



THE ARCHITECTURAL HERITAGE FUND

HISTORIC BUILDINGS PRESERVATION TRUSTS (BPTs)

Historic buildings preservation trusts (BPTs) are charities established to preserve buildings of architectural or historic importance whose survival is threatened and for which an economically viable solution is beyond the reach of both the original owner and the normal operation of the market. BPTs are usually constituted as companies limited by guarantee and have charitable status.

There are two principal types of BPT: those set up to assume long term responsibility for a single building, and those established with the aim of undertaking a rolling programme of projects by acquiring, repairing and disposing of properties and applying the proceeds of one project to the working capital required for the next. There are currently more than 160 "revolving fund" BPTs in the United Kingdom.

Primary Aims and the Wider Context

The primary aim of every BPT is to preserve historic buildings for the public benefit. The BPT must therefore ensure that each building is repaired to the highest technical standard.

In achieving this primary aim, it will almost always be necessary for the BPT to negotiate a combination of grants, soft loans and other concessionary finance. It is vital to identify a beneficial and income-generating use for the building once repaired.

BPTs are actively engaged in projects which are labour intensive, and thus help to generate employment and enhance the traditional skills levels of the construction industry workforce. Most BPT projects create attractive new homes or workspaces. Some provide a low cost mechanism for implementing schemes in partnership with central government, local authorities, housing associations, enterprise agencies or the private sector.

BPT Achievements

Over the years BPTs have demonstrated their ability to tackle a wide range of properties including redundant mills, barns, churches, toll houses, breweries, schools, railway stations and follies. BPT projects also vary in scale, from the very modest - a single terrace house with a total project cost of not more than £50,000 - to the very large - an entire site with overall project costs in excess of £15 million.

Information collected by the UK Association of Building Preservation Trusts, the only national representative body for BPTs, has shown that, collectively, BPTs let contracts worth millions of pounds each year. The other principal source of information is The Architectural Heritage Fund (AHF), which also provides BPTs and other charities with working capital in the form of low-interest loans.

Constitution and Management

The great majority of BPTs are constituted as companies limited by guarantee. BPTs in England and Wales are registered charities; those in Scotland and Northern Ireland have obtained confirmation of charitable status from the Inland Revenue. BPT board members - who may be described as trustees, directors, members of the Board, Council of Management or Executive Committee - are responsible for the general control and administration of the BPT as a company and as a charity. As charity trustees, they cannot be remunerated for being directors, although they can receive out of pocket expenses and may be paid reasonable fees for any professional services rendered in certain circumstances.

Location and Affiliations

Most BPTs restrict their activities to a particular area - usually a town, district or region. Some are closely linked with a local authority and may be run from its offices. Others are joint ventures, in that the local authority and another body, such as a civic society, appoint board members. Some are wholly independent, set up by a few concerned individuals. The more formal the affiliations, the larger both the board and the membership is likely to be.

Operation

Not many BPTs employ their own administrative staff. All however, are small businesses able to enter into contracts, to buy, sell and mortgage property, to borrow money, to employ staff and to engage qualified professionals. BPTs must therefore operate in a professional and business-like manner. As charities, their motivation is to benefit the public, not to generate profits, but a BPT can only achieve its objects if rigorous attention is paid to project finance. Every BPT needs an efficient decision-making process: it must not become bogged down by bureaucratic committee structures or uncertain divisions of responsibility.

Sources of Support

BPTs may often work wonders, but they cannot perform miracles. Their projects are inherently uneconomic, and putting together the financial package is a daunting task. No matter how low its overheads, a BPT cannot save an almost terminal building without financial assistance to bridge the gap between the cost of repairs and resale or other income. Depending on the particular project, the BPT will need to negotiate with a variety of agencies, including central and local government, National Lottery distributors (principally the Heritage Lottery Fund), local enterprise companies, grant-making trusts, the European Union and others. All BPTs are eligible to borrow at a low rate of interest from the AHF, which also offers options appraisal grants, refundable project development grants, project administration grants and project organiser grants.

Advantages and Disadvantages

The constitution and charitable status of BPTs confer both advantages and disadvantages:

Advantages

- Most BPTs are locally controlled and managed, and therefore sensitive to the needs and circumstances of their areas.
- Being independent, BPTs can act quickly and flexibly.
- BPTs can show strong support for local authorities by agreeing to take on buildings acquired by compulsory purchase.
- With neither shareholders nor (in the case of many BPTs) paid staff, overheads are low and any surplus can be used for the next project.
- BPTs often receive grant aid at preferential rates from English Heritage, Historic Scotland and Cadw.
- BPTs can borrow on favourable terms from The Architectural Heritage Fund.
- As charities, BPTs can fund raise from other sources, including grant-making trusts.
- BPTs are not liable for corporation tax on their charitable activities.

Disadvantages

- With no shareholders, BPTs lack equity capital.
- The level of activity of a BPT is crucially dependent on a small number of (usually voluntary) individuals. If enthusiasm dwindles, the BPT may become moribund.
- BPTs which do not have even a part-time administrator may find it difficult to tackle more than one project at a time.
- Despite the fact that BPTs aspire to be professional, some agencies may regard 'voluntary' as implying amateurism.

In other respects - notably liability to VAT - BPTs have no advantages or disadvantages over conventional property developers.

How to set up a BPT and tackle a project

Form a steering committee to harness initial enthusiasm. A mix of professional experience and expertise is desirable; drive and determination are essential.

Draw up a "hit list" of potential projects. With assistance from the local authority planning department (preferably the Conservation Officer), establish their current status, condition and grant eligibility.

From The Architectural Heritage Fund, anyone interested in forming a BPT can:

- Obtain an information pack, free of charge. This will include a Charity Commission-approved standard governing document (memorandum and articles of association), also available by e-mail.
- Purchase *How to Rescue a Ruin - by setting up a local Buildings Preservation Trust*. A guide to setting up a BPT and undertaking a first project. Available for £8.00 (inc. p&p).
- Ask for someone to come and advise your group.

Obtain a *Charities Starter Pack* from the Charity Commission and a *New Companies Information Pack* from Companies House.

A BPT which has reached the stage of applying for charitable status is eligible for associate membership of the UK Association of Building Preservation Trusts (APT), the national representative body for BPTs. APT will provide:

- Direct access to a national network of BPTs, advice and expertise. APT's nine area committees welcome new members whatever their range of experience.
- Information about changes in legislation or funding arrangements.
- Access to a UK-wide programme of seminars for BPTs.
- *Guidance Notes for Building Preservation Trusts*, a part-work publication which is distributed free of charge to every full member of APT.

Once registered with the Charity Commission, a BPT is ready to get started. With support and advice available from many quarters and the determination of those in charge, anything is possible!

Helpline

Anyone interested in establishing a BPT may obtain advice and assistance from:

The Architectural Heritage Fund (*see below*)

Association of Preservation Trusts,
Clareville House, 26-27 Oxendon Street,
London SW1Y 4EL.
Tel: 020 7930 1629
Fax: 020 7930 0295
e-mail: apt@ahfund.org.uk
www.heritage.co.uk/heritage/apt/

The nearest BPT which is a member of APT (details from APT as above).

The Charity Commission, Harmsworth House,
13-15 Bouverie Street, London EC4Y 8DP.
Tel: 0870 333 0123
Fax: 020 7674 2300

Companies House, New Companies Section,
PO Box 717, Crown Way, Cardiff CF4 3TT.
Tel: 029 20380 801
Fax: 029 20380 857

Further Information

The following leaflets are available on request from the AHF:

The Architectural Heritage Fund - An Introduction
Loans: Notes for Applicants & Application form
Options Appraisal Grants: Notes for Applicants & Application form
Project Administration Grants: Notes for Applicants & Application form
Project Organiser Grants: Notes for Applicants & Application Form
Refundable Project Development Grants: Notes for Applicants & Application Form

The Architectural Heritage Fund
Clareville House, 26-27 Oxendon Street,
London SW1Y 4EL
Telephone: 020 7925 0199
Fax: 020 7930 0295
e-mail: ahf@ahfund.org.uk
www.ahfund.org.uk

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