



Townscape Heritage Initiative

Managing your grant

For the development and delivery phase

This document will help you to manage your grant and request grant payments.

They also explain in detail what you must do to comply with the conditions of your grant.

Please read these documents together with the THI Guidance Notes.

Monitoring Documents

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1 Introduction

1.1 Background

The Heritage Lottery Fund is administered by the National Heritage Memorial Fund (NHMF) and distributes money from the National Lottery to heritage projects throughout the UK. Once a grant has been awarded to a project, we have to monitor that project to make sure that lottery resources are being used for the purposes the grant was given (the approved purposes). We also have to make sure that projects provide the benefits we have agreed with you.

The 'Managing your grant' requirements and associated forms are referred to in the standard terms of grant. They set out the information we need from you to help meet our monitoring responsibilities. They also deal with other requirements such as insurance, publicity, and changes to the grant.

You must take the action and provide the documents and information set out in 'Managing your grant' and associated forms. The requirements set out form part of the contract and a breach of such requirements will constitute a breach of the terms and conditions of your grant contract.

Exceptionally, we may choose not to follow all of the procedures set out in the managing your grant.

1.2. Standards

You are responsible for the quality of your project. All work you carry out must comply with the relevant British or European standards and current best practice for conservation, if relevant.

We may add other standards during the project to deal with specific areas of risk. When we monitor your grant, the information we ask for will be the information you are likely to need to ensure the smooth running of your project.

In carrying out the project, you must comply with all legislation or regulations that apply, such as the Data Protection Act 1998.

You must ensure that all timber and timber products used during the course of your project are from legal sustainable sources. Please read our guidance *Planning Greener Heritage Projects* for more information about this and other green standards. (All our guidance is available from our website.)

You are responsible for your project. Any permissions we give do not mean that we accept or approve of the suitability or correctness of the detailed matters they apply to.

1.3 Fraud

Exceptionally, we may ask you to provide proof that you have taken action to reduce the risk of fraud. We may also ask you to let us examine your accounting processes and procedures to check the effectiveness of anti-fraud measures.

1.4 Public procurement

You must follow good practice in buying goods, work or services (see 4.2 below, Filling in your grant payment request form, section 3).

In addition to our requirements set out there, you will need to follow the Public Procurement Regulations if your goods, works or services are above certain financial thresholds and if:

- you are subject to the Public Procurement Regulations in your own right; or
- lottery funds contribute more than 50% of your project costs.

This means that you will usually have to put your contracts out to public tender, by putting an advertisement in the Official Journal of the European Union. Please refer to the Public Procurement Regulations sheet on our website or the latest figures from the Office of Government Commerce website <http://www.ogc.gov.uk/index.asp?id=397>

1.5 Monitoring

We may decide to use outside consultants or heritage agencies to monitor your scheme for us. We will let you know as soon as possible if we are going to do this. If we are going to use more than one project monitor, we will choose one of them to be the lead monitor. This person will be your first point of contact. They will call high-level progress meetings with you, your project officer and the main members of your project team and make site inspections. Our project monitors cannot approve changes to the approved purposes of your grant.

We will monitor your scheme against the standards set out in:

- the application pack;
- your first-round application and/or second-round submission as approved by us;
- our grant notification letter including the schedule of agreed work and costs which qualify for grant support;
- our standard terms of grant, together with any additional grant conditions set out in the grant notification letter, and this 'Managing your grant' document and 'THI Guidance Notes' documents;
- the documents which you must provide when you request our permission to start; and
- any other agreements we make with you, or correspondence with you.

We will monitor the progress of your scheme and will carry out checks at and after the end of the scheme to confirm that it is delivering the benefits expected.

If we do not appoint an external monitor to carry out the activities above, HLF staff will act as project monitors.

1.6 Mentoring

If this is the first time you have done a scheme of this type, or on this scale, we may also offer you mentoring support after a first-round pass. If we do, we will agree with you in advance the amount of time your mentor can offer you and the range of issues they will help you with. A mentor will help you to keep your plans on track, but you will still be responsible for managing your scheme and for the overall quality of your second-round submission.

1.7 Reviewing design drawings and documents

We may review your scheme at suitable stages to see how well it is progressing and compare it with the approved purposes and the requirements of your grant contract. We will decide when to make these reviews based on the characteristics of your scheme and the eligible projects.

For building projects, we may carry out reviews at:

- design concept (stage C of the RIBA plan of work);
- at other suitable stages.

To help us with these reviews you need to provide all design drawings and documents that we ask for.

The reviews will consider:

- cost and timetable increases;
- the effect they have on the development activities and documents or approved purposes; and
- whether the final scheme still represents value for money

If we consider that the final scheme will no longer be value for money, we may decide to stop the development of the project, and withdraw our grant.

1.8 Collateral warranties

If your scheme involves major construction or conservation work we may ask you to arrange collateral warranties between us and your consultants or contractors. If this is the case, we will let you know in your grant notification letter.

The terms of the collateral warranties that you arrange must be at least as favourable as the British Property Federation's 'Form of agreement for collateral warrantee for use where a warrantee is to be given to a company providing finance for a proposed development' ('the Standard Form of Warrantee'). (Works Condition 2)

1.9 Property ownership

If we ask, you must provide proof of who owns any property that forms a part of your project and any restrictions or other claims on it. If you part with the property, you must provide proof of any amount you have gained from doing so.

You or the third-party grantee must own the freehold of the property or hold a lease of it with an unexpired term of at least 10 years without a break clause. If the property is held on a lease for less than ten years or if it contains a break clause which may terminate the lease within ten years, the landlord must join in the grant application and agree to be bound by the grant conditions if a grant is awarded.

1.10 Repayment of grant

1.10.1 *Parting with property*

If, during the life of the terms of grant, you part with assets or goods which you have bought, restored, conserved or improved with our funding during the grant contract, you must give us a suitable share of the proceeds of sale after you have paid any debts, costs, expenses and tax. You must do this within a month of parting with the land, assets or other goods.

We may claim from you:

- an amount in the same proportion to the sale price as the grant is to the original cost of the approved purposes; or
 - the portion of our grant spent on assets or goods which were bought, restored, conserved or improved;
- whichever is greater.

You must pay whatever we decide is appropriate in the circumstances.

Repayment on grants awarded to third parties is described in the third-party grant contract in the THI Guidance Notes.

1.10.2 *Other breaches of the terms of grant*

Our terms of grant entitle us to require you to repay to us the grant you have received in various circumstances, including, in particular, breach by you of any of our terms and conditions of grant. The terms of grant also say that we might not require you to repay all the money you have been paid, if there are reasons to justify taking this view.

Given the enormous range of projects we fund, it is impossible to generalise on what sort of reasons for repayment of the grant might be relevant to any particular case. We do, therefore, have absolute discretion to decide in any given circumstances whether or not to seek the return of all of our grant. By way of guidance, we will always require repayment of the whole amount in cases involving:

- you failing to use the grant for the purposes we agreed to fund or to do what the project was intended to achieve (unless due to factors beyond your control);
- you ceasing to operate, becoming bankrupt, or being placed into receivership or liquidation;
- fraud, negligence or you providing us with incorrect or misleading information;

- you or us being directed by a competent authority to repay/recover the whole grant.

1.11 Insuring the works

You must take out insurance for the work and for any unfixed materials and goods delivered to the property. All of these must be covered for their full value against loss or damage.

Insurance should be held in the joint names of the person or organisation receiving the grant and the contractor carrying out the works. Your insurance must note our interest by name.

1.12 Insuring the property

You must have a suitable insurance policy. Your insurance cover must note our interest in the property. If the property is lost or damaged, for example by fire, lightning, storm or flood, you may find that you cannot provide the approved purposes. You will then have broken your grant contract with us and we may have to consider claiming back your grant payments. In these circumstances you will need to be able to provide the approved purposes or repay the grant.

You do not need to take out insurance for any part of the property while it is covered by the Government indemnity scheme.

If we have agreed in writing that you can self-insure, you do not need to take out any other insurance.

1.13 Project officer

If your scheme is large or complex we may ask you to appoint a project officer. If this is the case, we will discuss this with you.

Your contract with your project officer must include a clause that you can end their appointment to manage the Approved Purposes if we send you a notice to say that we reasonably believe the project manager is failing satisfactorily to provide their services. We will not give you such a notice without consulting with you first

1.14 Filling in of standard forms

You will need to fill in a range of standard forms (online at <http://www.hlf.org.uk>) as part of our monitoring process, and your requests for grant payment. If we ask you to send copies of documents there is a facility to attach files (of less than 5Mb in total) at the end of the form.

Please print off, sign and send us a hard copy of all forms that need your signature. Send the form to your project monitor if you have one.

If you make any misleading or false statements on these forms, you will have to repay all of the grant you have received. You will not receive any further payments.

The development phase

We will normally pay your development grant in two instalments.

- 'Development grant payment request and permission to start' form (50% of grant awarded)

Once we have approved your request we will sign the form and return it to you. You must not start any work of the development phase until you have received our permission. We will not make any grant payments to you until this form has been approved.

- 'Development phase progress report' form

This is your opportunity to tell us how your development phase is progressing at intervals agreed with your case officer.

- 'Development grant completion report and final grant payment request' form (up to 50% of grant awarded)

The delivery phase

Before work starts on the scheme

- 'Permission to start the scheme at year 1' form.

Once we have approved your request we will sign the form and return it to you

You should not start any work on the scheme until you have received our approval for the 'Permission to start the scheme at year 1' form. We will not make any grant payments to you until this form has been approved.

Each time you request a part of your grant

- 'Grant payment request' form
- Delivery phase 'Progress report' form

You must provide a progress report at least once every three months, even if you do not request any of your grant during that time. You must also send us your latest progress report with each grant payment request.

We will not make a grant payment until we are satisfied with the signed grant payment request and latest progress report which must accompany this form.

To monitor your third-party grant scheme:

- 'Permission to offer a grant to a third party' form
- 'Annual action plan approval' form

When the scheme is finished and you apply for the final part of your grant:

- 'Grant payment request' form
- 'Completion report and evaluation report' form

Fill in these forms when your scheme has achieved all of its approved purposes and you are requesting the final payment of your grant.

We also expect evaluation feedback from your scheme, in the form of an evaluation report.

2 Before work starts

Section 1 of the 'Permission to start' form

You should not start your work until you have our written permission to do so. To apply for our permission to start the development phase you should fill in and sign the 'Development grant payment request and permission to start' form. For permission to start the delivery phase you should fill in and sign the 'Permission to start the scheme at year 1' form.

When we have signed your 'Development grant payment request and permission to start' form and returned it to you, and you are ready to start the development phase, we will pay 50% of your grant.

Signed grant contract

In certain circumstances your grant may need a special contract. If this is the case we will send you two copies of the grant contract. You must sign both copies and return them to us. We will then sign both copies and return one to you.

Proof of partnership funding

Provide proof that all your partnership funds are in place and that they are from the sources set out in your submission.

Some funding partners may only contribute to certain projects or categories of work within your overall scheme. Also, certain public-sector organisations may award their funding straight to the owner. This funding can still be counted as grant from the common fund, but you must identify the eligible projects or categories of work where this type of arrangement will apply.

If all your partnership funding is not in place then we may exceptionally consider a realistic fund-raising plan. We will only accept a fund-raising plan if the scheme can be divided into separate phases and you can show that the fund-raising plan is achievable. In this case you must raise your partnership funding in line with the agreed phases and you must get our permission each time you have received part of your partnership funding and want to start a new phase.

Timetable or work programme

Provide a detailed timetable or work programme to complete the whole scheme before the grant expiry date. Your programme should show a realistic timescale for achieving the approved purposes of the scheme, including any special conditions set out in the grant contract. It should clearly show all the main activities, resources, milestones and targets necessary to complete the scheme on time.

Cost breakdown and cash flow

Provide an up-to-date breakdown of costs, which shows the cost of each of the main elements of your scheme. In your breakdown you must identify separately any amounts allowed for VAT.

Provide a cash flow, which shows the planned timing of your income (including partnership funding) and expenses over the life of the scheme. You must show clearly the expected timing of grant payments. Remember that we cannot pay more than 90% of the total grant before your scheme is finished.

Project management structure and method of selecting consultants, contractors and suppliers

Provide a description of how you will organise and manage your work. This should include:

- the names of the people who can sign documents for your organisation, including grant payment requests;
- a copy of the organisation chart for managing your scheme which clearly names the people leading the development or delivery of your scheme and other people or organisations who will be working on the scheme; and
- a statement of how you will choose and manage your goods, works and services contracts.

In addition, for your THI scheme send us:

List of eligible projects and activities

Provide details of eligible projects, telling us which of these are critical projects, priority projects and/or reserve projects. You must also include details of all planned activities. You must tell us which of these projects and activities are to be delivered within the forthcoming year.

Proof that the conservation area appraisal and the conservation area management plan have been adopted (if applicable)

Prepare a conservation area appraisal and conservation area management plan while developing your scheme and submit these with your second-round submission. You must provide proof that the planning authority has formally adopted these documents by the time we give you permission to start if we have made it a condition of grant. Your partnership must adopt the conservation area management plan before we give you permission to start. Proof will usually be in the form of an adoption statement, a resolution and/or minutes of meetings of relevant committees.

Proof that an Article 4 direction has been imposed (if applicable)

Submit proof that you have imposed an Article 4 direction to control change in the area before we give you permission to start your scheme if we have made it a condition of grant.

Photographic record of your scheme before it started

Provide a free photographic record of the eligible projects, showing the existing condition.

We may use your photographs in publicity material. If your photographs include people, you must gain their permission or that of their parents or guardians before you submit them to us. You must ensure that you have the written consent of the copyright owner of the images you send to us, that HLF may use them or any of them to represent the scheme.

Once we have approved all of these documents we will sign your 'Permission to start the project' form and return it to you. You can then start work on your scheme. We will use these documents to help us monitor your scheme's progress and performance.

You need to send us updated versions of these documents if you need to make changes.

Section 2 Bank account, VAT details and signatory details

Make sure we have your bank, VAT and signature details to avoid any delay in grant payments.

The signatories can be up to three people from your organisation who will be signing grant payment requests on your behalf. We use this information to make sure that the grant payment has been sent in by the right person in your organisation and that we pay the grant to the right bank account.

We will not make payments into personal bank accounts and the grant can only be paid to the party named in the grant contract. We recommend that you set up a separate bank account for your project so that you and we can monitor the project's finances easily.

For us to pay your grant requests by BACS, we need to see a copy of a recent bank statement (within the last three months), or a cheque or a paying in slip for the relevant account, showing the bank's name and address.

3. Updating us on your progress

Development Phase - Progress Report Form

You must monitor the success of your scheme and fill in a progress report online at least once every three months, and each time you request a grant payment.

We need your progress report before we can process your grant payment. Your progress report must be produced no later than three weeks after the period it covers.

Your report must include the following sections:

Section 1 Progress report form - progress towards achieving your development work

This should be a summary of your progress against each of your agreed development activities, and documents that you need to prepare.

You must not change the development activities and documents set out in your grant notification letter or start-up discussions without our written permission. We may give permission only if you agree to keep to extra terms and conditions.

If you want to change the development activities and documents in any way, you must send us written details of your reasons for the change and show us how it will affect:

- the cost of your project's delivery phase;
- the quality of your project's delivery phase; and
- the time you need to finish your project's delivery.

You must tell us about any changes or events which may prevent your development work from achieving its aims or affect its viability. We may then re-assess the development work, or take any other action we consider necessary.

Section 2 Identifying, charting and managing risk in the development phase

Tell us about any difficulties you have and how you will overcome them. List the main risks your project is facing now. These may be:

- technical – for example, discovering unexpected and wide-ranging damp;
- financial – for example, a reduced contribution from another funding source;
- organisational – for example, a shortage of people with the skills you need or staff needed to work on other projects;
- economic – for example, an unexpected rise in the cost of materials;
- social – for example, negative responses to consultation or a lack of interest from your target audience;
- management – for example, a significant change in the project team;
- legal – for example, changes in law that make the project impractical; or
- environmental – for example, difficulties in finding sources of timber from well-managed forests.

Section 3 Changes to your development phase timetable and programme

Explain any delays to your development phase and your project's delivery. You will also need to tell us how you plan to make up the time so that the development phase finishes by the grant expiry date.

Section 4 Following development, what changes will there be to your project's delivery?

Give details of how your development work has changed your project's delivery including any changes to the scope or cost of your project.

Section 5 Identifying, charting and managing risk in the future delivery phase

This section asks you to forecast possible risks for the delivery phase. It does not need to be as detailed as section 2 where the risks are for the immediate development phase.

Delivery Phase - Progress report form

You must monitor the success of your scheme and fill in a progress report online at least once every three months, and each time you request a grant payment.

We need your progress report before we can process your grant payment. Your progress report must be produced no later than three weeks after the period it covers.

Your report must include the following sections:

Question 1 Grant offers from the common fund

Give a summary of grant offers you have made since your last report. Fill in grant offers as they are made.

Insurance

You only need to tell us about insurance for works to projects owned by your organisation. You must ensure that third-party grantees comply with these requirements.

Statutory permissions

You must make sure that you get all the statutory approvals or permissions that you need for each individual project before work starts. Examples may be:

- planning permission;
- listed building consent;
- scheduled monument consent;
- conservation area consent; or
- building regulations.

Question 2 Progress towards achieving your scheme's agreed action plan

This should be a general summary of your progress against each of the categories of work.

Tell us about any problems or issues that you face. Give details of any projects that are not now proceeding. List any actions you plan to take in response to problems. Tell us about major changes you wish to make, (including key salaried staff), and the effect they will have on your costs or timetable. You must have our approval before making any changes to your action plan.

If your approved purposes include creating new jobs, you must advertise the vacancies and back-filled posts openly in suitable places. You must also send a copy of the job description to us and gain our approval before you make any appointments.

If we ask, you must provide us with copies of all CVs and contracts of employment for new staff.

Question 3 Further standard and special conditions

List all the special conditions of your grant contract (refer to your letter of grant notification) and show your progress towards meeting them. You should also tell us about any difficulties and show how you will overcome them.

Question 4 Identifying, charting and managing risks

List the main risks your scheme is facing now or in the near future and tell us what you are doing to reduce each risk. These may be: technical, for example difficulties with conservation work that you are doing; financial, for example new charges that are affecting your scheme's costs; or management, for example changes to your project management team. Tell us about any difficulties you have and how you will overcome them. List the main risks your project is facing now. These may be:

- technical – for example, discovering unexpected and wide-ranging damp;
- financial – for example, a reduced contribution from another funding source;

- organisational – for example, a shortage of people with the skills you need or staff needed to work on other projects;
- economic – for example, an unexpected rise in the cost of materials;
- social – for example, negative responses to consultation or a lack of interest from your target audience;
- management – for example, a significant change in the project team;
- legal – for example, changes in law that make the project impractical; or
- environmental – for example, difficulties in finding sources of timber from well-managed forests.

Question 5 Changes to your scheme

You must not change the agreed categories of work without our written permission. We may give permission only if you agree to keep to extra terms and conditions.

You must tell us about any changes or events which may prevent your scheme from achieving its aims or affect the viability of the scheme. We may then re-assess the scheme, and ask you to provide a revised business plan or take any other action we consider necessary.

If you want to change your scheme in any way, you must send us written details of your reasons for the change and show us how it will affect:

- The agreed categories of work;
- The cost of your scheme;
- The quality of your scheme; and
- The time you need to finish the scheme.

Question 6 Partnership funding

Give details of your progress towards securing all partnership funding. Explain any changes to funding sources.

Question 7 Photographic records

You must send us a free photographic record of the projects and activities in your scheme, recording the stages and events of your scheme.

The photographic record should be at least:

- four colour slides (35mm); or
- four colour prints (250 x 200mm minimum); or
- four high resolution digital images in electronic format on CD (images 250mm x 200mm @ 300 dpi minimum)

The photos should show your scheme in action and a representative sampling of the results. You should also provide a sample of photos which show the projects before, during and after they are finished.

Please also let us know if material from your scheme is available on the internet and where this can be found.

We may use your photographs in publicity material. If your photographs include people, you must gain their permission or that of their parents or guardians before you submit them to us. You must ensure that you have the written consent of the copyright owner of the images you send to us, that HLF may use them or any of them to represent the project.

You must monitor the progress of your development phase and fill in a progress report online at the intervals agreed during your start-up discussions.

Your progress report should be produced no later than three weeks after the period it covers.

4 Each time you request part of your grant

For the development phase you must fill out the 'Development grant payment request and permission to start' (first 50% of your grant) form and the 'Development grant completion report and final grant payment request' (final 50% of grant awarded) form. We will not pay the final 50% of your grant until we are satisfied that the development phase is finished and you have sent us your second-round submission.

Each time you request a grant payment during the delivery phase you must fill in on line the 'Grant payment request' form and the 'Progress report' form.

You should request your grant payment as soon after you have received an invoice as possible, but you cannot request a grant payment more than:

- once every three months; or
- once every month if you are a non-profit making organisation.

We will not make any payment until we are satisfied with your grant payment request and progress report.

After two years (delivery phase) we will review how much you have requested from us in grant payments. We expect you to have claimed at least 20% by the end of Year 2 of your five-year scheme.

4.1 Definitions

Approved purposes – the purposes for which you have been offered a grant and how you plan to carry out those purposes as set out in your application and confirmed in our letter awarding you the grant.

Eligible costs - The costs we have agreed to contribute towards as set out in your grant award notification.

Grant percentage – Your grant award divided by your eligible costs.

For example, if the grant percentage is 65% of the eligible costs, we will pay up to 65% of the value of the invoices for those costs which you provide at any one time. The grant percentage is fixed throughout the project.

90% limit - We will not pay more than 90% of your grant until we are satisfied that:

- the project is finished;
- you have met all our standard terms of grant and any additional grant conditions;
- we have received an acceptable final grant payment request and completion and evaluation report;
- appropriate funding acknowledgement is in place.

Back-filled post - The back-filled post is the post that is vacated when a secondee from within your organisation takes on a post in your project.

Volunteer - Any person who gives their unpaid time for the benefit of the project.

VAT- Our grant percentage will include your VAT payments if these were included in the eligible costs for your project. You must do all that you can to:

- make your project VAT-efficient;
- make sure that VAT is applied only to relevant parts of your project; and
- claim back any VAT which you can.

If your VAT payment decreases during the project, we will reduce our contribution to those costs and you will have to pay back any amounts of VAT you have managed to claim back. If your VAT payments increase we will not increase our grant payment. You must not transfer any VAT savings that you have made to any other budget heading.

Contingency allowances for unexpected expenses - You must only use this allowance where unforeseen circumstances have affected the costs of individual elements of the development activities. You must get our permission for major spending of the contingency against any individual elements. We will reduce your grant by the proportion of the contingency that you did not need to spend.

Increases or decreases in the eligible cost - If the final cost of your development work is lower than the eligible cost, we will reduce your grant in line with the agreed overall grant percentage. If the final cost is higher than the eligible cost, we do not have to increase your grant. (We will only consider increasing your grant in exceptional circumstances. In this case you will have to provide further information.)

3.2 Filling in the grant payment request and progress report

Grant payment request form

Your grant payment request must be produced no later than three weeks after the period it covers.

Section 1 Spending on projects owned by you and approved overhead costs

You must tell us about any major changes to the costs of your scheme. If your project costs have increased you must tell how you will meet these additional costs and how it will affect your scheme.

You can include VAT and voluntary time contributions as part of any other costs if we have agreed these costs in your letter of grant notification.

Fill in an estimate of staff costs and overheads for this reporting period. Add a balancing entry to your next report if the actual costs are different.

Transferring costs between the agreed categories of work

You must not change the allocation of grant between these categories without our permission. You should tell us about this in the annual action plan permission process. However:

- funds for critical projects within the scheme must be ring fenced until those critical projects have been completed.
- you must not make significant increases in the proportions of the grant for management costs.

Section 2 Funding acknowledgement and public relations

You must acknowledge our support publicly, featuring our logo clearly and visibly.

Do this in line with the 'How to acknowledge your grant' guidance. You must fulfil the minimum requirements as set out in this guidance for the kind of project you are running. We will look for appropriate visual recognition of our grant when assessing the progress of your project.

Any marketing work that you undertake for your project should also acknowledge our support in line with the 'How to acknowledge your grant' guidance.

You need to get our agreement before you give an interview, make a public statement or issue a press release relating to a project or work that we have funded when you initially announce the grant and at completion of the project. At other times, please notify us of any press and media contacts so that we are aware of any potential clashes, broader issues or possible links with similar activities that we are planning ourselves.

Let us know when any celebration or marking of a project achievement, such as an opening event is taking place at which a representative from HLF can attend.

If you need any help or have any questions about how to acknowledge your grant please contact your Grants Officer.

For any acknowledgement you display, it is your responsibility to get in good time all the statutory approvals or permissions that you need.

Section 3 Selecting consultants, contractors and suppliers

Competition

If you have received a grant from us and you are looking for goods, work or services worth more than £10,000, you must get at least three competitive tenders or quotes and show that you have selected the one which provides best value for money. If you have not followed a competitive tender process you must agree this with us in writing before you award the contract. If we disagree with your reasons we will withhold your grant

You must provide proof of competitive tendering procedures for all goods, work and service contracts worth more than £50,000. Your proof should take the form of a report on the tenders you have received, together with your decision on which to accept. You must give full reasons if you do not select the lowest tender.

If we ask, you must also provide proof of similar competitive procedures for other goods, work or services worth between £10,000 and £50,000.

If we disagree with your reasons for not selecting the lowest tender, we may reduce your grant by the grant payment percentage of the difference between the tender you have accepted and the lowest tender.

You must ensure that your third-party grantees follow the same procedures.

Availability of partnership funding

Before you enter any contract for goods, services or work, you must have received the partnership funding for that contract. If we ask, you must provide proof that you have received these funds before you sign the contract.

Contracts for goods, services or work

If we ask, you must provide proof that there is a contract for any goods, services or work worth more than £50,000 before the work starts. You must also prove the contract terms are in line with the requirements of your grant contract with us; and the contract price is within the budget for that part of the work.

Section 4 Staff and volunteers

If your approved purposes include creating new jobs, you must advertise the vacancies and back-filled posts openly in suitable places.

You must also send a copy of the job description to us and gain our approval before you make any appointments.

If we ask, you must provide us with copies of all CVs and contracts of employment for new staff.

Section 5 Your grant payment request

This is where you enter the amount that you are asking for, based on the summary of invoices sheet and volunteer timesheet (if volunteers were used).

You can send copies of invoices, contract administrator's interim payment certificates or table of costs, using the facility to attach files (of less than 5Mb in total) at the end of the form. All proof of costs must be dated after the grant award date and before the grant expiry date shown in the grant notification letter.

If any of your invoices include costs which are not part of your eligible costs, you must provide a breakdown of the invoices showing clearly which costs we have agreed to support.

For amounts of less than £100 you should submit a table of costs which specifies the date, amount and description of each item of expenditure, instead of the individual invoices. This table of costs must be signed by one of the people listed on the 'Permission to start' form. The total of your table should be shown as a single line on your schedule of invoices. Please keep all of your invoices so that if we ask you to, you can send them to us.

The percentage of invoices we will pay

We will not pay more than the payment percentage of your eligible costs.

We will make these payments until we have paid 90% of your total grant. After that we will not make any further payment until your scheme is finished.

Advance payments

We may make payments in advance, but you must prove to us that no other source of funding is available.

If you want to apply for a payment in advance, you must give us a schedule of your expected costs. Once we have made the payment, you must show us how much you have actually paid of those costs. We will not make any further payments until we have received this proof.

If you would like us to pay your salary costs in advance, we will need details of salaries and copies of your contracts of employment or letters of appointment.

Accounting records

You must keep proper up-to-date accounts and records. We may ask you to provide a copy of your accounts and bank statements within an agreed period of the end of the financial year in which we have made any grant payment

Proof of eligible costs

We will pay your grant by bank transfer only when we have received proof of your eligible costs.

Volunteer contributions

If volunteer work is part of your partnership funding, you must keep a record of the number of hours that each volunteer has worked.

Please tell us how they have contributed to your project costs by completing the 'Volunteer timesheet'.

Calculate voluntary contributions as follows:

- unskilled volunteer – Up to £50 a day;
- skilled volunteer – Up to £150 a day;
- professional services volunteer – Up to £350 a day

We calculate one volunteer Full Time Equivalent (FTE) day to be 7 hours.

5 Third-party grants

5.1 Permission to offer a grant to a third party

You must not offer a grant to some projects until you have our permission to do so. These are:

- projects that are critical to the scheme;
- projects owned by you;
- projects owned by a third party where the grant is above £100,000; and
- projects that we have selected.

To apply for our permission you should fill in the 'Permission to offer a grant to a third party' form and send it to us. You can apply for our permission at any time. Please include a copy of the third-party application form and all supporting documents including details of the project's current and proposed end use, drawings and specifications, a tender report, valuations and a development appraisal if applicable.

Once we have approved all these documents we will sign the 'Permission to offer a third party grant' form and return it to you. You can then offer a grant to the approved project.

5.2 Annual action plan approval

Every year, you must get our approval of the updated action plan for your THI scheme. To apply for our approval of your annual action plan you must use the 'Annual action plan approval' form.

You must include the following documents:

An updated list of eligible projects and activities

Include a review of your progress on the agreed categories of work and compare your achievements against agreed outputs. Also include a list of next year's eligible projects and activities.

An updated work programme

Provide an updated work programme showing how you propose to complete the whole scheme before the grant expiry date. You must also provide a detailed programme for each year.

You must show:

- which projects will be targeted;
- the amount of the common fund you propose to commit; and
- activities you propose to do.

An updated cost breakdown, cash flow and grant allocation

Provide an up-to-date breakdown of costs, which shows the cost of each of the agreed categories of work. List any changes to previous cost breakdown, cash flow, total eligible cost, the grant from the common fund and our contribution.

Provide an updated cash flow for the common fund, which shows the planned timing of your income (including partnership funding) and spending over the life of the scheme. You must list the changes that you have made to the cash flow.

Proof of partnership funding

Provide proof that all your partnership funds are in place for the next year and that they are from the sources set out in your submission.

6 When the scheme finishes and you request your final grant payment

You should request your final grant payment as soon as possible after:

- your scheme is finished and you have achieved your second-round approved purposes and any further conditions that apply to your grant;
- you have acknowledged the grant in accordance with the 'How to acknowledge your grant' guidance; and
- you have a 'Practical Completion Certificate' (for a building project).

Once you have made your final grant request, we will not accept any further requests for payments from you. You should therefore try to agree your final accounts with your contractors and suppliers before you apply for the final grant payment.

6.1 Final grant payment request and completion and evaluation reports

You must fill in the grant payment request and completion report form online at <http://www.hlf.org.uk> when you apply for the final part of your grant.

If we ask you to send copies of documents there is a facility to attach files (of less than 5Mb in total) at the end of the form.

We expect evaluation feedback from all the schemes we support, in the form of an evaluation report. The detail of what you choose to evaluate, and how, is up to you. Refer to our guidance *Evaluating your HLF project* and the THI Guidance Notes for more information.

We will not pay the final part of your grant until we are satisfied with your completion report and evaluation report and your final grant payment request.

6.2 Monitoring after the scheme has ended

We will continue to monitor your scheme after it is finished to make sure that it still meets any conditions in the grant contract and its goals throughout the period described in the contract as the contract life.

We will let you know areas of your scheme which we plan to monitor. They will normally include:

- property ownership
- maintenance
- insurance
- viability
- access
- activities
- volunteers
- trainees
- staff
- evaluation
- heritage and people benefits