

# Receiving your grant: £250,000 to £10million

30/01/2024

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[See all updates](#)

This guidance sets out how you will receive your grant. It also explains what we expect of you before, during and after receiving it.

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## Introduction

After you have been awarded your Grant, it is important to understand the next steps you must take. The funding you will receive is public money from National Lottery players, and it must be managed in an accountable way.

You will need to read and understand the requirements outlined in:

- this Receiving a Grant guidance
- your completed Application
- the Application Guidance
- Heritage Enterprise guidance (if applicable)
- relevant Other Guidance in the [Funding](#) and [Good practice](#) sections of our website
- the Grant Contract (including our definitions)

Your Grant Contract is made up of:

- your Grant Notification Letter
- our Standard Terms of Grant
- any Additional Grant Conditions
- your signed Permission to Start document

This will help you make sure that your Project will be compliant with our requirements.

If, after reading these documents, you have outstanding questions or concerns, please [get in touch](#) for further support. Your first point of contact with The National Lottery Heritage Fund is your Investment Manager.

Please note, the capitalised words in this guidance reflect the definitions in the Standard Terms of Grant.

## Project timeline

Your Project will usually go through two phases: a Development Phase of up to two years, enabling you to work on your Project proposal, and a Delivery Phase of up to five years.

## **Development Phase**

1. attend Development Phase start up meeting
2. submit your Permission to Start documents within six months of award
3. complete Development Phase Review
4. submit Delivery Phase Application
5. submit Completion Report and Evaluation within three months of completing the Development Phase of your Project

## **Delivery Phase**

1. attend Delivery Phase start up meeting
2. submit your Permission to Start documents within six months of award
3. deliver your Project as agreed
4. submit Completion Report and Evaluation within three months of completing the Delivery Phase of your project
5. comply with your Grant Contract for the term as set out in your Grant Notification Letter

If your Application was fast tracked, we will agree an appropriate timeline with you.

## **After your Grant has been awarded**

We will contact you to arrange a start-up meeting. At this meeting you may be introduced to a consultant from our Register of Support Services (RoSS), who will support you in developing or delivering aspects of your Project or help review risks.

A RoSS consultant may provide advice on general project management, or on specific areas such as construction management, business planning, natural environment, public engagement and digital assets.

If we feel this support may be beneficial to your Project, we will draw up a brief for the consultant, decide the length of the commission and formally commission the consultant. The consultant is appointed and paid for by us and will report to us throughout the duration of your Project. Please note that RoSS consultants are unable to approve any changes to your Project.

The purpose of a start-up meeting is to:

- clarify Development Phase Work
- agree Development Phase project management, procurement and programme
- set out the reporting, monitoring and evaluation requirements of your Project
- discuss any legal points, such as ownership, licences for work or subsidy control
- make sure funding is in place for this phase
- discuss organisational resilience

We will agree a reporting structure of when you should submit Project updates and decide when your Development Phase Review is likely to take place.

## **Permission to start**

You should not start any work on your Project until you have our written permission to do so.

You will receive an email asking you to sign into your online account and provide information we need to allow you to start your Project.

We normally expect you to submit the documents requested at this stage within three months of the date of your Grant Notification Letter. If there are substantial delays and the documents have not been received within six months, we may decide to withdraw the offer of your Grant.

Before we can grant you Permission to Start the Development or the Delivery Phase of your Project and release your Grant funds, you will need to provide the following information as required:

- proof of freehold or leasehold ownership (for all capital projects, if any changes have taken place since your Application)
- details of statutory permissions and/or licences required and obtained, if applicable
- evidence of secured cash contributions as outlined in your application
- cost breakdown and cashflow report outlining the Development or Delivery Phase of your Project, as applicable
- an outline of your organisation's project management structure and methods for choosing consultants, contractors and suppliers
- a project timetable or work programme outlining the Development or Delivery Phase of your Project, as applicable
- a proposal for how you will manage procurement taking place in the Development or Delivery Phase of your Project, as applicable
- any other details that we feel may be relevant to your Project
- any subsidy control advice you have received

You must tell us if there are any changes to your Project since you submitted your Application, for example changes to project partners or cash contributions, providing updated evidence as applicable.

You will then be required to provide details of two legal signatories for your organisation. They will need to read and agree to the Standard Terms of Grant and any Additional Conditions set out in your Grant Notification Letter. If your Grant is £5million and above we will prepare a bespoke contract in place of the Grant Notification Letter.

Once we have processed and approved the information you have provided at this stage, we will send an email confirming that you have permission to begin work on your Project. If you do start any work before receiving this permission, it is at your own risk and we will not cover any costs incurred.

## **How we will pay your Grant**

You will be asked to provide your bank details within your online account, and these details will then be verified by our finance team.

## **Development grants up to £250,000**

We will pay your Grant in three instalments.

Once your bank details have been verified, the first payment is processed and 50% of the Grant is paid into the bank account for which you provided details.

After you have spent the first 50% of your Project costs, you will be able to submit an online payment request for the next 30% of your Grant. You must provide evidence to demonstrate how the first 50% of your Project costs were spent.

We will pay the remaining 20% of your Grant in arrears once you have spent all of your Project costs. You must submit a final payment request and evidence to demonstrate how the previous payment of 30% of your Grant and this final 20% was spent. You must also provide the Completion Report, Evaluation Report and evidence of [acknowledging the Grant](#) as agreed in your Grant Contract.

If your Project involves the acquisition of heritage, we will pay the full Grant amount needed for the purchase in a single payment.

You must submit a Completion Report and Evaluation Report within three months of completing your Project and by your Grant Expiry Date. We may also request additional updates on your progress during the lifetime of your Project in a manner that best supports you and reflects the risk of the Project.

## **Development grants over £250,000 and all delivery grants**

For these grants we will make payments in arrears.

We will also hold the last 10% of your Grant until we are satisfied that the Project is complete, that the Grant has been spent appropriately, and you have sent us your Evaluation Report and proof of your acknowledgement of the funding.

To claim the last 10% of your Grant you must submit a Completion Report within three months of completing your Project and by your Grant Expiry Date.

We will pay your Grant as a percentage of your Project costs. We describe this as the payment percentage and is explained in your Grant Notification Letter. For example, if you provide evidence of expenditure totalling £50,000 and your Grant percentage is 85%, your payment will be £42,500.

If your Project involves the acquisition of heritage, we will pay the full Grant amount needed for the purchase as a single payment.

We aim to release your Grant payment within 10 working days of receiving a payment request and the required supporting documents.

## Development phase review

We will undertake a formal review of your Development Phase once outline proposals and costs have been developed. The timing of the review will be discussed at your start up meeting.

The main purpose of the review is:

- to confirm that the Project is being developed in line with the Approved Purposes identified in your Grant Notification Letter
- to provide an update of costs and fundraising progress
- to provide an update of compliance with our grant requirements, for example, progress with ownership negotiations
- to discuss whether the risks undertaken during the Project are manageable
- to discuss if your Project is compliant with the Subsidy Control Act 2022 and provide us with any independent advice you have received in order to assist us with our Subsidy Control assessment

You will need to submit a Project update ahead of the review, as explained in the Project updates section of this guidance.

If there have been significant changes to your Project, the review provides the opportunity for us to discuss any risks you have identified, any areas of concern and where any further work is needed.

If we raise concerns about the viability of your Project or feel that it does not align with the Approved Purposes, we may fail your Development Phase Review. If you fail your Development Phase Review, you will be unable to proceed with your Project or submit a Delivery Phase application.

## Applying for a delivery grant

Following the successful completion of your Development Phase Review, you may begin preparing for your delivery grant application.

Your Application will be in competition with other projects in both the development and delivery phases. A development grant award does not guarantee that you will receive a delivery grant award.

There are [quarterly deadlines for applications](#).

If you are awarded a delivery grant, you will have up to five years to complete your project, unless we have agreed a longer project duration with you.

### Legal charge (Delivery Phase only)

If you are a non-public body, your Delivery Phase Project involves capital works or an acquisition, and your grant is over £250,000, it is our policy to take a charge over the grant-funded property.

We usually require a first ranking charge. However, if you have an existing charge with a commercial lender we will require a second ranking charge. If you have an existing charge with another funder/s we will require an equal ranking charge.

If you are a public body such as a local authority or a university, we will require a restriction on your Land Registry title to make sure you seek our consent before you enter into any future transactions relation to the grant funded Property, such as granting a lease.

## Completing your Project

You must submit a Completion Report within three months of completing your Project and by the Grant Expiry Date.

You will be given a Grant Expiry Date for the Development and Delivery phases of your Project in your Grant Notification Letter, based on the project timescale that you identified in your Application. You must complete each phase of your Project and send us your Completion Report by the Grant Expiry Date.

If you experience delays in delivering your Project, you can request an extension to the Grant Expiry Date. We cannot guarantee an extension, and if your Project takes more than a maximum of two years for your Development Phase and five years for your Delivery Phase, we may close your Grant and ask for the repayment of all or part of the funds you received.

When we have received all the necessary documentation to record each phase of your Project as complete, we will confirm this with you. This will be known as the formal Project Completion Date.

By complete we mean:

- your Project is finished, and you have achieved your Approved Purposes
- you have appropriately [acknowledged your Grant](#)
- you have appropriately evaluated your Project and submitted a Completion Report
- you can supply high resolution digital photographs documenting your Project
- if your Project involved capital works, you have provided a Practical Completion Certificate
- if applicable, you have listed the project's Digital Outputs and provided the web address (URL) of the website or websites where they can be accessed
- if applicable, you have filed your conservation plan with the relevant public library, archive and/or database, and shared the details of this with your Investment Manager

It is important to understand that your Grant Contract comes into effect once you have signed and we have processed your Permission to Start. The Grant Contract remains in place after the Project Completion Date and the length of time for which it applies depends on the core activities carried out in your Project. This will be set out in your Grant Notification Letter.

For **activity** based projects, for example an exhibition or an event with no digital outputs or capital works, the Grant Contract will end on the Project Completion Date.

For projects creating **Digital** Outputs, for example the creation of a website, the Grant Contract will apply from Permission to Start until 10 years after the Project Completion Date for Grants from

£250,000 to £5million or 20 years for Grants from £5million to £10million.

For **capital** based projects, for example new building or restoration works, the Grant Contract will apply from Permission to Start until 20 years after the Project Completion Date or 10 years after the Project Completion Date if you have applied for a Heritage Enterprise grant.

If your project involves **buying** a heritage item, land or building, the terms and conditions will apply indefinitely. If you want to sell, destroy or dispose of what you have bought in future, you must ask for our permission and we may claim back all, or part of, your Grant or require a share of proceeds in proportion to the value of the Grant. You can find more information about acquiring buildings, land or heritage items in the Application Guidance.

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

If you spend less than your agreed costs and your Project completes under budget, you will need to return to us any funds from your Grant that have not been spent. We will agree with you the amount to be returned as part of completing your Project. Please note, funding from the Development Phase cannot be used in the Delivery Phase.

We will continue to keep in contact with you at intervals after the Project is completed, including through our customer surveys.

## Working with us

We encourage you to keep in touch with us, so we can hear about the things you are achieving throughout your Project.

While it is not always possible for us to visit or meet the organisations we fund, please invite us to key project events and openings and we will aim to send a representative where possible.

We understand that problems or significant issues can arise during a Project. This could include:

- any issues within your organisation
- changes to project costs
- serious delays
- failure to achieve your Approved Purposes or deliver against our investment principles
- failure to maintain the Approved Usage

You must get in touch with us as soon as possible, so that we can respond and support you as appropriate.

You must respond promptly to any requests for information and to discuss any substantial changes to your Project with us. We will keep you updated about any changes to National Lottery grant policy or practice that may impact your funding.

You cannot change the Approved Purposes or Approved Usage of your project without our prior written agreement. If you would like us to consider any changes to your Approved Purposes or Approved Usage you must send us written details of the reasons for the request and explain how it will affect:

- the quality of your Project
- the cost of your Project
- the time you need to complete your Project
- the future viability of your Project
- future public access to the Property funded by the Grant
- future management and maintenance of the Property funded by the Grant

We may then re-assess the Project or take any other action we consider necessary. It may be determined that we give permission for the change only if you agree to additional terms and conditions as required. This may include requiring you to sign a deed of variation or a deed of transfer of the Grant Contract where there is a change of ownership.

Any changes that are agreed with us must be in writing and should also be reported in your Project updates and/or Completion Report as applicable.

If you need to make minor budgetary changes and move funds between the cost headings you provided in your Application in order to achieve your Approved Purposes, you can report on this in your Project update. You must demonstrate how these changes helped you to deliver your Project.

You must get in touch with us in advance if you want to propose any substantial budgetary changes and for any major spending of your contingency budget.

If the total project cost increases during the Project, we will only consider increasing your Grant in exceptional circumstances. In this case you will have to provide further information which will be reviewed on a case by case basis.

## **Project updates**

At your start up meeting, we will agree with you how many Project updates we expect you to provide during the delivery of your Project. We will let you know the frequency that best supports you and reflects the risk of the Project.

Using these updates, we will monitor the progress of your Project to confirm that it is delivering the project plan as detailed in your Application and the Approved Purposes set out in your Permission to Start documents.

Your project updates should include:

- photographs showing the progress of your Project (mandatory)
- a record of activities or events that you have arranged (mandatory)
- job descriptions/details of recruitment (mandatory if applicable)
- [procurement reports](#) (mandatory if applicable)
- progress in reaching key milestones, for example appointment of contractors or staff



- any issues arising so that we can respond and support you as appropriate

When providing a Project update ahead of your Development Phase Review, it may be appropriate to include additional evidence, depending on the nature of your project.

This may include:

- an activity plan or area action plan
- a cost plan to RIBA stage 2 equivalent
- drawings and plans at RIBA stage 2 equivalent
- a business plan
- a conservation plan
- evidence of delivery phase partnership funding
- details of Property ownership position
- a timetable for completion of the delivery phase of your project
- an updated risk register for your project
- expert subsidy control advice provided to you in relation to the Project

Further details about preparing these documents can be found in the Supporting documents section of the Application Guidance.

## **How to submit a Project update**

To provide a Project update, sign into our online service and open the Project you would like to provide an update for.

At this stage, you will be able to submit a payment request or provide a Project update. When selecting 'Give a project update', you will be invited to answer questions to provide an update on how your Project is progressing.

Once you have provided this information and uploaded evidence as required, you will be able to submit your Project update.

## **Providing evidence of expenditure**

You must provide invoices for all grant spend over £500. All invoices submitted to us should be clear, legible, and be for eligible works towards the Project we have agreed to fund. They should not be damaged or tampered with.

The invoice should be addressed to the organisation submitting the payment request.

Invoices must have:

- an invoice number
- the date they were raised
- the date payment is expected and the payment terms
- how payment is made and to who

- company details, including name, address, email address, telephone number, company number, VAT registration number (if VAT registered)
- a description of the services provided
- the gross (without VAT), VAT amount if VAT registered and the net (total) amount due

You may provide a separate table detailing costs under £500, including this total as one line of expenditure in your payment request.

Salary costs should be evidenced by providing payslips or a letter signed by a member of your organisation with financial authority.

We cannot cover the costs of VAT that you can reclaim. It is your responsibility to seek appropriate advice about reclaiming VAT.

If your VAT status changes during your project, we will reduce our contribution to the costs where you have managed to claim back the VAT.

## **Procurement**

In all projects whether at Development or Delivery Phase, whenever you use your Grant to purchase goods, works or services, we will ask you to give us details of the procurement (which is the buying, tendering and selection process). If you have already purchased goods, works or services for your Project, you will need to tell us how you did it. We cannot pay your Grant if you have not followed the following procedure.

If you are a public body or your Project is subject to Public Procurement legislation then you must follow the relevant legislation.

Procedures to recruit consultants and contracts must be fair and open and comply with relevant equality and employment legislation. Fees for any consultants or other professionals that you recruit during the Project should be in line with professional guidelines and be based on a clear written specification. If any of the contractors, suppliers or consultants you wish to appoint are linked, for example close friends or relatives, or if there is any financial link such as ownership of these suppliers you will need to obtain our written permission from us first.

If you are unsure about your obligations, we advise you to take professional or legal advice. You can also see our [procurement good practice guidance](#).

### **Under £10,000**

If you are buying goods, works or services for £10,000 or under you do not need to openly tender for these or get multiple quotes. We will expect you to show overall value for money.

### **Between £10,000 and £50,000**

You should get at least three competitive tenders or quotes for all goods, works and services worth £10,000 or more (excluding VAT) that we have agreed to fund.

You do not necessarily need to appoint the contractor, supplier or consultant who provides the lowest quote. When deciding who to appoint for your project, you should look at the overall value for money the tender or quote presents and the skills, experience and financial viability of the contractor, supplier or consultant.

## **Above £50,000**

For all goods, works and services worth more than £50,000 (excluding VAT), you must provide proof of competitive tendering procedures. Your proof should be a report on the tenders you have received, together with your decision on which to accept.

You do not necessarily need to appoint the contractor, supplier or consultant who provides the lowest quote. When deciding who to appoint for your project, you should look at the overall value for money the quote presents and the skills, experience and financial viability of the contractor, supplier or consultant.

In some circumstances, you do not need to undertake a competitive tendering procedure and you can invite only one organisation to tender. This is where:

- the total price of the contract is less than £10,000
- a framework agreement is in place for the supply of goods, works or services which has been previously competitively tendered, and the goods or services are directly relevant to the scope of the project works to be undertaken
- there is a project contract in place, which has previously been competitively tendered, and it is logical to extend to cover additional project work. In this case you must confirm that:
  - in the case of capital works the prices of most elements of work, including preliminaries, overheads and profits can be directly applied from the existing contract to the new work
  - the new work is smaller in scale, and is of a similar type to the main contract work
  - the contractor will not claim disruption or prolongation cost to the main contract if the new work is introduced
  - the existing contract restricts work being undertaken by others
- the goods, works or services required are unique as set out in a non-branded requirement specification and it is not possible to obtain them from other sources by competitive tender
- you can demonstrate that you have tried to tender the goods, works or services openly and competitively but had not received sufficient interest. The only tender received was submitted by a service provider who believed they were doing so in competition with others
- emergency work where it can be shown that time taken to obtain tenders would put the project at risk and add considerably to eventual costs
- the company providing the single tender is not connected, either through ownership or through family connections, with senior representatives of the grantee

We will also require you to consider social values in your procurement, including:

- diverse supply chains
- improved employability and skills
- inclusion, mental health and well-being
- environmental sustainability

- safe supply chains

You should make sure any contractor/supplier/consultant or partner who may contribute to the creation of Digital Outputs is aware of our requirement for projects to share these under a Creative Commons Attribution 4.0 International licence or equivalent, and make sure you have agreement for the resulting work to be shared in this way. Where this is not possible, you must seek written agreement to make alternative arrangements with us, for example to use an alternative open licence, prior to issuing any contract of work.

## **Community grants**

As part of your Project, you may have asked us to contribute towards a pot of money that you can use to fund other groups or organisations, who we call community grant recipients, to complete pieces of work that will contribute to the overall aims of your project. This is called a community grant.

Before you launch your community grant scheme, you will need to send us details about your application, decision making and progress monitoring processes. This should be sent to your Investment Manager who will review and approve it.

When making a payment request to us, you must include a list of community grant recipients as evidence of expenditure. The list must include how much each grantee was awarded, the date of the decision to award the grant and must be signed by two people from your community grant decision panel.

You are responsible for monitoring the progress of community grants and ensuring compliance with the terms you have agreed to during your project application. You will need to decide how you will keep in touch with each community grant recipient and what information you want to see from them. This can be proportionate depending on the size of the grant and what it was awarded for.

You should tell us how the community grant scheme is progressing in your project updates to us and evaluate the overall effectiveness of community grants within your project in your completion report.

## **Guidance updates**

We will regularly review this guidance and respond to user feedback. We reserve the right to make changes as required. We will communicate any changes as quickly as possible via this webpage.