showing their location in the town centre is Appendix 1 of this document.

These buildings were identified by assessing their architectural merit, their condition and their position in the town centre. In 2013, as part of the application process to the Heritage Lottery Fund, Southwark Council appointed a firm of architects to carry out a survey of each of these buildings and to make proposals for the repair and restoration work that needs to be carried

out. An estimate of the costs of these works and all associated costs (e.g. fees for architects and making planning applications etc.) were also made.

The Heritage Lottery Fund required the eligible properties to be designated high, medium or reserve priority. In the first instance, funding applications will be sought from high priority buildings. There will not be sufficient funding to make financial contributions towards works on all forty-four properties.



Map Reference	Address
1	126 Peckham Hill Street
2	128 Peckham Hill Street
3	130 Peckham Hill Street
4	107 Peckham High Street
5	111 Peckham High Street
6	119 Peckham High Street
7	122 Peckham High Street
8	118 -120 Peckham High Street
9	116 Peckham High Street
10	106 Peckham High Street
11	104 Peckham High Street
12	102 Peckham High Street
13	100 Peckham High Street
14	98 Peckham High Street
15	94 Peckham High Street
16	92 Peckham High Street
17	90 Peckham High Street
18	88 Peckham High Street
19	86 Peckham High Street
20	99 Peckham High Street
21	91 Peckham High Street
22	63 Peckham High Street

Map Reference	Address
23	61 Peckham High Street
24	59 Peckham High Street
25	62 Peckham High Street
26	58 & 60 Peckham High Street
27	74 Peckham High Street
28	72 Peckham High Street
29	1 Central Buildings, Rye Lane
30	2 Central Buildings, Rye Lane
31	3 Central Buildings, Rye Lane
32	4 Central Buildings, Rye Lane
33	5 Central Buildings, Rye Lane
34	12 Rye Lane
35	12a Rye Lane
36	14/16 Rye Lane
37	18 & 18 a/b Rye Lane
38	26 Rye Lane
39	26a Rye Lane
40	28 Rye Lane
41	117 – 125 Rye Lane
42	127 Rye Lane
43	129 Rye Lane
44	131 Rye Lane

3. Who can apply for a grant?

In order to apply for grant you must own the property or have a full-repairing lease with at least ten years remaining of the term with no break clause. If you are a leaseholder and there is a break clause, agreement to participate in the THI will need to be obtained from the freeholder.

4. What works are 'eligible' for funding and what are the grant rates?

The scheme is a heritage-led regeneration scheme, which aims to "preserve and enhance" the character and appearance of Peckham Town Centre which is in the Rye Lane Peckham Conservation Area. All works must therefore respect the special character of the building or structure concerned and the conservation area of which it forms a part. This means that all works must meet the highest conservation standards and be carried out by suitably-qualified contractors using appropriate traditional materials.

The **details of all the works that are eligible for funding** in the three categories are attached at the back of this document as Appendix 3. A summary is below:

- **REPAIRS - 50% contribution from the Peckham THI**

Works to put into good repair the structure and external fabric (or envelope) of the building such as roof structures and floor beams, chimneys, rain-water goods, brickwork and stonework repair, repair of doors, windows and external joinery to the historic pattern etc.

- **RESTORING OR REINSTATING ARCHITECTURAL FEATURES**

75% contribution from the Peckham THI

The restoration of architectural features is only eligible where the building is otherwise in good repair, or will be repaired as part of the project and there is evidence for an authentic restoration. The reinstatement of missing details is also eligible, but there must be clear documentary evidence of the historic form and design, as conjectural restoration is not eligible. All works must be carried out carefully and accurately to the historic form or profile or pattern, using materials as close as possible to the original.

Within the Peckham town centre these works are likely to include the reinstatement of a traditional timber shop-front, and the repair of decorative features such as window and door architraves, columns, pilasters; decorative shopfronts and fascias; decorative ironwork and other original features such as flagpoles and signage.

- **WORKS TO BRING VACANT HISTORIC FLOOR SPACE INTO USE**

Only four or five of the 'eligible' properties are eligible to funds to bring vacant floor space back into use. For this kind of works the grant is based on the difference between the cost of the works needed to repair and convert the building and its increase in value after the works are complete. This is called the '**conservation deficit**'. There is an explanation about how this is calculated in Appendix 3 at the back of this document. This is a fairly complex calculation which will be discussed with you if your building has vacant floor space.

Some owners and/or leaseholders may want other improvement works to be carried out at the same time as the eligible works that can be part-funded through the THI. This can be negotiated

and agreed. The important thing is that costs are broken down to show individual costs for each element of the work so that works that are not eligible for part-funding are clearly identifiable.

5. What other 'on-costs' can be covered by a grant?

Full professional architectural services are eligible for grant-funding. This includes the work to prepare the scheme as well as the management of the construction process. Other fees eligible fees include those associated with securing planning permission, complying with building regulations and securing consents. The costs of preparing to carry out the building work – known as *preliminaries* - are also eligible, and depending on each scheme may include setting up a site-office and site security, ensuring health and safety requirements are met and scaffolding etc.

The grant rate paid towards these '**on-costs**' is paid at the same rate as the building work they are associated with. For example, if a building is having a package of works done where half of the works are categorised as the reinstatement of architectural features and half of the works are categorised as repairs, then the half of the on-costs attract a grant of 75% and the other half attract a grant of 50%.

Please note: *Freeholders and leaseholders will not be liable for any fees if a grant is not approved.*

6. What are the Timescales?

We will not fund work that has already begun or has been completed. We will not fund work that does not have the relevant planning, listed building or building regulations approvals. All THI monies must be spent by 31 October 2019 at the latest.

7. Architects and Contractors

Southwark Council has appointed Faithful & Gould to deliver architectural and project management services for the Peckham Townscape Heritage Initiative projects. As freeholders and/or leaseholders agree to participate in the project and grants are approved, Faithful & Gould and Southwark Council will appoint a contractor through a competitive and open process so that best price is achieved.

This approach means that freeholders and leaseholders do not have to appoint their own architect or go through the process of tendering for contractors to undertake the work.

For the purposes of the THI, the Heritage Lottery Fund requires that both the architect and the contractors have experience of working on heritage buildings. This will reassure freeholders and leaseholders that the works to their property will be carried out to a high-standard and in an efficient and cost-effective manner.

8. Help and support through all stages of the Townscape Heritage Initiative

There is a Townscape Heritage Initiative Project Manager whose role includes supporting freeholders and/or leaseholders through the whole project. Construction projects involve technical and specialist processes and for those without an architectural or construction background it can be confusing and difficult to understand all the jargon. Leaseholders and retailers may have concerns about how their business will be affected whilst works are carried out, or whether the work will be carried out to high standards. Your first point of contact for any questions or areas of concern is the THI Project Manager.

Julie Mallett julie.mallett@southwark.gov.uk
Peckham THI Project Manager 020 7525 3265 / 07946 230514

9. Project Stages

The Heritage Lottery Fund requires Southwark Council to have robust systems in place to ensure that the funding is used as intended and fully accounted for, and that the repairs and restoration works are carried out to a high standard. To ensure this, the project has been structured in a number of Stages. The Stages are summarised in the Stage-by-Stage Guide included as Appendix 4. The first two Stages are as follows:

Stage 1 will involve one or more conversations with the Peckham THI Project Manager.

You will discuss the kind of works that were identified when the conditions survey was carried out by the Regeneration Practice and whether you are happy with these proposals. You will also be given:

- an indication of the total costs involved and the likely contribution you will be required to make towards the works.
- a draft legal agreement which includes all the terms and conditions of participating in the Peckham THI.

You will be asked to sign **an Expression of interest** which confirms that you have been given this information and that you intend to participate in the THI.

***Please note** : whilst at this stage you would not be entering into a legally-binding agreement, it is intended that you will have all the information required to enable you to decide that, all things being equal, you will participate. The Council begins incurring costs at this stage, and we want to avoid public money being wasted as much as possible.*

Stage 2

The architect and design team will begin detailed technical surveys of your building and discuss proposed works with you so that a clear schedule of work and accurate cost estimates can be made.

The other Stages in the process include:

- The design team finalise the plans for the works in consultation with the freeholder and costs are agreed (Stage 4)
- Applications for planning approval and building control approval are made (Stage 5)
- A formal application for THI funding towards the proposed works is made to the THI Project Executive in order for funding to be finally approved (Stage 6)
- Once funding is approved, the freeholder signs the legal agreement and agrees to make the payments itemised in the payment schedule (Stage 7)
- The appointed contractor carries out the work under the supervision of the design team (Stage 10).

10. The Legal Agreement

If your final grant application is approved (Stage 7) you will receive a formal notification sent to you including a Legal Agreement that you must sign which contains the conditions under which the funding is approved.

The Legal Agreement includes sections on:

- Permission for the council to undertake the works
- The grant period
- Contribution towards the works
- Collaborative working
- The right to discontinue works
- Insurance
- Repayment of grant on sale or transfer of the premises
- Withdrawal or repayment of the grant.

11. How the Grant will be paid

Grants are **not paid** direct to freeholders or leaseholders. Once the level of grant towards works has been agreed by the Peckham THI Project Executive, this sum will be held by the Council to meet the costs of the works on the building. The Council will pay the appointed contractor directly.

12. How freeholders and/or leaseholders will pay their contribution

a. Freeholder and/or leaseholder financial contribution and payment schedule

When you are sent the Legal Agreement, you will also be sent a document which specifies the total amount that you agree to contribute towards the building works plus a payment schedule indicating the instalments you will pay to the Council and when they are due. The first instalment must be paid before any works are started.

You will also be sent a break-down of how these costs have been calculated. The costs will include architectural services, fees required to set-up the building site (i.e. preliminaries) and the costs of materials and labour to carry out the works.

b. Loans

In exceptional circumstances Southwark Council may consider making a loan to the freeholder / leaseholder to cover their contribution towards the works. Further details of this option are available from the THI Project Manager.

13. Repayment and recovery of the grant

a. **For all types of grant, you will be required to repay the grant** (i.e. the financial contribution that has been paid towards the works on your property) if you go bankrupt or have acted fraudulently or negligently in applying for the grant or have breached the conditions in the legal agreement.

b. Recovery on Grants for Restoration of Architectural Features and Repairs

In addition, in some circumstances the funding towards repair and restoration works will be subject to repayment or recovery by Southwark Council or the Heritage Lottery Fund.

- **For financial contributions where the HLF contribution is up to £15,000**, there is no need to repay any of the grant to the HLF.
- **Where a financial contribution includes more than £15,000 from the HLF**, a proportion of the grant will have to be repaid to the HLF if the property or part of it is sold or leased within ten year from the date of the legal agreement. The mechanism for ensuring any repayment will be via a land charge placed on the property.

The level of repayment that you will be required is tapered i.e. the higher the number of years since the works were carried out, the lower the repayment level.

Appendix 5 shows the formula by which this is calculated plus an illustrative example.

c. Recovery on the Grants for Bringing Vacant Floor Space back into Use

There are two circumstances in which a grant or a proportion of a grant, made towards the refurbishment of vacant floor space may need to be repaid to the Heritage Lottery or Southwark Council. These are:

Either where the building is disposed of within two years of completion of the works.

OR

Where the value of the property has significantly increased following the building works. The rationale for recovery of the grant in this circumstance is to ensure that an individual or company has not significantly gained from public money and so the State Aid regulations have been contravened.

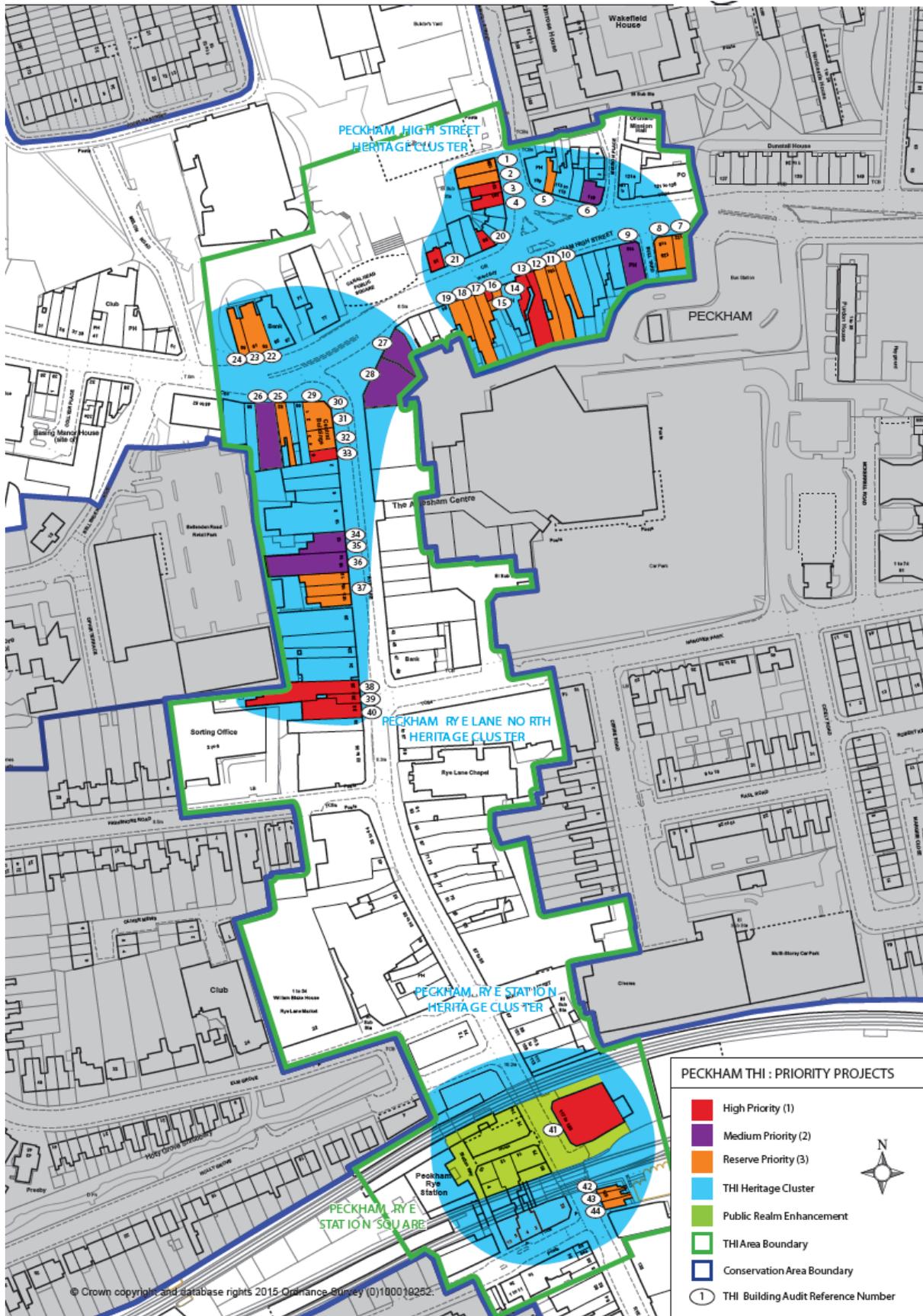
- **If the building is retained**, the conservation deficit will be recalculated two years after completion of the building works. This will be calculated by a qualified independent Valuation Surveyor approved by Southwark Council.
- **If the building has increased in value**, some grant may need to be re-paid. For example: The original grant rate calculated using the conservation deficit was £94,956, but the one carried out after two years using actual property values produces a revised grant of £84,956. The difference is £10,000, so this £10,000 will need to be re-paid after two years or at sale or disposal of the property, whichever is sooner.

If the property does not increase in value after this time no repayment will be required.

A legal charge will be put on the property where the grant is over £15,000 to ensure that any grant is repaid if the property is sold. This security will be released after 2 years provided you have complied with the terms of the contract.

February 2017

Appendix 1 – Map Showing Buildings Eligible to THI funding



Appendix 2

Works Eligible for Financial Support

The scheme is a heritage-led regeneration scheme, which aims to “preserve and enhance” the character and appearance of Peckham Town Centre which is in the Rye Lane Peckham Conservation Area. All works must therefore respect the special character of the building or structure concerned and the conservation area of which it forms a part. This means that all works must meet the highest conservation standards and be carried out by suitably-qualified contractors using appropriate traditional materials.

Eligible works fall into three categories:

- Repairs - 50% contribution from the THI
- Restoring or reinstating architectural features - 75% contribution from the THI
- Works to bring empty historic floor-space back into use – calculated on a case-by-case basis.

Some owners and/or leaseholders may want other improvement works to be carried out at the same time as the eligible works that can be part-funded through the THI. This can be negotiated and agreed. The important thing is that costs are broken down to show individual costs for each element of the work so that works that are not eligible for part-funding are clearly identifiable.

The eligible works are described fully in the three sections below:

a) Repairs

The objective of this category is to put into good repair the structure and external fabric (or envelope) of the building. Repairs should be comprehensive in scope, tackling all elements of the building which require work. All works must be carried out using traditional techniques or methods of construction, with natural or traditional materials, usually on a like-for-like basis.

Eligible repairs include:

- Consolidation or reinforcement of the existing structure with the minimum intervention necessary
- Repairs to timber frames, roof structures, beams, floor joists and other structural timbers.
- Re-roofing in natural materials to match the historic covering, usually with clay tiles, pantiles or slate, as appropriate. Sound existing materials should be reused as far as possible, and mixed in with new materials to match. The use of artificial alternatives such as concrete tiles, reconstituted or artificial slate is not eligible. The use of roofing felt for flat roofs or relining gutters is also not eligible.
- Repairs to chimneys, including lining (or rebuilding if structurally necessary) providing that the chimney is reinstated accurately to its historic height and profile. The replacement or reinstatement of the historic chimney pots is also eligible, providing there is evidence of their former appearance.
- Repair or renewal of existing leadwork, including flashings and the re-forming of gutters to adequate falls, in line with details and codes recommended by the Lead Sheet Association in “The Lead Sheet Manual”.

- The repair or replacement of rainwater goods or a rainwater disposal system to match historic material and sections, usually in cast iron, but occasionally in lead or timber. Aluminium, plastic, PVC or GRP rainwater goods are not eligible. The provision of rodding access for maintenance is important and can also be eligible.
- The repair of external stonework and brickwork, including decorative elements. Plastic or in-situ resin-based mortar repairs are not normally acceptable or eligible.
- Selective rebuilding of existing brickwork or stonework, if structurally necessary, using salvaged existing materials or new material to match.
- Repointing, where structurally necessary (not for cosmetic reasons), to an agreed specification, using lime mortar.

- The repair of windows, doors and external joinery to the historic pattern and detail, in historic materials. Where there is sufficient space internally without compromising other historic details, the provision of secondary glazing may be considered.
- Repairs to external render or stucco, and limited areas of renewal, using lime-based render. (There is a presumption against total renewal unless an existing cement render is causing structural problems and renewal is considered the best option).
- Dry rot eradication and conservation-based timber preservative treatments in accordance with the advice of an independent specialist with conservation expertise.
- Damp-proofing or improved drainage by traditional methods, where damp is causing structural damage. External water-proofing treatments and proprietary damp-proofing systems are not eligible.
- The repair or reinstatement of retaining walls, boundary walls, railings and gates that contribute to the stability of a building, enhance its setting or contribute to the character of the conservation area.

Ineligible works include:

- Routine maintenance
- Redecoration (unless consequent upon essential repairs)
- Internal repairs

b) Restoring architectural features

The restoration of architectural features is only eligible where the building is otherwise in good repair, or will be repaired as part of the project and there is evidence for an authentic restoration. The reinstatement of missing details is also eligible, but there must be clear documentary evidence of the historic form and design, as conjectural restoration is not eligible. All works must be carried out carefully and accurately to the historic form or profile or pattern, using materials as close as possible to the original.

Eligible works include:

- The repair of applied and decorative details such as string courses, dentils, corbels, window and door architraves, columns, pilasters; decorative shopfronts and fascias; rusticated render

- Decorative ironwork such as roof finials, balconies, lanterns, canopies, hanging signs, gates and railings
- Decorative surfaces, tiling and other finishes
- Original features such as flagpoles and signage

Ineligible works:

- GRP or similar replacement mouldings, or proprietary in-situ resin-based repairs
- Conjectural restoration
- The reversal of earlier alterations which are themselves of quality and interest

c) Bringing historic floor-space back into use

The scheme can fund the conversion of empty properties, or the empty part of a property, such as upper floors over shops, to make it suitable for a new use. The property must be vacant or partly vacant because of its poor condition, lack of access to an upper floor, or because it fails to meet the needs of modern users.

Eligible works include:

- All physical works of conversion including necessary internal and external alterations, basic provision of heat, light and power and basic decoration.
- Elements of new build necessary to achieve the reuse of the historic building.

Ineligible works:

- Furnishings and bespoke fittings specific to a particular use.
- Services beyond the basic provision of heat, light and power and water.

Appendix 3

Calculating vacant floor-space grants

If your scheme involves bringing vacant floor-space back into use the rate of grant needed to facilitate the conversion of the floor-space is applied across the building project as a whole through calculating the **conservation deficit**.

Eligible works include internal and external repairs and improvements to historic buildings. The grant is the difference between the cost of repair and conversion, and the value of the building when the work is complete. This difference is called the 'conservation deficit'. Grants cannot contribute to the cost of fitting out space for a specific use (such as fitting out a restaurant or salon) but they do include the refurbishment of the interior and exterior of the building.

To work out the conservation deficit, an independent qualified Valuation Surveyor approved works out the existing value of the building and the value on completion of the works.

Eligible costs for vacant floor space refurbishment grants include the following:

- Eligible development costs, including construction costs, preliminaries and contingencies
- Planning fees – Planning Consent, Listed Building Consent, Advertisement Consent and Building Regulations Consent
- Professional fees – for architects, surveyors and structural engineers
- VAT unless it is recoverable
- Letting or sales fees
- Loan financing fees (initial fee, not interest on the loan)
- Developer's profit (for the private sector) or management fees (for the charitable sector). This is based on a percentage of the value of the building on completion of the work. Private owners and developers may include an allowance for a reasonable 'developer profit' on their own investment. Charitable developers may include a similar management fee.

An example calculation is shown on the following page (for illustrative purposes only):

In this example, the current value of the building has been assessed at £350,000, and the anticipated value of the building after the works have taken place is £400,000.

continued on the next page

These are the costs incurred by this example project:

Item	Cost	VAT	Total
Construction costs and preliminaries	£100,000	£20,000	£120,000
Architects fees 10%	£10,000	£2,000	£12,000
Developer's profit 15% of final value	£19,500	£3,900	£23,400
Planning Consent	£335	£67	£402
Advertisement Consent	£95	£19	£114
Building Regulation Fees	£500	£100	£600
Letting fees	£500	£100	£600
Loan financing fees	£500	£100	£600
Sub-total	£131,430.00	£26,286.00	£157,716.00

The conservation deficit calculation is then worked out from these costs, in the following way:

Current value of the building	£350,000
Costs of the works (including fees, etc.)	£157,716
Sub total	£507,716
Less the final value of the building	£400,000
The Conservation Deficit (i.e. the contribution from the HLF / Southwark Council)	£107,716
The Freeholder/Leaseholder Contribution	£50,000

So in this example, the contribution from the Heritage Lottery / Southwark Council Common Fund is £107, 716 and the freeholder/leaseholder will need to contribute £50,000.

Appendix 4:

Stage-by-Stage Guide to the THI.

Stage 1	Freeholders and/or leaseholders meet with the Peckham THI Project Manager to discuss the THI and how it will work . An estimate of the likely costs of the repair and restoration work will be given along with an indication of how much will be funded by the Council and how much will be payable by the freeholder and/or leaseholder. If willing to proceed the freeholder or leaseholder signs the Expression of Interest.
Stage 2	The Design Team (who have already been appointed by the Council) - including a conservation architect - visit the property, carry out technical surveys and have discussions with the freeholder or leaseholder about building works that are 'eligible' for part-funding and what works they want to undertake.
Stage 3	The Design Team produces drawings, a scope of work plus revised cost estimates. The level of grant from the Council plus the financial contribution required from the freeholder or leaseholder is re-calculated based on the final scope of works.
Stage 4	The freeholder or leaseholder agrees to make the required contribution towards the building works. A Statement of Intent is signed by the freeholder or leaseholder.
Stage 5	The Design Team apply for planning permission and where necessary building control.
Stage 6	Once planning permission is approved a FORMAL application for THI funding is made by the freeholder or leaseholder. The THI Project Manager helps. This Stage is required by the Heritage Lottery Fund. The THI Project Executive made up of Directors of Southwark Council is convened and asked to approve the grant to be paid towards the works.
Stage 7	Once the funding is approved, the freeholder or leaseholder Legal Agreement which includes and a payment schedule to cover their contribution to the works, an agreement for there to be a charge on the property, a repayment clause and maintenance agreement.
Stage 8	The freeholder or leaseholder makes an initial payment before the construction works start.
Stage 9	The Design Team briefs the contractor that has been appointed to deliver the restoration and repair work and, with the freeholder or leaseholder a timetable for the works is agreed.
Stage 10	The works are carried out. Regular review meetings between the freeholder or leaseholder and where necessary the retailer with the Design Team take place to ensure the building works are running as anticipated.
Stage 11	The works are completed and the building is handed over to the freeholder or leaseholder including technical specifications of works undertaken. Briefings are provided as necessary on any relevant operating instructions. A date for snagging is set for 12 months time.
Stage 12	An account of works undertaken and expenditure is sent to the freeholder and/or leaseholder.

Appendix 5

Calculating the repairs and restoration grant to be repaid where the Heritage Lottery component is over £15,000.

In these cases the amount of recovery is calculated using the following formulae:

$\frac{G \times (CV - OV) \times (10 - Y)}{C \times 10} = R$	
where:	
G	= Grant
C	= the eligible cost of the Project excluding VAT (if any) you have recovered
OV	= the open market value of your interest in the Property at the start of the project
CV	= the open market value of your interest in the Property immediately prior to disposal
Y	= the number of complete years from the date of the offer of the grant; and
R	= the amount to be repaid to the HLF as clawback

To give you an idea of amount of clawback payable, here is an example of a completed project where the property is being sold six years after the grant was offered:

Grant (G)	= £50,000
Actual Cost of grant aided works (C)	= £72,500
Market value of property before the works (OV)	= £150,000
Market value of the property after the works (CV)	= £170,000
Number of completed years since the grant was offered	= 6
$\frac{50,000 \times (170,000 - 150,000) \times (10 - 6)}{72,000 \times 10} = R$	
$0.7 \times 2,000 \times 4 = £5,600$	

So, in this example, six years after a grant of £50,000 was awarded the amount of clawback is £5,600. The clawback is only a small proportion of the overall increase in the property's value (£20,000) as a result of the grant-aided works.

The following table uses the same example, but shows the changing amounts of clawback that would be needed to be paid back to the HLF if the property is disposed of in different years after the date of the grant contract.

continued on the next page

Number of years from date of contract (Y)	10 minus Y	Repayment to HLF (clawback)
1	9	£12,600
2	8	£11,200
3	7	£9,800
4	6	£8,400
5	5	£7,000
6	4	£5,600
7	3	£4,200
8	2	£2,800
9	1	£1,400
10	0	0

As you can see all of these recovery amounts a small proportion of the £50,000 grant that was awarded in this example.

If the property value has risen very little since the award of grant, the amount of clawback would be lower. In the example above, if the property value had increased by £10,000 instead of £20,000 all of the above clawback amounts would have halved.

If the property's value has stayed the same or has fallen since the award of grant the recovery amount would be zero.

If you are concerned about potential recovery, the THI Project Manager can provide calculations based on your specific building work scheme.