

A Quick Introduction to the National Lottery Heritage Fund

Since 2017 the National Lottery Heritage Fund (formerly called the Heritage Lottery Fund) has gone through numerous changes. From the scrapping of GPoW, a grant specifically for Places of Worship, to a general move away from supporting repairs and conservation; it has been a frustrating time for many in the heritage sector, in particular churches.

However, after an extensive consultation period and a brief pause, the National Lottery Heritage Fund re-opened for applications in 2024 under a new strategy.

This document is a quick introduction to the Heritage Fund and covers some FAQs including the appointment of an architect, VAT and project development costs.

Heritage 2033

In 2023 the National Lottery Heritage Fund (aka Heritage Fund) launched a new strategy, Heritage 2033. The aim was to create a more simplified framework, that would be more flexible to the needs of the whole of the heritage sector.

The strategy centres around four investment principles:

- saving heritage
- protecting the environment
- inclusion, access and participation
- organisational sustainability

These will guide the decision-making on grants. Applications for funding must take all four principles into account, but the strength of focus, and emphasis on each principle, is for you to decide and demonstrate. There are no longer any prescriptive outcomes, or a focus on delivering outcomes over outputs. There is no longer an expectation that a certain % of your project will be devoted to delivering engagement activities. The focus is no longer on what the Heritage Fund wants, it is now on **what each individual applicant needs**.

If there's something from the past that you care for and want to pass it on to future generations, we want to hear from you.

Eilish McGuinness, Chief Executive of The National Lottery Heritage Fund

What does this mean for church repair projects?

Saving Heritage is one of the four investment principles and it includes a focus on Heritage at Risk:

“We will commit funding to protect, conserve and revitalise heritage of all kinds that is in poor condition or at risk of loss, decline, damage, neglect or of being forgotten – ensuring it is valued and better understood.”

Repairs and conservation are now a priority, but the Heritage Fund will still be looking for projects to include other activities which help to address the Investment Principles. Think of it as an opportunity to do something to help your church, such as an event to attract new people, training for volunteers, the establishment of a Friend's group etc...

When considering an application, start by thinking about what your church needs. Then consider how this meets the investment principles. If all you really need is to fix your building (saving heritage), then make that the primary focus of your project, but carefully consider how you can address the other areas and what opportunities there might be to help your church.

- saving heritage
- protecting the environment
- inclusion, access and participation
- organisational sustainability

Remember the strength of focus, and emphasis on each principle, is for you to decide and demonstrate. Do not feel under pressure to do more than you need to do, or more than you can realistically deliver.

What if our church isn't on the Heritage at Risk Register?

Churches do not need to be on the Heritage at Risk Register, or designated as vulnerable by Historic England, to be eligible for support for repairs. Quinquennial reports and/or supplementary reports will need to be submitted with an application, and these will help the grants panel to identify the need and urgency. If the grants panel has to prioritise applications, it may use the official designations, just as it may look at geographical spread, but this should in no way deter applicants from applying. If the repairs aren't urgent, you might find you need to focus on some of the other investment principles and include other activities.

Submitting a Project Enquiry or Expression of Interest is the best way to see if your project is eligible and what you might need to do to build a strong case for support.

How much can we apply for?

There are two funding programmes: Grants of £10,000 to £250,000 and Grants of £250,000 to £10 million.

National Lottery Heritage Grants: £10,000 - £250,000

- No deadlines so you can apply whenever you are ready.
- Submit a short Project Enquiry to get feedback on your project before applying (this is optional but strongly recommended). Response is usually within 10 working days.
- Decisions on applications take approximately eight weeks.
- Payments are usually made in three stages: 50% in advance, 30% in advance, and then 20% in arrears.
- You should go out to tender before applying and include a healthy contingency in the project costs. There are other options if this is not possible*.
- Match funding is not required, grants can be for 100% of the project costs. However, it is recommended that you consider whether other funders, organisations or people might be able to support your project either through additional cash or non-cash contributions. This will help demonstrate that there is an interest in and commitment to your project. You will need to explain why you are unable to raise cash or non-cash contributions from your own resources or other sources if this is the case.

National Lottery Heritage Grants: £250,000- £10million

- You must submit an Expression of Interest. The response is usually within 20 working days and you will either be invited to submit a development phase application, or given feedback as to why you are not being invited to apply at this time. If you are invited to apply, you have up to 1 year to submit the application or you will have to start the process again with a new Expression of Interest.
- Deadlines for development and delivery applications are quarterly
- Applications are assessed within 12 weeks and then assigned to the next scheduled decision meeting.
- For grants under £1m, you must contribute at least 5% of your project costs.
- For grants over £1m, you must contribute at least 10% of your project costs.
- Payments for development grants under £250,000 are made in three stages: 50% in advance, 30% in advance, and then 20% in arrears.
- Payments for development grants over £250,000, and all delivery grants, are made in arrears.

Project must not start before a decision is made and the formal Permission to Start is issued.

Budgets must be included in all projects for Publicity and Promotion and Evaluation. The amount should be proportional to the grant request.

Apply for what you need – for repair projects there is a preference to address all the urgent repairs in one single project. Where applicable, this should result in the church being removed from the Heritage at Risk Register, the database for vulnerable churches and/or the urgent category on a QI report. However, phased programmes will still be supported where there is strong justification; this could be due to the nature of the repairs, or the capacity of the PCC to manage a large project.

***Grants up to £250,000: What if we cannot afford to pay for the surveys and architect's fees needed to get to the point of tendering?**

Ideally a project would have progressed to RIBA stage 4 (specifications and tender) before you submit a grant application to the NLHF for up to £250,000.

As a grant from the NLHF cannot be used to support any work that has already been completed, you cannot claim back the costs for this work, which includes investigations and architect's fees. The PCC will have to cover them from their own resources. The NLHF are, however, aware that for some PCCS this will not be possible. In this case there are 3 options:

1) Apply to the NLHF for a smaller grant for just the project development works.

Remember the minimum you can apply for is £10,000 and you will still need to address the 4 Investment Principles. Once this work has been completed, you can apply again to the NLHF for a larger grant for the repairs. There are no restrictions on how many times you can apply to the NLHF.

2) Include the project development costs in the full project, still applying for a grant of under £250,000.

To do this you need to minimise the project risks as far as possible. The NLHF will seek reassurance that you (the applicant) have a clear understanding of what project development work is required, what impact it could have on the subsequent repairs and how you will minimise the risks. We strongly recommend you appoint a suitably qualified QS to put together robust cost estimates and include a contingency of at least 15% for the project.

In your grant application you may be able to include the costs of investigations, as long as the result will not greatly impact the subsequent repair work, i.e. we would advise against including investigations needed to identify the cause of and remedy for a problem but do consider including those which will simply add detail to what is already known.

You can also include architect's fees.

The NLHF will also be looking for reassurance that the applicant, the PCC, understands the various elements of the project and have the ability to manage

them. What the NLHF do not want is a grant application based on vague estimates, which assumes the NLHF grant panel has detailed knowledge of capital projects.

3) Consider if an application to the two-stage grant scheme is more appropriate. This is for grants over £250,000.

We strongly recommend you speak to staff from the Midlands and East NLHF Team before submitting a Project Enquiry or Expression of Interest.

Can we use our existing church architect to lead our project?

The lead architect/consultant on a project supported by public money, such as the NLHF, must be appointed through a competitive tendering process if their fees will be over £10,000.

This is a strict condition of the grant. The fee threshold applies to the whole project. You cannot split the project into several stages, each with a separate contract with fees under the threshold to 'get around' the rules. This is something the NLHF will be checking for. The advice is to do it properly from the start.

More details visit: <https://www.heritagefund.org.uk/funding/good-practice-guidance/procurement>

Can we still use the Listed Places of Worship Grant Scheme (LPWGS) as a source of income?

The LPWGS, the scheme through which VAT on church repairs and other capital works can be reclaimed, has been extended until the end of March 2026. However, from the 1st April 2025 there will be a cap of £25k which can be claimed per place of worship during the year. Furthermore, the total amount available will be capped at £23m.

As a result of the increasing uncertainty regarding the future of the scheme, the NLHF has advised applicants **NOT** to include the LPWGS as a source of income unless you are 100% sure you will claim it all before 31st March 2026.

More Information and How to Apply

For more information about the Heritage Fund please visit the website at:
<https://www.heritagefund.org.uk/funding>

If you're considering applying, please contact Holly Robinson our Historic Church Buildings Support Officer. She has years of experience with grant applications to the Heritage Fund (and other organisations) and works closely with the regional Heritage Fund team.

Please Note: This scheme is new and a big change for the Heritage Fund, so it is very much a work in progress. There is no 'ideal' application. The advice is to focus on what you need and submit a Project Enquiry or Expression of Interest first. As applications are assessed, advice may be updated by the Heritage Fund and examples of successful applications made available. The Heritage Fund will review and potentially revise the grants scheme every 3 years in order to respond quickly to changing needs across the heritage sector (it previously reviewed every 5 years).

This guidance has been provided in good faith but is for general information only. Reasonable efforts will be made to update the information on this note, but we recommend that you check the details on the National Lottery Heritage Fund's website before submitting an application.

<https://www.heritagefund.org.uk/>