

# DEVELOPMENT LOANS

Guide and Application Form

April 2011



THE ARCHITECTURAL  
HERITAGE FUND

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# 1. Introduction

- 1.1 Development Loans are intended to help registered charities to finance the cost of professional work required to develop a project to the point where it is ready to go on site. Under this scheme the AHF is able to lend up to a maximum of £50,000 for a period of up to eighteen months. A Development Loan will attract a small interest charge and will require security in the form of a repayment guarantee.
- 1.2 Development Loans can contribute towards the cost of specific items such as:
- ♦ a measured survey and detailed scheme drawings
  - ♦ a fully-costed schedule of work
  - ♦ a valuation report
  - ♦ VAT advice
  - ♦ legal advice on acquisition, leases etc
  - ♦ end-use market testing
  - ♦ business planning
  - ♦ conservation plans or statements
  - ♦ the cost of employing a project organiser
- 1.3 A Development Loan can cover up to 100% of the cost of this work, but may also be used to match development funding provided by others. It could also be used as working capital for smaller restoration projects or towards acquisition costs.

# 2. Eligibility

- 2.1 Organisations applying for a Development Loan must have charitable status, powers to acquire and dispose of property, and powers to borrow money. The key requirements are:
- ♦ a project must meet the AHF's eligibility criteria: i.e. the building(s) must be capable of beneficial re-use, be listed, scheduled, or in a Conservation Area and of architectural or historic merit, and must involve a change of ownership and/or a change of use.
  - ♦ the AHF must normally have seen and accepted an options appraisal report before offering a Development Loan. For a definition of what this must include, please see the AHF's publication *Options Appraisal Grants - Guide and Application Form*.
  - ♦ an applicant must have formally resolved to take the project forward. The AHF will require a copy of the Minute of the relevant meeting at which the decision was taken.
  - ♦ an applicant must be able to demonstrate that the project is viable and able to attract funding.
  - ♦ each Development Loan will be specific to one project.

### 3. Procedure and timing

- 3.1 When submitting an application, please refer to this *Guide* and complete the list in the application form to ensure that all the information required has been provided. Any other information relevant to an application should also be included. The form must be completed and signed by a trustee or other authorised signatory of the applicant charity. The AHF will not accept applications signed by an appointed professional.
- 3.2 Before a Development Loan offer can be confirmed, the applicant will need to provide:
- ♦ a brief for the work required
  - ♦ a list of the professionals invited to quote or tender for the work
  - ♦ a copy of the preferred quotation or tender
  - ♦ if appropriate, the name of the project organiser, the scope and duration of their responsibility and the proposed basis of remuneration
  - ♦ details of confirmed funding for the project
  - ♦ details of estimated funding for the project
  - ♦ details of who will be supplying the guarantee
  - ♦ if appropriate, information about the anticipated time-scale for applying for an AHF working capital loan and an estimate of when an applicant realistically expects to be able to acquire the property and start work on site
- 3.3 An application can be submitted at any time, but decisions are taken at quarterly meetings of the AHF's Council of Management. Thorough preparation of cases can take time, and an application must reach the AHF's offices **at least six weeks before the meeting at which it is to be considered**. Please contact the AHF as early as possible to ask about deadlines, which are also posted on the AHF's website: [www.ahfund.org.uk](http://www.ahfund.org.uk).
- 3.4 The AHF's Council of Management will consider each application on the basis of the information provided. The outcome of each application is notified in writing as soon as possible after the meeting at which it was considered. The decision as to whether or not the AHF will offer a Development Loan is final.
- 3.5 A Development Loan will normally be for a period of up to eighteen months. It must be repaid if the applicant ceases to use the Loan for the purpose for which it was advanced. Development Loans will not be extended beyond their due date.

### 4. Security

- 4.1 The AHF requires all loans to be secured to protect its charitable funds. It can lend against a formal repayment guarantee from a bank, local authority or other corporate body it has approved, but not from a private individual. The guarantor must undertake to repay the loan together with all outstanding interest, within a month of the end of the loan period should the borrower default. A copy of the AHF's standard form of repayment guarantee is available on request.

## **5. Contracting and Disbursing a Development Loan**

- 5.1 The AHF is able to lend up to a maximum of £50,000 for a period of up to eighteen months.
- 5.2 Once the Council of Management has agreed to make a Development Loan offer, a formal offer letter will be sent in duplicate. As soon as the loan applicant is able to comply with the AHF's requirements, one copy must be signed by an authorised signatory and returned to the AHF.
- 5.3 The AHF will draw up a simple agreement for both sides to sign. The applicant will need to provide a repayment guarantee sufficient to cover the amount advanced together with accrued interest. If required, the Development Loan can be disbursed in one lump sum as soon as the agreements and guarantee are in place.

## **6. Interest and Repayment**

- 6.1 A Development Loan will attract an interest charge of 2.5% simple, payable at the end of the loan term. However, interest will be waived if the borrower takes up a larger working capital loan from the AHF for the same project within a period of one year.
- 6.2 The AHF will send the borrower a statement shortly before repayment is due showing the date and total sum payable. Payment must be made by electronic transfer to the AHF's account, details of which will be provided with the statement.
- 6.3 A Development Loan will not be subject to extension. Should the borrower find itself unable to repay at the end of the loan period, the AHF will call upon the guarantor to settle the debt.

***The AHF will not be responsible for any loss by a trust caused as a result of it relying on this Guidance Note or any other guidance given by the AHF, whether verbally or in writing.***

## 7. Useful information

### Organisations and addresses

#### The Architectural Heritage Fund

Alhambra House  
27-31 Charing Cross Road  
London WC2H 0AU  
Tel: 020 7925 0199  
Fax: 020 7930 0295  
E: [ahf@ahfund.org.uk](mailto:ahf@ahfund.org.uk)

#### English Heritage

1 Waterhouse Square  
138-142 Holborn  
London EC1N 2ST  
Tel: 020 7973 3000  
E: [customers@english-heritage.org.uk](mailto:customers@english-heritage.org.uk)

#### Historic Scotland

Longmore House  
Salisbury Place  
Edinburgh EH9 1SH  
Tel: 0131 668 8600  
E: [hs.grants@historic-scotland.gov.uk](mailto:hs.grants@historic-scotland.gov.uk)

#### UK Association of Preservation Trusts

Alhambra House  
27-31 Charing Cross Road  
London WC2H 0AU  
Tel: 020 7930 1629  
Fax: 020 7930 0295  
E: [apt@ahfund.org.uk](mailto:apt@ahfund.org.uk)

#### Cadw: Welsh Historic Monuments

Plas Carew  
Unit 5/7 Cefn Coed  
Parc Nantgarw, Cardiff CF15 7QQ  
Tel: 01443 33 6000  
E: [cadw@wales.gsi.gov.uk](mailto:cadw@wales.gsi.gov.uk)

#### DOE: Northern Ireland

Environment Agency (NIEA)  
5-33 Hill Street  
Belfast BT1 2LA  
Tel: 028 9054 3095  
E: [bh@doeni.gov.uk](mailto:bh@doeni.gov.uk)

### Websites

The Architectural Heritage Fund:  
[www.ahfund.org.uk](http://www.ahfund.org.uk)

English Heritage:  
[www.english-heritage.org.uk](http://www.english-heritage.org.uk)

Historic Scotland:  
[www.historic-scotland.gov.uk](http://www.historic-scotland.gov.uk)

The Heritage Lottery Fund:  
[www.hlf.org.uk](http://www.hlf.org.uk)

Royal Institution of Chartered Surveyors:  
[www.rics.org.uk](http://www.rics.org.uk)

UK Association of Preservation Trusts:  
[www.ukapt.org.uk](http://www.ukapt.org.uk)

Cadw:  
[www.cadw.wales.gov.uk](http://www.cadw.wales.gov.uk)

Northern Ireland Environment Agency:  
[www.ni-environment.gov.uk](http://www.ni-environment.gov.uk)

The Charity Commission:  
[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

Royal Institute of British Architects:  
[www.architecture.com](http://www.architecture.com)

### Useful reading

*How to Rescue a Ruin - by setting up a local buildings preservation trust* by Hilary Weir.  
Available from The Architectural Heritage Fund. Price £8.50 incl. p&p.

*Funds for Historic Buildings in England and Wales - A Directory of Sources.*  
Available free of charge as a searchable internet database ([www.ffhb.org.uk](http://www.ffhb.org.uk)).

#### *APT Guidance Notes*

Available free to members (price on application for non-members) from UK APT (see Organisations and addresses above).

# APPLICATION FORM

The person making the application must be a trustee or officer of the charity.

## 1. Development Loan Applicant

- 1.1 Name of the charity:.....
- 1.2 Charity registration number (or Inland Revenue Number):..... Date obtained:.....
- 1.3 Company registration number (if applicable):.....
- 1.4 VAT registration number (if applicable):.....
- 1.5 Registered office address:.....  
.....  
..... Post code:.....
- 1.6 Name of person making application:.....
- 1.7 Position in charity:.....
- 1.8 Address (if other than 1.5 above):.....  
.....  
..... Post code:.....
- Daytime tel. no:..... Fax no:..... E-mail:.....

### Key to the building's condition: (see Question 2.14)

**Very Bad:** Not weatherproof; roofless, or roof severely damaged; windows broken. Structurally unstable; foundations shifting, walls bulging, joists rotten etc. Badly penetrated by wet/dry rot and/or rising damp; major fire damage; uninhabitable and wholly unmodernised.

**Poor:** Roof in poor repair. Fabric generally deteriorating (e.g. leaking roof, deteriorating masonry, all gutters badly defective, window frames decayed, pointing eroded). Partial fire damage; rot outbreaks; severely damp; unmodernised.

**Fair:** Structurally sound but in need of repair (e.g. some window frames decayed, gutters blocked, pointing partly eroded); needing rehabilitation to meet current standards.

**Good:** Structurally sound, weathertight and with no significant repairs needed (but at risk for other reasons)

## 2. The Project Building(s)

- 2.1 Name and address of property for which the loan is sought .....  
.....  
.....
- 2.2 Date(s) built (approx):.....
- 2.3 List grade/category:..... Scheduled: **Yes/No** (Please enclose a copy of the statutory list entry)
- 2.4 Name of conservation area (if applicable):.....
- 2.5 Original use (if known):..... Current or last use:.....

- 2.6 Is the building occupied? (circle as appropriate) **Yes** **No** **Partly**  
 If No, how many years vacant? (approximately):.....
- 2.7 Is the building already in the applicants ownership? (circle as appropriate) **Yes/No**
- 2.8 If Yes, is it: **Freehold/Leasehold**
- 2.9 If Leasehold, give length of lease and expiry date:.....
- 2.10 Cost and date of acquisition:.....
- 2.11 If the applicant does not already own the property, what is the current ownership? **Private/Local authority/Other**
- 2.12 Is the property on the market? **Yes/No** If Yes, for how long?..... Asking price:.....
- 2.13 Give brief details of plans to acquire the property and whether freehold or leasehold:.....  
 .....  
 .....
- 2.14 What is the building's condition? (see Key above before circling): **Very Bad** **Poor** **Fair** **Good**  
 If "good", explain why the applicant has chosen this building:.....  
 .....
- 2.15 Is the building on a Buildings at Risk Register? **Yes/No**  
 If yes, please state name of Register(s):.....
- 2.16 Name and address of local authority planning department:.....  
 .....  
 .....
- 2.17 Is the local authority involved? **Yes/No**  
 If Yes, in what way:.....  
 If Yes, contact name:.....  
 Tel:..... Fax:..... E-mail:.....

### 3. The Project

Please provide full and up-to-date details of the project, normally in the form of an options appraisal with a covering letter, listing funders already approached, with summary of responses and likely timing of applications.

- 3.1 AHF Options Appraisal Grant received: **Yes/No** Date:..... Ref:.....
- 3.2 Has planning/listed building consent already been obtained? **Yes/No**
- 3.3 Proposed date for starting work:.....
- 3.4 Estimated duration of the project:.....
- 3.5 **The architect:**..... **Accredited:** **Yes/No**  
**Contact name:**.....  
**Address:**.....  
 .....  
 .....  
 Tel:..... Fax:..... E-mail:.....

3.6 **Other relevant consultants:**.....  
.....  
.....  
.....

3.7 Please give details of when the applicant expects to apply for an AHF working capital loan, the likely amount and how it will be secured:.....  
.....  
.....

**4. The Development Loan**

**4.1 Description of the proposed development work**

4.2 **Summary of professional costs**

Please list fees quoted:

- 1. .... £.....
- 2. .... £.....
- 3. .... £.....

4.3 Amount of Development Loan applied for: £.....

4.4 Name of guarantor:.....

5. **Accompanying Material**

**Material which MUST be submitted with your application in A4 format and unbound. Failure to supply this information may prejudice the success of your application**

**Enclosed**

5.1 Memorandum and Articles of Association or other governing document

5.2 List of trustees

5.3 Latest audited accounts and balance sheet, and recent management accounts if available or up-to-date certified financial statement

5.4 Copy of up-to-date options appraisal report with photographs (unless already submitted). If the options appraisal was not supported by an AHF grant, please refer to the AHF's *Options Appraisal Grant - A Guide for Applicants* to ensure the study meets the AHF's requirements.

5.5 Copy of statutory list description (if listed or scheduled) or evidence that an unlisted building in a Conservation Area is of architectural or historic merit (letter from an amenity society or local authority, extract from a book, etc)

5.6 Location plan showing nearest principal town and main road or street plan

5.7 Site plan

5.8 Brief summary of current condition of the building

5.9 At least six high-quality digital images **on disk, min 500 kb** (not printouts) showing the building in its current state

5.10 Copy of the Minute recording the trustees' decision to take the project forward

5.11 Guarantor's indication of willingness to act

5.12 List of the professionals invited to quote or tender

5.13 Copy of the preferred professional's quotation or tender(which should contain a cost breakdown)

5.14 Copies of funding offer letters

5.15 Details of confirmed funding for the project:.....  
.....  
.....  
.....

5.16 Details of estimated funding for the project:.....  
.....  
.....  
.....

**In addition to the above, if applying towards the cost of a project organiser, please submit the following:**

- |   | <b>Enclosed</b>          |
|---|--------------------------|
| 5.17 A list of the project organiser's proposed tasks and responsibilities  | <input type="checkbox"/> |
| 5.18 Copy of the contract (or proposed contract) with the project organiser | <input type="checkbox"/> |
| 5.19 Curriculum vitae of the project organiser (if already appointed)       | <input type="checkbox"/> |

**If applying for working capital or acquisition costs please also include:**

- |  |                          |
|--|--------------------------|
| 5.20 Copies of planning and listed building consents | <input type="checkbox"/> |
| 5.21 Information to support costs in paragraph 4.2   | <input type="checkbox"/> |
| 5.22 Detailed cash flow forecast for the project     | <input type="checkbox"/> |

**I confirm that the project is within the charity's area of benefit (as defined in its governing document).**

Signed:..... Position in charity:.....  
(see Guide para 3.1)

Name in block capitals:..... Date:.....