Heritage Enterprise viability and development appraisal guidance

30/01/2024

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This guidance is for those applying for grants through the Heritage Enterprise programme. It explains the purpose of viability and development appraisals and will help you to prepare or commission these appraisals. It should be read in conjunction with the main Heritage Enterprise application guidance.

Introduction

The Heritage Enterprise programme is for projects that seek to achieve economic growth by investing in heritage. It is primarily for enterprising community organisations and partnerships between commercial organisations and community organisations, to help them rescue neglected historic buildings and sites and return them to a viable productive use.

Heritage Enterprise is designed to bridge the funding gap that prevents a historic asset in need of repair from being returned to a beneficial and commercial use. The case for grant funding will depend on there being a **conservation deficit**. This is where the existing value of a heritage asset plus the cost of bringing it back into use is greater than the value of the asset after development has been completed.

By closing the gap (meeting the conservation deficit) we hope to encourage greater private sector involvement with many Heritage Enterprise projects, working in partnership with community organisations to deliver commercially viable projects. The involvement of the private sector is not mandatory, but it is encouraged.

Funding the conservation deficit

Applications for grants through the Heritage Enterprise programme will be considered solely on the basis of the conservation deficit and not on the applicant's inability to fund a commercially viable scheme. You will need to provide an indication of the conservation deficit by submitting information from a **viability appraisal** in your development-phase (first-round) application. The conservation deficit will then be calculated through the preparation of a **development appraisal**, after the award of a development-phase pass.

You are strongly advised to seek professional help from a RICS (Royal Institution of Chartered Surveyors) registered valuer or your commercial partner to prepare both your viability and development appraisals.

You can apply to us for a **grant to help prepare the viability appraisal** before you apply for a Heritage Enterprise grant. You can include the costs of preparing a development appraisal in your development-phase application.

As part of our assessment process, your development appraisal will be subject to professional scrutiny in order to work out whether:

- the level of grant sought is appropriate (as determined by the conservation deficit calculation)
- the degree of developer's return is fair and reasonable

We will appoint our own National Lottery Heritage Fund appraiser to work with your own development appraiser to agree on the conservation deficit calculation and the amount of grant sought at delivery-phase (second-round).

What are viability and development appraisals for?

Both serve the same purpose: to calculate the conservation deficit. They are carried out at different times in the grant application process.

Viability appraisals

A viability appraisal is part of the application for the grant development phase of your project. It should:

- Consider the various options for a sustainable end-use for your building or site
- Provide an initial broad idea of the costs, values and likely size of the conservation deficit
- Show that the development-phase application falls within the scope of the Heritage Enterprise programme, and the amount of grant applied for is appropriate

Development appraisals

A development appraisal is part of the application for the grant delivery phase of your project. It should:

- Identify the proposed end-use for the building or site, and clearly explain why it is the preferred option
- Provide a fully detailed estimate of construction costs, overheads and developer's return
- Clearly identify the market value of the completed development, and hence the amount of grant actually needed to cover the conservation deficit

The National Lottery Heritage Fund appraiser and investment manager will confirm whether the amount of grant applied for in your delivery-phase application is appropriate, on the basis of the information in your development appraisal.

Why viability and development appraisals are important

Viability and development appraisals are a key part of the business planning process for you (the grant applicant) and The National Lottery Heritage Fund as a funder. At their most basic, they are a financial cash flow calculation that considers all of the expenditure and income in the development process in order to identify the conservation deficit. Yet they can be much more than just a calculation.

The information in viability and development appraisals can help you to:

Plan and manage your project

Appraisals and appraisers sit at the heart of good business and project planning. An appraisal should not be seen as a one-off 'tick box' activity in the process of obtaining a grant. It records all of your ideas and assumptions at the time you apply for a grant. It also allows you to keep track from where you started, test your assumptions and different scenarios, change estimates into actual amounts, and learn from the process of change and adapting to circumstances. An appraisal is also a vital tool for managing projects to a successful conclusion, especially when circumstances, costs and other key variables start to change - as they often do.

Identify project costs

It is not easy to anticipate heritage costs with any degree of certainty, but if you fully understand the repair and development costs at the outset, you have a better chance of predicting the financial need and ensuring your project is commercially viable.

Raising finance

As your Heritage Enterprise grant is only designed to help fund the conservation deficit, it is likely that you will need to raise finance from other sources to undertake and complete your project. By clearly identifying the costs and end value of your project, and by demonstrating its commercial viability, good quality appraisals can help you successfully apply for loans/grants from other sources.

Complete your Heritage Enterprise application forms

Your appraisals will help you produce the information you need to complete your development- and delivery-phase applications. For example, when you think about the options for the end-use of your building or site, you will assess how they will deliver against the National Lottery Heritage Fund investment principles.

Finding the right development appraiser

Development appraisers must be capable of looking beyond the raw numbers of appraisals and the two points in the project cycle when you have to submit your appraisals to The National Lottery Heritage Fund.

Your development appraiser must also be capable of:

- understanding and interpreting the complexity of what is contained in the appraisal ‘result’
- communicating to you (the client, and your partners and stakeholders) the implications of the appraisal ‘result’, and suggesting the actions that are needed to ensure the project becomes and remains viable
- translating the appraisal ‘result’ into a clear recommendation to The National Lottery Heritage Fund on the amount of grant needed
- negotiating and communicating with the National Lottery Heritage Fund appraiser and investment manager, on your behalf

It is extremely important you appoint the right person to prepare the appraisal for you. For further advice, see Tips on recruiting a development appraiser (part 10).

The role of the National Lottery Heritage Fund appraiser

National Lottery Heritage Fund appraisers will:

- scrutinise and validate the development appraisal submitted by you
- make recommendations to The National Lottery Heritage Fund on whether to make the grant award, in full or in part
- advise The National Lottery Heritage Fund whether the award should be subject to any conditions

National Lottery Heritage Fund appraisers are not responsible for doing the appraisal for you, but they will also have a role as ‘light touch’ enablers. They will want to ensure that you and your advisers have adopted a development appraisal methodology that is appropriate to the scale and type of your project.

Preparing your viability and development appraisals

The Heritage Enterprise application guidance provides a clear step-by-step guide to the process of making an application and presents an overview of the information required in the viability and development appraisals.

This guidance contains a template (section 9) for both the viability appraisal and the development appraisal, setting out the structure of each report. It explains what should be included in each section and how to obtain the information required.

Your development appraisal should follow the same basic template as your viability appraisal but in much more detail. The sections below highlight some key questions that you should think about when completing your development appraisal.

Your aim is to help the National Lottery Heritage Fund appraiser make a sound judgement on the strength and credibility of your organisation, your development appraisal, and ultimately your delivery-phase application.

When you are preparing your development appraisal, remember that it is more than just a calculation. It is part of the process of ‘telling the story’ of the project. Our evaluation guidance has useful sections that are relevant to both the project planning stages, as well as evaluating your project once it is complete.

Doing the development appraisal

The worked example in the Heritage Enterprise application guidance shows you the basics of a residual valuation method of calculation. This method will give you a ‘result’ that will tell you whether the project can break even or better, or make a loss. If it’s a loss, then the Heritage Enterprise grant comes into play to make up the loss (ie fund the conservation deficit).

Your own development appraiser will advise you on any other appraisal techniques you might need to use, but typically you could structure your own project planning and development appraisal around the following elements:

Options analysis / Economic impact appraisal

In the viability appraisal, you are asked to show that you have considered a range of options and selected the one which will deliver the optimum viable use that is appropriate for the heritage asset concerned. At the more detailed development appraisal stage, this process needs to be revisited to ensure that your early assumptions about different possible options still hold good. Is the preferred way of carrying out the project still the right one, or should other new alternatives also now be considered?

The options analysis method

This can be quite simple or very complex. Your development appraiser, in consultation with the National Lottery Heritage Fund appraiser, will need to tell you how detailed the options analysis should be (depending on the size and

complexity of your project) and whether there are a sufficient number of genuinely significant alternatives that should be tested.

The main purpose of the options analysis

This should compare alternatives (looking at a maximum of three options in detail) and decide which is most likely to:

- achieve the desired outcomes – usually qualitative effects
- deliver the required outputs – usually quantifiable results
- ensure that the project cost is affordable and considered to be good value to society at large

This will apply for both simple and complex appraisals.

What the National Lottery Heritage Fund appraiser wants to see

The National Lottery Heritage Fund appraiser will want to be convinced there has been a robust process that has resulted in a well-considered case for selecting the preferred option, which also enjoys support across the project partners and their stakeholders. Your options analysis should:

- aim to look at all aspects of the project systematically and comprehensively, both for your preferred option and any options that you decide to discard
- provide a process for engaging all the key players involved in a project, in making their judgments of the relative importance of one option over another
- be used to bring together the stakeholders and, using the evidence produced by the analysis, it should help you to reach a consensus or majority agreement, or adapt the project to accommodate different priorities and objectives

Economic impact appraisal

We will want to assess the economic impact of your project to estimate its contribution to local economic growth. To achieve this, we will need you to provide certain basic information as set out in Section 4 of the template below. You will need to consider whether the economic outcomes of your project are **additional** (resulting in new economic activity) or are the result of **displacement** (moved from another part of the town/city) or **deadweight** (would have happened anyway, irrespective of the National Lottery Heritage Fund project).

As part of your local consultations, you should be in touch with local business people in the vicinity. Talk to them about how well they are doing, for example:

- Business turnover
- Footfall they have going past their premises
- Range of goods and services they are providing
- Number of people they employ

Take note of these, and discuss with the local business/es, either individually or collectively, what kind of changes they could imagine happening as a result of your project. Some of these may be quite precise and quantitative; others may be more subjective and qualitative. Both are good and can be written up as a story of what you hope will happen.

You could also include businesses who may become significant suppliers of services to the completed development.

You can then revisit your story, as the project proceeds, as part of the ongoing and post-project completion evaluation. Individual stories of business change should be captured and publicised, as the act of publication can also be a stimulus for more business investment and activity. Our evaluation guidance has useful sections on who to ask, how to ask, and what kind of questions.

Private sector - investment valuation/discounted cash flow

Your appraiser will need to calculate the value of any part of the scheme that generates a rent or other income to see how much private finance can be brought into the project, before you can work out the conservation deficit and how much grant you will need.

Your appraiser might use an investment valuation based on the future anticipated rental income, user financial strength and lease lengths based on comparable market rates where it is proposed to lease the building to one or more occupiers. The market valuation should conform to RICS Valuation – Professional Standards (the 'Red Book').

Alternatively, a discounted cash flow of relevant costs and income from services may be needed to show the investment value created. This should include:

- **relevant costs** – for example, normal costs that are judged to be appropriate to the type of use, user agreements, service activity, management, maintenance and sinking fund costs
- **relevant income** – for example, from sales, licences, bookings

Although the contract between you and The National Lottery Heritage Fund only lasts for 10 years, the valuation period should not be limited to the duration of the contract.

The following two ‘extra-over’ costs are added to the total delivery costs after the calculation of the conservation deficit, but **before** the calculation of the amount of the Heritage Enterprise grant (ie there should be no net effect on the valuation):

- **Increased management and maintenance costs** are allowed as a grant for the first years of occupation, up to a maximum of five years.
- **Activity costs** are allowed as a grant for the duration of the National Lottery Heritage Fund contract.

Whole-life costing

The future management and maintenance costs of the building will need to be calculated, both for the five-year period when any increased management and maintenance costs can be accounted for in the grant award and for the very long term. Major elements of the building will need repairing and replacing. Historic buildings will probably have more complicated futures, so this is particularly important for you.

You may need to do an assessment on a bespoke basis for your building, with a specialist, rather rely than on standard financial models. This will be an important part of Supporting Document 32 - The **management and maintenance plan**, as well as providing information for Supporting Document 21 - **Income and spending forecasts** for first five years and/or Supporting Document 33, The **project business plan** for grant requests over £2m.

Where a building is to be leased, the management and maintenance plan will need to clearly indicate who will be responsible for arranging future repairs and maintenance and how the costs will be met – the owner (via a service charge) or the tenant (if leased on a full repairing basis).

Conservation deficit and Enterprise grant calculation

You should follow the sample calculation in the Heritage Enterprise application guidance as the template for calculating the conservation deficit. You should ensure you are familiar with the project costs that The National Lottery Heritage Fund can cover. The guidance describes the different categories of cost but does not define standards or the scope of all the costs. They remain a matter of judgement for the applicant and their professional team, as well as for the National Lottery Heritage Fund appraiser. However, for the purposes of the Heritage Enterprise programme, it should be assumed that The National Lottery Heritage Fund defines reasonable project costs to include all works of repair and development up to a basic fit-out.

Reasonable costs must relate to the primary objective of doing whatever is necessary to restore and safeguard the heritage and to achieve the project and National Lottery Heritage Fund outcomes. Specifically:

- Repair and conservation work, which may include the costs of work to repair, restore, reinstate lost architectural features, or conserve the heritage building fabric and its setting (but does not include fittings and equipment).
- New building work, equipment and materials, which may include the costs for basic fittings and equipment to make a building useable and marketable. These should be focused on the creation of value and the cost-efficient use and management of the building to support the activities that justify the commercial investment, and grant aid to the heritage.

In some markets, it is recognised that basic fit-outs, fittings and equipment may have to be more extensive in order to attract and retain occupiers and thus maximise the economic development potential of the project. You will need to show how you have reached the right balance between costs that should be borne by the occupier and the conservation deficit.

The amount of the increase in the value of the heritage asset before and after project completion will need to be identified as a cash contribution and separate entry in the funding table on your application form (Table 6g Delivery-phase income).

Completing the development appraisal

The appraisal should include the four elements described above. Where more detailed background information is provided in the supporting documents, these should be clearly referenced to help the National Lottery Heritage Fund appraiser find any supporting evidence needed.

As standalone Supporting Document 1, the development appraisal draws on other supporting documents for key inputs, including:

- Project timetable
- Cash flow forecast
- Income and expenditure for the first five years
- Project costs spreadsheet

- Full cost recovery calculation
- Project business plan (for grant applications over £2m)

The conservation deficit and Heritage Enterprise grant calculation should be accompanied by explanatory text to ensure the National Lottery Heritage Fund appraiser has the fullest possible picture of the project. This is so that a grant recommendation can be made with the minimum additional investigation or asking you for further information and clarification.

Viability and development appraisal template

This template is based on the Project Viability Grant Guidance produced by the Architectural Heritage Fund www.ahfund.org.uk. It uses the same language and lists the same requirements, differing only where additional information is required to support a Heritage Enterprise grant application.

A viability appraisal report should total no more than eight pages of A4 (not including appendices) in a standard font size. A development appraisal is likely to be much longer as it will contain more detail about your project.

Section 1 – Background

Viability appraisal and development appraisal

1. Name of organisation
2. No./Name of building, building address, postcode
3. A brief summary of the heritage significance, ie the historical and architectural importance of the building. This should not be a lengthy piece of work: just any relevant and important items that are additional to the statutory listing and may be of interest.
4. How your organisation is involved in the project. For example, were you contacted by a local council or a partnership group regarding the building? Did your organisation form specifically to rescue the building? Does your organisation have other objectives that would be furthered by taking on the building?
5. Any significant activities you have already carried out and details of any previous attempts at re-using the building. For example, have you carried out any publicity raising activities like Doors Open Day or community meetings? Do you know of previous attempts to restore the building? What were they; do you know why they failed?
6. Why the building is at risk and why now is the time to be tackling the building. Explain why the building is at risk whether on account of functional, structural, financial and/or other problems. Also, explain why now is the time to tackle the building: is the risk critical, is there funding available, would it complement another project?
7. Who is the owner? (viability appraisal) / provide confirmation of ownership (development appraisal)
8. What are the prospects for the acquisition of freehold or long leasehold? (viability appraisal only)
9. If you are already the owner, how long have you owned the building and why has the need for change of use not been pursued before now?

Section 2 - Condition of building

Viability appraisal

1. A very brief summary of the condition of the building. It can be useful to have a single sentence summing up the condition e.g. ‘The building is unsafe and represents a real and present hazard to public safety’, or ‘The building is structurally sound but requires extensive works to be made habitable’ etc. Any further information should be put in an appendix.
2. A list of any immediate repairs required to make the building safe, wind and watertight. This should be a simple list of the repairs required at a top level, not a description of each and every item. Details can be given in an appendix.
3. Rough costs of the repairs outlined above.

Development appraisal

1. A more detailed assessment of the condition of the building updated from any further survey work undertaken during your grant development phase.
2. Set out here in detail the scope of work required to address the repair and conservation needs of the building and/or site. Include a description of any urgent stabilisation works undertaken during your development phase.
3. Detailed costs of the repair and conservation needs set out above.

Section 3 - Situation and planning context

Viability appraisal and development appraisal

This section can be similar to an estate agent description of the area, except with the aim to persuade funders that the project can be successful. You should describe such things as:

- Is the building isolated or on a busy high street?
- Is there nearby parking, a train station, or is it on bus routes?
- Is the area mostly agricultural, residential, retail, offices, or industrial?
- Are nearby houses or businesses occupied and being used?
- Does the building have route access issues? Would a new road layout be needed?

Find out what the current designated use for the building/area is. Is there a local plan? You should also look out for other documents such as area action plans, development plan documents and supplementary planning documents, master plans and conservation area management plans. These are usually available at your local planning office. State what the plans mean for your project - do not quote passages word for word. Include these in the appendices if you think they are necessary.

Viability appraisal

What is the opinion of the appropriate heritage body (local planning authority, Historic England, Cadw, Historic Environment Scotland, Northern Ireland Environment Agency, and the amenity societies where relevant) on an approach to repair and conversion?

You may find it useful, depending on the uses you propose, to talk to council officials, local housing associations, estate agents, local companies etc.

Development appraisal

Set out a timetable for acquiring any necessary consents. Confirm that preliminary conversations have taken place with the necessary planning/heritage bodies and that there is general support for your proposals. Include any relevant documentation (e.g. correspondence confirming in-principle support) in the appendices.

Update in line with any further consultation you have undertaken during your grant development phase.

Section 4 - Options for use (concentrating on need and long-term sustainability)

Viability appraisal

You should only look at a maximum of three options in any detail (do not include a 'do nothing' option). List other options if you've considered them but rejected them for obvious reasons. The section for each use should cover the following elements:

A. What the potential use is. If the use is something like a community hall, state what sort of activities would take place. If the primary use is residential, tell us whether it will be social and/or community-led housing and the number of units you are proposing. State whom the end users and/or owners of the building would be. Tell us how the building will be managed.

B. A brief description of what works or interventions would have to be done to the building to enable the uses.

C. Cost of project: a rough cost of the works and interventions required

D. A discussion of the pros and cons of the project, these must show evidence of the need for the use and how the use will be sustainable in the long term. Items you may address are for instance:

- Is there a demand in the area (evidenced by market research, community engagement work, the opinion of local experts, newspaper letters, campaigns etc)?
- Have similar concerns gone out of business recently? Why? How is yours different?
- Are there similar uses in the area already? If so how many and at what distance? What is different about your proposed project?
- Do apartments sell in the area, what are comparable rents for office space etc?

E. Identify the economic development outcomes and outputs of the preferred option. Estimate:

- the amount of existing floor space brought back into use and the amount of additional floor space created (gross internal floor area/m2) and what type of business use is envisaged
- whether the economic development outcomes and outputs are likely to be added, or the result of displacement or deadweight
- the number of FTE jobs created during the construction period, in the businesses (including housing) that occupy the completed development, and for maintaining the building/site in the long-term
- the number of volunteers engaged in activities relating to the heritage of the building/site.

Development appraisal

Update with a detailed analysis of the potential options, including more thorough consideration of project costs, opportunity and demand for project investment principles and outputs, and market value of completed development. This section should identify the preferred option at the outset.

Complete an economic impact appraisal after talking to local businesses and assessing the impact your project will make on the local economic market.

Show how the preferred option will deliver against the National Lottery Heritage Fund outcomes focusing on the ones that will be achieved strongly.

Section 5 - conservation deficit calculation

Viability appraisal

This is the most important part of your appraisal as the conservation deficit calculation will determine the amount of grant you can apply for.

Follow the template in the Heritage Enterprise Application Guidance (Development appraisals) and clearly identify:

- Outline costs of repair and adaptation (as referenced above).
- A reasonable estimate of the market value of the heritage asset before and after the project is completed (prepared by a RICS qualified valuer).

If your project involves the acquisition of a heritage building or site, and you intend to include the cost of purchase in your application, it is very important that the acquisition price reflects the market value of the heritage site at the time of purchase.

This section should contain enough information to make a convincing case for a conservation deficit and the need for a grant. Whilst detailed cost calculations are not required at this stage, it is very important to ensure you have provided reasonable estimates. Costs and values will be refined within your development appraisal template, but the overall conservation deficit calculation, and hence the amount of grant requested from The National Lottery Heritage Fund, should not differ significantly between the development- and delivery-phase applications.

Development appraisal

Provide a detailed breakdown of project costs (submitted as a separate spreadsheet).

Identify construction costs, valuations, acquisition price, professional fees, other project costs (e.g. finance costs), whole-life building maintenance costs etc.

A developer’s return of up to 15% of total project delivery cost can be included. Justify the percentage sought in relation to overall project risk.

Do not include activity costs and increased management and maintenance costs for the first five years (if applied for as an ‘extra-over’ cost as part of the grant).

Provide a market valuation of the heritage asset before and after project completion, taken from at least one valuation report, prepared in accordance with the RICS Valuation - Professional Standards (the “Red Book”). Include the valuation report in the appendices.

The conservation deficit calculation should follow the residual valuation method set out in the Heritage Enterprise application guidance. The figures should be robust and should stand up to scrutiny by the National Lottery Heritage Fund appraiser.

Please note **your delivery-phase bid might be jeopardised if the amount of grant requested is significantly higher than anticipated** in your viability appraisal and development-phase application (and where there is no reasonable justification for the increase).

Section 6 – Conclusion

Viability appraisal

Which option is the preferred choice and why? For example, is the preferred choice best value for money? Does it meet most criteria of prospective funders? How is it sustainable?

Show a breakdown of costs, possible funders, how the project meets their criteria and possible funding amounts. The project elements should be things like 'development', 'structural work', 'fit out'.

Development appraisal

Provide a brief summary based on the information provided in the sections above, concluding why the preferred option will deliver successfully against the National Lottery Heritage Fund outcomes.

Identify other sources of funding needed to complete the development. Include a fundraising strategy and timetable if not all project funding has been secured.

Section 7 – Action plan

Viability appraisal

Any immediate actions required to safeguard the building, such as erecting scaffolding, clearing gutters, providing temporary roof repairs.

Your strategy for taking forward the preferred use. How are you going to progress the project? For example which funders are you going to apply to and when?

Your strategy if the preferred use proves unviable. Is there another route if the preferred scheme proves impossible to carry out?

Development appraisal

Update this as necessary. Refer to your project business plan (if applying for a grant of over £2m) or to your project timetable and cash flow (if under £2m). Refer to your detailed project risk analysis, submitted as part of your delivery-phase application.

Section 8 – Appendices

Viability appraisal

This section should have:

- a list of all people who have been consulted with contact details where relevant
- other information pertinent to the project that further makes the case for the conservation deficit, need for the grant and the subsequent viability of the project
- any other supplementary information referred to above

Development appraisal

Include all of the documentation referred to in the sections above.

Tips on recruiting a development appraiser

Essential qualifications

This is a demanding role for a senior professional with the experience and confidence to assess complex, high profile - and potentially risky - projects.

Ideally, development appraisers should be Royal Institution of Chartered Surveyors (RICS) registered practitioners with experience of undertaking development appraisals on similar projects. Your development partner might have staff with relevant skills and abilities.

Skills and abilities

- **Range of approaches** – Appraisers will need to use a range of appraisal methodologies that assess economic, social and environmental factors, non-monetary and monetary factors.
- **Practical experience** – They should understand the regeneration or redevelopment context in which projects are being promoted and the aims of Heritage Enterprise. They should have worked on similar projects in the past.
- **Stakeholder management** – Development appraisers should understand the structure and needs of community organisations (as sole applicants or partners), all project partnerships (like commercial organisations), and any other stakeholders.
- **Creativity** – Heritage Enterprise seeks to bring together community and commercial partners to unlock the creative energies that exist in both sectors. Development appraisers must be able to contribute proactively to this process.
- **Communication** - Your appraiser will be one of the main communication links between the grant applicant and The National Lottery Heritage Fund.

Where can we find development appraisers?

Locality - the network for community-led organisations – supports a brokering programme to bring together property professionals and community enterprises.

Your local authority may have a list of firms with the relevant skills to do valuations and/or development appraisals: www.gov.uk/find-your-local-council

For RICS Registered Valuers, use the RICS 'find a surveyor' online search service: www.ricsfirms.com.

Web searches will help you locate professional firms or developers near you that you could approach, using this document to ensure they know what you are looking for.

How to recruit a development appraiser

- **Tender widely** - Get at least 3 competitive quotes from different organisations.
- **Interview** – Meet and 'get a feel for' the person who will actually work with you on a day-to-day basis.
- **Assess and judge** - It is essential that you have confidence in them, at a personal and professional level.
- **Appoint** – Select the candidate who you feel best understands the project, respects its objectives and aspirations and that you can work with.

Questions to ask potential development appraisers

Experience and qualifications

Are they RICS registered? How many years' experience do they have as a qualified valuer or developer? National Lottery Heritage Fund expects a minimum of five years.

Which types of building have they worked on? Have they worked on other projects with a value/budget comparable to yours? Do they work alone, or as part of a team?

Technical knowledge

Do they have direct personal experience of?

- residual land value
- overage calculations
- gap funding
- clawback
- economic impact appraisal
- whole-life costing
- brokering solutions

Regeneration and economic growth

Does the appraiser have a background in development, planning or 'placemaking'? How will they measure economic output and growth? What experience do they have of projects which seek to effect change and regeneration in local

communities?

Assessing organisations and partnerships

How will they support the project? Can they take a balanced view of the project and make clear recommendations for improvement and success? Can they help you to achieve success? How?

Awareness and judgement

Does the applicant have ‘development knowledge’ (day rates for professionals, cost of materials, accurate timescales, etc)? What will they bring to the project? Will they be even-handed in their dealings with you and The National Lottery Heritage Fund? Do they have the experience and ability to advise you about what is realistic, accurate and achievable?