Canllawiau ar gyfer ceisiadau: Benthyciadau Adennill Treftadaeth a Chydnerthedd

Closed programmes

Mae'r gronfa Benthyciadau Adfer Treftadaeth a Chydnerthedd yn ein galluogi i ddiogelu treftadaeth yn y tymor hir drwy gefnogi adennill ffrydiau incwm a chwrdd â chostau gweithredu sy'n deillio o argyfwng COVID-19.

Pwysig

Nid yw'r rhaglen Benthyciadau Adfer Treftadaeth a Chydnerthedd yn derbyn ceisiadau mwyach. Archwiliwch ein cyllid sydd ar gael.

Overview

The Heritage Recovery and Resilience Loans is a new programme of investment from The National Lottery Heritage Fund.

Heritage Recovery and Resilience Loans are designed to help fund activities and costs that will develop and restart your organisation’s income generating potential.

Covid-safe operations

This could include bringing staff out of furlough to develop Covid-safe operations, reshaping business plans to adapt to the impact of COVID-19 on your operations, or developing a digital offering.

By supporting the recovery of income streams, we can help to safeguard heritage in the long-term. This funding is well suited to organisations who have already been working on resilience, and are currently operating with a mixed income model of enterprise and grant funding, who require support to meet operating costs as a result of the COVID-19 crisis.

Innovative approaches

We encourage innovative approaches, but projections and proposals need to be realistic and achievable. We’ll need to see how you will afford repayments in the long-term. If you have more immediate or emergency needs, or think your long-term recovery is less secure, see if one of our other funding programmes is a better fit.

You can apply for a loan if you have already applied to us for other funding, whether your application is in progress or has been awarded or rejected. You must have received some form of funding from the National Lottery Heritage Fund in

the past.

The application process is outlined below. When preparing your answers to the questions, we recommend that you have input from your organisation's head of finance, or financial director. The questions ask for financial information that they should be best placed to know.

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Important terms and conditions

Important terms and conditions for a Heritage Recovery and Resilience Loan

- These loans have a fixed 0% interest rate
- There is no arrangement fee
- All loans will have the option of an initial 12-month repayment holiday
- The repayment period is up to 5 years. If you choose to take the 12-month repayment holiday, the repayment period will begin immediately afterwards.
- There is no early repayment fee
- You must claim the loan within 12 months of receiving permission to claim it from us
- Applications are open until 14 February 2021
- Decisions will be made by the end of March 2021

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Who can apply?

To apply for a COVID-19 response loan, you must be:

- a not-for-profit organisation

- a current or previous recipient of a grant directly from us

There may be cases where the heritage asset has been transferred to a new organisation since receiving funding. You can still apply if the asset has received funding from us in the past.

Your organisation must be able to:

- take on debt financing, and be able to demonstrate the legal basis for this in your governing documents
- provide security for a loan such as a charge on assets. This protects our investment, and also& ensures the relevant heritage asset is protected
- make and receive payments by bank transfer
- confirm that you are satisfied that your loan request, if successful, would not breach state aid rules. Learn more about state aid by reading UK government state aid guidelines
- demonstrate your ability to repay the loan amount over a period of up to 5 years
- repay at least 7% of your loan every year after your repayment holiday
- provide evidence that a proportion& of your income comes from sources other than grants, donations or other philanthropic giving. This is sometimes referred to as earned income

You must meet all the criteria above to apply for this investment. If you do not meet these criteria, you may be eligible for other support.

We are not accepting applications from:

- statutory organisations, for example, local authorities, even if you have previously received funding from us
- private owners of heritage, even if you have previously received funding from us
- organisations that have previously only received funding from us for project grants of £10,000 and under
- organisations mainly funded by UK and devolved Governments

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What will we give a loan for?

Heritage Recovery and Resilience Loans are long-term investment to support the actions needed to stabilise and modify operations, build organisational resilience, and adapt programmed projects as part of your organisation’s recovery from the impact of COVID-19.

You can apply to us for a loan of between £50,000 and £250,000.

Partnership funding is not required.

In your application, we will ask you to describe how you will use the loan based on our appropriate purposes:

- cashflow, this can include costs related to trade defaulters, delayed payments, loss or reduction of established income stream, or repayment liabilities that cannot be restructured. Repayment liabilities must only account for a small portion of your overall loan request
- staff salaries, includes costs to retain critical staff required to accelerate recovery
- working capital, this includes organisational expenditure that could not be paused, or is required to support your organisation’s recovery
- recovery planning, which could include fees and professional support towards adapting operational plans, delivery models and business plans to respond to the challenges presented by COVID-19, including adding or increasing digital activities

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What won't we give a loan for?

- costs that are eligible to be covered by Government support, for example, furloughing staff
- the remaining salary costs for staff on furlough not covered by the Government’s Job Retention Scheme, or any additional salary costs above the furloughing cap
- redundancy costs of staff not covered by a current National Lottery Heritage Fund project

- costs that are avoidable in the short term. We will let you know if we think this is the case and remove these from your loan request
- anything that contravenes Governments' advice on COVID-19
- costs related to promoting the cause or beliefs of political or faith organisations
- expenditure that is not in line with the organisations governing documents

We don't expect loan applications to include extensive capital works, like new buildings or restoration If your plans include capital work costs, you will need to explain in your application how these works directly contribute to your organisation's recovery.

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How to apply for a Heritage Recovery and Resilience Loans

Before you apply

The application form for Heritage Recovery and Resilience Loans is designed to help us understand the financial health of your organisation, the impact investment will have, and the risk profile.

In addition to the application form, we need some documents to help us understand this financial picture. Make sure you have these to hand as you prepare your application.

The application form cannot be saved, so make sure you prepare your answers and supporting documents ahead of time. You can find all the application questions in this PDF to help you prepare.

Apply online for a Heritage Recovery and Resilience Loan

Applications are open until 14 February 2021. Decisions will be made by the end of March 2021.

Supporting documents you will need to send as part of your application

To support your application and help us ensure that loan investments are legal and financially viable, we ask you to provide some documents with your completed application:

We will send you an email with instructions for providing your supporting documents when you have submitted your application to us. Use the templates provided to help you prepare your supporting documents.

- Governing documentsometimes called a constitution, or memorandum and articles of association
- Statement of Financial Activities (SoFA)or equivalent covering the last 3 reporting periods (financial or calendar years)

- Balance Sheetor equivalent covering the last three reporting periods (financial or calendar years).
- Annual report, or accounts for the last 3 reporting periodsIf your annual accounts include a SoFA and a balance sheet with year-on-year comparisons, you can include this instead, to cover the last 3 reporting periods.

  We would expect that your annual accounts or financial statements and annual report have been audited. If they have not been audited, you should tell us why.
- A month by month cashflow forecast for your organisationcovering at minimum the period for which you are applying for the loan.

  By cashflow we mean a document showing the flow of income and expenditure you expect. You must include notes to explain the assumptions you are making about income from any other emergency funding sources and expectations about re-opening sites to visitors.

  We recognise that longer range forecasting is difficult, and expect that your projections for the first 2 years will be more detailed. We understand that projections for future years will reflect what you know now. Including notes to explain any assumptions you have made in your forecasting helps us to understand how you have made your cashflow projections.
- A loan repayment schedule for your organisation You will need to fill this in and return it to us within 3 working days.

  The person usually responsible for your organisation's finances should complete the repayment schedule. This could be someone in a Finance team, or a Treasurer. You may also want to get professional financial advice.

If you need to, you can use this example cashflow as a guide for the kind of information we need, or as a template if you don't already have a cashflow prepared. You don't need to use this template if you already have a cashflow for your organisation

Calculating your cash surplus or profit

In your application, we will ask you to tell us about your income and costs, and your recent surplus or profit. This should include any money left after your expenses. If this includes restricted cash or reserves, you'll be able to tell us about this and what it's for in the form.

You will need to show that you have achieved an average yearly profit over the previous three reporting years for your organisation of at least £16,667.

To calculate this, you will need to add together your cash surplus, or profit totals for the last 3 years, and divide that total by 3. To be considered for this loan scheme, the average will need to be equal to or more than £16,667.

Your surplus or profit totals should match the income and expenditure shown in the supporting documents you provide with your application.

The amount you request should not be more than 3 times your average yearly surplus or profit over the last 3 years. You should plan to repay the loan over a maximum of 6 years.

Repaying your loan

In your application, we'll ask you to tell us how often you'll make repayments, and how long for, in order to repay the full loan amount. Your financial plans will need to show us that you've taken repayments into account

When you have sent us your application, we will email you a loan repayment schedule to fill in and send back to us.

We will compare the repayment schedule you propose in your application to the cash flow forecast you provide, to make sure that your financial projections support your repayment plans, with room for adjustment over time. We will work with you to make sure that your repayment schedule is fit for your circumstances.

A loan repayment schedule will help us track the repayment of your organisation's loan. We have produced an example of what a loan repayment schedule will look like. This version has guidance notes to help you complete the blank version we email you after submitting the application form.

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How will we prioritise applications?

We will prioritise investment where organisations:

- are experiencing increased financial risk from COVID-19 and have a reliance on income streams other than grants and donations
- are in greater financial risk due to limited reserves as a result of COVID-19
- are focused on a heritage asset that is at risk as a result of COVID-19
- are making an outstanding contribution to places and communities
- because of their strategic role in the heritage sector, it is likely that they will have received significant investment in the past from The National Lottery Heritage Fund
- can demonstrate a good track record working towards our inclusion priority, so that a wider range of people will be involved with heritage

- can demonstrate they are managing heritage attractions that are significant to the heritage visitor economy. Particularly those in areas of deprivation that meet our economic regeneration outcome, the local economy will be boosted

- can demonstrate a good track record working towards our wellbeing outcome, people will have greater wellbeing

We will also prioritise where:

- an organisation is working within one or more of the 13 Areas of Focus we identified in our Strategic Funding Framework

- there is willingness and potential to play a leadership role in the recovery and reconfiguring of the heritage sector longer term

- there is evidence of exploring and successfully developing new income streams to support sustainability and organisational reconfiguration longer term

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How will we assess applications?

This programme of investment supports change and innovative thinking so that your organisation can respond to the COVID-19 crisis and move forward with resilience and flexibility.

We recognise that your plans will require ongoing adaptation to changing circumstances. We will be looking for plans which are achievable and based in evidence wherever possible, whilst offering more flexibility about when you spend the money, and exactly what you spend it on.

In assessing applications, we will consider:

- the scale and scope of the wider impacts and benefits your organisation provides, in line with our outcomes around economic regeneration, inclusion and wellbeing

- the material difference our support is likely to make in the context of the organisation and the heritage you manage, its size and relative to the scale of the risk faced by you and the heritage you look after

- the financial health of your organisation before COVID-19, and your recent activity to stabilise income and reduce costs to reduce longer term risk. We will particularly look for organisations who can show regular income from

non-grant sources

- your plans for repayment of the loan – these should be realistic, and incorporated into your cash flow forecasting

Due to high demand for this investment organisations will be a lower priority for support if they:

- are better placed to access emergency funding from other sources
- have significant and ongoing resilience issues pre-dating the COVID-19 emergency. If this applies to your organisation, we recommend you discuss these issues with your local team, as we may be able to provide advice and support through our other initiatives