Receiving a grant: development phase grants £250,000 to £10million

30/06/2026

See all updates

This guidance sets out how you will receive your development phase grant. It also explains what we expect of you before, during and after receiving it.

Introduction

When you receive a grant from us, it is important that you understand the steps you will need to take throughout your project. Our funding is public money from National Lottery players, so you must read and understand all our guidance to make sure you are compliant with our requirements. This includes:

- this receiving your grant guidance
- your full application
- the application guidance
- the grant contract

The grant contract is made up of:

- the grant notification letter
- the standard terms of grant
- any additional grant conditions
- your signed permission to start form

The standard terms of grant include defined terms which may appear capitalised or not and will apply and have the same meaning wherever they are included in this guidance.

If you do not comply with our requirements, you may be in breach of the grant contract, which could have an impact on your grant and your grant payments.

Additional guidance is available in the Funding and Good practice guidance sections of the website. You can also explore our position and advice on using artificial intelligence (AI) tools during project delivery.

If you have already been awarded a grant, you should contact your Investment Manager, who is there to support you throughout your project. They will work with you in a way which is proportionate and appropriate to your grant, and you should keep in regular contact with them.

If you have applied or are thinking of applying for a grant, you can contact your local team or our Customer Services team.

Project timeline

There are several key stages you will go through as you deliver your project. As you work with us, you will:

- attend your development phase start up meeting
- submit your permission to start form within six months of receiving your grant notification letter
- complete the give us more project information task
- deliver your project activity, including the approved purposes, and give us regular project updates
- request your grant payments and give evidence about how you have spent the money
- attend your development phase review
- submit your delivery phase application
- submit your final project update and completion report, and request your final payment, by your grant expiry date

Providing evidence of your project

Throughout your development phase, we will expect you to collect evidence to show:

- how you are complying with the grant contract
- the impact of our funding

- how you are spending the grant

You should make sure to follow good practice and keep records throughout your project to help you answer any questions we may ask.

Find out more about providing evidence of how you are spending your grant.

Complying with our requirements

When updating us on your project, we will ask you questions to help us understand how you are complying with the grant contract and our requirements. You may also need to send us evidence of this.

For example, we will ask you about:

- any staff you have recruited to help you deliver your project
- any goods, works or services you have procured

Evidence of this could include:

- a report on the recruitment process for a staff member
- a report on a service you have procured

If you are unable to provide the evidence we ask for, you may be in breach of the grant contract and this could have an impact on your grant and your grant payments. You should keep all evidence for seven years after the grant contract has finished.

Your project's impact

We will also ask you questions throughout your project to help us gather data on the impact of our funding. This is because we want to learn from and share information about the projects we fund. It also helps inform our practice and how we deliver our strategy.

For example, we will ask you about:

- jobs, apprenticeships and training opportunities created as a result of your project

- any volunteers you had and the hours they spent supporting your project
- people who benefitted from your project, such as the number of people who have visited your project

Evidence of this could include:

- a log of any training staff have undertaken as a result of your project
- the number of hours volunteers have spent supporting your project each year and in total across your project
- the number of people who have visited your project online and onsite each year and in total across your project

Publicising and acknowledging your grant

During your project we will work with you on publicising your grant and will support you in acknowledging our funding. You should also tell us about any key project events and openings, so we can send a representative to attend where possible.

If you are creating publicity or marketing materials, make sure you share these with us so we can approve them first. For example, press releases or signage.

Every project which receives funding from us must publicly acknowledge our support. You should think about how you will acknowledge your grant from the very start of your project. We expect acknowledgement to be prominent and proportionate to the size of your grant.

Find out more about acknowledging your grant and our acknowledgement toolkit.

We also want to celebrate the impact our funding makes across the UK. As part of this, we may contact you about opportunities to feature your project in our own and National Lottery promotional activity.

This could include, but is not limited to:

- displays in retail outlets
- inclusion in campaigns, for example National Lottery Open Week
- being highlighted as an example of how funding benefits local communities

Taking part can help raise awareness of your project, inspire others and demonstrate the impact made possible by National Lottery players.

Before starting your development phase

You will receive an email from your Investment Manager, providing information about your grant award and your grant notification letter. It will detail what needs to be done before you can start your project and will ask you to complete the following tasks.

You should not start any work on your project until you have our written permission to do so. If you do start any work before receiving this permission, it is at your own risk and we will not cover any costs incurred.

Receiving the grant notification letter

The grant notification letter contains information about:

- your project, including the approved purposes and grant expiry date
- the standard terms of your grant
- any additional grant conditions

We'll also ask you to complete the permission to start form and the give us more project information task.

We normally expect you to complete your permission to start form and the give us more project information task, as well as submit the documents requested at this stage, within three months of the date of your grant notification letter. If there are substantial delays and the information we need has not been received within six months, we may decide to withdraw the offer of your grant.

Attending your startup meeting

Soon after you've received your grant notification letter, we will arrange a startup meeting with key members of your project team. The purpose of the meeting is to:

- clarify the permission to start process
- clarify development phase work

- agree development phase project management, procurement and programme of work
- set out the reporting, monitoring and evaluation requirements of your development phase
- discuss any legal points, such as ownership, security (for example, legal charges), licences for work or subsidy control
- talk you through the additional information we need to help gather data on the impact of our funding

We will agree a reporting structure of when you should submit project updates and payment requests. We'll also decide when your development phase review is likely to take place.

At this meeting you may be introduced to a consultant from our Register of Support Services (RoSS), who will support you in developing aspects of your project and support us with monitoring your project.

A RoSS consultant may provide advice on general project management or on specific areas such as:

- construction management
- business planning
- natural environment
- public engagement
- digital assets

The consultant is appointed and paid for by us and will report to us throughout the duration of your project or during a specific part of your project.

Completing your permission to start

When completing your permission to start form, it's important you check the details of your grant notification letter against the information we have in the permission to start form. If there are any errors, you must get in touch with your Investment Manager before moving forward.

Before we can give you permission to start, you will need to provide the following information as required:

- proof of freehold or leasehold ownership (for all capital projects, if any changes have taken place since your application)
- details of statutory permissions and licences required and obtained, if applicable
- evidence of secured cash contributions as outlined in your application
- cost breakdown and cashflow report outlining the development phase of your project, as applicable
- an outline of your organisation's project management structure and a document outlining your approach to choosing consultants, contractors and suppliers
- a project timetable or work programme outlining the development phase of your project, as applicable
- a proposal for how you will manage procurement taking place in the development phase of your project, as applicable
- any other details that we feel may be relevant to your project, including subsidy control considerations, as applicable

You must tell us if there are any changes to your project since you submitted your application. For example if there are changes to your project partners or cash contributions. You'll also need to provide updated evidence if needed.

You will then be required to provide details of two legal signatories for your organisation. They will need to read and agree the grant contract.

Once we have processed and approved the information you have provided, we will send you a countersigned permission to start form and an email confirming that you have permission to start. If you do start any work before receiving permission to start, it is at your own risk and we will not cover any costs incurred.

Give us more project information

Once you have submitted your permission to start form, you will be able to give us more information about your project. These questions are not part of your application and your answers will not affect your grant award. The information you provide helps us to understand the impact of our funding.

To help you to answer these additional questions about your project, read the Give us more project information guidance and questions.

You need to complete this task before we can release any payments to you. If you do not provide this information to us as soon as possible after we have given you permission to start, your payments may be delayed.

During your development phase

As you deliver your project, we encourage you to keep in touch with us. This is so we can hear about the things you are achieving and support you with any issues that may come up. You can always contact your Investment Manager for advice on managing our funding at any point during your project.

Updating us on your project

Throughout your project, you must give us regular updates about how it’s going. We will use these updates to:

- monitor the progress of your project and support you as needed
- make sure you are complying with our requirements
- gather information about the impact of our funding

Over the life of your development phase, you will need to submit:

- a full project update every three months
- a separate yearly project update once a year
- a final project update and completion report when you complete your project

If a different project update schedule is needed, your Investment Manager will discuss this with you.

How we will pay your grant

Depending on the size of your development grant, we will pay your grant to you in a different way.

Development grants up to £250,000

For development grants up to £250,000, your grant will be paid in three instalments.

The first 50% will be paid at the start of your project, after you have permission to start.

After you have spent the first 50% of your total project costs, you can request the next 30% of your grant. To do this, you will need to submit:

- a full project update
- a payment request and provide evidence of how you spent the first 50% of your total project costs

You can request the final 20% of your grant after you have finished your project. To do this, you will need to submit:

- a final project update and completion report
- a final payment request and provide evidence of how you spent the final 50% of your total project costs

You will only be able to request a payment if you are up to date with your project updates.

Development grants over £250,000

Your grant will be paid in arrears. To claim a payment you will need to submit a payment request, usually every three months. You'll also need to have recently submitted a project update.

We will pay your grant as a percentage of your total project costs. We describe this as the payment percentage. This is explained in your grant notification letter.

For example, if you provide evidence of expenditure totalling £50,000 and your grant percentage is 85%, your payment will be £42,500.

We will pay the final 10% of your grant after you have completed your project and provided evidence of how you spent the rest of your grant.

All development grants

For all payments, we aim to pay you within 10 working days of having all the information we need.

Once you have made your final payment request, we will not accept any further requests for payments from you. You should agree your final accounts with your contractors and suppliers before you request your final payment.

If you spend less on your development phase than the money we have paid you, you will need to return any money you have not spent. We will agree with you the amount to be returned when we process your completion report.

If your project involves the acquisition and purchase of buildings, land or heritage items, we will pay the full grant amount needed for the purchase in a single payment. Your Investment Manager will contact you with more information about how this payment will be made and anything they require from you.

Providing evidence of what you have spent

When requesting a payment, you'll need to tell us how you've been spending your grant. You must provide individual invoices for all expenditure over £500. They should also be clear, readable and not damaged or tampered with.

Invoices must have:

- an invoice number
- the date they were raised
- the date payment is expected and the payment terms
- how payment is made and to who
- company details, including:
    - name
    - address of the organisation submitting the payment request
    - email address
    - telephone number
    - company number
    - VAT registration number, if they are VAT registered
- a description of the services provided
- if applicable, the gross amount with VAT, or the net amount with the VAT amount included separately

You do not need to submit invoices for costs under £500, but you must tell us about these costs when you submit a payment request.

Salaries for project staff should be evidenced by providing payslips or a letter signed by a member of your organisation with financial authority.

If you are claiming full cost recovery, you can evidence this by providing a letter signed by a member of your organisation with financial authority.

If your project involves an acquisition of heritage, you will need to provide us with an invoice for the full purchase price.

We will only cover costs which we have agreed to fund. We cannot cover the costs of VAT that you can reclaim. It is your responsibility to seek appropriate advice about reclaiming VAT. If your VAT status changes during your project we will reduce our contribution to the costs where you have managed to claim back the VAT.

Attending your development phase review

During your development phase, we will arrange a meeting to formally review your progress. We call this a development phase review. This normally takes place after you have outline proposals and costs in place for your potential delivery phase.

We will agree with you who from your project team should attend the review.

We will contact you ahead of your development phase review to let you know what you will need to provide, including any of the supporting documents for your delivery phase application. Depending on the scope of your project, these might include:

- an activity plan or area action plan
- any design specifications
- your project timetable
- financial information, such as costs, partnership funding, cash flow and calculations for full cost recovery
- business plans and income and spending forecasts
- your project management structure, job descriptions and briefs
- other key plans, such as an interpretation plan, conservation plan and management and maintenance plan
- a flow-chart summarising decision-making for third party grants
- legal documents, such as updated ownership documents
- if applicable, any subsidy control advice you have received

You may be asked to refer to any documents during the review. If you do not provide any requested documents ahead of your development phase review, it may be delayed.

The main purpose of the review is for you:

- to confirm that your development phase is achieving the approved purposes
- to provide an update on the potential delivery phase costs, cash contributions and if applicable, fundraising plans
- to provide an update on compliance with our grant requirements
- to discuss whether the project risks are manageable
- to discuss if your project is compliant with the Subsidy Control Act 2022 and provide us with any independent advice you have received in order to assist us with our subsidy control assessment

If there have been significant changes to your potential delivery phase project, the review provides the opportunity for us to discuss any risks you have identified, any areas of concern and where any further work is needed.

After your review, we get in touch to let you know whether you have passed. We will include feedback on any minor concerns or areas we feel you should focus on.

If we have concerns about the viability of your potential delivery phase project or that it is not achieving the approved purposes, we may fail your development phase review. If you fail your development phase review, you will be unable to submit a delivery phase application.

Changes to your project

We understand that challenges can arise during a project. This could include:

- issues within your organisation
- changes to your project costs
- delays to your timeline
- difficulty delivering the project or achieving the approved purposes, including any issues with your potential delivery phase application

It is important that you let us know about any challenges you are facing, so we can provide advice and support. If any of these challenges mean there could be substantial changes to your development phase or your potential delivery phase application, you must discuss this with us as soon as possible. This is because any changes to your development phase

will need to be agreed and approved by us before they are made. Any changes to your potential delivery phase project may also affect our decision on your delivery phase application.

This includes any changes to your agreed development phase budget, including moving costs between cost headings or using contingency, and any changes to your approved purposes.

If you experience delays in delivering your development phase project, you can request an extension to your grant expiry date. If your development phase takes more than a maximum of two years to complete from the date we gave you permission to start, we may withdraw your grant, ask for the repayment of all or part of the funds you received. You may also not be permitted to submit a delivery phase application.

If the cost of your project increases, we will only consider increasing your grant in exceptional circumstances.

Any requests for changes to your project must be made in writing. This can either be an email or we may ask you to complete a separate form if there are substantial changes.

You will need to tell us how any changes will impact:

- the quality of your project
- the cost of your project
- the time you need to complete your project
- the future viability of your project

We may decide to re-assess your project or take any other action we consider necessary. We cannot guarantee we will agree to your request and we may only do so if you agree to additional terms and conditions. We will discuss any decision we make with you.

If we do agree to any substantial changes to your project, including offering you a grant increase, your local office will contact you confirming the changes offered. You will need to confirm you accept this by replying to the email within five working days.

Procurement

In all projects, whenever you use your grant to purchase goods, works or services, we will ask you to give us details of how you procure them. This is the buying, tendering and selection process. If you have already purchased goods, works or services for your project, you will need to tell us how you did it. We cannot pay your grant if you have not followed the following procedure.

If you are a public body or your project is subject to Public Procurement legislation then you must follow the relevant legislation.

Procedures to recruit consultants and contracts must be fair and open and comply with relevant equality and employment legislation. Fees for any consultants or other professionals that you recruit during the project should be in line with professional guidelines and be based on a clear written specification.

If any of the contractors, suppliers or consultants you wish to appoint are linked – for example close friends or relatives, or if there is any financial link such as ownership of these suppliers – you will need to obtain written permission from us first.

You do not necessarily need to appoint the contractor, supplier or consultant who provides the lowest quote. When deciding who to appoint for your project, you should look at the overall value for money the tender or quote presents and the skills, experience and financial viability of the contractor, supplier or consultant.

If you are unsure about your obligations, we advise you to take professional or legal advice. You can also see our? procurement good practice guidance.

£10,000 or under (excluding VAT)

If you are buying goods, works or services for £10,000 or under (excluding VAT) you do not need to openly tender for these or get multiple quotes. We will expect you to show overall value for money.

More than £10,000 and up to £50,000 (excluding VAT)

You should get at least three competitive tenders or quotes for all goods, works and services worth more than £10,000 and up to £50,000 (excluding VAT) that we have agreed to fund.

More than £50,000 (excluding VAT)

For all goods, works and services worth more than £50,000 (excluding VAT), you must provide proof of competitive tendering procedures. Your proof should be a report on the tenders you have received, together with your decision on which to accept.

Considerations for procurement

In some circumstances, you do not need to undertake a competitive tendering procedure and you can invite only one organisation to tender. This is where:

- the total price of the contract is £10,000 or under (excluding VAT)

- a framework agreement is in place for the supply of goods, works or services which has been previously competitively tendered, and the goods or services are directly relevant to the scope of the project works to be undertaken

- There is a project contract in place, which has previously been competitively tendered, and it is logical to extend to cover additional project work. In this case you must confirm that:
    - in the case of capital works the prices of most elements of work, including preliminaries, overheads and profits can be directly applied from the existing contract to the new work
    - the new work is smaller in scale, and is of a similar type to the main contract work
    - the contractor will not claim disruption or prolongation cost to the main contract if the new work is introduced
    - the existing contract restricts work being undertaken by others
- the goods, works or services required are unique as set out in a non-branded requirement specification and it is not possible to obtain them from other sources by competitive tender

- You can demonstrate that you have tried to tender the goods, works or services openly and competitively but had not received sufficient interest. The only tender received was submitted by a service provider who believed they were doing so in competition with others.

- emergency work where it can be shown that time taken to obtain tenders would put the project at risk and add considerably to eventual costs

- the company providing the single tender is not connected, either through ownership or through family connections, with senior representatives of the grantee

We will also require you to consider social values in your procurement, including:

- diverse supply chains

- improved employability and skills

- inclusion, mental health and wellbeing

- environmental sustainability

- safe supply chains

You should make sure any contractor, supplier, consultant or partner who may contribute to the creation of digital outputs is aware of our requirement for projects to share these under a Creative Commons Attribution 4.0 International licence or equivalent. You must also make sure you have agreement for the resulting work to be shared in this way.

Where this is not possible, you must seek written agreement to make alternative arrangements with us, for example to use an alternative open licence, prior to issuing any contract of work.

Community grants

As part of your project, you may have asked us to contribute towards a pot of money that you can use to fund other groups or organisations, who we call community grant recipients, to complete pieces of work that will contribute to the overall aims of your project. This is called a community grant.

Before you launch your community grant scheme, you will need to send us details about your application, decision making and progress monitoring processes. This should be sent to your Investment Manager who will review and approve it.

When making a payment request to us, you must include a list of community grant recipients as evidence of expenditure. The list must include how much each community grant recipient was awarded, the date of the decision to award the grant and must be signed by two people from your community grant decision panel.

You are responsible for monitoring the progress of community grants and ensuring compliance with the terms you have agreed to during your project application. You will need to decide how you will keep in touch with each community grant recipient and what information you want to see from them. This can be proportionate depending on the size of the grant and what it was awarded for.

You should tell us how the community grant scheme is progressing in your project updates to us and evaluate the overall effectiveness of community grants within your project in your completion report.

Applying for a delivery phase grant

Following the successful completion of your development phase review, you should continue preparing your delivery phase application.

The delivery phase application questions can be found in our application guidance.

Your delivery phase application will be in competition with other projects. A development phase grant award does not guarantee that you will receive a delivery phase grant award.

You will need to submit your delivery phase application before your development phase grant expiry date. You'll also need to make sure you submit by the quarterly deadlines for applications.

Taking security for the grant (delivery phase only)

It is our policy to take a legal charge (or Scottish or Northern Ireland equivalent) over grant funded property if:

- your organisation is not a public body
- your delivery phase project involves capital works or an acquisition
- and your delivery phase grant is over £250,000

We usually require a first ranking charge. However, if you have an existing charge with a commercial lender we will require a second ranking charge. If you have an existing charge with another funder we will require an equal ranking charge.

If you are a public body such as a local authority or a university, we will require a restriction on your Land Registry title to make sure you seek our consent before you enter into any future transactions relating to the grant funded property, such as granting a lease.

If any of the above applies to your project, you will need to send us your solicitor's contact details as soon as possible after you are awarded a delivery phase grant.

Your solicitor will need to provide official copies of the current title register with plan or the necessary information to enable us to draft the charge documentation. This will include an undertaking from your solicitor to act on our behalf to carry out all relevant pre-completion searches and to register the charge at the Land Registry and at Companies House, if appropriate.

You will be responsible for the fees and costs of your solicitor, but you may include the cost of legal advice as part of the project costs in your delivery phase application.

It will be a condition of your permission to start at the delivery phase that the legal charge is in place so it is advisable to make preparations for this during your development phase.

Completing your development phase

Once you have finished your development phase and, if applicable, submitted your delivery phase application, you'll need to complete a final project update and completion report, and request your final payment. You'll also need to send us all the necessary documents we ask for.

Completion Report

The final project update and completion report helps us to understand how successful your project has been. It also allows us to make sure you have complied with our requirements. It will be similar to your regular project updates and will include questions about how your project went.

By complete we mean:

- your project is finished and you have achieved your approved purposes
- if applicable, you have met any additional grant conditions
- you have submitted a final project update and completion report
- you have submitted a final payment request and provided evidence of how you have spent the grant
- you have appropriately?acknowledged your grant
- you have evaluated your project and sent us your evaluation report
- you can supply high resolution images documenting your project, and have secured all individual consents for use of those images
- if your project involved capital works, you have provided a practical completion certificate
- if applicable, you have listed the project's digital outputs and provided the web address (URL) of the website or websites where they can be accessed
- if applicable, you have filed your conservation plan with the relevant public library, archive and database, and shared the details of this with your Investment Manager
- if applicable, evidence of recording and collecting habitat and species data

We must receive your report before your grant expiry date. You cannot receive your final payment until your report has been approved by your Investment Manager.

Requesting your final payment

After you have submitted your final project update and completion report, you will be able to request your final payment. To do this, you must provide evidence of how your remaining grant was spent.

Once you have made your final payment request, we will not accept any further requests for payments from you. You should therefore agree your final accounts with any contractors and suppliers before requesting your final payment.

After we have reviewed all your information, and processed any final payment, we will confirm with you that your development phase is complete. The date we confirm this with you will be known as the project completion date.

If you have spent less on your project than the money we have paid you, your final payment may be reduced or you may need to return any money you have not spent. If this happens, we will agree the final amount with you before making the payment.

If you spend less on your development phase, it cannot be used for your delivery phase.

Guidance updates

We will regularly review this guidance and respond to user feedback. We reserve the right to make changes as required. We will communicate any changes as quickly as possible via this webpage.