

HERITAGE INFORMATION SERIES

HOW TO ESTABLISH A LOCAL HERITAGE FUND



NSW
Heritage Office

DISCLAIMER

Any representation, statement, opinion or advice, expressed or implied in this publication is made in good faith but on the basis that the State of New South Wales, its agents and employees are not liable (whether by reason of negligence, lack of care or otherwise) to any person for any damage or loss whatsoever which has occurred or may occur in relation to that person taking or not taking (as the case may be) action in respect of any representation, statement or advice referred to above.

NSW Heritage Office
Locked Bag 5020
Parramatta NSW 2124

Ph: (02) 9873 8500
Fax: (02) 9873 8599
www.heritage.nsw.gov.au

© Crown copyright 1998

Revised 2004

ISBN 0 7310 8925 1

HO 96/02

HERITAGE INFORMATION SERIES

HOW TO ESTABLISH A LOCAL HERITAGE FUND	1
Introduction	2
Benefits	2
Existing Local Heritage Assistance Funds	2
How much money is required to establish a fund?	3
What support funding is available from the NSW Heritage Office?	3
How can I apply for a heritage grant to establish a local fund?	3
Legal basis for councils to establish funds	3
What type of assistance should councils provide to applicants?	3
Calling Applications	4
Advertising	4
Standard templates for you to use	4
Managing a Local Heritage Assistance Fund	5
Yearly Report on the Fund	5
Setting priorities	6
Eligibility for Funding	6
Assessment Criteria	6
Projects not funded	7
Template documents for you to send to successful applicants	7
Special conditions	8
Method of Payment	8
APPENDIX A SUGGESTED GUIDELINES TEMPLATE	9
APPENDIX B SUGGESTED GUIDELINES TEMPLATE	12
APPENDIX C SUGGESTED TEMPLATE FOR AN ASSISTANCE AGREEMENT	14

Introduction

There is increasing interest from local councils to establish local heritage funds to promote heritage conservation in their areas. These guidelines have been prepared by the Heritage Office to assist councils in formulating appropriate procedures for establishing and managing such funds.

Benefits

Local funds:

- encourage the conservation of heritage items, and promote a positive community attitude to heritage conservation;
- encourage much work because funding is provided on a contributory basis. One of the best examples of the use of a local fund is the town of Lockhart where all thirty buildings in the main street of the town were restored through the establishment of a relatively small \$15,000 fund which generated total conservation work of some \$64,000;
- provide a tool for more closely targeting particular projects e.g. implementing the recommendations of a heritage main street or precinct study.

Existing Local Heritage Assistance Funds

Many Councils have been operating local heritage funds: Armidale-Dumaresq, Ballina, Bathurst Regional, Bega Valley, Bellingen, Berrigan, Blacktown, Bland, Blayney, Boorowa, Bourke, Brewarrina, Broken Hill, Cabonne, Cessnock, Cobar, Coffs Harbour, Coolah, Coolamon, Coonamble, Cowra, Culcairn, Deniliquin, Dubbo, Dungog, Fairfield, Gosford, Great Lakes, Greater Argyle, Gundagai, Guyra, Harden, Hastings, Holbrook, Hornsby, Inverell, Jerilderie, Junee, Kiama, Lachlan, Leeton, Lismore, Liverpool Plains, Lockhart, Maclean, Maitland, Mid-Western Regional, Moree Plains, Muswellbrook, Narrandera, Narromine, Orange, Parkes, Port Stephens, Queanbeyan, Richmond Valley, Rockdale, Shoalhaven, Snowy River, Sutherland, Tamworth Regional, Taree, Temora, Upper Lachlan, Uralla, Urana, Upper Hunter, Wagga Wagga, Walgett, Weddin, Wellington, Wentworth, Wingecarribee, Wollongong and Yass Valley.

How much money is required to establish a fund?

Local funds can be set up with quite a modest amount to begin with, for example \$10,000 (\$5,000 from your council and \$5,000 from the Heritage Office) which could be administered as 10 X \$1,000 \$-for-\$ grants.

What support funding is available from the NSW Heritage Office?

In the metropolitan area councils fund their own programs. In rural areas councils are automatically eligible for grants of up to \$7,500 per year under the NSW Heritage Assistance Program. Greater amounts can be considered for larger local fund projects under a program run every two years. e.g. \$200,000 in heritage grant funding has been provided over four years to the Broken Hill City Council to assist a major verandah restoration program in the main street.

Out of a fund of \$15,000 (\$7,500 plus \$7,500) an amount of up to \$10,000 can be provided to any one project in any one year.

How can I apply for a heritage grant to establish a local fund?

Simply ring the Heritage Office at any time on 9873 8500 and ask for the funding officer or e-mail victoria.throp@heritage.nsw.gov.au

Legal basis for councils to establish funds

Section 356 of the Local Government Act 1993 provides the legal basis for establishing local funds.

What type of assistance should councils provide to applicants?

The simplest form of assistance is **\$-for-\$ grant assistance**. With larger projects, consideration could be given to providing low interest loans or grants which would be refundable on sale with or without indexation.

Loans are advantageous in that they enable more heritage funds to be recycled, but they require more staff time and paperwork. It is suggested that where loans are offered, they should be offered at the lowest rate possible and even interest-free. To reduce administration it is suggested that the

paperwork be kept as simple as possible and there be a minimum of repayments - say at six monthly.

Indexed refundable grants are an appropriate alternative to loans where larger sums are involved and where applicants are not in a position to repay loans e.g. pensioners. The grants are made on the understanding that they will be repaid on the sale or disposal of the subject property, together with an indexation amount to ensure that the grant retains its value over time. These grants are equitable because they enable repair work to be carried out for people of limited means but the fund is reimbursed from the sale of the property. Simple documentation for these grants is available from the Heritage Office.

Whatever form the assistance takes, it is important that the applicant's contribution is taken into account in assessing applications. **Joint funding** provides a strong indication of the applicant's commitment to the project and is one of the best means of ensuring financial responsibility as the recipient must bear at least half the cost of all work.

Calling Applications

It is recommended that applications be called on a once-a-year basis as this provides:

- the best overview of needs in the area;
- enables the selection committee to prioritise applications and recommend funding accordingly;
- is equitable because the program can be properly advertised and all applicants are dealt with at the same time.

Advertising

The fund should be advertised in local newspapers and it is also suggested that where feasible you direct mail all interested parties including all owners of heritage properties.

Standard templates for you to use

A suggested template for the guidelines is at **Appendix A** - alter this to suit your own situation.

A suggested template for an application form is at **Appendix B** - alter the format to suit your own situation.

Managing a Local Heritage Assistance Fund

The following two matters are considered to be important.

1.

A person with heritage conservation experience and qualifications should be available to promote and assess applications for assistance. This person could be on the council's staff or be a heritage adviser.

Each item being considered for financial assistance should be inspected. Inspection may reveal that the work proposed by the applicant should be given lower priority than other work which may be needed. For example, an owner may apply for assistance to repair or reinstate a picket fence in front of his house, but inspection may reveal that the roof is leaking, in which case assistance should be offered for roof repairs in the first instance.

The local heritage adviser can assess applications for assistance in terms of whether the works proposed constitute conservation works which are in the best interests of the heritage item. If necessary, the adviser can negotiate changes to the proposed works. The adviser is also able to assess the works as they proceed and upon completion.

2.

There needs to be some arrangement for the consideration of applications. One suggestion is the use of a heritage committee. A heritage committee usually includes elected council members, the heritage adviser, town planning and health & building staff members and community representatives.

The advantage of a heritage committee is that it raises the community's awareness of the council's heritage conservation initiatives, and often also makes available to the council local expert advice free of charge.

For information on establishing heritage committees see Suggestion No. 1 in the Heritage Office's brochure *Suggestions on how local councils can promote heritage conservation* available on our website at www.heritage.nsw.gov.au.

Yearly Report on the Fund

A yearly report to Council should be prepared by Council's planning department reviewing the operation of the fund and, if necessary, making recommendations for variations to procedures. This yearly report can be used to formally advise the Heritage Office on how any heritage grant funding has been spent and it can also be used to reapply for further funding.

Setting priorities

Before each year's program commences you need to decide what categories of project should receive priority in the forthcoming year, eg. main street verandahs, gardens, picket fences in residential areas, etc. These priorities should be made clear to all applicants and they need to be used in assessing applications.

Eligibility for Funding

The following three basic criteria are suggested:

- the item should be a recognised heritage item. As at June 2004 the Heritage Office does not require local environmental plan listing on local funding, however preference should be given to those items legally protected in a heritage schedule to a local environmental plan. This action would provide positive reinforcement for such protection;
- all owners or lessees should be eligible except the local council and government departments which have access to other funds;
- applications must only be for appropriate conservation work.

Assessment Criteria

These following criteria provide a useful checklist for assessing projects:

- the applicant's ability to demonstrate technical and financial responsibility with regard to the project, and demonstrated ability to complete the project within 12 months;
- the degree to which the applicant is financially contributing to the project and/or their ability to quickly return borrowed heritage funds;
- projects which clearly complement broader conservation objectives, eg. projects which implement key findings of heritage studies or projects in designated heritage main street or conservation areas;
- projects which would encourage the conservation of other heritage items;
- projects of demonstrated heritage value to the community (commonly the item concerned will appear on many heritage lists) e.g. the restoration of a local hall or school of arts building;
- projects which are highly visible to the public, eg. the replacement of a verandah to a building in a main street location;

- projects which have high public accessibility, eg. a local museum or church.
- projects which are in an area which has received little or no funding;
- projects involving aspects of heritage which have received little or no funding eg. historic gardens;
- projects subject to conservation controls where the owner is able to show hardship arising from conservation work required to the item; and
- urgent projects to avert a threat to a heritage item.

Projects not funded

Funding should generally **not** be provided for the following projects:

- where assistance is reasonably available from another source;
- where substantial assistance has been previously provided, or where the applicant has yet to complete other assisted projects;
- purchase of a building, site or movable item;
- a new addition to a heritage building (including new internal fittings such as new kitchens and bathrooms);
- the relocation of a heritage building or work on relocated building; and
- work on a government owned building still used for a government purpose.

Template documents for you to send to successful applicants

It is suggested that these be limited to:

- a brief letter of offer from your council, and;
- a plain English agreement, see template at Appendix C.

In the case of loans and indexed refundable grants, documents should be kept as simple as possible, e.g. a deed of agreement secured by a caveat on the land title.

Special conditions

The council's heritage adviser should advise if the assistance should be made subject to any special conditions for the work to be considered satisfactory. For example, financial assistance for repointing of brickwork may be made conditional upon the use of lime mortar as opposed to cement. Such special conditions should be clearly set out in the agreement given to the applicant.

Method of Payment

The simplest and safest method is to pay on the satisfactory completion of the project. All work should be certified by the heritage adviser or other specialist prior to payment. Advance payment is **not** recommended.

APPENDIX A SUGGESTED GUIDELINES TEMPLATE

COUNCIL LOGO

LOCAL HERITAGE ASSISTANCE FUND FOR

BACKGROUND

A Local Heritage Fund has been established by Council with the aid of a grant from the NSW Heritage Office.

There is a total of \$..... in the fund made up of a government grant of \$..... and \$..... from the Council.

AIM OF THE FUND

The aim of the project is to encourage as much positive work on heritage items in the area as possible. In the past, many grant programs were for individual buildings only. This program will provide kick start funding to encourage the joint funding of a number of projects. In the process, it is hoped that this will engender greater interest and concern for conservation for all heritage items within the Council's area.

INVITATION TO APPLY

Owners of heritage buildings in this area are invited to apply. It is essential that you prepare the best application possible because of the limited funds and these guidelines have been prepared to assist you.

ELIGIBLE PROJECTS

Projects which involve the repair, maintenance or reinstatement of missing items on heritage buildings in the nominated area. These include fences, verandahs, roof cladding and decorative detail. Projects include structural work through to final painting of projects.

PROJECTS NOT FUNDED

Funding will generally **not** be provided for the following projects: where assistance is reasonably available from another source, where substantial assistance has been previously provided, or where the applicant has yet to complete other assisted projects, purchase of a building, site or movable item; a new addition to a heritage building (including new internal fittings such as new kitchens and bathrooms); the relocation of a heritage building or work on relocated building; work on a government or council owned building still used for a government or council purpose.

ASSESSMENT CRITERIA

The following matters will be taken into account by the council in assessing the priority of your application. Please note that it is not necessary for your project to meet all of these criteria.

- the applicant's ability to demonstrate technical and financial responsibility with regard to the project, and demonstrated ability to complete the project within 12 months;
- the degree to which the applicant is financially contributing to the project and/or their ability to quickly return borrowed heritage funds;
- projects which clearly complement broader conservation objectives, eg. projects which implement key findings of heritage studies or projects in designated heritage main street or conservation areas;
- projects which would encourage the conservation of other heritage items;
- projects of demonstrated heritage value to the community; commonly the item concerned will appear on many heritage lists: e.g. the restoration of an important local heritage house;
- projects which are highly visible to the public, e.g. the replacement of a verandah to a building in a main street location;
- projects which have high public accessibility, e.g. a local museum, church or a private home which is open to the public several times a year;
- projects which are in an area which has received little or no funding;
- projects involving aspects of heritage which have received little or no funding e.g. historic gardens;
- projects subject to conservation controls where the owner is able to show hardship arising from conservation work required to the item; and
- urgent projects to avert a threat to a heritage item.

LEVEL OF FUNDING AVAILABLE

It is proposed that the maximum level of funding per project will be limited to \$..... Greater funding may be made if the circumstances warrant it. You will be required to provide at least matching finance for the projects. There will clearly be cases where you may yourself wish to contribute more to the project.

TIMING OF PROJECTS

From approval you will have months to complete your project.

WHAT YOU NEED TO DO

Firstly contact the heritage advisor for your area

It is suggested that you set down the work you propose to do and then contact the heritage advisor to discuss the eligibility and other details of your project. This service is provided free of charge. The advisor will be able to assist you in making an application. If the project is too large the advisor may suggest you get the services of a conservation architect for the project.

The heritage advisor is
and you can make an appointment by ringing

Background Research

It will assist your case if you can properly demonstrate why the work you propose is appropriate from a heritage point of view. To do this you may need to do some research, e.g. the council may have information on the building, or the library or you may be able to obtain photographs. The heritage advisor may also have some suggestions to follow up.

Work to be carried out

You then need to decide in detail what work you want to carry out. This should be put down in a clear item by item job schedule.

Quotes

Next, as with any work, you need to get quotes and it is suggested that you get at least two for the work. Put these costs alongside the schedule of work you have prepared.

Plans and Sketches

Depending on the size of the job you may need these to attach to your application for funding.

Photographs

Take a photograph of the setting of the building, each elevation and close ups of any particular job to be done. Keep the negatives and a set of photographs for your final report.

Fill in the application form

Fill in the attached simple form, keep a copy for your records, staple on the attachments and take it immediately to the council.

APPENDIX B

APPENDIX B SUGGESTED GUIDELINES TEMPLATE

COUNCIL LOGO

LOCAL HERITAGE ASSISTANCE FUND

APPLICATION FOR FINANCIAL ASSISTANCE

Please refer to guidelines before completing this application

APPLICANT

NAME:
POSTAL ADDRESS:
.....
POSTCODE:.....
PHONE NUMBER:.....
PRIVATE:BUSINESS:.....

SUBJECT LAND

STREET & NUMBER:
SUBURB:.....

THE PROPOSAL

PROPOSED WORKS:
.....
.....
PRESENT USE OF BUILDING:
.....
.....

FUNDS

ESTIMATED COST OF WORKS:
THE AMOUNT YOU ARE SEEKING WITH THIS APPLICATION:
(NOTE: MAXIMUM \$..... AMOUNT SOUGHT MUST BE MATCHED DOLLAR FOR DOLLAR BY APPLICANT)

ADDITIONAL INFORMATION SUBMITTED WITH THIS APPLICATION

Tick quotes for the cost to carry out work	<input type="checkbox"/>
Tradesmen qualifications	<input type="checkbox"/>
Plans/sketches of the proposed works	<input type="checkbox"/>
Photographs of existing structure	<input type="checkbox"/>
Samples of finished materials/colours	<input type="checkbox"/>
Historical background of the Property	<input type="checkbox"/>

SIGNATURE OF APPLICANT

I/we, the undersigned, being the applicant(s) nominated in this application, hereby apply for financial assistance under the Local Heritage Assistance Fund to carry out works described in this application on the land specified in this application.

Signature(s)..... Capacity..... Date.....

APPENDIX C SUGGESTED TEMPLATE FOR AN ASSISTANCE AGREEMENT

COUNCIL LOGO

AGREEMENT FOR ASSISTANCE ON A HERITAGE PROGRAMS

Project Number:

Details of Assistance:

Applicants name:

Postal Address:

Project Address:

Project Name:

Amount of Assistance:

Type:

Your Contribution:

Funding Source:

Purpose of the Assistance:

Special Conditions:

Final date for the completion of the project:

CONDITIONS APPLYING TO ALL PROJECTS

You the applicant, by entering into this agreement, agree to comply with the following conditions:

1. Acceptance

You must accept this offer of assistance within 6 (six) weeks of the date of this offer otherwise it will be withdrawn.

2. Permission to Commence Work

You must provide the following information before permission to commence work will be granted:

- (a) a draft schedule of work;
- (b) who is to carry out the work;
- (c) a time schedule for the completion of the project;
- (d) name of a suitably qualified person who will be responsible for supervising the proposed work.

3. Funding from other sources

You must immediately advise the council of any changes to financial resources and arrangements connected with the project.

4. Claims

Claims for payment should be supplied in letter form and you should set out clearly what work was carried out, by whom and how much you are claiming. Attach originals of any bills.

5. Progress Reports

You must provide brief progress reports as requested.

6. Revocation

You agree that this financial assistance may be reviewed or revoked at any time under any one or more of the following circumstances:

- (a) unsatisfactory work;
- (b) failure to meet time schedule constraints;
- (c) failure to provide progress reports;
- (d) non disclosure, misleading or false disclosure of information.

You also agree, in case of revocation, that where monies have been advanced you are obliged to refund those monies plus interest equal to the current rate used for local government rate arrears.

7. Taxation and other regulations

You agree that it is solely your responsibility to ensure you comply with any taxation liability and or regulations under any Federal or State legislation.

8. Loan and Index Refundable Grant Conditions

You agree to enter into a separate agreement to provide whatever form of security for this assistance which may be required.

9. Reusable Equipment

You agree that assistance is not to be used for expenditure on reusable equipment without the prior written approval of the council.

10. Appropriate Conservation Work and Financial Management

You agree that all work must be carried out in a manner consistent with appropriate conservation practice and in accordance with generally accepted sound financial practice.

11. Long Term Protection

You agree to take all reasonable measures to protect in perpetuity the item for which this assistance is granted.

You the applicant, and owner of the item assisted, agree not to object to the inclusion of the item in a Local Environment Plan or, where the item is of state heritage significance, to its inclusion on the State Heritage Register.

You agree to insure and keep insured at all times the item for which this assistance is granted.

12. Acknowledgment of Assistance

You agree to acknowledge this assistance in any form required and approved by the council.

Acceptance

I, the applicant, hereby agree to the above conditions and accept this offer of assistance.

Signature Date

To be completed for projects where the applicant is not the owner of the item being conserved.

I, the owner of the item for which this assistance is granted, also agree to the conditions of this assistance and give permission for work to commence.

Signature Date