

HERITAGE INFORMATION SERIES

HOW TO ESTABLISH A LOCAL HERITAGE FUND



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Environment
& Heritage**



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HOW TO ESTABLISH A LOCAL HERITAGE FUND

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Introduction

Most local councils across NSW have access to some funding to establish and run a Local Heritage Fund.

The primary objective of the Local Heritage Fund is to:

Provide funding to assist council and the community to deliver good heritage and urban design management outcomes in your local government area

Funding for Local Heritage Funds provides regular and on-going funding for councils, communities and owners of heritage properties. It assists in promoting urban design and heritage in the area.

The outcomes of this program have been very positive. Many successful and ongoing partnerships between local and state governments and communities have been developed.

The framework

What is a Local Heritage Fund?

The Heritage Branch offers funding to local councils to set up a Local Heritage Fund. Councils can then offer small grants for heritage projects. Funding should be used as an incentive to assist heritage listed items in Local Environmental Plans as a first priority, over non-listed heritage items.

What projects can be funded through a Local Heritage Fund?

The Heritage Branch is flexible about how your council implements its Local Heritage Fund. Funding can be used for a wide range of projects that will deliver good heritage and urban design outcomes that fit within the scope of these guidelines.

Projects funded through your Local Heritage Fund may include (and not be limited to): conservation works and maintenance works projects; adaptive reuse projects; urban design projects that support heritage; interpretation projects; and conservation management plans.

Generally funding should not be provided for:

- New buildings
- Routine maintenance (eg lawn mowing, gutter cleaning or carpet cleaning)
- Projects where adequate funding is available from the applicant or other sources
- New commemorative monuments or works
- Purchase of heritage buildings
- Relocation of buildings or work to relocated buildings
- Private headstones, unless there is no possibility of descendent support for the project

- Flood lighting of heritage buildings
- Purchase of equipment
- Moveable railway heritage items

What does a Local Heritage Fund offer council and the community?

Local Heritage Funding is a great investment for local councils across NSW. For the relatively small dollars that council contributes, a Local Heritage Fund generates positive, feel good community attitudes and long term on-the-ground heritage conservation outcomes.

Councils should *promote and publicise* their local grants program to heritage owners and managers. Many owners and managers say they are unaware of funding opportunities available – *this is one of the most powerful incentives available for heritage properties.*

Local Heritage Funds benefit property owners and managers and foster a positive relationship between the community and council and the wider community in the following ways:

- Encourage good heritage conservation works and well maintained property
- Encourage good urban design and well designed adaptive reuse, sympathetic alterations and additions and infill developments for heritage buildings and items
- Supports sustainability and heritage tourism
- Encourages works to heritage places because funding is provided on a contributory basis.

Legal basis for councils to establish a Local Heritage Fund

Section 356 of the Local Government Act 1993 provides the legal basis for the establishment of a Local Heritage Fund.

How does council access funding for a Local Heritage Fund?

The Heritage Branch currently offers grant funding to councils for a Local Heritage Fund up to a set amount. Further information about a grant funding is available on the Heritage website Local Government Heritage Management program funding page.

How much money does council need to establish a Local Heritage Fund?

Generally Local Heritage Funds can be established and run with a small budget. The suggested minimum total budget for a Local Heritage Fund is \$10,000. As councils can afford to contribute more funding, the Local Heritage Funding budget can increase accordingly.

Who should manage your Local Heritage Fund?

Generally, the Local Heritage Fund will be managed by your council heritage officer or planner. Your heritage advisor and heritage committee will assist in assessing, recommending and approving projects for funding.

Your heritage advisor will then assist the council heritage officer in the management of the projects to ensure that appropriate heritage works are undertaken and appropriate approvals for these works are in place.

The council officer is responsible for the annual Heritage Branch grant acquittal and reporting for your Local Heritage Fund.

Claiming your Heritage Branch funding

The Heritage Branch will reimburse our funding share according to the funding agreement with your council for that financial year for funds spent on completed projects on the submission of the required documentation.

Managing your Local Heritage Fund – council responsibilities and requirements

This section covers all aspects of establishing and running your Local Heritage Fund.

Planning and managing your Local Heritage Fund's annual funding cycle

At the outset of your program you will need to work out an annual timing cycle for your program that fits within the financial year funding and expenditure parameters.

For best results, it is best to plan ahead and undertake as many of the following steps prior to the start of the financial year as practical.

Individual council processes and timing will vary, but generally you will need to allow enough time to undertake the following steps:

- Design your the Local Heritage Fund - priorities, procedures and forms
- Confirm your annual Local Heritage Fund budget
- Seek approval for the overall Local Heritage Fund

- Advertise and call for Local Heritage Fund project applications – allow 6-8 weeks.
- Process, assess and recommend projects for funding
- Gain heritage committee and/or council approval for recommended individual projects
- Prepare and send out letters of offer – allow 3 weeks for applicants to accept their funding offers
- Commence projects as early as possible to allow maximum time for applicants to plan and undertake their projects - 4-6 months + is preferable
- Complete projects, inspect and pay grant funding by February/March
- Prepare Local Heritage Fund annual reporting and acquittal for your council and submit to the Heritage Branch by 15 May each year.
- Promote and publicise your heritage fund widely and often – at the application stage, at the awarding of successful projects stage, during and at the completion of projects and finally at the completion of the funding round.

If you think and plan ahead, you will give your applicants the best chance for the success and ensure the expenditure and acquittal of your funding within the financial year.

Please remember that the annual Heritage Branch Local Heritage Funding is available from July each year. This funding can only be paid out on completed projects. The Heritage Branch Local Heritage Funding must be acquitted with the Heritage Branch by 15 May each year. Council can not carry forward any unspent Heritage Branch Local Heritage Funds to the next year.

Download Local Heritage Fund templates from the Heritage Branch website

The Heritage Branch has designed templates for local councils to use in conjunction with this guideline. These can be downloaded from the Heritage Branch website at [Local Government Heritage Management](#) (Ctrl and click on this hotlink).

The templates are locked word documents. Councils should modify and adapt these templates to suit their Local Heritage Fund requirements.

Designing your Local Heritage Fund

At the outset, your council needs to consider the **primary objective** of the Local Heritage Fund to *provide funding to assist council and the community to deliver good heritage and urban design management outcomes in your local government area.*

It makes sense to involve the heritage advisor and heritage committee in designing your Local Heritage Fund.

The heritage committee may include councillors, the heritage advisor, council town planning staff and community representatives. The advantages of involving your

Heritage Committee in designing, recommending and approving project funding is that it will raise council's awareness of heritage issues and initiatives in your local area.

Firstly, refer to your councils' **Heritage Strategy** for direction and any funding priorities that may be identified in this report.

Council should think about **identifying local heritage issues** and how the Local Heritage Fund can be directed towards addressing these issues in the short and long term. For example, targeting heritage projects in the main street will benefit local businesses as well as attract heritage tourism to the area.

It's critical that councils tailor their funding programs and priorities for funding to local issues. For example, bird proofing may be an issue; or underpinning on reactive clay soils; or Asbestos removal and replacement; or climate related issues – water and weatherproofing where there is high rainfall or freeze and thaw conditions.

Ideally, the objective and what council wants to achieve should be documented and communicated to the council, heritage owners and managers and the wider community. You may need to add or update your Heritage Strategy with these decisions.

You will also need to consider how you will evaluate and measure the success of your Local Heritage Fund and report on this to your councillors.

An easy solution is to use the **Heritage Strategy Annual reporting template**. This template includes a section that allows you to evaluate your Local Heritage Fund using outcomes and key performance indicators. You will also use this template to report to your council and the Heritage Branch.

Setting Local Heritage Fund priorities for the long and short term

You will need to agree on the Local Heritage Fund **priorities**.

It may be that you will have some general **long term funding priorities**, eg:

- Local heritage places listed on the heritage schedule of the Local Environmental Plan; conservation works projects;
- Projects for external conservation works;
- Urgent maintenance projects; and
- Heritage projects that support green energy and sustainable uses.

You may also have some **short term funding priorities** that are particular to the current needs of your local government area that will be useful to prioritise how the funding is assessed, eg:

- Main street shop fronts and verandahs;
- Heritage streetscapes;
- Residential fences;

- Farm outbuildings; or industrial heritage, or
- Whatever is topical, current or a hot issue in your local area eg bird proofing; weather proofing; or underpinning on reactive soils

Decide who can apply for funding

Generally, it is recommended that funding be open to anyone with a genuine heritage project in your local government area.

Decide how much funding is available for a project

Generally, project funding should be offered on a \$ for \$ basis. Using this funding formula, the project applicant will need to contribute a dollar for every dollar received from the Local Heritage Fund.

Councils may like to offer seniors (the over 65s) pensioners and self-funded retirees grants rather than \$ for \$ grants. Feedback on grants programs shows that this sector owns and manages heritage, are interested in and need funding and can not necessarily afford to contribute their own funds.

For local council owned projects, funding may still be approved. However, in these circumstances, project funding should be offered on a \$1 for \$3 basis.

You will need to decide if there is a minimum project value, or whether council will accept applications for projects of any dollar value.

You will also need to decide on a maximum amount of grant funding available for a project; this may depend on the total Local Heritage Fund budget.

Generally, the amount of project funding offered must be enough to encourage the applicant to undertake the project

Too small a grant may not be a sufficient incentive to get the project off the ground - and each project requires just as much paperwork, irrespective of the funding amount offered!

For example, we have found for councils with an annual Local Heritage Fund budget of \$16,000, council will generally fund between 6-8 projects with grants of around \$2,000 each towards heritage projects costing at least \$4,000.

Design your Local Heritage Fund guidelines and project application form

Once you have agreed on the design of your Local Heritage Fund, as set out above, (who can apply; what projects will be funded; the funding priorities; the funding available), you will need to modify the Local Heritage Fund guidelines template and project application form template.

Generally the Local Heritage Fund guidelines and project application should be available on the council website and also be available to download as paper documents.

Your council may have a general standard approach to designing application forms that you will need to follow that may include standard questions and information for your Local Heritage Fund application form.

Design a project application assessment form

Once you have completed the Local Heritage Fund guidelines and project application form, you will need to modify the template for the project assessment form for your Council's use.

It is important that the assessment of project applications is transparent and accountable. It makes it easy if the assessment form is based closely on the information set out in the guidelines and the questions asked in the application form.

One method of assessing applications is to use a numerical scoring system to score each answer out of an agreed mark. All of the marks are added up and totalled to a maximum of score of say, 100 or 50. Numerical project application scoring makes comparison between project applications more objective and transparent.

It is also perfectly acceptable to include more subjective project assessments as part of the assessment process. However, you need an agreed and consistent way of comparing subjective aspects of projects.

You will need to discuss and agree on how the project assessment form is used to ensure consistency in how the projects are assessed.

Record keeping

Many councils have set up an Excel spreadsheet to track projects funded through the Local Heritage Fund. Or your council may like to establish an access database for the Local Heritage Funding program.

It is important to collect and retain all relevant information about the Local Heritage Fund (program approvals, approved projects and project applications and assessments etc) as a record of decisions made by council.

Information collected and written on the project assessments will generally not be made available to the public, however if queried may need to be available. These records may also be used for auditing your local funding program.

Council approvals

You may need councillor, council or heritage committee approval for the overall Local Heritage Fund and its priorities before you can call for applications.

Check with your council requirements about what is required and how to do this. You will need to allow enough time for the approval processes, if required, so that this does not hold up the Local Heritage Fund implementation.

Advertising and calling for applications

It is recommended that applications are called for once a year. It is important that all applications are dealt with at the same time and processed in the same way.

The Local Heritage Fund should be widely advertised through many local sources. You want to make sure that everyone knows about the funding program, when and how to apply for funding if interested.

Some recommended sources for advertising your program include:

- Council's website
- Email lists of heritage owners
- Local newspapers, radio stations and other local media
- Interested local community groups
- Keep a mailing list of enquiries for funding throughout the year
- Direct letter or emails sent to all owners/managers of LEP heritage listed items in your local area and to people included on your mailing list.

Advertising should include the program purpose, who can apply, opening and closing dates and who to contact for further information.

Councils should consider displaying a range of successfully completed local heritage funded projects on their website, as information for potential applicants.

A copy of a block 'newspaper advertisement' for the NSW Heritage Grants program has been included as a model document on the Heritage Branch website.

Receiving and assessing applications

You will need to set up a standard process to record all applications received by council for your Local Heritage Fund.

Two people will need to initially assess the applications using the assessment form. Generally this will be the council heritage officer and/or heritage advisor as a heritage specialist.

For all project applications received, council will need to:

- Check to see that they contain all necessary information. You may need to go back to the applicants for more information.
- Arrange site inspections, as necessary for the heritage advisor or specialist
- Prepare a list of all project applications received, with comments and scores indicating the projects recommended for funding approval.

The heritage officer (or heritage specialist) will:

- Inspect each heritage item being considered for funding to ensure that the works proposed are appropriate heritage works and a priority for that site.
- Assess the project applications

The project assessments should then be referred to the heritage committee (or selection committee) for recommending and funding approvals.

Recommending and approving project funding

The list of project assessments and shortlist of recommended projects should be put to the heritage committee, which will then discuss, agree and recommend (and approve, if appropriate) funding the projects for the council.

You will need to follow your council processes for this and keep good written documentation of recommendations and decisions made for your council records.

You must ensure that the projects and the funding expenditure have been approved by the appropriate council officers and councillors.

Notify unsuccessful project applications

When a decision has been made about the projects to be funded, a council letter should be sent to all unsuccessful project applicants.

This letter, which can be a form letter on council letterhead tailored to the particular project, should thank them for their effort in applying for a grant and let them know about other current and future funding opportunities.

Project funding offers: covering letter, funding agreement and conditions

Council will need a standard funding offer package to send out to successful project applicants.

The funding offer package is a plain English legal contract that council prepares for each project. This funding offer package will generally include a **covering letter** on council letterhead, a project **funding agreement** and **standard conditions** and any project **specific conditions**.

Templates for these documents are provided on the Heritage Branch website for your council to modify for use.

The **funding agreement** and **conditions** will guide the project applicant in undertaking the project and the council in administering the funding for the project.

It is important that the funding offer package is well thought out, covers all of the issues and is clearly worded. It will be the basis for deciding and clarifying any misunderstandings and settling disputes about the project, should this become necessary.

The **covering letter** on council letterhead provides an introduction to the funding offer package.

This letter, which can be a form letter on council letterhead tailored to the particular project, should summarise the details of the project funding offer.

The project **funding agreement** is a project specific binding contract on the project between the applicant and the council. This agreement should include the following information: project name; project purpose; applicant details; approved funding amount, applicant's funding contribution and the total project value; any specific project conditions; project start date and completion date; and progress and final reporting requirements.

The project funding agreement is usually supported by **standard conditions**. The standard conditions set out council's expectations and the requirements that must be met by the applicant in undertaking the project.

As well as the standard project conditions, there may be **specific conditions** that council should put in writing as part of the funding agreement, to guide the implementation of a particular project. The specific conditions will usually guide particular heritage aspects of the project and be prepared by the council heritage advisor.

Provide a project sign to advertise the project and your Local Heritage Fund

On the acceptance of the project funding offer and the commencement of the project, it is recommended that your council prepare signage to advertise and raise awareness of your council's Local Heritage Fund and the heritage projects that are underway.

A sign could be either a generic council sign about Local Heritage Funding and heritage projects or a project specific sign. It can be as simple as an A3 laminated sheet fixed to the fence, or similar to a DA notification sign, or a larger fabric banner that could be reused.

The sign should be given to the applicant to fix to the front fence of the property for the duration of the project. Generic signs should be returned at the project completion as part of the project acquittal process so that they can be recycled and reused for future heritage projects.

Manage projects to ensure good progress and promote them along the way

The council heritage officer will be responsible for the over-all Local Heritage Fund program implementation and the management of the projects. Generally, the heritage advisor will assist the council heritage officer to ensure that the heritage aspects of the project are undertaken appropriately.

The heritage officer will:

- At the start of the project, take a *before photo* for the Heritage Branch Summary Report
- Prepare signage to place on the front fence to advertise the project funding and your Council's Local Heritage Fund
- *Monitor progress* on all projects to ensure that they are undertaken and completed within the agreed time frame.
- *Send out reminder letters* to funding recipients a few months before the completion date
- *Manage the funding* and arrange grant payments for completed projects.
- Prepare media release to *promote project successes along the way and at the end of the project.*

The heritage advisor will:

- *Make site visits* to check up on projects and as requested
- *Provide heritage advice* on the projects to the council and the project applicants

Project completion, project inspection and funding acquittal

The simplest and best management method is to pay the funding on the satisfactory completion of the project. To claim the funding the applicant will need to submit all paid invoices for the project and a completed **project questionnaire** (optional).

Before council makes the grant payment for the completed project, your council heritage officer or heritage advisor (or heritage specialist) must inspect and **take a photo of the completed project** for the summary report to the Heritage Branch and fill in a **Project Compliance Certification form**. You can use or modify the project certification template on the Heritage Branch website.

Another option is to completing individual **Project Compliance Certification forms**, is to set up an Excel spreadsheet with the details of the Project Compliance Certification and complete for each project.

This step will assure the council and the Heritage Branch that the work has been appropriately undertaken and in accordance with the funding agreement and any approvals required under the Heritage Act or by local government.

Prepare annual report and claim your Heritage Branch funding

The council heritage officer will need to complete an annual report for the Heritage Branch on their Local Heritage Fund. The template for the ***Summary Local Heritage Fund annual report*** is available on the Heritage Branch website.

The ***Summary Local Heritage Fund annual report*** should be sent to the council and senior managers for approval/noting prior to being sent to the Heritage Branch.

To claim Heritage Branch reimbursement for your Local Heritage Fund, council must submit the completed Summary Local Heritage Fund annual reporting templates provided before 15 May each year.

The Heritage Branch will reimburse our funding share according to the funding agreement with your council for that financial year for funds spent on completed projects.

Evaluate your Local Heritage Fund and promote your successes!

Once you have completed your annual reporting for council and the Heritage Branch, you will have the information ready in your Summary Local Heritage Fund annual report and Heritage Strategy Annual Report template to evaluate your program.

It is a good idea to consider these points at this time and to use them to inform the next round of the Local Heritage Fund.

You should look at its success and weaknesses in the Local Heritage Fund design, management and implementation to see where improvements or changes could be made.

Further questions that you might consider include: What worked well and what didn't? What do we want to repeat, delete or do differently in the Local Heritage Fund? What do we want to target in the next funding round?

It is important to report on your successes to your councillors, council and heritage committee and plan for the future of your Local Heritage Fund. Don't forget to ask for more funding for next year!

Councils should publicise their local grants program to heritage owners and managers. Many owners and managers say they are unaware of funding opportunities available – this is one of the most powerful incentives available for heritage properties.

Councils should consider displaying a range of successfully completed local heritage funded projects on their website, as a record of the funding program and as information for potential applicants. Councils should also put out press release/s about successfully completed projects and use this to promote the local heritage fund and its availability for heritage owners and managers. Many people continue to say they did not know funding was available – keep telling them!

Another idea to consider is the establishment of council heritage awards as an adjunct the Local Heritage Fund. Heritage awards have been very successful at local council levels in encouraging and recognising community and heritage owner efforts in looking after their heritage items.

Local Heritage Fund templates available

The following templates have been developed by the Heritage Branch for use in conjunction with this guideline:

- Example block advertisement
- Local Heritage Fund guidelines
- Local Heritage Fund project application form
- Local Heritage Fund project application assessment form
- Local Heritage Fund project funding offer – letter, funding agreement, conditions
- Local Heritage Fund project compliance certification form
- Local Heritage Fund project questionnaire
- Local Heritage Fund summary annual report

All Local Heritage Fund templates can be downloaded from the Heritage website at [Local Government Heritage Management](#) page.

Performance

If the Heritage Branch is not satisfied with the performance of council in relation to any of the matters contained in this document, funding may be reduced or withdrawn at any time. The decision of the Heritage Branch will be final in all matters.

Further information

Further information about Local Heritage Funds may be obtained by contacting either Miriam Stacy or Victoria Throp at the Heritage Branch by emailing Miriam.stacy@heritage.nsw.gov.au or victoria.throp@heritage.nsw.gov.au or phone (02) 9873 8577.