

Future High Streets Fund - Grantham 'The Living Town'

Upper Floor Conversion
Grants Guide



HM Government



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Background

The Future High Streets Fund aims to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. In total, 72 places have shared £831 million from the Future High Streets Fund to help them recover from the pandemic by improving transport links, building new homes and transforming underused spaces.

South Kesteven District Council (SKDC) has been awarded £5.56 million of Future High Streets funding to deliver an ambitious programme of infrastructure regeneration in Grantham, a well-located market town with a high-quality historic urban environment and an established independent retail offer. Despite these geographic and urban environment advantages Grantham has suffered with a lack of popularity both internally and externally and consistently loses market share to competitor market towns and nearby cities. The Future High Streets Fund will be utilised to reenergise the town centre and set the foundations for the renaissance of Grantham, breathing new life into the town and establishing it as a first-choice location to visit, live and work.

The four distinct elements of the programme are:

1. Delivering a welcoming gateway link enabling ease of transit from the Railway Station to the town centre.
2. The re-establishment of the Market Place as the beating heart of Grantham.
3. Creating re-development opportunities around the Station Approach zone, developing further town centre living space within an overall mixed-use environment.
4. Re-establishing town centre living and reimagining vacant retail space through the conversion of underutilised upper floor retail and commercial space to high quality residential or other creative uses.

In order to support the delivery of programme area 4, SKDC has established a grant scheme to enable

owners of retail properties within the town centre to convert vacant and underutilised upper floor space into high-quality residential units.

The grant scheme will address the economic waste of underutilised floorspace and support the creation of a vibrant, living, town centre which will generate consistent footfall and localised buyer markets.

Additionally, this grant programme will enable owners to capitalise on emerging new opportunities afforded by changes to work patterns, commuter behaviour and London based workers moving out to well-connected commuter towns such as Grantham.

Consideration will also be given to the conversion of upper floor space into another viable commercial or leisure use. If your proposal is non-residential please contact the Programme Manager to discuss your concept prior to submission of an Expression of Interest.

The programme will enable property owners, who are key Grantham stakeholders, to support and participate in the early stages regeneration of the town and set the tone for future models of town centre living.

Grant Scheme Overview

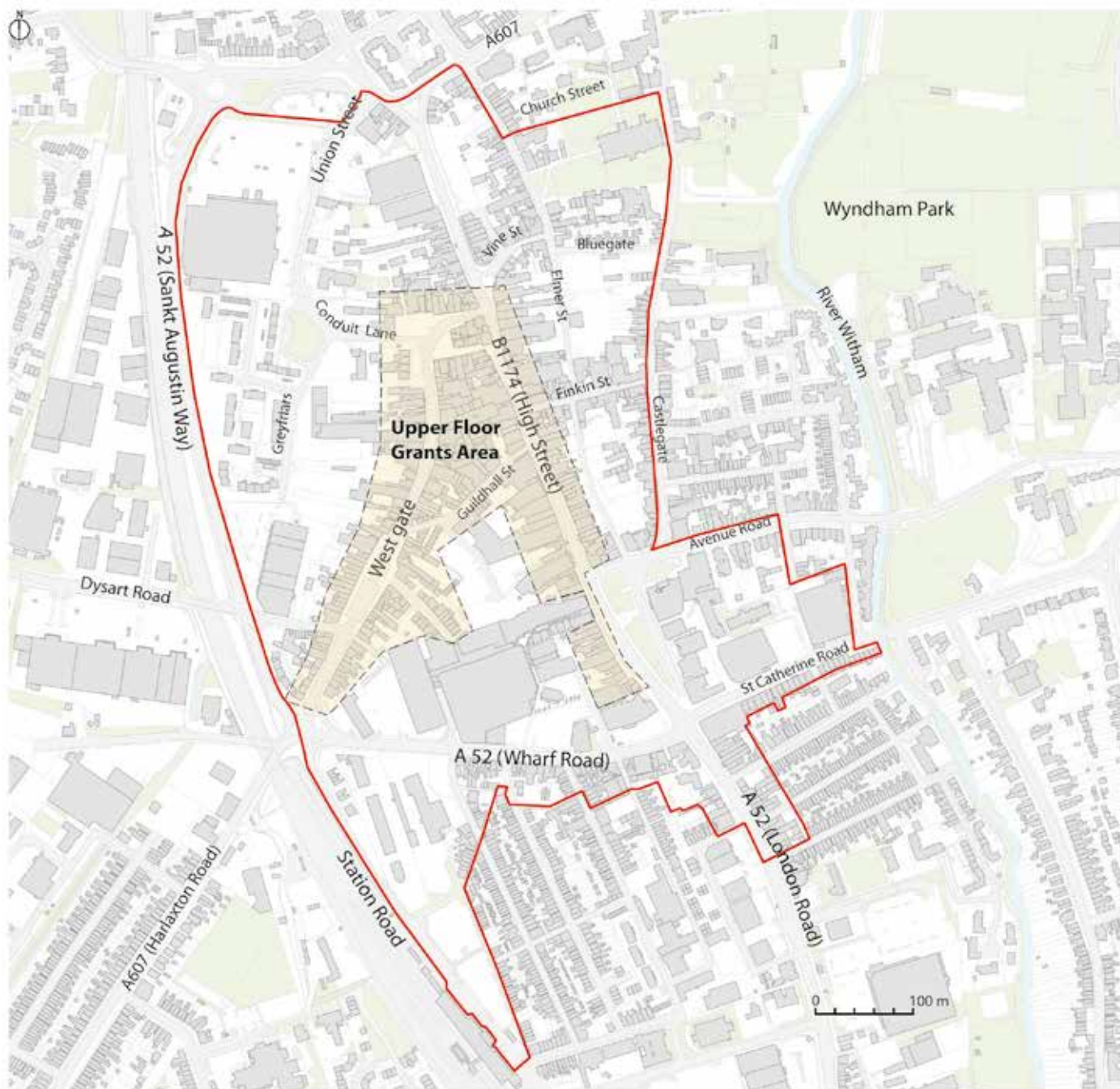
The grants will be available to support the conversion of vacant upper floor space above commercial properties within the core retail heart of the town to provide new units of self-contained housing accommodation for rent.

The grant scheme is geographically restricted, to be eligible properties must be located within the primary retail area, that is:

- Westgate
- Market Place
- High Street/St Peter's Hill
- Guildhall Street

The creation of new residential accommodation

Upper Floor Grants Area



is the priority of the scheme, but, as stated above, consideration will be given to the conversion of upper floor space into another viable commercial or leisure use.

The key aims of the scheme are:

1. To bring back into beneficial use under-utilised or vacant spaces, creating new residential, commercial or leisure spaces.
2. To promote and deliver high quality living accommodation in Grantham.
3. To preserve and enhance the historic character of the town centre and its heritage buildings.
4. To enhance the energy efficiency of the converted units to meet climate change objectives and to maximise building energy performance efficiency.

InvestSK will manage the grants process, all grants will be made from the funding body which is SKDC.

Eligibility

You will be required to be the freehold owner of a building located within the specified zone of the scheme. Joint applications from freeholders and leaseholders will be considered but a lead will need to be identified. Individual leasehold owners with a fully repairing lease which has 10 years unexpired term remaining should contact the Programme Manager for a discussion on eligibility.

Assessment Criteria

The scheme will support the cost of converting unused upper floors to residential accommodation (unless an applicant comes forward with a viable, high-quality alternative use which is approved in principle prior to submission of EOI).

Assessment will be based on the extent to which the proposals meet the key assessment criteria:

- The converted accommodation will adhere as closely as possible to the current version of the Department for Levelling Up, Housing and Communities (DLUHC) Technical Housing Standards – nationally described space standard.
- The grant will not support repair e.g. replacement gutters and downpipes, roof repairs etc, unless they are critical to the conversion – such as repair to a fire escape or are crucial to deliver sustainability measures as set out below.
- The conversion includes sustainability measures to maximise the Energy Performance Certificate with the aim of achieving an EPC level of C or above. The delivery of energy performance measures should respect the character of the conservation area.
- The project should ensure that all conditions and regulations with respect to historic buildings and preserving the historic environment are adhered to.
- The work should create new or safeguard existing jobs.

The conversion of space to residential bedsit accommodation will not be eligible for grant funding.

Preference will be given to proposals which fully meet the above criteria. However, it is acknowledged that the nature of many of the eligible properties may present delivery challenges in doing so, particularly where buildings may have unusual floorplans and limited space, and /or the delivery of the assessment criteria in full would lead to the unacceptable loss of historic features in listed or historic properties or damage the character of the conservation area. Applications which do not fully meet the above criteria will still be considered where accompanied by an explanation as to the delivery difficulties and how the applicant has used all reasonable endeavors to meet the assessment criteria.

Grant Rates

The grant programme will provide 50% of the eligible costs of conversion, up to a maximum of £25,000 per unit created.

The scheme has limited funding (£550,000) so at the maximum grant per unit a minimum of 22 new units within the town centre will be created.

Support With Letting

Owners will be expected to make their property available to rent for a period of 5 years following the final payment of grant.

SKDC can help landlords to find tenants utilising the Council's housing register. Additionally, landlords can be supported through use of the Council's rent deposit scheme. Further details of both of these schemes are available from the Council's Housing Team on request.

Links To Other Funding Streams

The Upper Floor Grant is available for the conversion of commercial properties to residential accommodation. The scheme is potentially compatible with other funding streams, such as the High Street Heritage Action Zone Shopfront programme. The schemes may run in parallel, however funding cannot overlap and therefore applicants should contact the Programme Manager before submitting an EOI if they are in receipt of, or have applied for, funding through an alternate programme.

Whilst the Upper Floor Grant Scheme does not support property repair there may be opportunities for owners of historic buildings to consider a submission for separate funding through the Heritage Action Zone (HAZ).

The focus of the HAZ scheme is the repair and reinstatement of historic features to shopfronts, but can also cover repair works to roofs, windows, rainwater goods etc. where their repair is necessary for the preservation of the building. To be eligible properties must have been constructed prior to 1939. The grant cannot fund purely cosmetic works (such as repainting) in isolation.

If your proposal includes repairs to a historic building which would not otherwise be covered by the Upper Floor Grant Scheme, please contact the Heritage Action Zone Project Manager at the contact address below for an initial discussion.

Publicity, Reporting and Case Studies

There are requirements for publicity of the programme and Applicants will be expected to support this. The guidelines will be supplied to successful applicants and will need to be used in areas such as external hoardings and contractor/consultant notices surrounding the sites as well

as any publicity undertaken by applicants or their contractors/consultants to promote their work.

Additionally, SKDC has to report back to Government on set outputs and outcomes for the programme. From an applicant perspective this will largely focus on areas such as jobs created or preserved as a direct result of the grant award as well as the level of investment that the applicant is making into the property. Applicants will be expected to provide requested information in a timely fashion but it is envisaged that this process should not be onerous.

Finally, it is anticipated that the grant funding will generate examples of best practice, problem solving or more general good news stories which can be developed into case studies to be forwarded to Government and published online. This will highlight the positive work that applicants and their contractors and consultants have undertaken and such case studies will be jointly prepared between the parties.

Timeframes

The Future High Streets Fund is a time limited programme, ending in 2024. All eligible works must be completed, invoiced and claimed prior to 16th February 2024. It will not be possible for grant recipients to claim funding for any work completed after this date.

The grants will be assessed by a two-stage process, an initial Expression of Interest (EOI) to be followed by a Full Application should the EOI demonstrate that the proposals meet the required eligibility standards.

Expressions of Interest may be submitted at any time and decisions will be made on a rolling basis in a timely fashion. Feedback will be provided to all applicants. Should an EOI be rejected, applicants are welcome to re-submit their proposals following the receipt of feedback and making necessary amendments.

If the EOI is approved applicants must submit a

Full Application within 4 months. These will be assessed upon receipt and decisions made in a timely fashion, again unsuccessful applicants will be provided with feedback and are free to revise and re-submit their full application for consideration.

From the date of grant award projects must substantially start within 6 months and be completed within 12 months of the grant award date.

The latest timeframe for completion of project and payment of final account will be the 16/2/24.

A worked example

Expression of Interest received	31/3/22
Project approved to Full Application	15/4/22
Latest date for receipt of Full Application	14/8/22
Grant Approved	30/8/22
Latest conversion work commencement date	28/2/23
Latest date for completion of work	29/8/23

Full Applications will continue to be processed until all of the funding is committed. Once the funding is fully committed all in process applications will be placed upon a reserve list and prioritised in terms of individual project delivery timeframe. Applicants will be kept updated as to the availability of funding and the status of their application.

Due to the deadline for funding spend the timeframes set out above will be strictly adhered to.

Projects which have been awarded funding but have not substantially started work by the 6-month commencement deadline will be reviewed. Unless very good reasons, supported by documentary evidence, are provided for the delay and a revised commencement timeframe is agreed then the Council reserves the right to revoke the funding

offer and award the funding to an applicant on the reserve list. If the revised commencement timeframe is missed, then the funding will be automatically withdrawn.

Projects will only be deemed to have commenced when substantial work has been completed. For example, hanging a new door in isolation would be classed as minor, the installation of a new kitchen would be classed as substantial.

Appendix 1 - Application Process

The application process will comprise two parts, initial Expression of Interest followed by Full Application, this is set out below.

Expressions of Interest

The initial Expression of Interest provides SKDC with an overview of the project for which grant funding is being sought. It is appreciated that not all of the information requested will be available in detail at this stage, but where possible best estimates of cost and deliverables should be provided.

The EOI's will be assessed by SKDC/InvestSK officers with recommendations for approval/refusal to be agreed by the Future High Streets Fund Board.

The EOI document can be found at Appendix 4 and is also available through the InvestSK website investsk.co.uk/future-high-streets-fund/

Full Application

If the property is approved to proceed from an initial Expression of Interest then the applicant will be notified by the Future High Streets Fund Programme Manager and a site visit will be arranged if one has not happened previously. Work can commence on the Full Application which is a much more detailed document and applicants will need to include:

- Evidence of eligibility for the grant, including proof of ownership documents
- Full detail of the proposed works, including units created, unit sizes and bedrooms per unit
- Scale design drawings and photographs
- Evidence of relevant consents to undertake the work, including landlord consents, Planning Permission, Listed Building Consent, Conservation Area Consent etc.
- Accurate pricing including evidence of competitive quotations/tenders against the common schedule of works
- Extent of energy efficiency measures to be installed in the property and projected EPC improvement as a result of the works.

Eligible works are detailed in Appendix 2 and the Future High Streets Fund Programme Manager will be able to advise you on these as well as the application process.

Full Application – Supplemental Guidance Tendering/Quotations

As the grant scheme is financed with public money, the Council requires that a competitive process is followed for the appointment of architects, consultants and contractors. This will involve the applicant engaging appropriate professional advice at the outset. If the grant application is approved these initial project costs can be claimed, planning and building regulation application fees are also grant-eligible.

The award limits are:

- Direct Award (evidenced by written quotation)
Up to £10,000
- Three written quotations
£10,000 - £49,999
- Full Tender Process
£50,000 and above

Professional Advisor Costs

Professional advisors should be professionally qualified e.g. RIBA, RICS etc. In the case of the conversion of Listed Buildings the professional should have relevant specialist conservation knowledge, ability or experience and should be a conservation-accredited architect (AABC Registered or RIBA conservation architect) or a RICS conservation-accredited building surveyor. Fees must demonstrate value for money through a quotation/tender process.

Appointment of Contractors (Eligible Work Costs)

To ensure best value for the grants the costs of eligible works should be supported by tenders or quotations from contractors secured following a competitive process. Applicants will invite tenders from contractors known to be able to achieve the standards required and with demonstrable experience of working on similar projects, utilising Council procurement procedures.

The grant offer will be based on the most competitive tender. If you want to accept a tender other than the lowest, you must submit reasons why, within your application. If the Grant Administrators do not agree, any grant awarded will be reduced by a percentage, which reflects the difference between the lowest acceptable tender and the one you accept.

Historic Buildings

The streets for which the funding applies are located within the Grantham Conservation Area, containing a high proportion of Listed Buildings as well as other buildings of historic interest and local importance.

In view of this applicants will need to demonstrate how the conversion treats the retention of historic features/ materials, particularly with regards to ensuring that retrofit for energy efficiency is appropriate and sympathetic to such features/ materials when implemented in historic buildings. This is particularly the case for buildings which are not Listed but are historic or traditional buildings of local importance.

A key issue in Grantham is with the replacement of original windows with UPVC double glazing within the Conservation Area. Applicants should note that this grant programme will not fund the installation of UPVC double glazing as part of the conversion. For energy efficient improvements applicants should evaluate the use of secondary glazing or other window installations which preserve historic character and improve energy efficiency. Applicants are advised to look at the Historic

England's Energy Efficiency and Historic Buildings series of guidance notes and contacting the Council's Conservation Officer before submitting an EOI.

Subsidy Control

The UK must comply with the Trade and Co-operation Agreement made between the UK and the European Union (TCA) in relation to financial assistance given to third parties. The TCA permits €325,000 Special Drawing Rights (approx. £330,000) of financial assistance to be given to an organisation over a rolling 3 financial year period by any public body (not just South Kesteven District Council).

If your organisation has have received more than this amount, please continue to submit your application as other options may be available. Please note that financial assistance given for COVID-19 does not count towards the £330,000. A completed enclosed UK Subsidy Control Declaration form will need to be submitted with each application.

Appendix 2 - Eligible Costs

The Upper Floor Grant scheme will fund all works necessary to convert the internal accommodation from the existing commercial use to residential. Management costs, external works, repairs and structural stabilization are not allowable expenses, additionally, building services works, such as drainage, electricity, gas, or water are not normally eligible, except where it is essential to deliver the conversion.

However, it is acknowledged that some external and building fabric works may be required to facilitate conversion or enhance space. To draw a distinction, replacement or new guttering is not an allowable expense but repair of a balcony which facilitates external living accommodation would potentially be an allowable expense. Further examples are set below:

- Provide means of escape
- Provide light
- Window/external door replacements - are not an allowable expense, unless this is a key factor in delivering improved energy performance. Applicants should note that where they are considering replacing windows/external doors in historic buildings, they must demonstrate they have used all reasonable endeavours to refurbish, enhance and retain. Applicants are directed toward the Historic England specific guidance on improving the thermal performance of windows and doors
- Installation of photovoltaic panels or other external measures which assist in improving energy performance noting that there are some restrictions on PV installation within conservation areas.
- Enabling works costs, such as scaffolding, hoardings, contractors' facilities and vehicles
- Fire safety improvements
- Necessary demolition work
- Removal/encapsulation of asbestos within a building.
- VAT where it cannot be recovered by the grant recipient

Professional and General Fees

Whilst not an exhaustive list, set out below are professional and general fees which would be eligible for the grant.

- Preparation of a detailed specification and drawings for the conversion.
- Any necessary planning application costs, including Conservation Area and Listed Buildings consents
- Fees to support the assessment of the buildings energy performance along with recommendations to achieve an EPC "C" rating
- Surveys of the structure(s) or site and its condition
- Research, analysis and archaeological investigation if the fabric of a historic building is likely to be affected
- Getting competitive tenders and providing a tender report and arranging contract for the work
- Regular inspections and valuations of the work on site until it is completed
- Full contact with the local authority on the technical details of both the application and the work for which a grant has been awarded.

At Risk Costs

All costs incurred prior to receiving a written offer of grant has been made and accepted by the individual building owner are incurred at risk. This will most likely be professional and general fees.

In terms of the conversion works, any work started without prior written consent and again prior to receiving a written offer of grant has been made and accepted by the individual building owner are incurred at risk.

It is key to note that conversion works will only be funded if the building is in otherwise good structural repair or will be repaired to an acceptable standard as part of a grant funding application.

Eligible and non-eligible work can be undertaken at the same time, but costs must be identified separately and made explicit in the schedule of work. Where eligible and ineligible works are combined in a single project, a grant will be offered towards the cost of eligible work only.

Appendix 3 - General Terms and Conditions

A grant agreement will need to be entered into with the Council, a copy of which will be sent with the Grant Offer Letter. There may be exceptional circumstances where the property is exempt from these conditions and will be agreed by the Council prior to grant approval.

Set out below is a summary of the key conditions that apply to this grant scheme.

- a) Notwithstanding the fact that an application for grant is made correctly and in respect of an eligible building, SKDC shall not be under any obligation to make a grant and any decision to make a grant shall be entirely at the discretion of SKDC.
- b) The applicant must own the freehold of the property, or hold a repairing lease with an unexpired term of at least 10 years from the projected date of the final grant payment without a break clause.
- c) Applicants must be over 18 years of age.
- d) If the property or land is held on a lease for less than 10 years, is not a repairing lease, or if it contains a break clause that may terminate the lease within 10 years, the landlord must join in the grant application and agree to be bound by the grant conditions if a grant is awarded.
- e) The terms of the grant will last for 5 years from the date of the payment of the final instalment of the grant.
- f) Grant offers will be withdrawn, or fully repayable, if the grant recipient breaches any of the terms of the offer as set out in this document, or if the grant recipient has behaved fraudulently or misleadingly in connection with its grant application or in carrying out and completing the works or activities.
- g) To protect the SKDC's ability to reclaim the grant, it will register a restriction against the applicant's interest in the property if registered at HM Land Registry or, if the property is unregistered, as a land charge and caution on the Land Charges Register (held by HM Land Registry).
- h) Permission for the works must be sought from every person with a freehold or leasehold interest in the property, and the applicant is responsible for obtaining these.
- i) Grant recipients will make available any financial records the SKDC reasonably requires in respect of the works.
- j) SKDC Officers and their appointed agents shall have the right, at all reasonable hours, to inspect any work that has been approved for grant assistance during the time that the work is being carried out and after it has been completed for the grant condition period of 5 years.
- k) VAT will only be paid if the grant recipient is not entitled to any refund on the VAT, and that if the grant recipient becomes entitled to a VAT refund they must pay the relevant amount to the Council. Grant recipients must certify that they are unable to recover any of the VAT payable.
- l) Grant recipients must fully insure the property or site for its full reinstatement value while the works are being carried out and following their completion. In the event of loss, theft or damage, the property or site must be made good.
- m) Grant recipients must ensure that the property or site is maintained in good repair when the works have been completed throughout the grant period of 5 years from the date of the payment of the final instalment of the grant.
- n) Work must be started within six months from the date of the Grant Offer Letter, and concluded within 12 months, or by 16th February 2024, whichever is earlier.

- o) Applicants will be responsible for ensuring that necessary public liability insurance is in place, and that all work is undertaken in accordance with all relevant Health and Safety legislation.
- p) It is up to grant applicants to ensure their works meet all requirements in relation to Listed Building Consent, Planning, Building Control, and any other consents. Grant payments will not be made until the written confirmation of all relevant consents to undertake the works is received.
- q) In the case of historic buildings, all contractors will be expected to follow and reference Historic England technical guidance in the course of their work. This information can be found on the Historic England website.
- r) The applicant indemnifies South Kesteven District Council against all claims and losses incurred as a result of undertaking the grant funded works.
- s) The owner must give a signed undertaking that the property will be available for rent for five years following the date of completion. No disposal, other than by letting, of the property for this period, is to be agreed.
- t) If one or all the units is disposed within 5 years, and the disposal is not an 'exempt' disposal, the value of the grant must be repaid.
- u) A grant cannot be awarded to a property owned by an elected member of local government (defined as the Town Council, District Council or County Council), an employee of local government, a family member, co-habitee or business partner of a member or employee of local government, or corporate body with which the member or employee of the local government is associated, of which the local government authority is aware.
- v) Any outstanding issues of Planning Enforcement or unauthorised work to the property need to be resolved in writing to the satisfaction of the Council.
- w) Any debts to the Council will need to be paid in full.
- x) The applicant must notify the Council if they have applied or received offers for any other grants.
- y) Grant payments will be made in arrears, following a site inspection by the appointed Council assessor to ensure project progress/completion. For a project under 3 months in duration the full grant will be paid at the end of the project. For projects greater than 3 months in duration then phased payments can be made, if requested, on a schedule to be agreed and subject to completion of works in accordance with the agreed schedule of works.

Appendix 4 - Expression of Interest

Upper Floor Grant Scheme

For help with filling in this form please read the Grant Guide and/or contact the Future High Streets Fund Programme Manager (details below).

1. Property where the work is to be carried out

Name of property	
Address of property (include postcode)	
Listed building status	Grade II / Grade II* / Grade I / Local historic interest / no designation

2. Applicant(s) details

Name of applicant	
Type of applicant	Landlord / Developer / Trading Company / Sole trader / Charitable Trust / Local Authority
Organisation role	
Organisation or company	
Address of applicant (include postcode)	
Email address	
Phone number	
Legal interest in property (please circle)	freehold / leasehold: If leasehold state the year it will expire:
Date of acquiring property/lease	

3. Current use of property

Occupancy	occupied / partially vacant / vacant
Existing use(s) of the property	
Proposed use(s)	

4. Proposed works

Brief description of the works – including energy efficiency elements (grants are only available for eligible works, a guide to eligible works is available in the Grant Guide).
Total indicative cost of the works (if available) £ Net £ VAT £ Gross

5. Proposed Scheme Delivery

Projected site start date	
Estimated delivery timeframe (weeks)	
Number of units	
Number of 1-bedroom units	
Estimated 1-bedroom unit size (m²)	
Number of 2-bedroom units	
Estimated 2-bedroom unit size (m²)	
Number of 3-bedroom units	
Estimated 3-bedroom unit size (m²)	
Current and Projected EPC	

6. Signature

This Expression of Interest does not constitute an application for a grant and does not commit the undersigned to making a grant application. However, as it is an indication of your serious intent to make an application, a signature of the intended applicant is requested:

I intend to make an application for an Upper Floor Grant, subject to confirmation of the grant funding arrangements and conditions

Name and position (print)	Sign	Date

Thank you for completing this form. If successful, you will be invited to complete a full Grant Application Form. Assistance will be provided throughout this process.

7. Contact FHSF@investsk.co.uk

Alex Ward

Future High Streets Fund Programme Manager InvestSK, St Peters Hill, Grantham. NG31 6PZ

This document is also available on the InvestSK website investsk.co.uk/future-high-streets-fund/

Contact details

Alternative formats are available on request:
audio, large print and Braille

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