

## 9. Funding Sources

9.1 The restoration of the Shrewsbury and Newport Canals would involve substantial capital investment due to the considerable civil engineering works required. In order to ensure work may proceed, funding would need to be assembled from a wide range of sources. Potential funding sources include:

- ◆ European Structural Funds;
- ◆ Heritage Lottery Fund;
- ◆ English Heritage
- ◆ The Waterways Trust and Small Grants Scheme;
- ◆ The Inland Waterways Association, National Waterways Restoration and Development Fund;
- ◆ The New Opportunities Fund;
- ◆ The Countryside Agency;
- ◆ Local Authority Resources;
- ◆ Private Sector.

### EUROPEAN STRUCTURAL FUNDS

9.2 There may be some potential to secure funding through the LEADER+ initiative. This is a six year initiative (2000-2006) funded by the European Union (through the EAGGF – European Agricultural Guidance and Guarantee Fund) and administered by the Government Offices in each of the English regions. It is aimed at encouraging rural groups and bodies to develop the longer-term potential of their area through high quality, original strategies for sustainable development. These strategies show new ways of:

- ◆ Enhancing the natural and cultural heritage;
- ◆ Reinforcing the economic environment to aid job creation; and
- ◆ Improving the organisational abilities of the community.

### REGIONAL DEVELOPMENT AGENCIES

9.3 The Regional Development Agency for the entire Canal is the West Midlands Regional Development Agency, known as Advantage West Midlands. In other parts of the country Development Agencies have made significant contributions to Canal Restoration, most notably towards the Rochdale and Huddersfield Canals (North West RDA) and the Cotswold Canals (South West RDA). The East Midlands RDA and East England RDA are also interested in funding works on the Fenland Rivers.

9.4 It is for each development agency to determine its own funding priorities, and understandably Advantage West Midlands are concentrating many resources on the Black Country. The areas of this canal that are going to be of most interest to the Advantage West Midlands are those through Shrewsbury and in the vicinity of Telford and Newport. The process of getting funding from Advantage West Midlands will be as much political as technical.

### HERITAGE LOTTERY FUND

- 9.5 The Heritage Lottery Fund uses Lottery money to give grants to support a wide range of projects involving the local, regional and national heritage of the United Kingdom. The aim is to help groups and organisations of all sizes with projects that aim to:
- ◆ Care for and protect heritage;
  - ◆ Increase understanding and enjoyment of our heritage;
  - ◆ Give people a better opportunity to experience heritage by improving access; and
  - ◆ Improve quality of life by benefiting the community and wider public.
- 9.6 These aims are grouped into four strategic priorities that guide Heritage Lottery Funding policy and underpin its decisions on funding. These priorities are: Heritage Conservation; National Heritage; Local Heritage; and Heritage education and access. It is recognised that 'heritage' covers a range of things, people and places, from photographic collections to sites linked to industrial, transport and maritime history.
- a) In order to be eligible to apply for a grant the following criteria must apply:
- ◆ The applicant must be a not-for-profit organisation;
  - ◆ The project must be concerned with heritage;
  - ◆ The grant must be at least £5,000 (although other grant schemes exist for smaller projects);
  - ◆ The applicant must be able to raise at least 10% of the project costs from other sources (25% for projects costing over £100,000).
- 9.7 Grants will be awarded for work designed to care for our heritage and help people experience it. For example, making it easier for people to gain access to and enrich their experience of heritage. However, grants will not be awarded for work that is usually the responsibility of the local authority, for example routine repairs and maintenance in public buildings. Other exceptions include general running costs (such as staff costs and fuel bills) and loan repayments.

### Capital Grants Programme

- 9.8 The Main Grants Programme provides funds for projects where the main costs are for capital expenditure on physical works or purchase, with the aim of preserving and enhancing access to features of heritage importance. There is no upper limit on the cost of projects that may be considered. The key assessment criteria are as follows:
- ◆ Importance of the project to the heritage;
  - ◆ Conservation benefits of the project;
  - ◆ Access benefits of the project;
  - ◆ Additional public benefits;
  - ◆ Quality of design of the project;
  - ◆ Financial need and viability;
  - ◆ Strengths of the organisation.

- 9.9 Where a capital project fulfils the above criteria, the Heritage Lottery Fund will consider assisting with costs relating to, for example:
- ◆ Conservation, repair or restoration works to any kind of physical heritage asset;
  - ◆ Surveying and recording land, sites and buildings as part of a project to carry out restoration, repair or enhancement;
  - ◆ Project development costs, in certain circumstances.
- 9.10 More specific guidance as to funding eligibility is provided in Special Guidance. This identifies the detailed criteria and priorities for funding within the different categories of heritage project.

### **Revenue Grants Programme**

- 9.11 The revenue grants programme supports projects aimed at widening understanding, enjoyment and access to heritage and where the main costs are non-capital expenditure, i.e. the costs of people, services, equipment and materials. The programme tends to support self-contained, fixed term projects for up to three years, where the sustainable benefits are expected to continue beyond the period of lottery funding.

### **Size of Projects**

- 9.12 Applications for grants tend to be between £5,000 and £100,000. Larger projects will be considered if they are able to demonstrate their benefits at a national or regional level or if they are 'umbrella' projects that involve a number of different organisations. Applications for major projects (i.e. over £500,000) must go through a two stage application process, which alleviates the need for applicants to carry out full-scale project development prior to submitting their application. The Heritage Lottery Fund advises applicants for major capital projects to consider whether their project could be phased, so that the Heritage Lottery could possibly assist with a significant single phase even if unable to assist in any later phases. Grants of more than £1 million are decided by the Heritage Lottery Fund Trustees on a twice-yearly basis, with Stage 1 application deadlines in June and December.
- 9.13 The Heritage Lottery Fund expects all organisations in receipt of a grant, whether for capital or revenue projects, to obtain competitive tenders or quotes for works and service contracts. Where lottery funds comprise over 50% of the costs, all applicants must follow the European Union Procurement Regulations.
- 9.14 An example of a beneficiary of Heritage Lottery Funding is the Midford Aqueduct on Somerset Coal Canal, which received a grant of £795,100 to make repairs and to improve the conservation and public access of the area. A more recent example is the Chesterfield Canal in Sheffield, which was awarded a grant of £971,000 in 2002 to assist with the restoration of 3.5 miles of canal, including a number of historic canal structures. It is hoped that the re-opening of the canal and associated access will lead to a growth of visitors in the area.
- 9.15 There are several grant-giving schemes designed for different types and sizes of project.
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### Larger Heritage Grants

- 9.16 Support is given to projects that relate to the national, regional or local heritage of the UK. To qualify for a grant the project should:
- ◆ Conserve and enhance diverse heritage;
  - ◆ Encourage more people to be involved in their heritage; and
  - ◆ Make sure that everyone can learn about, have access to and enjoy their heritage.
- 9.17 All projects must also ‘make sure that everyone can learn about, have access to and enjoy their heritage’. Heritage in this instance includes many different things that have been, and can be, passed on from one generation to another. Among these are:
- ◆ Historic buildings;
  - ◆ Records and collections held in museums, archives and special libraries or photographic collections;
  - ◆ Oral history;
  - ◆ Language heritage projects;
  - ◆ The countryside and habitats and ‘priority species’ listed in the UK Biodiversity Plan;
  - ◆ Designed landscapes; and
  - ◆ Objects and sites that are limited to our industrial, maritime and transport history.
- 9.18 Application conditions for grants are the same as for the other grants. However, if asking for a grant of £1 million or more at least 25% of the project costs must be provided from the applicant’s own or other sources.

### LOCAL HERITAGE INITIATIVE (LHI)

- 9.19 The Local Heritage Initiative (LHI) is a 10 year national funding scheme designed to help local groups investigate, explain and care for their local landscape, landmarks, traditions and culture. The LHI is run by the Countryside Agency with funding from the Heritage Lottery Fund and the Nationwide Building Society.
- 9.20 Local Heritage refers to:
- ◆ **Archaeological Heritage** – locally important visible features, such as hill forts, burial mounds, moats, field systems, ridge and furrow, standing stones and ancient village sites;
  - ◆ **Natural Heritage** – locally characteristic landscape features and wildlife habitats, such as hedgerows, copses, pollards, orchards, small heathland areas, hay meadows, water meadows, reedbeds, ponds, streams and springs;
  - ◆ **Built Heritage** – locally distinctive built heritage elements and small features, like field barns, pumps, wells, gates and walls, bridges, railings, milestones, architectural details, cobbles, memorials, village greens or traditional signs;

- ◆ **Customs and Traditions** – historic and cultural associations with the land and activities for local people; and
  - ◆ **Industrial Heritage** – physical features related to locally important industries, such as chimneys, lime kilns, packhorse trails, wagonways, canals, quarries, mineral pits, spoil heaps, mills, smithies and coopers.
- 9.21 The Local Heritage Initiative can fund a range of heritage projects, but all must demonstrate the following characteristics:
- ◆ Local – be started, supported and carried out by local people;
  - ◆ Heritage – be about the richness and distinctiveness of the locally important heritage assets and involve investigating, explaining and caring for them; and
  - ◆ Initiative – offer clear public benefits and include proposals for the long-term care of the local heritage assets or future actions after the project has finished.
- 9.22 New or existing community or voluntary groups can apply for a grant and, to be eligible, groups must have both a formal constitution and an open bank or building society account. Local groups can apply for a grant towards costs associated with:
- ◆ Investigation of their local heritage, leading to an explanation and presentation of information discovered;
  - ◆ Materials and labour for a programme of community-led action, based on any previous investigation and explanation work, e.g. conservation or restoration of heritage assets;
  - ◆ Work to help public access, enjoyment and appreciation of heritage assets and their cultural or historic associations;
  - ◆ Specialist advisers to help with the project;
  - ◆ Charges such as archive costs;
  - ◆ Activities to involve the wider community, especially young people;
  - ◆ Production of information;
  - ◆ Essential equipment to make projects efficient and effective (max 50% costs);
  - ◆ Training for volunteers;
  - ◆ Provision for long-term care of the project and assets, e.g. securing a legal management agreement; and
  - ◆ Legal advice and volunteer insurance costs specifically associated with LHI projects.
- 9.23 Standard grants range from £3,000 to £25,000, with the remaining 40% to be made up from cash, in-kind donations, volunteer labour, or a combination of these. Groups are encouraged to apply for more complex, phased projects and, in exceptional circumstances, higher rates of grant aid and advance payments may be offered. In addition, Nationwide offers awards up to a value of £5,000 to assist projects that otherwise would not be able to proceed.
- 9.24 Examples of canal-related projects that have secured LHI funding include:
- ◆ Pockington Canal, West Yorkshire - £15,004 LHI grant to restore the top lock.

- ◆ Lichfield and Hatherton Canal, Staffordshire - £7,313 LHI grant to renovate the footpath and provide interpretation on site of the canal's history.
- ◆ Trent and Mersey Canal, Stafford - £18,756 LHI grant to restore a section of footpath and a bridge parapet and to produce interpretative material and hold events; also, a £4,524 Nationwide grant towards providing disabled ramp access onto the canal.
- ◆ Welford Canal, Leicestershire - £13,282 LHI grant to investigate, record and interpret the industrial heritage of the canal. Proposed works also include improving the site to allow full public access, constructing a footpath, developing a heritage trail and providing way markers and interpretation boards. Professional training in a range of techniques is being provided by both British Waterways and the British Trust of Conservation Volunteers (BTCV).
- ◆ Wey and Arun Canal, West Sussex - £15,000 LHI grant and £5,000 Nationwide grant to restore the Drungewick Missing Link, increase public awareness of this heritage asset and to provide on site information boards.

## YOUR HERITAGE

9.25 Your Heritage provides a quick and easy application system with decisions made usually within 3 months. Support is given to a wide range of projects involving the national, regional and local heritage of the United Kingdom. To qualify for the grant the project must either:

- ◆ Care for and protect heritage; or
- ◆ Increase understanding and enjoyment of heritage.

9.26 The project must also:

- ◆ Give a better opportunity to experience heritage by improving access; and
- ◆ Help improve people's quality of life by benefiting the community and wider public.

9.27 Applications for a grant can be made if:

- ◆ The organisation is not-for profit;
- ◆ A project is concerned with heritage;
- ◆ A grant of between £5,000 and £50,000 is required; and
- ◆ The organisation can raise at least 10% of the project costs from other sources either as cash or as non cash contributions.

## AWARDS FOR ALL

9.28 Awards for All operates at a local level and provides grants of between £500 and £5,000 to small community groups, including new groups. Decisions can normally be made within 12 weeks of an application being received and up to 100% of project costs can be funded. The aims of Awards for All are to:

- ◆ Encourage more people to appreciate and understand heritage;
- ◆ Help local groups introduce people to heritage for the first time;
- ◆ Extend people's experience of different types of heritage; and

- ◆ Increase people's skills in practical activities – such as conservation, recording and interpreting the heritage.

### **YOUNG ROOTS**

- 9.29 Young Roots is a new grant programme funded by the Heritage Lottery Fund and managed in partnership with The National Youth Agency. Following a successful pilot scheme in the Yorkshire and Humber region in October 2000, the initiative was launched on a UK wide basis at the end of October 2002. It is aimed at encouraging young people (aged 13-20 years) to find out about and celebrate their heritage, build skills, confidence and community involvement. Approximately £20million will be available for the scheme over the next four years, supporting some 240 projects in its first year.

### **SUMMARY**

- 9.30 The most likely fund for heritage lottery funding is the major grants programme, although if BW are successful with their Cotswold Canals bid this source may be questionable for five years, and will be ruled out all together if BW are partners in this restoration. The major focus of heritage funding is likely to be on the canal from Norbury to Newport, where a substantial amount is intact, for the scheme at Longdon on Tern Aqueduct, and for the retention of buildings at Wappenshall (this would be dependent upon the subsequent operations being not for profit, and thus couldn't include the pub/restaurant element. The Wappenshall and Longdon projects need not coincide with the phased restoration of the canal and thus need not involve BW.
- 9.31 As previously stated these first three sources are likely to provide the bulk of the funding. As such, a phased funding approach is required as these agencies (with the exception of European Funds) unlikely to be able to commit single grants sufficiently large to allow restoration in one phase. This is the approach now being pursued on the Cotswold Canals.
- 9.32 The remaining grants are much smaller in scale, but can usefully make up match funding or fund early advance projects.

### **TOWNSCAPE HERITAGE INITIATIVE**

- 9.33 The Townscape Heritage Initiative provides grants of between £250,000 and £2 million for projects that are led by partnerships of local, regional and national interest, to regenerate the historic environment in towns and cities. The Initiative is aimed at repairing buildings that make up the special architectural character of historic urban areas, with a view to bringing derelict and under-used historic buildings back into practical use. Projects should involve and benefit the wider community in addition to those directly concerned with grant-aided properties and priority is given to townscapes in socially and economically deprived areas.

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### THE WATERWAYS TRUST SMALL GRANTS SCHEME

- 9.34 Grants awarded are unlikely to exceed £5,000 and should represent a minimum of 20% of the total cost of the project. Grants may be considered for a phase of a larger project.
- 9.35 Eligibility for funding is based on a project fulfilling the following criteria:
- ◆ Waterway related;
  - ◆ Provides lasting environmental enhancement;
  - ◆ Encourages involvement in the waterways; and
  - ◆ Involves and benefits the community.
- 9.36 The Waterways Trust is especially keen to assist projects where the award is being used to attract further funding, i.e. from local sponsors or where the scheme involves volunteer effort or gifts in kind. Applications are considered only twice per year (winter and summer) but can be received any time.
- 9.37 Projects supported by the Waterways Trusts Small Grant Scheme have included
- ◆ £1,500 towards a feasibility study on the Great Western Canal;
  - ◆ £2,500 to the Shropshire Union Canal Society towards the restoration of Bryndyrwyn Lock and Montgomery Canal; and
  - ◆ £7,500 to the Waterway Craft Guild for the restoration of the Shropshire Union Canal Flyboat Saturn.

### NATIONAL WATERWAYS RESTORATION AND DEVELOPMENT FUND

- 9.38 The Inland Waterways Association (IWA) supports the restoration of derelict waterways in a number of ways from lobbying to providing volunteer labour and financial aid. The National Waterways Restoration and Development Fund provides grants, ranging from a few hundred pounds to £100,000 or more in exceptional cases, to assist with projects such as hands-on restoration schemes and helping to finance feasibility studies.
- 9.39 Grant awards tend to be up to £20,000 and are available to organisations that promote the restoration of inland waterways. Applications over £2,000 should demonstrate that the grant would apply to one of the following types of project:
- ◆ **Construction** – especially work relating to restoration of Navigation;
  - ◆ **Administration** – for example, part funding a project officer;
  - ◆ **Professional services** – such as funding or part funding a feasibility study;
  - ◆ **Land Purchase**;
  - ◆ **Research on matters affecting waterway construction** – including original research and literature reviews; and
  - ◆ **Education** – for example, providing promotional information to local authorities or agencies.
- 9.40 An application over £2,000 should also demonstrate the extent to which it satisfies at least one of a number of conditions specified by the IWA. These conditions are:
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- ◆ The grant would unlock a grant several times larger from another body;
- ◆ The grant would not replace grants available from other sources;
- ◆ The project does not qualify for grants from major funding agencies;
- ◆ The grant would enable a key project to be undertaken which would have a significant effect on the prospect of advancing the restoration and gaining funds from other sources for further restoration works;
- ◆ The result of the project would have a major influence over the progress of a number of other restoration projects; and
- ◆ The Restoration Committee would have a major influence on the management of the project, including the monitoring of expenditure.

#### **THE NEW OPPORTUNITIES FUND**

- 9.41 The New Opportunities Fund provides lottery funding for educational, health and environmental projects which help create lasting improvements to quality of life, particularly in disadvantaged communities.
- 9.42 By 2004, the New Opportunities Fund aims to commit £99 million UK-wide to projects that: enhance the quality of life of local communities; expand community sector waste reuse, recycling and composting; and develop renewable energy generation.
- 9.43 Quality of life projects that may be supported include those that improve elements of local heritage value and projects that complement the work of the Heritage Lottery Fund.

#### **COMMUNITY ARTS FUNDING**

- 9.44 Community Arts are funded through a plethora of different sources and may well be funded as a subsidiary to some other initiative. Grants may be available for public works of art such as sculptures, designed perhaps to reflect the heritage of the canal. The community could be involved in the design of interpretation boards, waymarkers, and seating, for example, so as to give them an element of ownership of the restoration scheme.

#### **ENGLISH HERITAGE**

- 9.45 English Heritage has indicated that it is only able to consider grant aid for canals in England if the canal itself lies within a designated conservation area. Grant aid may also be available for individual canal structures located outside of conservation areas if they are listed at Grade I or II\*.

#### **SUSTRANS**

- 9.46 Sustrans fund development of the national cycle network, and part of the network already follows the route of the canal, with the potential for more to do so. As a general rule Sustrans will only fund the cycle route element but this can include purchase of the canal track for subsequent use for navigation. Sustrans do not retain

the cycle track, but dedicate the track and the land to other bodies, often the local highway authority.

#### **SPORT ENGLAND**

- 9.47 Sport England have not so far granted funds to a canal restoration scheme, but it is clear from their guidelines that they may be eligible where it is clear that the canal contributes to the provision of local sporting facilities.

#### **LOCAL AUTHORITY RESOURCES**

- a) Due to limited resources, the Local Authorities are unlikely to provide large grants for the complete restoration of the Canal. However the assistance from Shrewsbury and Atcham Borough Council, Staffordshire County Council and Stafford Borough Council in providing grants for the funding of this feasibility study suggests that they may be able to part-fund certain aspects of the project and are likely to serve as the channel through which many alternative sources of funding may be secured.

#### **PRIVATE SECTOR**

- 9.48 Opportunities for private sector funding include business sponsorship and Section 106 contributions on private sector developments. Section 106 agreements entail the developer of any development requiring planning permission providing infrastructure as part of the development. The infrastructure will usually, but not always be part of the development, but it must be related to it. Parts of the Rochdale Canal and Huddersfield Narrow Canal were restored using Section 106 agreements, and part of the Hereford and Gloucester Canal has been reinstated using this approach. (Note: Section 106 refers to the Town and Country Planning Act 1990).