

HERITAGE LINCOLNSHIRE
Looking after Lincolnshire's heritage

Nocton Hall : Project Viability and Funding Opportunities

FINAL VERSION 1.1

**Report prepared by Liz Bates, Historic Buildings Manager
Heritage Lincolnshire
Tel: 01529 461499
Email: liz.bates@lincsheritage.org**

Nocton Hall : Project Viability and Funding Opportunities

Report prepared by Heritage Lincolnshire : Final report submitted April 2012

Executive summary

- Heritage Lincolnshire was appointed by North Kesteven District Council to undertake an assessment of the viability of a project to repair and convert Nocton Hall and its pleasure grounds for a new use. The opportunities for funding this project were to be included within the assessment. This report has been researched and written by Liz Bates, Historic Buildings Manager for Heritage Lincolnshire.
- The report has been written as a complementary study to the options appraisal carried out by Anderson & Glenn in October 2011 and refers to the options considered within that document. The hall and grounds remain in private ownership and it is understood that this owner is interested in a private development on the site. This delivery mechanism is therefore considered in addition to a project run by North Kesteven District Council (NKDC) and a project run by a Buildings Preservation Trust (BPT).
- The initial consideration of all options concluded that options A, D, E and F should be discounted due to the negative impact on the significance of the heritage asset and the lack of potential for funding.
- Option B: an initial assessment of project costs and the potential income from enabling development suggests that a commercial development could be financially viable for the current owner or another developer. However, it is recommended that the appropriate scale of enabling development and the indicative property values are tested further. This is required as the level of enabling development needed in terms of funding may be prohibited by potential development constraints and additional costs. It was also noted that this option would be challenging to fund through public and charitable sources due to the lack of public access and benefits once the repair scheme is completed.
- Option C: This option has significant potential in terms of public and charitable funding due to the long term provision for public access and benefits including education, training, volunteering, improving the environment, and contribution to the District's economy. The creation of a new tourist attraction within the area could be a positive addition to the County's current offer. The outline business plan also demonstrated that long term financial viability of the site could be achieved through a variety of revenue streams. Potential options for funding have been highlighted for further consideration.
- Options B and C have been considered in terms of broad feasibility and a more thorough business plan would need to be developed for each option before they could be pursued. Consultation with the local community is also essential at this stage so that any issues or suggestions can be included in any future stage of project development.
- Further research is required to confirm all project costs and details are included within the recommendations section. Once this has been completed there needs to be some

further consultation with the current owners to assess their intention of taking forward an appropriate scheme of repair.

- If a private development scheme is not likely to be delivered within a reasonable timescale, the Council will need to consider whether to serve statutory notices under the Planning (Listed Buildings and Conservation Areas) Act 1990 for the purposes of conservation of the heritage asset and for wider public benefit. If the current owner does not comply with these notices the Council may consider the compulsory purchase of the property.
- Recommendations for further project development work are included within the final section of the report. Heritage Lincolnshire would be available to carry out this work on a consultancy basis and could assist the Council in community consultation and identifying funding to contribute to the initial phases of work.

1 Consideration of options

The aim of this section of the report is to briefly assess each option as proposed within the recent options appraisal by Anderson & Glenn architects. The feasibility of each as a project to be developed and funded is considered and recommendations given.

Option A : Retention as a Historic Ruin

This option allows for the hall to be conserved as a historic ruin and made accessible to the public along with the pleasure grounds. The initial estimate of the project cost given within the options appraisal report was £932,000.

Option A was not offered as a preferred solution for Nocton Hall within the options appraisal due to:

- The loss of historic features that would be required to consolidate the ruin.
- The lack of long term financial sustainability – a historic ruin with no capacity for revenue generation and an ongoing repair and maintenance cost.
- This is a benign use that would not be of particular benefit to the conservation area, local community or district.

The short term viability as a capital project has also been questioned, as it is unlikely that the level of profit that can be derived from enabling development would be sufficient to cover the cost of this option. It is also unlikely to attract public funding as the level of public benefit and lack of long term viability would be significant issues for funding bodies.

It is therefore recommended that this option is not given further consideration within this report.

Option B : Full Restoration

The full restoration of Nocton Hall would reinstate the former glory of this historic house and would sub-divide the property into high quality 3-4 bedroom homes. The option also includes

the restoration and improvement of the pleasure grounds. The proposed cost for this option was £7,845,000 and therefore while it may be a desirable option, it is also the most expensive proposition within the options appraisal. It was also noted that there is the potential for costs to increase during the development and delivery of this scheme.

The restoration of the building and the potential for a scheme of enabling development would make this option attractive to a private developer and an assessment is needed to confirm that this level of project cost could be covered through a purely commercial enterprise. A private developer would not have access to public or charitable funding as the criteria prevents a private individual or company as an applicant. English Heritage has funded private owners in the past, but following the comprehensive spending review they have advised that they now carry out financial assessments on all applicants to prove the need for their grant. It is unlikely that a private developer would demonstrate eligibility for public grant aid due to the assets they hold.

North Kesteven District Council could consider undertaking this option but at this level of cost it would be a high risk. The current property market remains weak and the risk is that a) enabling development will not offer a sufficient level of profit, b) the properties may take some time to sell, tying up significant levels of capital and c) the level of enabling development required may be in excess of what the site is capable of accommodating.

Delivering a residential scheme using some funding from public sources is also problematic. Funders that offer the levels of funding required for this scheme, such as the Heritage Lottery Fund and the European Regional Development Fund, do not support projects that are entirely residential. This is because a) any security of the investment made by the funder is lost as the properties are sold to private owners and b) the required levels of public benefit and access cannot be achieved through a residential scheme. This means that a solution offered by North Kesteven District Council or a Buildings Preservation Trust would be difficult to achieve.

As this option was recommended by the options appraisal the outline business case support and likely funding options will be considered further in Sections 2 and 4.

Option C : Restore the Main House as a Ruin and fully restore the Service Wing

This option combines the proposals for a full restoration and conservation as a historic ruin and therefore provides a balanced approach in terms of the retention of the building's significance. The benefit of fully restoring the service wing of the building allows for opportunities to raise revenue for the long term financial viability of the site, including the suggested use of a local community venue/heritage visitor centre. The estimated cost of this option is £2,355,000 and is therefore requires significantly less funding than other uses. As noted with the residential scheme however, there is a potential for costs to increase during the project development and delivery stages.

The incentive for a private developer to pursue this option would be to deliver a development scheme and to use a proportion of the profit (from the part of the development deemed to be 'enabling') to contribute towards the cost of this option. A developer may not wish to undertake the restoration of the hall as a ruin due to the risk of increasing costs and the lack of marketability once completed.

North Kesteven District Council could consider developing this project as a potential future asset and part of the heritage tourism offer of the District. This would require investment into the capital works and an ongoing investment into the management and maintenance of the site. Tourism remains one of the three main industries of the District and the Council's current Corporate Strategy for 2011-2015 notes a core objective to promote and encourage the development of tourism within the area. The 2010 STEAM report notes that overall tourism within North Kesteven was worth over £89 million per annum and an estimated 1,720,000 day visitors accounted for £52 million of that revenue. This would suggest that a project that created a further heritage visitor centre and outdoor leisure space that brought in external investment would be positive for the area. However, there is currently significant pressure on local government resources, both in terms of staffing capacity and capital and revenue budgets and so further research into this option is needed for the Council to assess its feasibility.

The initial consideration of this option therefore suggests that NKDC and/or a community organisation or Buildings Preservation Trust would be the most viable delivery mechanism. It would not be possible for a BPT to act as a partner to the current owner, unless the owner was willing to sell or lease (on a long term basis) the Hall and pleasure grounds to the BPT. This is because a BPT is not able to access funds unless it has these ownership or property rights to the heritage asset. In order for this arrangement to be viewed as non beneficial to the current owner, funders would also expect that the owner would be required to give the profit from any enabling development directly to the BPT for the repair of that asset. The other alternative would be a Compulsory Purchase by NKDC with a back to back agreement with a BPT. This is a lengthy and expensive process but has proved successful in the past in other projects undertaken by Heritage Lincolnshire and other BPTs nationally.¹ In this scenario it is recommended for the BPT to form a partnership with a developer so that enabling development could form part of the funding package. The remainder of the scheme could potentially be funded through public and charitable sources due to the potential for public benefit and access that could be derived, and the opportunities for revenue that would make it viable in the long term. This option is therefore considered in Sections 2 and 4.

Option D : Partial demolition

This option was dismissed by Mary Anderson within the options appraisal as the negative impact on the significance of this listed building would be considerable. This is a view shared by North Kesteven District Council and English Heritage and so will not be considered further within this report.

Option E : Partial demolition – retention of the Service Wing and Basement

This alternative option of partial demolition was also not recommended within the report due to the irreparable loss of historic fabric that would have a negative impact upon the significance of the building, site and conservation area. Issues of the limitations caused by this option in terms of the future use of the site were also considered to be unattractive. This

¹ Projects undertaken by Heritage Lincolnshire following compulsory purchase include 7-13 Bridge Street, Horncastle in partnership with East Lindsey District Council (completed in 2006) and the current project at 116 High Street, Boston which was compulsorily purchased by Boston Borough Council (expected completion in August 2012.)

option would also be unattractive to potential funders for these reasons and so will not be pursued within this report.

Option F : Full Demolition

Finally, the option of full demolition was considered and it is likely that any private developer would be interested in the site as an opportunity for development. However, the hall and its grounds are outside of the village curtilage and therefore any residential development would be contrary to the current Local Plan. Enabling development would also be unsupportable as there would no longer be a historic asset to benefit from it. The option is unlikely to be approved by either English Heritage or North Kesteven District Council due to the irreversible damage this would have on the site and the conservation area. This option will therefore not be considered in the remainder of this report.

Conclusion :

This brief consideration of the options for Nocton Hall and grounds has demonstrated that options B and C have the most potential in terms of options for funding and future financial viability. The funding requirement and delivery mechanism for each option is considered further within Section 2.

2 Potential for funding

Option B : Full Restoration

Notes on costs given:

- Capital costs taken from Appendix E of the Anderson & Glenn Options Appraisal report
- Cost items of contingency and 'developer's profit have been reduced for a BPT as public funding does not allow for high levels of cost under these headings.
- VAT has not been included within the costs and further investigation is required to assess the appropriate level to be applied.
- The proposed 'as existing' valuation offered by the District Valuer in his report dated 28.6.2012 has been used as the purchase or compensation cost to the NKDC and BPT options. The value of the property on completion has also been taken from the District Valuer's report.
- The District Valuer has also noted that additional development costs associated with ecology, contamination, connection to services, etc have not been included at this stage.

OPTION B Costs	Private Developer	NKDC	BPT
Purchase cost		£100,000	£100,000
Capital work			
Site inspection and preparatory work	£231,000	£231,000	£231,000
Repair and conversion costs	£3,962,000	£3,962,000	£3,962,000
External works	£75,000	£75,000	£75,000
Services	£60,000	£60,000	£60,000
Preliminaries (20%)	£866,000	£866,000	£866,000
Overheads/profit 5%	£216,000	£216,000	£216,000
Professional fees 15%	£812,000	£812,000	£812,000
Archaeology	£100,000	£100,000	£100,000
Contingency	£500,000	£500,000	£150,000
Developer's profit (15%)	£1,023,000	£1,023,000	£238,770
TOTAL	£7,845,000	£7,945,000	£6,810,770
Value of Property on Completion	£1,800,000	£1,800,000	£1,800,000
Conservation deficit	£6,045,000	£6,145,000	£5,010,770

Indicative Assessment of Enabling Development

A policy for enabling development can be devised for this site as it fits the criteria within English Heritage's guidance 'Enabling Development and the Conservation of Significant Places' published in 2008. This states that the development should be the minimum necessary to achieve the repair of the relevant heritage asset.

It is recommended that the potential for enabling development on the site is properly addressed through a planning brief as noted within Anderson & Glenn's options appraisal. Their report also highlighted that further costs than those noted above would be involved in taking forward a scheme of enabling development, such as clearing the hospital buildings currently on the site.

However, for the purposes of this report I was asked to prepare an indicative assessment of the funds that would be available from an enabling development scheme in order to assess the feasibility of a private development. This has been carried out on the following assumptions:

- This will be a residential development only with a mix of 3/4 bedroom houses (65%) and 2/3 bedroom houses (35%). of dwellings would be offered as affordable housing.
- Figures have been based on the indicative thresholds of 50, 75 and 100 dwellings and property values have been estimated.²
- The assessment has been offered in two sections, the first with a 10% contribution of affordable housing and the second section with a 0% contribution to affordable housing. The affordable housing element within the first section has been calculated on the basis of 40% of the market value for a rented unit and 60% of the market value for a shared ownership unit based on advice from NKDC's Housing strategy section. NKDC has also asked for the profit from the sale of affordable housing to be split 50-50 between rental units and shared ownership units.
- A maximum developer's profit of 30% was applied on the informal advice of the District Valuer. However, in consultation with officers at NKDC it was felt that this should be reduced to 20% as current developments are not achieving that maximum level.
- The District Valuer's valuation report dated 28.6.2012 was submitted after the completion of this report. The assessment of enabling development was based on a scheme of 50 executive homes (5 bedrooms) with a developer's profit of 20% or £4,000,000.

² Property values for privately owned units have been derived from consultation with local estate agents on current market values within Nocton and the immediate area. An assessment of the current market trends for house prices was also consulted via the Land Registry website.

Enabling development scheme including 10% affordable housing

Number of Dwellings		Sale Value	Profit at 20%
Scheme 1: 50 dwellings			
32 3/4 bed private houses at	£225,000	£7,200,000	£1,440,000
13 2/3 bed private houses at	£120,000	£1,560,000	£312,000
5 2/3 bed affordable houses at	£120,000	£312,000	£62,400
Total income from scheme 1			£1,814,400
Scheme 2: 75 dwellings			
49 3/4 bed private houses at	£225,000	£11,025,000	£2,205,000
18 2/3 bed private houses at	£120,000	£2,160,000	£432,000
8 2/3 bed affordable houses at	£120,000	£480,000	£96,000
Total income from scheme 2			£2,733,000
Scheme 3: 100 dwellings			
65 3/4 bed private houses at	£225,000	£14,625,000	£2,925,000
25 2/3 bed private houses at	£120,000	£3,000,000	£600,000
10 2/3 bed affordable houses at	£120,000	£600,000	£120,000
Total income from scheme 3			£3,645,000

Enabling development scheme including 0% affordable housing

Number of Dwellings		Sale Value	Profit at 20%
Scheme 1: 50 dwellings			
32 3/4 bed houses at	£225,000	£7,200,000	£1,440,000
18 2/3 bed houses at	£120,000	£2,160,000	£432,000
Total income from scheme 1			£1,872,000
Scheme 2: 75 dwellings			
49 3/4 bed houses at	£225,000	£11,025,000	£2,205,000
26 2/3 bed houses at	£120,000	£3,120,000	£624,000
Total income from scheme 2			£2,205,000
Scheme 3: 100 dwellings			
65 3/4 bed houses at	£225,000	£14,625,000	£2,925,000
35 2/3 bed houses at	£120,000	£4,200,000	£840,000
Total income from scheme 3			£3,765,000

Note: NKDC has advised that the MOD currently has a deed of covenant on the property title which requires a clawback of 50% on any profit made from the development of the site. It is understood that this is valid for a further 10-11 years. Negotiations could take place between NKDC, English Heritage and the MOD, but there is no guarantee that this would be waived. The following assessment should be considered with this issue in mind.

This indicative assessment demonstrates that for a private developer, a scheme of enabling development could therefore have the potential to cover up to 60% of project costs, leaving a deficit of £2,280,000. The value offered by the District Valuer confirms this assessment. As noted within Section 1 of this report, if public funding is required in addition to the profit drawn from enabling development it is unlikely that this scheme would be successful in raising the necessary funding. This is because a private developer is not eligible for public funding.

North Kesteven District Council would be in the same position, i.e. with a deficit of £2,380,000 if they act as the developer in the scheme following a Compulsory Purchase Order (CPO). A CPO would only be enacted if the current owner is not willing or financially able to take a scheme of enabling development forward. The CPO procedure includes a very substantial element of risk and additional cost to NKDC. The cost of the legal and staff input to the CPO process should be considered and a formal assessment of the curtilage of the Hall, including the amount of land required for enabling development, should be undertaken as a first stage. English Heritage provides support and funding to local authorities who are pursuing a CPO and have indicated that they would offer this to NKDC in the case of Nocton Hall.³ This could provide NKDC with some assistance with both the process and associated costs and compensation.

A CPO would also be required in order to facilitate a BPT project, unless the owner was willing to sell the property. It is worth noting that compensation to an owner as a result of a CPO can be considered as part or all of a match funding contribution from NKDC in a public funding application made by a BPT.

Based on the current scheme costs, a BPT acting as a developer could potentially deliver the scheme if they were willing to treat the development as a charitable exercise for the conservation and reuse of the heritage asset. However, a significant level of public finding would still be required and major funding bodies such as the Heritage Lottery Fund have recently advised that full residential schemes would not be eligible for public funding.⁴ This is because the only charitable benefit of the scheme is the conservation of the historic building and improvement of its setting. There is a requirement to retain the building on completion so that significant levels of public access and benefits can be offered for a set period of time following completion of the capital works. As this scheme seeks to sell the properties immediately to private owners this would not be feasible and therefore some space will have to be removed from sale, increasing the conservation deficit. Another note of caution for a BPT is that the enabling development presents a significant level of risk to a small charitable organisation. For example, if the profit drawn from the enabling development reduced to 15%, the BPT would then face a deficit of £2,187,020, which would be a significant loss of funding.

English Heritage has offered specific advice in respect of the potential for grant aid for the repair of Nocton Hall which is relevant to all proposed options.⁵ Technically, Nocton Hall is eligible for grant aid as it is Grade II in a conservation area. However, due to the high demands the English Heritage grant budget grants are rarely offered for the repair of Grade II listed buildings. While English Heritage would be able to support North Kesteven District Council with further statutory notices on the property, they have advised that no funding input for the repair project from English Heritage should be assumed within this assessment.

Conclusion of funding potential for Option B

Figures shown here suggest that enabling development on the site has the potential to contribute a significant proportion of funding for the full restoration of the historic building either through private enterprise or as a not for profit activity. I would therefore recommend that a proper assessment of the scope, feasibility, costs and potential income involved in

³ Email response received 27th March 2012 from Dale Dishon, Team Leader at English Heritage, East Midlands.

⁴ Discussion held with Lindsey Owen-Jones, Heritage Lottery Fund East Midlands team, March 2012.

⁵ Email response received 27th March 2012 from Dale Dishon, Team Leader at English Heritage, East Midlands.

enabling development is carried out. I would also conclude that if this assessment reveals that any significant level of public funding is needed in addition to the funds raised through enabling development, that this option is not pursued by NKDC or a BPT. This is due to the lack of funding organisations that are prepared to contribute to this type of scheme.

Option C : Restore the Main House as a Ruin and fully restore the Service Wing

Notes on costs given:

- Capital costs taken from Appendix E of the Anderson & Glenn Options Appraisal report
- Cost items of contingency and 'developer's profit have been reduced for a BPT as public funding does not allow for high levels of cost under these headings.
- Confirmation on the value of the property has now been received from the District Valuer in his report dated 28.6.2012. This valuation was based on the service wing having a residential use, but in discussion with the District Valuer he confirmed that this valuation would hold if the service wing was in use as a visitor/community centre.
- VAT has not been included within the costs and further investigation is required to assess the appropriate level to be applied.

OPTION C		
Costs	NKDC	BPT
Purchase cost	£100,000	£100,000
Capital work		
Site inspection and preparatory work	£231,000	£231,000
Repair and conversion costs	£898,000	£898,000
External works	£50,000	£50,000
Services	£20,000	£20,000
Preliminaries (15%)	£180,000	£180,000
Overheads/profit 5%	£60,000	£60,000
Professional fees 18%	£259,000	£259,000
Archaeology	£100,000	£100,000
Contingency	£250,000	£150,000
Developer's profit (15%)	£307,000	£68,180
TOTAL	£2,455,000	£2,116,180
Value of Property on Completion	£450,000	£450,000
Conservation deficit	£2,005,000	£1,666,180

The conservation deficit for this option is significantly lower and therefore the minimum amount of enabling development noted above (i.e. 50 dwellings) could potentially be sufficient to cover this shortfall (This is particularly true if the affordable housing contribution was waived). However, as Anderson & Glenn note within their options appraisal, enabling development should be viewed as a last resort and therefore the feasibility of funding this option through other sources should be explored.

It should be noted that in this option, the intention is for the property to be retained by the organisation carrying out the project and so the value of the property will not be realised on completion of the capital works. Therefore, an applicant organisation can only fundraise up to the value of the conservation deficit. The value of the property is usually covered by a loan during the course of the capital works and is then converted to a mortgage once the work is completed and a professional assessment of the market value is carried out. A BPT would be eligible to apply for a loan from NKDC, the Architectural Heritage Fund or a charity bank. It could also seek to fundraise the market value in order to avoid the need for a mortgage post completion, but this is viewed as core funding for the organisation for which there are limited options and can be particularly challenging.

The additional costs of this type of project should also be considered. A funder is likely to want to see costs attached to the 'fit out' of the building in terms of interpretation, visitor facilities, and equipment. They may also expect the project to include an activity budget which would include staff costs, an events and activities budget, publicity and promotion costs and an ongoing maintenance and management budget. All of these elements could potentially add a further £400,000 on to the project costs.

However, the potential funding opportunities for this type of project are considerably higher, as the ongoing benefits in terms of public access, community enterprise, education and training are significant. There are also several themes to the project that would have a broad appeal to funders in terms of the conservation of a historic building, the restoration of its pleasure gardens, the potential increase in biodiversity of the site and the ongoing involvement of local volunteers. This use also responds directly to local strategies and has the potential to contribute to economic and social development within the area. All of these aspects could be drawn upon to create a strong case for support for this project within the project development stage.

The delivery mechanism for this project is flexible as NKDC, an established BPT such as Heritage Lincolnshire, or a newly formed BPT would all be eligible applicants. Due to the size of the project I would advise that an experienced organisation was involved in the capital scheme and in the production of funding applications and business plans. For example, NKDC and/or Heritage Lincolnshire could act as project managers for a newly formed BPT or they could deliver the capital scheme and identify a partner organisation to purchase and manage the site once the capital works were completed. If enabling development was deemed to be a feasible and desirable option, a partnership with a developer should also be explored to reduce the associated risks.

Conclusion of funding potential for Option C

Option C has significant potential for funding and it is likely that, excluding the value of the property on completion, the project costs would be approximately £2 million. Enabling development could contribute to and potentially cover these costs (including the creation of a long term endowment for the site), but this is dependent upon a thorough assessment of the impact and feasibility of such a development. As noted in Section 1 it is unlikely that a developer would take the lead on this scheme but it would be an opportunity for an experienced organisation to work with an 'end user' to deliver the project.

3 Funding opportunities for Option C

The following is not an exhaustive list of all available funding options but it is an initial assessment of some of the organisations that could be approached for funding. It should be noted that those funders who would not consider NKDC as an eligible applicant are highlighted with a **. This demonstrates the type of funding opportunities available for the scheme proposed in Option C.

Initial consultations were held with some of the major funders as indicated. All were willing to indicate the eligibility of the proposal in terms of making an application and all were positive responses. However, until the project development phase is underway and more detail is available, none of the funders were able to give an indication of success, with the exception of English Heritage, who suggested that success would be unlikely due to the building's Grade II status.

Funder	Relevant Criteria	Size of Grant	Application Process	Timescale
Architectural Heritage Fund** Consultation with Gavin Richards, Development Manager	Assistance offered to BPTs only for projects for the repair and reuse of historic buildings. This includes grants for project development and loans during the capital phase of work.	Project Development Grants: maximum £20,000. Loans: maximum of 75% of value of property once completed.	Single stage application process for all forms of grants and loans. Guarantee required for loans. All considered by Board of Directors at national level.	Allow 3 months for decision.
English Heritage Consultation with Dale Dishon, East Midlands Team Leader. Note: Advice received suggests an application may not be successful but it is a simple application process and if EH do not receive sufficient applications to spend their annual grant allocation it may be considered.	Grants are primarily offered for urgent repairs or other work required within two years to prevent loss or damage to important architectural, archaeological or landscape features. Usually require Grade I or II* status. Specific advice for Nocton Hall has been sought.	No minimum or maximum stated. Competitive process.	Single application considered at regional level (national level for large grants)	Allow 3 months for decision.

Funder	Relevant Criteria	Size of Grant	Application Process	Timescale
Heritage Lottery Fund Consultation with Lesley Owen Jones, HLF East Midlands	New strategic aim is for projects that 'Make a positive, lasting difference to heritage and people' The new strategic plan for HLF for 2013 – 2018 also has some interesting new funding streams that are aimed at building preservation trusts and may be relevant to this project.	Up to 90% of project costs. Prefer to be main funder.	2 stage application considered at regional level if under £2 million.	3 months for decision on round 1 submission. 9-18 month project development period. 3 months for decision on 2nd round submission.
WREN** Consultation with Cheryl Raynor, Grant Manager for Lincolnshire and David Start, Director for Heritage Lincolnshire who sits on the WREN advisory panel	The repair, maintenance or restoration of a building or structure of architectural or historic importance including places of worship. WREN also seek to fund Grade I and II* buildings but may accept a recommendation from English Heritage. They have advised to consult their Special Projects Manager at project development stage.	Up to £75,000	Single application considered at regional level.	Specific deadlines for applications available on the WREN website. Allow up to 3 months for the decision.
Lincolnshire County Council Community Grant Fund**	Specifically for voluntary and community organisations within Lincolnshire. Capital and revenue funding available.	Up to £25,000	Single application process considered by Lincolnshire County Council.	Bi annual deadlines for fund (March and August). Allow up to 3 months for the decision.
DEFRA – RDPE Rural Economy Grant**	The Rural Economy Grant (REG) provides grants to enable a significant 'game-changing', transformational performance in farm, forestry, tourism, agri-food businesses and micro businesses in rural areas in England.	From £25,000 to £1 million.	Two stage application process considered by DEFRA.	One annual deadline. Future availability of funds after the 2012 round will be announced later in the year.
The Clore Duffield Foundation**	Supports cultural projects with a focus on education such as the arts, museum and heritage sites, and health and social care. Can offer funding to small local charities.	From under £5,000 to £1 million.	Initial proposal is considered and then invitations are offered to submit full application.	Proposals considered regularly but main applications considered bi annually in June and November.
The Garfield Weston Foundation**	Support a wide range of projects including: Arts, Community, Education, Welfare, Medical, Religion, Youth and Environment	Large scale grants from £100,000 upwards	Single application process assessed by board of trustees.	Allow 4 months for the decision.

Funder	Relevant Criteria	Size of Grant	Application Process	Timescale
The Monuments Trust (part of the Sainsbury Family's Charitable Trust group)**	Arts and Heritage – arts, architectural and environmental projects of national or regional importance, including galleries, museums, and historic houses and gardens. Proposals are particularly welcome for cultural projects which will make a major contribution to improving economically depressed areas.	No minimum or maximum stated. Competitive process.	Single application process assessed by board of trustees.	Allow 3 months for the decision.
The Country House Foundation**	To advance the preservation, for the public benefit, of buildings of sufficient historic or architectural significance or importance to merit preservation together with their gardens and grounds anywhere in England	Minimum grant £50,000 and maximum grant £250,000.	Initial proposal is considered and then invitations are offered to submit full application.	Pre application response within 28 days. Main application assessed within 3 months.
The Pilgrim Trust**	Preservation of historic buildings and architectural features, especially projects giving a new use to buildings of outstanding architectural or historic importance. Prefer to make a contribution to early costs or to core costs of small, charitable organisations	No minimum or maximum stated. Competitive process.	Single application considered by board of trustees.	Applications considered at quarterly trustee meetings. Applicants are advised to discuss the submission of their application in advance with the Director.

4 Future financial viability

Option B : Full Restoration

This option is dependent upon a large scheme of enabling development due to the costs involved in full restoration and conversion into residential units. It is noted above that the saleability of the completed homes may be restricted by the current property market. The fact that few funding organisations would support the residential conversion and re-sale of these residential units also increases the risks involved in this proposal.

It is recommended that the formal assessment of enabling development and a professional valuation of property values is required to confirm these conclusions. The interest of the current owners in taking forward this scheme could then be tested.

Option C : Restore the Main House as a Ruin and fully restore the Service Wing

Subject to the funding required for the capital scheme, this option creates an opportunity to develop a new heritage visitor centre within the North Kesteven District area. This could lead to job creation, new volunteering opportunities, and education and training placements. The following figures are offered as an outline assessment of the long term financial viability of the scheme.

Annual Management and Maintenance Costs	
Item	Cost
Staff (2 FTE)	£45,000
Grounds maintenance	£1,500
Repair/maintenance of buildings	£2,500
Electricity	£2,500
Insurance	£500
Business rates	£2,000
Mortgage payments	£2,500
Events and activities budget	£4,000
Publicity and promotion	£2,500
Total Costs	£63,000
Annual Income	
-Visitor income @ £4.95 per visit (70%) and £2.95 concession (30%) (based on 15,000 visitors ⁶)	£65,250
-Additional income from gift shop/café sales (based on additional spend of £2.50 per visitor)	£37,500
Total income	£102,750

⁶ The estimate of visitor numbers has been based on enquiries to local rural tourism destinations such as Easton Walled Gardens (currently c.14,000 per annum), Doddington Hall (currently c.16,000) and Alford Manor House (currently c.11,000).

Management and maintenance costs have been included as estimates and should be confirmed through project development. The annual income has been based on visitor numbers that are comparable with other heritage visitor attractions in the district such as Cogglesford Water Mill in Sleaford and those consulted during this study. The consultation with the owners of Easton Walled Gardens was particularly useful as they advised to expect a steady increase in visitor numbers over time, and marketing should be a key focus of the business plan. The maximum they expect for their gardens is around 40,000 visitors and they are working towards that as a goal. However, their current visitor numbers allow them to break even in terms of profit and expenditure.

Revenue raising activities that would contribute to the annual income of the site could include:

- An entrance fee
- A small café
- A shop selling local produce, guide books and other relevant publications, plants and children's activities.
- Short courses and training on horticulture, architectural history, Victorian history and other relevant themes could be offered on a fee basis.
- Special events such as annual concerts, living history and lectures could also be offered on a fee basis.

This option also needs to be informed by a Development Brief as the impact of a tourism facility would also need to be assessed in terms of increased traffic, access issues, signage and other related planning and highways considerations.

5 Recommendations for further research and options for project development

In order to complete this funding assessment it is recommended that:

- A professional assessment of the property values should be carried out to inform the end value of options B and C and the potential profit that can be drawn from enabling development.
- A planning brief is prepared to inform plans for enabling development on the site. The potential for the current owner to deliver the scheme as a private development could then be tested. A development brief for a tourism facility would also be beneficial. This planning brief would also allow the District Council to carry out the necessary community consultation to establish the aspirations of the local community and all stakeholders involved in the development process.
- The potential funding sources for option C suggest that enabling development, if viewed as a last resort, may not be required. However, this option would depend upon the current owner agreeing on a sale of all or part of the property or a compulsory purchase by NKDC. These issues need to be explored further.
- Members of the Economic Development team at NKDC should be consulted on the proposals given for Option C to test the feasibility of the outline business plan.

If the Council decided to pursue Option C as a project to be carried out by NKDC or a BPT, it is recommended that the following is included within a project development phase:

- Consultation with the local community and stakeholder organisations on the proposed scheme and the creation of a new BPT (with support from Heritage Lincolnshire).
- The development of plans for the capital scheme.
- A more detailed assessment of project costs and a timetable for delivery.
- The submission of formal pre application enquiries to relevant funding organisation.

Heritage Lincolnshire would be able to act as a consultant to deliver these activities in partnership with NKDC. Funding is currently available from the Architectural Heritage Fund through their 'cold spot' initiative to contribute to these costs, particularly if a new BPT was formed. This would be a grant for a maximum of £10,000, which would need to be accessed through Heritage Lincolnshire or another charitable organisation, but would allow the work to be carried out in partnership with NKDC. A confirmation of the likelihood of progression to a BPT project would be required and therefore the planning brief for enabling development and the assessment of the current owners intentions to use this to fund repair of the building would need to be established before this can progress.

Liz Bates
Historic Buildings Manager
Heritage Lincolnshire
March 2012