

Heritage Lottery Fund Consultation March 2018: Heritage Alliance Response



Do you agree or disagree that HLF's role in future should be to inspire, lead and resource the UK's heritage to create positive and lasting change for people and communities?

Tend to disagree

The Alliance strongly supports the public benefits of heritage and heritage interpretation as a central to the roles of the HLF. We don't disagree with the statement but have chosen 'tend to disagree' as a key strapline it seems to have less focus on heritage than previously. Also, it suggests that the HLF will inspire heritage itself rather than people who interact with it.

The HLF strategy 2013-2018 aimed to make 'A lasting difference for heritage and people'. However, the statement of the HLF's role currently consulted on seems to put the focus on people and communities rather than heritage and the benefits which brings. It is important to retain a very clear focus on helping heritage in all its diverse forms.

Other funds such as the Big Lottery Fund already focus on improving communities. The HLF should do this but clearly through the prism of supporting heritage. The statement as formulated seems to put heritage as ancillary to creating change for people and communities. These benefits should flow from heritage projects whatever their form.

There is concern among some members that the HLF is increasingly moving away from supporting buildings-based projects. Of course, saving a valued historic building is a public benefit for many reasons. This is important since the HLF is often the key source of funding for very expensive buildings projects. As Historic England state in their draft response – 'Without the survival of historic buildings, structures, landscapes and places, the important opportunities for community engagement will themselves be undermined'. Similarly, communities will lose the anchors which create a sense of place.

A number of members have also questions whether the HLF should be positioning itself in the role of leading the sector, rather than working to support it.

A focus on benefits to people and communities as opposed to heritage has already seen some situations where the HLF has awarded grants which have led to damage to heritage in the view of parts of the sector but benefited communities and groups. Funding controversial work has meant that limited resources in other parts of the heritage sector have had to be spent opposing the plans. This is costly both in terms of staff resources and money to challenge the plans legally. ClfA takes the view that the HLF should require grantees to employ accredited professionals to undertake relevant work to help ensure this

The HLF should consider how it can ensure that its limited funds go to plans which do not require other parts of the heritage sector to spend money opposing them. This could perhaps be achieved by consulting amenity societies on plans for Grade I or II* buildings which go beyond maintenance and repair before approving them. Part of the problem is that we understand that bidders feel

unable to change plans once they have been approved for fear of losing the money allocated. Perhaps the HLF could have some kind of problem resolution scheme to enable changes to projects which have been approved where problems later become apparent.

Thinking about the different aspects of HLF's role, other than grant-giving, please select and rank up to 5 that you think are most important for HLF to do.

1. Supporting the capacity and resilience of the heritage sector as a whole
2. Sharing learning
3. Advocating for the value of heritage
4. Attracting other public or private financial support for heritage
5. Building strategic partnerships and collaborations

Supporting organisations within and beyond the heritage world to come together, collaborate and network

Inspiring and promoting innovation in business models

Helping people and communities to meet their aspirations

Why do you say that?

Supporting the resilience and capacity of the sector is very important as strategic investment may have wide positive impacts. For example, an independent evaluation of our Giving to Heritage (GTH) programme has reported that heritage projects have raised £3.15m directly attributable to participation in GTH's affordable fundraising training. £750,000 of grant funding has enabled over 1,700 individuals representing over 800 heritage organisations to access fundraising training.

The GTH project is an important example and not something which would necessarily be flagged as a key role for the HLF based on lottery players' views as the umbrellas and other organisations that support these types of projects are crucial but less visible to the public. It is important for the HLF to maintain a strategic view and not simply meet lottery players expectations. Many lottery players, even if they like heritage, will not have the strategic understanding of the sector needed to understand where best to direct funds. Investment such as that in resilience funding or GTH is in many ways 'hidden' from public view but vital for the sector.

Sharing learning is also important as the HLF will have access to wide data sets. These are also vital for advocating for heritage. The data collected by the HLF has the potential to really help the advocacy of organisations such as ourselves documents such as new ideas need old buildings are a key source of information. It is important that the HLF works with the sector to help develop standard tools for measuring engagement impact etc. There has already been discussion of taking this forward both at HEF and at Heritage2020's digital foresight day. HLF should engage with its sector to agree these measurements which it then embeds as a requirement in its projects. These should only be changed if the sector agrees.

PART 2: Strategic priorities for heritage and people, + measuring our impact

Supporting the full breadth of heritage

Heritage Lottery Fund (HLF) has developed a distinctive approach to making a 'lasting difference for heritage and people' across the UK.

This overall vision and direction has been widely supported and endorsed by stakeholders and the public in many previous consultations. In particular, National Lottery players told us that they value the fact that HLF takes an inclusive approach, doesn't define heritage and supports the full breadth of heritage across the UK.

We have no plans to change this - but we want to hear from you what our priorities should be for different types of heritage and in different parts of the UK.

Taken from the Heritage Lottery Fund Tailored Review

TR5. In its next Strategic Funding Framework HLF should:

- a. clarify its own strategic priorities, explain how those priorities are identified and illustrate how evaluation and research are used to inform these
- b. articulate its strategy for reaching underrepresented groups and geographical 'Priority Development Areas'
- c. outline how it responds to priorities in Scotland, Wales, Northern Ireland and England, within the UK-wide framework.

What do you think are the most important heritage needs or opportunities that investment from the National Lottery should address in the UK?

Many of the Alliance's members will have different views but we note the withdrawal of separate streams of funding for parks and churches has caused some concern. The loss of dedicated funding streams can mean that there is less understanding that funding is available for these sources.

As above we stress the importance of resilience funding the transformative nature and vital underpinning role of which is unlikely to be identified by lottery players as its benefits are enabling and not public facing.

And what do you think are the most important heritage needs or opportunities that investment from the National Lottery should address in your region or country?

The same issues are true for England as the UK.

Should HLF give priority to heritage considered to be 'at risk'?

Yes

And how would you define heritage that is 'at risk'? Please give as much detail as possible in your answer.

Heritage at Risk is a key area for the HLF as the biggest funder in the heritage sector and it makes sense to prioritise heritage which would be lost. However, each application should still be looked at on its merits. A project which could prevent a building becoming at risk and secure a viable long-term future could be a better use of funding as less money is needed to intervene at an early stage. The HLF should think carefully about ringfencing money specifically for heritage at risk as this might

have the perverse incentive of encouraging owners to allow assets to deteriorate to access this funding.

The HLF should use Historic England's at risk list but also consider buildings on the at risk list of amenity societies such as SAVE and the Victorian Society. Organisations applying for funding should be able to argue that their building is a risk, as risk registers are only updated intermittently and may not reflect emergency situations. The HLF should be flexible in its approach to 'at risk'.

How should HLF take account of different priorities for heritage in England, Northern Ireland, Scotland and Wales within a UK-wide framework?

The Alliance works within England only. However, clear communication from the HLF is valued. For example, if it becomes apparent that a country has particular needs the reasons why this area is being prioritised should be clearly stated. It may be confusing and frustrating for applicants to see that funding is easily available in one country but not in others.

Addressing under-representation in HLF's funding and making heritage more inclusive

Since 2002 HLF has offered outreach support to groups in areas and communities who have benefited least from HLF funding. We intend to continue to prioritise for development support people who are under-represented in our funding so that they are given the help they need to develop applications.

Since 2013 we have reduced the number of Local Authority areas that have received less than 25% of average per capita funding from 61 to 56, indicating some success in achieving a more even spread of funding. We have also supported a wide range of community groups to make successful applications. We need to do more.

Taken from the Heritage Lottery Fund Tailored Review:

TR19

Building on learning to date, HLF should develop a cohesive strategy for engaging underrepresented groups with heritage, to ensure that National Lottery money benefits as wide and diverse an audience as possible. HLF should capitalise on the benefits of digital tools to achieve this aim of broadening access.

TR20

HLF should ensure that funded projects collect audience data to ensure it is fully aware of who is currently engaging with the projects it funds and to assess its progress in broadening and diversifying audience participation.

Do you agree or disagree that HLF should address under-representation in our funding of geographical areas that have received least funding in the past?

Tend to disagree

While this is an understandable aim – projects should be judged on their merits in the context of decreasing HLF resources. Weak projects should not be funded simply to make up for a lack of historical funding. Such a move would also mean that very good projects elsewhere miss out.

If two projects were equal it would make sense to award funding to the previously under funded area. However, as projects don't directly compete in this way it is difficult to see how it this issue can be addressed without simply lowering the bar for projects in previously underfunded areas.

HLF should make sure it understands why there has been less funding in these areas and how this is worked out. Funding should be allocated for extra support to formulate bids in deprived areas in these areas to ensure that they are on a level playing field.

Do you agree or disagree that HLF should address under-representation in our funding of geographical areas that experience deprivation?

agree

Xxxxxxx nit spread

As above, while this is an understandable aim, the HLF should use its limited funding to support the strongest projects/ those which have the biggest positive impact on heritage. Helping areas which experience deprivation is best done by having support available to help projects based in these areas create the strongest possible projects and applications. Getting a bid off the ground will be very difficult in areas where you can not rely on a large pool of volunteers with appropriate skills.

We are continuing to drive forward our progressive agenda of broadening the range and depth of people's engagement with heritage. Our current Strategic Framework has encouraged more people to volunteer, to learn and to develop skills. Guidance and mentoring have helped applicants to broaden audiences, make heritage more accessible and tackle a lack of workforce diversity. But there is still more to do to engage people who are under-represented in heritage, such as people from black, Asian or minority ethnic communities and disabled people.

We are committed to taking leadership to achieve higher levels of inclusion in heritage, which is key to a flourishing more equitable society. We know it is a priority for Lottery players that everybody, regardless of age, disability, ethnicity, sexuality, class or income should have opportunities to get involved. Working in partnership with sectors outside heritage, e.g. youth organisations or disability or housing charities, is increasingly important in this context.

We will set clear expectations that our grantee organisations and the beneficiaries of the projects we fund should reflect more closely the demographics of the population across the UK. We will support our grantees to collect better data on who is – and who is not - engaging with heritage.

The social groups in the list below are ones that we focus on, in line with our policy directions and the public sector Equality Duty. Are there groups you think we ought to prioritise in our Strategic Funding Framework? Please select all that apply.

HLF should not prioritise social groups in its next Strategic Funding Framework

How could HLF respond to any specific barriers you know these groups face in applying for funding to support their community's heritage?

While the focus on addressing diversity and access is to be welcomed, again limited funding should go to the best projects which have the most impact. That impact could be given a heavier weighting if it will have a positive impact for under- represented groups.

Again, a more appropriate route is having support available to help those who might be put off otherwise applying.

It is somewhat concerning that the HLF proposes setting 'clear expectations that our grantee organisations and the beneficiaries of the projects we fund should reflect more closely the demographics of the population across the UK'. A project in a remote mostly rural area will have great difficulty in showing that its demographics reflect the UK as a whole as they are heavily skewed by greater BAME presence in cities.

Similarly, many projects are staffed by volunteers – at least at the start - if their demographics don't match the UK's demographics as a whole then they shouldn't be penalised in terms of accessing HLF funding. It is very hard finding volunteers to work on projects and the HLF should not be making that harder. The HLF should instead be working at a strategic level to build relationships between the sector and groups which have historically been less engaged. Perhaps a central list of volunteering opportunities and advertising this with social groups? This is something which heritage organisations cannot do individually.

The HLF could also require that grantee organisations have diversity policies, and complaint policies so that any problems are dealt with properly. Many small organisations will not have the resources to have these so the HLF could create sample policies.

How could HLF respond to any specific barriers you know these groups face accessing heritage opportunities?

HLF should work at a strategic level to build relationships between the sector and groups which have historically been less engaged. Perhaps a central list of volunteering opportunities and advertising this with social groups? This is something which heritage organisations cannot do individually.

Many organisations struggle to apply for HLF funding. That is why funding for small organisations to help apply, with clear guidance etc... as it takes a lot of resource to put in a bid which means diverting from elsewhere. This is especially applicable in terms of resilience funding – those most in need for funding will struggle to find the resources to apply. The HLF should look at simplifying processes for organisations which have previously run successful projects.

How could HLF most effectively support all organisations to reach a wider range of beneficiaries?

HLF should work at a strategic level to build relationships between the sector and groups which have historically been less engaged. Perhaps a central list of volunteering opportunities and advertising this with social groups? This is something which heritage organisations cannot do individually.

How could HLF most effectively support organisations to collect better data on who is benefiting from heritage projects?

As mentioned above the HLF should work with the sector to create standard metrics on who is benefiting from heritage projects – or their audiences.

Perhaps the HLF could develop some kind of app for the sector to make recording this easier.

The HLF should consider working with Arts Council England and other similar bodies to create a joint method of recording this data. If the data could be standardised across the cultural sector then it

would be easier for individual areas such as heritage or art to get an understanding of where they sit comparatively. Such closer working on similar challenges could also help best practice spread more easily.

However, The HLF should work to ensure that this makes reporting easier, not harder, for organisations by having data in the same format.

Why do you say that?

It does not make sense for limited heritage sector funding to be repeatedly spent tackling this issue separately. A joined-up approach means that projects will be better able to bench mark against each other.

Achieving quality and measuring our impact

In 2013 we introduced an outcomes framework which forms part of our assessment and decision making process, to help us make comparative judgements of projects, alongside our view of the applicant's business case, risk and value for money. This has worked well in supporting applicants to consider carefully the difference they want to make for heritage and people, and providing the basis for higher-quality project evaluations and evidence of impact. We will continue to require applicants to produce thorough proposals for evaluation and to budget realistically for this as part of their grant.

For our next Strategic Funding Framework we will make some changes to the current range of outcomes we expect our funding to achieve and will set some corporate objectives linked to those as the basis of measuring the overall impact of National Lottery investment in heritage.

Below is the list of outcomes we propose to cover in our new Strategic Funding Framework –these will be used to prioritise funding and measure impact.

- 1. Heritage will be in better condition**
- 2. Heritage will be identified and better explained**
- 3. People will have developed skills**
- 4. People will have learnt about heritage**
- 5. People will have greater well-being**
- 6. A wider range of people will be involved in heritage**
- 7. The funded organisation will be more resilient**
- 8. The local area will be a better place to live, work or visit**
- 9. The local economy will be boosted**

Do you agree or disagree that HLF should focus on these nine outcomes?

tend to disagree

Why do you say that?

It is not clear whether these are numbered in terms of priority, if so we agree that heritage being in a better priority . The impact on heritage is not given enough weight in several of the options. It is

important to remember that the HLF is one of the very few funding sources for the heritage sector. Its goals should not replicate other funding streams. Therefore these should become:

People will have greater well-being through heritage,

the local area will be a better place to live, work or visit due to investment in heritage and

the local economy will be boosted due to investment in heritage

There is also no mention of heritage's significance. While we agree that the HLF should not define what constitutes heritage in a time of reduced funding some attempt should be made to ensure that funding goes to the most nationally significant projects.

The current criteria will pull applicants away from a focus on heritage itself and result in limited money available to the sector being spent to achieve outcomes which are not necessarily heritage focused.

We recognise that our funding has long delivered well-being benefits for individuals, evidenced in our evaluations, and now plan to reflect this more explicitly through 19 introducing an additional 'well-being' outcome. Well-being is gaining wider currency across the cultural sector, and there are established definitions and measures available. We want to recognise the personal well-being benefits which heritage projects achieve for those with lowest relative well-being

Do you have any comments on how people might gain greater well-being through heritage projects?

Although as above we do not think well-being should be a criterion for awarding funding it is a sensible and welcome new outcome. Once again, the HLF should work with the sector and other comparable bodies like Arts Council England to develop a standard way to measure wellbeing. This could be in the form of an app the organisations could use.

In terms of how they might gain greater wellbeing the obvious examples are through volunteering and the impacts on mental health.

The heritage sector probably has greater scope for helping people's physical wellbeing. Ideas such as 'good gym' could be developed for the heritage sector where people do physical labour. The HLF might be able to use technology to bring new people into the sector in this way. Documents like 'new ideas need old buildings' with project evidence on topics like wellbeing would be very welcome.

PART 3: Strategic interventions and partnerships

The shifting policy and operating environment for the UK's heritage continues to present significant challenges, but also opportunities.

We want to build on recent investments in resilience (Catalyst5 and Resilient Heritage6), and place-making (the Great Place Scheme7), and other interventions to maximise the wider impact and role of heritage in society. We want to see cultural and natural heritage at the centre of social and economic regeneration, and opportunities presented by developments in digital technology and new models of business and enterprise being seized.

Place-making

Heritage shapes how people identify with the places they live, work and play in. Yet a role for heritage is frequently missing in conversations and plans for how places can develop into the future, as shown in our 2016 research *Networked Heritage*⁸. In our next Strategic Funding Framework we are interested in developing new approaches to place-based funding that would offer an opportunity for communities of all kinds - from major urban centres to rural areas - to put heritage at the heart of their economic and social development, and to decide for themselves how to invest our funding to achieve their goals.

Our approach to place-based funding would cover all types of heritage, including those previously funded through programmes targeted at parks, townscapes, landscapes and places of worship and could include new areas of investment such as enabling the re-use of historic buildings for housing.

Do you agree or disagree that HLF should focus on putting heritage at the heart of placemaking across the UK?

Strongly agree

Why do you say that?

Yes it fits well with the Government's industrial strategy, placing making ,and housing focus. It will drive an appreciation of heritage.

Who would be the most appropriate partners for HLF and what should their contribution be?

BEIS – As part of the placemaking element of the industrial strategy. The HLF should work with funding for creative clusters to ensure that these produce good heritage outcomes

Ministry of Housing Communities and Local Government – the NPPF should be revised (currently being consulted on) to give more priority the importance of placemaking. This strategic element is not as clear as it could be.

Historic England – close working on Heritage Action Zones to rejuvenate key heritage places.

Business improvement districts – can HLF help BIDs understand heritage to the importance of placemaking.

HLF should work closely with culture and tourism in the local areas projects based in such as cultural development fund Historic England, Visit England LEPs etc to ensure the maximum benefit to projects on the ground.

Heritage and enterprise Launched in April 2013, Heritage Enterprise was a pioneering new funding programme designed to stimulate local economic growth by unlocking the commercial potential of unused heritage buildings and sites. Analysis of the schemes that HLF has already supported, allied with feedback from sector stakeholders, confirms that there is an appetite for HLF to do more to support the regeneration potential of underutilised heritage assets.

We could take a more commercial approach, encouraging projects more actively targeted towards the private sector. We might also consider whether projects could be funded through loans or a blend of loans and grants, depending on the planned end use of the building or site.

It could also be more closely focussed on heritage at risk and historic assets located in the most deprived areas where there is clear market failure and that demonstrate the potential for regeneration.

Collaboration with LEPs, Historic England and DCLG, for example, could enable HLF to achieve greater strategic impact with projects building on the Heritage Enterprise model. This might include projects that, for example, address the major challenge of industrial heritage at risk, or have the potential to address housing need.

22 Should HLF fund more commercially focused approaches to support projects with a focus on enterprise and skills? Yes

Why do you say that?

Yes, the HLF should fund such projects while ensuring that resources are still available for non-commercially focused projects. It is important to note that it is not possible to pay back all required funding in organisations in the case of resilience bids for example. The HLF should consider moving these types of projects to funding over a longer period to create greater security.

Obtaining traditional finance for heritage buildings in a poor condition can be very challenging so this is a potential opportunity.

Do you have any suggestions about how HLF can best work with other organisations to support the viable reuse of existing underutilised buildings?

The HLF should work with the Architectural Heritage Fund but also work with the banking sector to look at how obstacles to funding might be overcome together. The Alliance gets numerous calls from private owners who want to fix listed buildings, often their homes, but will not be able to get HLF funding as there is no public access granted to the buildings.

Similarly, when run down heritage buildings come onto the sales market they are often marketed as 'cash buyers only' as banks won't lend on them due to the work needed— even where the end value would be more than the cost of the loan. Could the HLF partner with the AHF and others to create a heritage restoration mortgage company that gives mortgages out on such properties in return for an heritage based restoration, reinstating sash windows etc... This would have multiple benefits – heritage assets would be brought back into use by those who wanted to restore them (rather than say redevelop the site), heritage craft skills would be supported and, unlike grants there would be a profit on the HLF's investment. The work could be supported by restrictive covenants to, for example, not remove the sash windows in the future.

The HLF could also explore working with large commercial property owners or their representative organisations to explore how to bring space over shops back into use in an heritage friendly and strategic way. The Federation of master builders has written a report looking at this <https://www.fmb.org.uk/about-the-fmb/newsroom/90-of-mps-say-converting-empty-spaces-above-shops-could-help-solve-the-housing-crisis/>. Again, the HLF support might take the form of some kind of loan which could, in the long term increase the resources available to the HLF. This might go hand in hand with enforcement action by local councils so that resistant owners are forced to take action in relation to severely dilapidated buildings.

Resilience and capacity building

Since 2012 we have provided support to organisations working in heritage to rise to the challenges presented by reduced public funding. These have included capacity building programmes for

income generation, governance and fundraising skills, early-stage funding to new organisations, transition funding for previous grant recipients to review business plans, governance and strategic direction, and interventions to build endowments and increase private giving to heritage.

We are committed to helping organisations to adapt to the current uncertain financial and operating context. We want to support organisations to build resilience and entrepreneurial approaches, develop new sources of income, increase private fundraising, build business and financial management skills, and to be ready to respond to opportunities presented by new sources of finance and digital innovations. When investing in the resilience of organisations, we will continue to prioritise protecting past National Lottery investment in heritage.

How can HLF best support heritage organisations across the UK to become more enterprising and financially sustainable? Please select and rank the top three ways in which you think HLF could do this, placing the numbers 1-3 in the corresponding box.

1. Provide funding to individual organisations to achieve strategic organisational change
2. Provide small-scale funding to help organisations build their fundraising capacity and skills
3. Fund business support training and capacity building programmes, including in investment readiness

Provide early-stage funding to support new organisations and enterprises in setting their direction

Provide funding for testing new ideas, such as the viability of new commercial activity

Other, please specify

or

HLF should not support heritage organisations to become more enterprising and financially sustainable

Why have you chosen these as your top three?

It is vitally important that the HLF has funding available to help the heritage sector transition from its existing funding models, whether grant funded or membership funded, as both sources are becoming less reliable. Funding umbrella bodies can lead to multiplier benefits e.g. GTH for the rest of the sector.

Given the limited funding many heritage sector organisations have they will often need external help beyond 1, 2 or 3 years to tackle these huge structural challenges at the same time as maintaining day to day operations.

While we have said that it is important for the HLF to provide small scale funding to help organisations build their fund-raising capacity this is best achieved by an overarching programme for the heritage sector such as giving to heritage. This allows training to be given cost effectively to multiple organisations at once. The HLF should consider allocating further resources to the Giving to Heritage Programme to allow it to continue as it has proven significant return on HLF investment. It is wasteful for the knowledge and understanding created in such programmes to be lost at the end of a funding period. Other sectors are better at using lottery money to main such programmes on a long-term basis for the benefit of the sector without our having to worry about year to year funding.

The Success of the Giving to Heritage programme shows the importance of capacity building programmes and the enabling role of organisations such as the heritage Alliance. These are much more efficient to fund for the sector as a whole rather than for individual organisations. There is

scope for the HLF to support working across sectors e.g. a programme with google to support digital skills for the sector.

The HLF should consider funding equivalents in the heritage sector to Arts Council England's portfolio organisations. This would bring great stability.

Non-grant finance

We see opportunities to make National Lottery investment go further and building the capacity of the heritage sector by offering a proportion of our funding as repayable grants, loans, or other types of social investment (an investment requiring both a social and financial return) where appropriate - for example where organisations can generate income from their HLF project or need working capital. We will continue to provide help and support in investment readiness to enable more organisations to gain the financial and other skills needed to use repayable finance.

We could also use our investment to attract additional funding for heritage from others, for example, through an 'Impact Fund' model where HLF investment is augmented by funds from others, distributed as loans or equity investments. We expect to pilot some approaches to this in the near future.

Taken from the Heritage Lottery Fund Tailored Review TR25

HLF should explore whether alternative options to pure grant giving would support the sustainability of the sector. DCMS, DEFRA, DCLG and the devolved administrations should work with HLF as alternative fundraising mechanisms are developed, to support the take-up of new options where appropriate.

What is your organisation's experience of non-grant finance (e.g. loans, equity investments, crowdfunding)? Please choose the description that best reflects your current position.

- We already use non-grant finance as part of our funding mix x
- We plan to take on non-grant finance in the near future
- We are in the early stages of exploring non-grant finance
- We have no experience of non-grant finance, but are interested in exploring it
- We have no experience of non-grant finance, and are not interested in exploring it
- We wanted to explore non-grant finance but were unable to identify ways of repaying
- We have explored non-grant finance but decided not to take it on

What, if anything, would make your organisation more likely to take up non-grant finance such as loans or equity investment? Please select all that apply.

- Increased knowledge or skills in financial management and business planning
- Increased knowledge or skills in impact measurement
- Having an income source that we could use to repay a loan
- Increased confidence among trustees about levels of risk
- Greater flexibility on what sorts of projects we can get funding for
- Access to funds designed for heritage and/or cultural organisations
- Preferable rates
- Other, please specify

Or

- We have no current need to use non-grant finance

Why do you say that?

We have non-grant finance in terms of membership fees, project work, sponsorship and small numbers of donations, which is probably not what the question is intended to gather. Crowd funding and more active fundraising may be considered in future. Loans may be less appropriate for our organisational model.

Please answer if you work for an organisation.

What support, if any, would be most useful for your organisation in helping you to access non-grant finance? Please select and rank your top 3.

2Capacity building support in financial management and business planning

Capacity building support in impact measurement

1Capacity building support in income generation

Capacity building support for governance reviews

Greater flexibility in what sorts of projects HLF will fund

Providing funding for projects as part grant/part loan or equity investment

Attracting partners to invest in funds designed for heritage and/or cultural organisations

Other, please specify

Or:

None of these

Why do you say that?

As we have said above many organisations are in great need of capacity building funding to support a change of funding model which should see more diverse long term funding for the sector.

Recent research by Nesta in partnership with Heritage Lottery Fund and Arts Council England demonstrated significant financial and non-financial benefits arising from a matched crowd-funding approach, whereby an institution such as HLF offered to match fund money raised by the 'crowd' for small and medium-sized projects (£4000-£40,000).

Should HLF provide match funding for organisations who use crowd-funding to win support for their heritage projects?

Yes

No

Don't know x

Why do you say that?

While matched fund raising will mean HLF resources go further and will have numerous benefits for those communities which are able to pull it off, it may harm deprived areas or more 'hidden' heritage needs e.g. umbrella bodies. In a poor area it will probably be harder to fundraise than in a wealthy area. Similarly, it will be harder for new projects or groups without any staff or infrastructure to find those will the right skills sets for fund raising in deprived communities.

HLF should consider providing clear instructions on how to go about crowdfunding if it is to become an increasingly important method of fundraising.

Digital

Digital technology can help organisations look after heritage and make it accessible to a wide range of people in many different ways from digitising historic photographs and 3D laser scanning of buildings to online access to remote sites, collecting biodiversity data and crowd-sourcing community stories. It can also help heritage organisations to thrive through improving their management, marketing, fundraising, communications and public offer.

HLF encourages the use of digital technology in any way that helps a project achieve our outcomes; we recognise that there is more we can do to support in this area. The Tailored Review recommends that HLF work strategically to support the sector to use digital technology effectively and to access funding for digital projects.

How could HLF better support organisations to use digital technology to...

a) Create and make available high quality digital content

As mentioned above and discussed at the Heritage2020 Digital Foresight day there are multiple roles for the HLF here. 1) to help the heritage sector better understand its audiences so it understands who it's targeting better, 2) create standardised analytical tools and metrics in partnership with the sector to enable better sectoral analysis. 3) create a programme which provides digital training for the heritage sector to ensure that the sector is not left behind on digital skills. The Alliance has a GTH- style communications project for the heritage sector in mind that could be perfectly suited. Can the HLF help broker partnerships with bodies such as Google that individual organisations would not be able to do on their own?

A document which shares best practice on what works would be very useful.

b) Increase engagement with heritage

Work discussed above to understand audiences and increase use with digital will help increase engagement.

c) Diversify audiences for heritage

As above but the HLF could also help build partnerships with organisations which work with groups which are underrepresented in their engagement with the heritage sector.

D Make heritage more inclusive

Help digitally support those whose heritage currently isn't clearly represented. For example, there is no LGBTBI museum. Could the HLF help create digital museums on various topics? These could be repositories of work from various HLF projects from around the country.

E Increase organisational efficiency and resilience

As above the continuation of resilience funding is vital to ensure that heritage organisations can put in place the changes needed to make the most of digital.

Again, as above, there is work to do to help improve standardisation across the sector on measuring analytics etc on digital. This will mean that people don't have to re-learn skills in new jobs etc.

However, as stated above digital investment has the potential to transform many smaller heritage organisations. Can the HLF look at commissioning a basic CRM or other back office type systems that could be transformative in terms of efficiency and resilience but can be very expensive for individual organisations to acquire individually?

Could the HLF look at creating a chatbot Artificial Intelligence for the sector which could perform simple repetitive tasks such as answering questions about products or service which could free up staff time for much more difficult work which would mean limited money goes further.

The HLF should explore creating a digital space for brokering partnerships and share good practice both at local and national level.

F Build the digital literacy of staff, volunteers, and trustees/governors

A programme like the giving to heritage training programme but for digital skills/ partnerships with digital organisations such as google/ online guides/ standardisation across the sector.

The Alliance has a project in mind we could run with HLF money to address these issues.

How could HLF help organisations ensure that their digital content is accessible to the public now and safeguarded for the future?

The HLF should work with National and Local archives to ensure that content is recorded in a logical way.

How could HLF support innovation in the use of digital technology by organisations that look after heritage and engage the public with it?

The HLF should look at developing open source platforms cheaply for smaller organisations in the sector to use and adapt e.g. CRMs which could then be adapted for particular organisations. This prevents the sector spending limited funds on the same things repeatedly.

<http://www.comresglobal.com/wp-content/uploads/2018/01/HLF-FINAL-ENGLISH-VERSIONf.pdf>

International

TR13

HLF should support the projects and organisations it funds to promote themselves and the sector internationally, and to engage further with the GREAT Britain campaign and tourism campaigns led by the devolved nations.

Taken from the Heritage Lottery Fund Tailored Review

We are looking at what we can do to support the sector to take up new opportunities for growth and learning. More opportunities can be opened up by broadening the UK heritage sector's international engagement and global reach. In 2017, together with the British Council, we brought together heritage and tourism leaders and practitioners to discuss our potential role in supporting international engagement. We are interested the role we can play in supporting heritage organisations to promote themselves and the sector internationally, exchange knowledge and support tourism campaigns.

How could HLF support the heritage sector to engage internationally and deliver benefits for the UK? Please select all that apply.

- Support for UK heritage organisations to promote themselves internationally
- Support for knowledge exchange with organisations overseas
- Work strategically with partners to develop heritage-led inbound tourism
- Other, please specify

All three of these are important ideas which should be explored to help bring new resources within the UK heritage sector. While the UK Heritage Sector is world leading, many organisations are too small to resource international programmes on their own. The HLF could consider having a few staff working to broker projects for the UK heritage sector overseas. This could work closely with Visit Britain for example.

When launching his Heritage Statement last December, the Arts, Heritage and Tourism Minister spoke about an "internationalist, outward-looking Britain" and indeed many UK heritage organisations do get involved internationally. Often this is borne out of fundamentally altruistic motives or as part of staff development/recognition, rather than supporting wider business strategy.

Assistance from the HLF in building capacity within the UK heritage sector to engage more purposefully with international partners would be welcome. This could be in the shape of training and advice about working overseas, travel grants, acting as a broker to get the right expertise to the right opportunity and/or championing the role heritage can play in cultural diplomacy.

We are publishing a report on the work of Alliance members internationally. This is currently embargoed but can be found here but please do not share this further at present:

http://www.theheritagealliance.org.uk/tha-website/wp-content/uploads/2018/03/THAFinal_Spreads.pdf

The report makes a number of recommendations:

Support for backfilling posts especially when senior expertise is diverted from small organisations.

Travel bursaries to help promote exchanges of heritage professionals and students in support of project work.

A Heritage Alliance event with partners to explore international engagement and funding opportunities.

A similar initiative to facilitate international exchange in a heritage context.

Visa exemptions for accredited experts and academics in the field should be considered. Any visa system should be based on skills required, not on salary levels, and work both ways – exporting as well as importing key skills .

Funders might consider the benefit of allocating small grants to cover translating training resources and other outputs where appropriate.

The British Council, Historic England, Heritage Lottery Fund and the Foreign Office should consider where and how heritage and heritage NGOs can be a positive resource, integral to their international work.

involving the public in our decision making

Should HLF involve the public in decision-making?

Yes

No

Don't know

Please answer if you think the HLF should involve the public in decision-making.

Why do you say that?

Yes, but with some caveats. It is important that the process should be open and fair and give communities the opportunity to be engaged it is also important that decisions rest with professionals within the sector. However, local communities may not easily understand the benefits of funding some more 'hidden' heritage projects which benefit the sector. For example, resilience projects or those like Giving to Heritage which are sector rather than public facing yet have been transformative on the ground.

What options for involving the public in National Lottery Funding for heritage projects should HLF explore? Please select all that apply.

Involve communities (geographical or communities of interest) in setting priorities for HLF funding

Involve local communities in deciding on funding in a specific geographical area through e.g. a people's panel

Partner with community grant-making organisations to deliver grants through them

Have beneficiary groups represented on decision making panels for targeted funding e.g. for young people

- Involve National Lottery players in distributing money in their local area and/or nationally through public voting on projects linked to ticket purchase**
- Public voting linked to a TV programme or online content**
- Other, please specify**

It makes sense to involve beneficiary groups represented. I think the key is to provide a voice without losing expertise which might happen if the public were making a decision alone. The TV programme idea is a good way to highlight that playing the lottery is a key way to support good causes such as heritage. For example, the restoration programme with Griff Rhys Jones was very successful in building appeal for the sector. More people could be persuaded to play the lottery if it could be rebranded as a way of giving to good causes which also had the opportunity for you to win money. However, these aspects should be restricted to public facing funding rather than the support for projects which bring 'hidden' benefits to the heritage sector such as resilience bids.

And what level of grant should we consider this for? Please tick the level of grant for each option.

Options	Under £10k	£10k - £250k	£250k - £2m	Over £2m
Involve communities (geographical or communities of interest) in setting priorities for HLF funding				
Involve local communities in deciding on funding in a specific geographical area through e.g. a people's panel				
Partner with community grant-making organisations to deliver grants through them				
Have beneficiary groups represented on decision making panels for targeted funding e.g. for young people	x	x	x	x
Involve National Lottery players in distributing money in their local area and/or nationally through public voting on projects linked to ticket purchase				
Public voting linked to a TV programme or online content		x	x	

PART 4: Our Portfolio

Our portfolio

We are committed to improving our application processes and making it easier for people to apply for grants for all types of heritage. We want our next SFF to be flexible and enable us to respond quickly to new areas of need and opportunity as they emerge.

We expect to offer open funding opportunities for any type of heritage, with grants starting below £10,000, as well as:

- Strategic campaigns, which may be UK-wide or locally based, and will be time-limited, to attract applications for types of project missing from our portfolio
- Partnership initiatives, including non-grant finance, on issues such as place-making, as set out in part 3;
- Innovation funds, which could be small-scale partnership interventions to test ideas and drive progress in areas such as developing new business models.

This will reduce the number of separate grant programmes we offer, which will enable us to provide clearer routes to funding for applicants.

We will provide new guidance and resources to support applicants with projects focusing on specific types of heritage such as landscapes, places of worship, parks or townscapes, to ensure that the good practice achieved through our investment to date is embedded in the new open programme and our future approach to place-making.

We may set specific requirements for certain types of project where our evaluations of previous strategic initiatives demonstrate clearly what works and produces the greatest impact. For example, we would expect future work-based skills training projects to be based on the learning from Skills for the Future⁹.

Each year we will review the need for strategic campaigns and will advertise new funding opportunities in advance so that applicants can plan with confidence.

TR 14 HLF should better and more consistently embed learning from project and programme evaluations into the organization, using lessons about successes and failures to inform programme design, strengthen the advice given to applicants and ensure decision-making is focused on building a sustainable sector.

Taken from the Heritage Lottery Fund Tailored Review

The open grant programme

For funding up to £10,000 and from £10,000 up to £250,000 we plan to accept applications at any time, for any type of heritage project.

These will be single-round applications (as now) with decisions made on an application in around 8 weeks.

We propose to increase the upper ceiling for single-round applications from the current £100,000 to £250,000 which will enable a wider range of projects to benefit from a quicker decision and simpler application and monitoring processes.

For grants over £250,000 we will set out our priorities for support following this consultation, for example, priorities for heritage and people as identified in part 1. We

expect to accept applications around four times a year, as we do now.

We will have proportionate requirements and processes for each of the grant levels under the open programmes:

- **Under £10,000**
- **£10,000-£250,000**
- **Over £250,000**

Do you have any comments on our proposal for an open grant programme for all types of heritage project?

We support the Historic Religious Building Alliance statement regretting the loss of a dedicated grant scheme providing ring-fenced money for churches, parks etc... This allowed HLF to distribute its funds strategically and provided a tailored process for applicants. The clear parameters of the scheme gave transparency, and ensured a level playing field.

We are pleased that HLF have guaranteed funding to places of worship for a second year. We believe there is a strong case for this to be extended, and to apply to grants for repairs. This would help HLF to focus its funding strategically on a particular class of heritage asset with known issues. Similarly, there is a case for ensuring continued funding for parks to ensure that the HLF's sustained and transformative investment in parks over previous years is not undermined.

The HLF should at least ensure that it is monitoring which categories of heritage projects are funded to ensure that it is able to respond to particular problems.

We echo Historic England's concerns that an open grants programme will favour organisations that are better resourced to make applications and/or already deliver community activities as part of their core business. This makes it more difficult for less experienced groups to compete for funding. Under an open grants programme HLF will need to provide less experienced or less well-resourced groups with adequate support and guidance.

A simpler application and guidance will be key to making HLF funding more accessible. This will help drive uptake in disadvantaged areas and by underrepresented groups. We also welcome the ability to be able to apply for funding at any time.

Do you agree with the proposal that we increase the ceiling for single-round grants from £100,000 to £250,000?

- Yes x
- No
- Don't know

Why do you say that?

This helps reduce the administrative burden on organisations. However, there should be safeguards in place to ensure that more money than necessary is not claimed.

The HLF should be able to offer to fund some aspects of a project but not others. This would minimise the administrative burden on organisations. It would also allow them to get on with work which is acceptable to the HLF. The HLF could also consider providing funding provided the project is changed in some way. This could save the arduous process of a reapplication.

As mentioned above it is important to ensure that HLF helps mitigate controversy in projects that result in other parts of the sector opposing them. This could perhaps be achieved by allowing modifications to a scheme, if approved by HLF, without fear of losing funding. There could also be

consultation with amenity societies on plans which go beyond simple repair and restoration for Grade I or Grade II* buildings.

We currently have no upper limit on the value of our grants. In the current Strategic Framework since 2013 we have made 20 awards over £5m and up to £19.7m, and given the green light to 11 further projects to develop their proposals.

With a lower annual budget, should HLF set an upper limit on awards?

- Yes
- No x

If you do think HLF should set an upper limit on awards, what should that limit be? Not answered

Why do you say that?

There may be exceptional projects which would exceed any upper limit which it may be worth the investment to fund. An artificial upper limit would be unhelpful and could result in historic buildings/sites at greatest risk being lost altogether.

How should HLF strike a balance of offering larger and smaller awards?

HLF should give equal weight to smaller and larger grants based on them meeting criteria for impact.

Strategic campaigns

We propose to introduce strategic campaigns which will be time-limited and could be delivered across the UK or within a single region or country. They will enable a shorter-term emphasis on specific opportunities such as encouraging more applications from certain groups or areas, or running alongside events or anniversaries. They may be offered at any level of grant.

Strategic campaigns will be focused on needs or opportunities we have identified. They could be based on particular areas of heritage, or aspects of people's engagement with it (e.g. skills, well-being), or a particular beneficiary group (e.g. young people), or cross-cutting needs (e.g. building resilience or digital capabilities across the sector).

We will also continue to make strategic interventions in partnership with others as opportunities arise, for example through solicitation of bids to meet strategic needs or programmes that will drive innovation and build capacity across the sector.

What needs or opportunities should HLF prioritize for strategic campaigns in the early years of the next Strategic Funding Framework?

A key campaign should be resilience as many organisations need that in the current environment. This is harder than other types of projects to fund raise for.

We recommend consulting with Heritage2020 and suggest supporting the culture is digital project to help bring the sector closer into line with best practice. As mentioned above the Alliance is keen to run a GTH similar skills.

For certain types of strategic campaign we could consider making grant offers at a fixed rate – for example, we would announce in advance that we want to make say 10 awards of £1m to address a specific strategic need or opportunity, and invite proposals.

Do you see benefits in HLF offering fixed rate grants for certain types of project through strategic campaigns?

- Yes
- No
- Don't know x

More research is needed. This might work where an agreement could be reached on certain projects at a certain price e.g. a CRM or for staffing costs for a set project. However, this risks the HLF using funding on topics where more impact could be had in other areas of the sector. It is important to judge each applicant on its benefits. Projects which would not otherwise receive funding should not get funding simply to reach a pre-announced spending level.

Partnership funding

We want to maximise the value and benefits achieved through National Lottery investment in heritage while ensuring that the projects we support are financially viable and sustainable.

We can provide support for organisations to develop their fundraising capacity and skills and expect to offer more resources to help organisations improve their governance, business and financial planning skills in future. There are a number of ways in which we could ensure that we are contributing financially to projects at the right level and realistically maximising the contributions from others.

We currently require partnership funding (in cash or in kind (e.g. through free use of a venue)) to be contributed by grantees at the following minimum rates:

- **Up to £100K – no minimum contribution (in kind and volunteer contributions encouraged)**
- **Over £100K and up to £1m – 5% cash or in kind**
- **Over £1m – 10% cash or in kind**

Should we make changes to this approach?

- Yes - require more partnership funding**
- Yes - require less partnership funding**
- No - retain the current approach**

It has worked well in its current form for our GTH project, but arranging partnership funding in kind takes lot of resource to find. The HLF should produce a clear evaluation of impact to date before making any changes.

How should HLF achieve a balance between offering open funding opportunities and strategic interventions through campaigns, partnership programmes or innovation funds?

- HLF should prioritise investment in the open grant programme**
- HLF should give equal weight to investment in open funding and strategic interventions**
- HLF should prioritise investment in strategic interventions**

Why do you say that?

HLF should avoid imposing its priorities on the sector and should prioritise viable projects which have the greatest impact in terms of addressing identified needs.

Do you agree or disagree that all projects should embed environmental sustainability and that this should be part of our standard criteria for the assessment of applications? Agree

Why do you say that?

It is important to highlight the sustainability of reusing existing buildings and it would be useful for the HLF to produce data on this to be better incorporated into the planning system where the environmental waste of replacing buildings is not properly factored in.

However, there is a danger in relation to historic buildings that this requirement could be taken to mean inappropriate interventions to historic fabric which could cause damage e.g. external wall insulation trapping damp.

The requirement should not be seen as a potential loop hole to avoid acting in the best interest of heritage.

It is also important to set out how this will apply to no buildings based projects.

How should HLF ensure applicants follow best practice on environmental sustainability and address the potential negative impacts of climate change?

Clear guidance when putting together projects and the ability to direct changes to plans from experts to improve sustainability in order to receive funding.

However, again the commitment to sustainability should not trump protecting heritage and its setting. This should be enhanced by any HLF funded project.

IMPROVING THE EXPERIENCE FOR CUSTOMERS

Which of the following resources do you think would be most helpful to applicants preparing proposals and applications? Please rank the top three most helpful.

3 Application guidance documents and help notes

Video guides to navigating the online application process

'Top tips' short videos from successful grantees

2 Digital peer to peer support through an online community

Online toolkits and guidance on specialist topics

Webinars on specialist topics

Self-assessment tools/or checklists to identify 'project readiness'

1 Tailored advice, such as a telephone helpline and/or chat facility

Why did you give these rankings?

It is very difficult to apply and the forms are not easy to use. Telephone advice can save applicant's time and mean that applications aren't abandoned or unnecessarily delayed. This would be a big improvement in responsiveness. Currently this can be patchy on projects from person to person with some staff seeming to dedicate a large amount of time going to site visits responsiveness to all.

A digital forum for sharing advice would be very useful for those who have had similar queries though the HLF should be active in looking at it and providing authoritative advice.

Some need most are the less equipped as have people applying as full time job shouldn't be like that more spot decisions.

Do you agree or disagree that HLF should introduce an Expression of Interest screening stage for larger grants? Strongly agree

Why do you say that?

This save applicants lots of time and resources to ensure that they have a chance of funding. If the HLF continues to have a development phase it should consider having funding in place. The HLF should support applicants on evidence gathering- perhaps creating digital tools to help applicants find the correct information.

Making it easier to apply for a grant from HLF

We are interested in views on how we can best ensure that Lottery funding is used effectively and on how we can make it easier to apply for a grant from HLF.

Please answer if you have experience of applying for an HLF grant.

In your opinion was the work involved in preparing an application proportionate to the size of grant you applied for?

Yes

No x

Don't know

Why do you say that?

There is an industry around supporting people to apply for HLF funding. This implies that the process is overly complex.

How could HLF simplify its application processes to ensure they are as accessible as possible (for example by accepting applications by video or other online media, or using face-to-face, telephone or online interviews as part of the assessment process)?

For lower amounts and for organisations which have delivered successful projects in the past there could be a simpler process. The HLF could consider spot decisions for higher amounts than currently being trialled. A possible initial telephone call could help send people in the right direction saving time.

The HLF should consider if the process could be simplified for those with a proven track record.

How could HLF use digital technology to improve the customer experience for applicants and grantees?

Could develop an AI chat bot to answer queries. The HLF should consider creating tools to help applicants gather the evidence necessary for bids.

How could HLF make its processes for managing your grant post-award more efficient?

Less regular reporting which takes up a huge amount of resource for a small organisation – especially when they have to do reporting for separate grants boards this becomes a disproportionate amount of work.

PART 6: Final comments, review and submit

Are there any other comments you would like to make?

We welcome the fact that HLF has sent representatives around the sector to discuss the changes. There is much value in these discussions which have been able to record the nuance of the issues better than some of the box selection in the consultation. Overall this consultation has been far too complex with too many questions.

Some members have raised concern that the HLF is becoming much more risk averse with more projects being rejected at Stage 2 after very large sums of money have been spent on development costs. This is fine if use can then be made of the plans to undertake the project in a different way, but if not all that work (and the consultants' fees) go to waste and may even need to be done again in the future.

HLF should explore how it might, say, fund a business plan and governance review at the earliest possible stage which would indicate the risks involved in the project and would mean that further development work could be carried out with more certainty of success. HLF Business Plans are, in

any case, too long and too complex. They need to be punchier and more realistic HLF should improve its guidance on this.

For further information, please contact The Heritage Alliance.

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