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02 March 2017

Our Ref: HG-14-04669

David Illsley
Shepway District Council
Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

Dear David,

The Spirit of the Leas - Improving access, understanding and enjoyment of Folkestone's Coastal Park

Congratulations, your application has now been assessed, and I am delighted to inform you that we have decided to award a first-round pass. I am also pleased to confirm that we will offer you a development grant of up to £40,300.00, forty thousand, three hundred pounds, (80% of the total eligible development work cost of £50,370.00) towards the development of Round 2 plans for the Spirit of the Leas project.

The percentage above is known as your 'grant percentage.' As your approved project costs include non-cash contributions and/or volunteer time, we have also calculated the percentage of cash that we will be contributing towards the project. We describe this as the 'payment percentage' and for your project this will be 80%. More information on this can be found within the enclosed *Receiving a grant* guidance.

Part 1 of this letter sets out how we will work with you during the development phase of your project and what you need to do to develop your second-round application.

Part 2 deals with the legal aspects of the development grant that we are offering. It refers to the standard terms of grant that you accepted when you completed the Declaration section of your online application.

Part 1 – How we will work with you

What does a first-round pass mean?

A first-round pass means that we believe that your project has potential to deliver high-quality outcomes and value for Lottery money. Your application will have been in competition with other supportable projects, so a first-round pass is recognition that we value your proposals and want to have the opportunity to assess them in detail at the second round.

A first-round pass does not guarantee that you will receive a grant. We receive more requests for grants than we can support, and your second-round application will still be in competition for funding. The total costs of your project may change during your development period, but if there is any significant increase in your grant request at the second round this will have an impact on our judgement of the value for money your project offers.

Your project's development phase

You will need to develop your project in line with the proposals set out in your application and the key points to be addressed during the development phase set out below. We will contact you shortly to arrange a start-up discussion for your development phase, when we will agree a timetable for progress reporting, grant payment requests and for your second-round submission. More information on this can be found within the enclosed *Receiving a grant* guidance.

Your second-round application can be sent in as soon as you have completed your development work and we have signed off your completion report on the development grant. **The deadline for us receiving your second-round application is 9th March 2019.** If we have not received your full second-round application by then, your first-round pass will have lapsed and you will need to start a new first-round application if you wish us to consider your project again.

Keeping in touch

The key points that need to be addressed in the working up of a second-round bid are: developing a full activity plan with opportunities for audience development and targeted groups, addressing accessibility within the capital plans, and developing a full interpretation strategy, and such other requirements as may be notified to you during the development phase.

During the development phase we will ask you to report on progress against these and on how you are doing in preparing the documents that you need for your second-round bid. This will help us to understand how well your plans are advancing and alert us to any issues affecting the timing of your second-round submission.

We will undertake a formal review of your progress when you have developed outline costs. This will usually be when your outline proposals are ready (RIBA work stage 2). Following this review, we will normally ask you to continue developing your project to the second round. Exceptionally, if your proposals have changed a lot, or your costs and grant request have increased significantly, and we consider they no longer represent value for money, we will ask our Committee to consider your project again. If this is the case, we may reject your application at this point.

Please read the attached *Receiving a grant* guidance. This forms part of the standard terms of grant for our development grant and requires you to:

- obtain our permission to start for your development phase;
- submit progress reports at a frequency agreed between us. As a minimum, you will normally submit a report with your *Advance payment request form*, if applicable;
- request your grant payments;
- provide a completion and evaluation report when you have finished the development work;
- procure goods, works and services in accordance with EC procurement regulations and the *Receiving a grant* guidance.

The forms that you will need for requesting permission to start, requesting your grant and reporting your progress and completion should be **accessed and submitted via your online account (https://forms.hlf.org.uk/officeforms/HLF_Projects.ofml)**, in the same way that you supplied your application form.

Part 2 – The legal section

Grantee name and address:

Shepway District Council
Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

Project Reference Number: HG-14-04669

Development Grant

The attached appendix sets out the approved costs to which the Heritage Lottery Fund (HLF) has agreed to contribute, along with the anticipated partnership funding.

Please be aware that if you spend less on your development work than the approved development budget, we will reduce the final grant payable. Any reduction will be in proportion to HLF's grant contribution.

Standard terms of grant

We will pay you the grant subject to you complying with our standard terms of grant which formed part of your application; the additional grant conditions (if any) set out below; and with the conditions and requirements set out in *Receiving a grant*.

Additional grant conditions

In addition to our standard terms of grant, you must observe the following additional conditions in respect of the development work: None.

Grant expiry date

You must complete the development activities and documents by 9th March 2019.

Duration of the terms of grant

The standard terms of grant and the additional grant conditions (if any) will last for two years from the date of this letter.

The following documents define the development work for which the grant is offered:

1. This letter
2. Your application dated 28th November 2016.
3. Documents submitted by you in support of your application including: Feasibility Report on Leas Clifftop Restoration; Subway report; ARC initial proposals; consultant's briefs; costs spreadsheet.

Withdrawal of the grant

We may withdraw the grant if:

- You have already started your development work before we have given you our permission to do so, in accordance with the standard terms of grant.
- You do not start the development work within 6 months of the date of this letter.
- For capital projects only, your project does not pass the review at RIBA/LI stage C. If your project is rejected at this point, we will withdraw the remainder of the development grant.

Part 3 – Next steps

The following documents accompany this letter:

- Standard terms of grant
- *Receiving a grant* setting out our monitoring requirements
- *How to acknowledge your grant* guidance
- *Photography of HLF-funded projects*, a guide for grantees – available online at: www.hlf.org.uk/photography
- *How to announce your grant to the media*
- Template photo call notice
- Template press release – first round pass with development funding

Permission to start

We will only give you our permission to start the development phase when certain pre-conditions, defined in the *Receiving a grant* guidance, have been satisfied. For us to pay your grant requests by bank transfer (BACS), we need to see a copy of a recent bank statement (within the last three months), or a cheque or a paying-in slip for the relevant account, showing the bank's name and address. You will need to submit this with your *Permission to start* form.

Please note that your *Permission to start* form will be released to your online account within 15 working days of this letter. Please contact your Grants Officer using the contact details below if you need to access the form any earlier than this.

Anya Whitehead
Senior Grants Officer
Direct Line: 020 7591 6112
Email: Anya.Whitehead@hlf.org.uk

Publicity

It is important to publicise your award to local media so that lottery players know where their money has gone. However, you must keep your award confidential until we have discussed and agreed your publicity plans. We will publish the fact that you have been awarded a development grant on our website within 10 days of the grant being awarded. Your grants officer can assist you with queries about publicity and the media and I have enclosed a template press release which you may find helpful to issue to media once your publicity plans have been agreed.

Please also contact your grants officer as soon as possible to agree the most appropriate location and nature of HLF acknowledgment for your development phase grant. You must make sure you include our logo on any information you produce about your development work, for example, on public consultation or fundraising information or materials. You must also include our logo on all designs or plans you produce, on all specialist reports or surveys, and on all tender documents that are funded by our grant. Please refer to the enclosed *How to acknowledge your grant* guidance which explains how to do this.

Join our Online Community

Did you know that we have an Online Community to connect people working on HLF-supported projects? It's a friendly and informal forum to ask and answer questions, share learning and network with other grantees and heritage professionals. You can find it on our website at <https://www.hlf.org.uk/community>. If you'd like to join in the discussions, simply log in with your existing HLF account username and password, or you can register a new account at

www.hlf.org.uk/user/register. If you have any questions about the Online Community, please contact onlinecommunity@hlf.org.uk.

We wish you every success with your development phase, and look forward to receiving regular updates.

Please contact your grant officer if you have any queries arising from this letter.

Yours sincerely,

A handwritten signature in black ink that reads "Stuart McLeod". The signature is written in a cursive style with a large, stylized 'S' and 'M'.

Stuart McLeod,
Head of Heritage Lottery Fund, South East England

Appendix 1 – Approved project costs

a) Development Phase costs

Development costs

Cost Heading	Description	Cost £	Vat £	Total £
Professional Fees	Development of specifications for restoration of paths and subway, interpretation, and lamp column mould; activity plan; and evaluation scheme.	43,800	0	43,800
Contingency		6,570	0	6,570
Total Costs		50,370	0	50,370

b) Development Phase income

Development income

Income Heading	Description	Secured	Total (£)
Local authority	Contribution	Yes	10,000
HLF Grant			40,300
Total Income			50,300

c) Delivery Phase costs

Capital costs

Cost Heading	Description	Cost £	Vat £	Total £
Repair and conservation work	Cliff path and subway restoration to reinstate historic routes, re-establish views of the Leas Cliff Hall's architecture and Coastal Park.	324,500	0	324,500
Other capital work	Production of interpretative materials and manufacture of a mould from which to cast new Victorian pattern Leas Lamp columns.	85,000	0	85,000
Professional fees relating to any of the above	Project management of capital works - paths and subway	51,188	0	51,188
Total Costs		460,688	0	460,688

Activity costs

Cost Heading	Description	Cost £	Vat £	Total £
Professional fees relating to any of the above	Delivery of community engagement programme over 9 month period.	22,500	0	22,500
Total Costs		22,500	0	22,500

Other costs

Cost Heading	Description	Cost £	Vat £	Total £
Evaluation	Project impact evaluation building on baseline data gathered during development phase.	2,500	0	2,500
Contingency	Reflects risk figure in Bailey Partnership's cost study for subway and uncertainties re engineering on cliff-paths	72,853	0	72,853
Inflation	2% pa for 2 years (BCIS reported 1.9% inflation in Sept. 2016)	22,565	0	22,565
Increased management and maintenance costs (maximum five years)	Additional costs of maintaining restored cliff-paths, subway and interpretation, based on 10 year average at Coastal Park.	17,500	0	17,500
Total Costs		115,418	0	115,418

d) Delivery Phase income**Delivery income**

Income Heading	Description	Secured	Total (£)
Local authority	Shepway District Council	Yes	114,369
Increased management and maintenance Costs (maximum five years)	Additional costs of maintaining restored cliff-paths, subway and new interpretation.	Yes	17,500
HLF Grant			466,700
Total Income			598,569



Heritage Grants

Grants of over £100,000

Standard terms of grant

Definitions:

'we', 'us', 'our' – the Trustees of the National Heritage Memorial Fund (who administer the Heritage Lottery Fund).

'you', 'your' – the organisation(s) awarded the Grant as set out in the Grant Notification Letter.

Application – any documents or information you send us to support your request for a grant, or submit to us from your Development Work.

Approved Purposes – the purposes for which you applied for a grant and how you intend to carry out those purposes as set out in your Application, but taking account of any changes we and you agree in writing, or that are required by us at any time before we release any of the Grant. These purposes include you getting and using partnership funding as set out in your Application.

Approved Usage – how you said you would use the Property in your Application (allowing for any changes that we may have agreed up to the release of any of the Grant).

Development Work – the work involved in progressing your project to your second-round Application, including the production of designs, plans, and other documents.

Digital Outputs – all material with heritage content created in or copied into a digital format by or for you in connection with the Project.

Evaluation Report – the report you must send us before we pay the last 10% of the Grant telling the story of your Project, its achievements and lessons learned.

First-Round Pass Letter - our letter confirming that you can proceed to the second-round Application. This will identify any Development Work you need to do before you send in a second-round Application.

Grant – the amount set out in the Grant Notification Letter.

Grant Expiry Date – the date by which you must achieve the Approved Purposes as set out in the Grant Notification Letter and by which you will make the final drawdown of the Grant.

Grant Notification Letter – our letter confirming our Grant award to you after a second-round Application.



How to acknowledge your grant – the booklet that explains how we require you to acknowledge the Grant and which gives details of the acknowledgement materials we will provide.

Photography of HLF-funded projects: A guide for grantees – guidance on how to submit images to us, how we use these, and how to source consents.

Project – the project referred to in your Application that consists of, or includes, the Approved Purposes.

Project Completion Date – the date that we make our final payment and are satisfied that the Approved Purposes of the Grant have been met.

Programme Application guidance – the document setting out the scope of the programme and how to apply.

Property – any property that you buy, create, receive or restore, or property that is otherwise funded by the Grant including Digital properties, intellectual property rights and any documents that you produce or order as part of the Approved Purposes.

Receiving a grant – the guidance we publish to explain how we will pay the Grant, monitor your Project and agree changes to the Grant.



Achieving the Approved Purposes

1. You must use the Grant only for the Approved Purposes, unless you get our approval beforehand.
2. You must not start work to achieve the Approved Purposes without our approval beforehand.
3. You must achieve the Approved Purposes and make your final Grant drawdown by the Grant Expiry Date.
4. You must use the Property, or allow it to be used, only for the Approved Usage.
5. As well as these terms of grant, you must follow the conditions (if any) set out in the First-Round Pass Letter and Grant Notification Letter, address any issues we identify in the course of monitoring, and meet the requirements set out in the Programme Application guidance, *Receiving a grant*, the *How to acknowledge your grant* guidance, and *Photography of HLF-funded projects: A guide for grantees*.
6. You must carry out the Approved Purposes in line with current best practice in your area of heritage and to a standard that is appropriate to a project of importance to the national heritage. You must follow all legislation and regulations that apply.

Project development

7. The First-Round Pass Letter may offer to provide you with funding for Development Work. If it does these terms of grant will also apply to that funding but with the following changes:
 - a. when they refer to "Approved Purposes" this means your Development Work.
 - b. when they refer to "Approved Usage" this means you using the product of the Development work to further the Project.
 - c. when they refer to a "Grant Expiry Date" this is the date set out in the First-Round Pass Letter by which you must complete the Development Work.
 - d. when they refer to "Grant" this means the amount of funding for the Development Work set out in the First-Round Pass Letter.
 - e. when paragraphs 5 and 37 refer to the "Grant Notification Letter" this means the First-Round Pass Letter.
 - f. paragraphs 9a, 9c, 15, 16 and 17 will not apply.

Project monitoring

8. You must give us any financial or other information and records we may need from time to time on the Grant, the Property, the Approved Purposes (and achieving them) and the Approved Usage.
9. You must allow us (or anyone we authorise) to have any access we may need to:
 - a. inspect the Property and any work to it;



- b. monitor the conduct and progress of the Approved Purposes; and
- c. monitor the Approved Usage.

In these cases we will give you notice. You will report on the progress of your Project at times agreed with us.

- 10. We may ask you to provide proof that you have taken action to reduce the risk of fraud. We may ask you to let us examine your accounting processes and procedures to check the effectiveness of anti-fraud measures.
- 11. We will monitor the progress of your Project and will carry out checks at and after the end of the Project to confirm that it is delivering the outcomes expected. If we (or anyone we authorise) make any recommendations on the matters set out in paragraph 9, you must take those recommendations into account when meeting your obligations to us.
- 12. You must take appropriate steps to monitor your own success in achieving the Approved Purposes and in using the Property for the Approved Usage. On completing the Project, you must submit your Evaluation Report before we will release the final Grant payment.

Procurement

- 13. Before you start any phase of the work needed to achieve the Approved Purposes, you must put in place all necessary contracts with appropriately qualified contractors and professional advisers to allow you to finish that phase of the work. Building contracts must contain a clause which allows you to retain part of the contractors' fees on practical completion of the works. If you want any contracts to be on different terms, you must get our approval beforehand.
- 14. If the Approved Purposes involve buying goods or services or getting work done, you must carry out a tendering exercise in line with the requirements set out in the Programme Application guidance.

Property

- 15. You must continue to own the Property and keep exclusive control over what happens to it. Other than as permitted under paragraph 24, you must not sell, let or otherwise part with it or any interest in it, or give any rights over it to anyone else (or take any steps to do so) without our approval beforehand. If we give you our approval, it may depend on any of the following requirements.
 - a. that you pay us a share of the net proceeds of selling or letting the Property within one month of parting with the assets or other goods;
 - b. that you sell or let the Property at its full market value;
 - c. any other conditions we think fit.

We may claim from you an amount in the same proportion to the sale prices as the Grant is to the original cost of the Approved Purposes, or the portion of the Grant spent on the assets or goods concerned, whichever is the greater. You must pay whatever we decide is



appropriate in the circumstances. We may decide not to ask you to repay the Grant (or any part of it as we think fit) for any reason but it is for us to decide that.

16. You must maintain the Property in good repair and condition. If the Approved Purposes include creating, repairing or restoring property, you must maintain the Property in good repair and condition after the work has been done. If the Approved Purposes include the preparation of a maintenance and management plan or a conservation management plan, you must maintain, manage or conserve the Property in accordance with the version of the relevant plan that we have approved.
17. You must insure the Property to the standard set out in (and use any proceeds of the insurance in line with) the Programme Application guidance.
18. You must keep any objects or fixtures that form part of the Property in a physically secure and appropriate environment.
19. You must tell us, in writing, within five working days about any significant loss or damage to the Property.
20. You must arrange for the general public to have appropriate access to the Property. You must make sure that no person is unreasonably denied access to the Property.

Publicity and acknowledgement

21. We may make the purpose and amount of the Grant public in whatever way we think fit.
22. Once we have announced the Grant, you must acknowledge the Grant publicly in line with the requirements set out in our *How to acknowledge your grant* booklet. You must meet any other acknowledgement or publicity requirements we may tell you about from time to time. Before we make any public announcement of the Grant, you must not issue any public statement, press release or other publicity in relation to the Grant or which refers to us, other than in a form we have approved beforehand.
23. You must also provide us with digital images in electronic format of your Project – or hard-copy photographs or transparencies. You give us the right to use those you provide us with at any time, including putting them into a digital format and altering them. You must get all the permissions required for you and us to make use of them before you use them or send them to us. See *Photography of HLF-funded projects: A guide for grantees* for more information.

Digital outputs

24. You agree to:
 - a. hereby grant to us an irrevocable, perpetual and royalty-free licence to use, copy, keep and disseminate the Digital Outputs as we see fit and to grant sub-licences of the same kind;
 - b. obtain and maintain in force all authorisations of any kind required for you to use, copy, keep and disseminate the Digital Outputs and to grant such licence to us;



- c. contract to the effect that any creation by you or on your behalf of material which forms Digital Outputs is undertaken on terms that either the copyright in the digital material is assigned to you or that the copyright owner may not commercially exploit it;
- d. ensure that the Digital Outputs are kept up-to-date, function as intended and do not become obsolescent before the fifth anniversary of the completion of the Project;
- e. comply with these terms of grant in relation to the digital files that make up the Digital Outputs for the period agreed in the Grant Notification Letter. For the avoidance of doubt, this includes ensuring that the digital files are held securely and are available on request to the public and to us;
- f. grant licences in respect of the Digital Outputs under the Creative Commons model licence Attribution Non-Commercial but not on other terms without our prior written consent;
- g. not otherwise exploit the Digital Outputs commercially without our prior written consent.

Grant payment and repayment

25. We will, up to the Grant Expiry Date, pay you the Grant or any instalment of it in line with these terms of grant and the procedures explained in *Receiving a grant* as long as:
- a. the National Lottery continues to operate under the National Lottery etc. Act 1993 (as amended from time to time), and enough funds are made available to us under the Act; and
 - b. we are satisfied that you are achieving (and will continue to achieve) or have achieved the Approved Purposes in line with these terms of grant and that you are spending the Grant in proportion to any other funds you receive from other sources for the Approved Purposes.
26. You acknowledge that the Grant is the total amount of funds we will provide and will not be increased as the result of you overspending or for any other reason.
27. You must repay to us immediately any Grant that we have paid you (and we will stop any future instalments of the Grant) if:
- a. you no longer operate, or you are declared bankrupt or placed into receivership or liquidation;
 - b. you have, in our opinion, given us fraudulent, incorrect or misleading information;
 - c. you have acted negligently in any significant matter or fraudulently in connection with the Approved Purposes or the Approved Usage;
 - d. any competent authority directs the repayment of the Grant;
 - e. there is a significant change in your status;
 - f. you knowingly withhold information that is relevant to the content of your Application; or



- g. you fail to keep to any of these terms of grant.
- 28. If you achieve the Approved Purposes without spending the full amount of the Grant, you must pay back the part of the Grant you have not spent. We will treat you as spending the Grant in proportion to other funds you were due to receive from other sources for the Approved Purposes.
- 29. If you sell or otherwise part with all or part of the Property without our permission under paragraph 15, or you receive money in some other way as a result of you not following these terms of grant, you may have to pay us immediately a share of the net proceeds if that share is more than the amount we would otherwise be entitled to under paragraph 27.

General terms

- 30. You may not, and must not claim to, transfer the Grant or any rights under these terms of grant.
- 31. You must take all steps and sign and date any documents as may be necessary to carry out your obligations under these terms of grant and to give us the rights granted to us under them.
- 32. If there is more than one of you, any liability under these terms of grant will apply to you all together and separately.
- 33. We may rely on any of our rights under these terms of grant at any time, even if we do not always choose to do so immediately. If we decide not to rely on one right, we may still rely on any of our other rights under these terms of grant.
- 34. If you need our approval for anything, you must write to us to ask for it. You may only rely on any approval needed under these terms of grant if we (or anyone we authorise) give it to you in writing.
- 35. Any notice, request or other document we or you send to each other under these terms of grant can be delivered or sent by any effective means.
- 36. Any documents you need to send us under these terms of grant are for our own purposes only. If we approve or accept any documents, this does not mean that we have approved or accepted them for any other purpose.
- 37. These terms of grant will last for the period set out in the Grant Notification Letter.
- 38. These terms of grant cannot be enforced by anybody other than you or us.