

## PART 1: HLF's role now and in the future

Since 1994 when the National Heritage Memorial Fund was given responsibility for the UK-wide distribution of National Lottery income for the heritage good cause, HLF has distributed over £7.6bn to over 40,000 projects.

In doing so over 23 years we have led change and innovation across the UK heritage sector through our inclusive and progressive approach to heritage and people. We have championed a democratic view of heritage as “what we value from the past and want to hand on to the future”, allowing people to define what they consider to be heritage and why, and nurtured community-driven approaches to local heritage and identity.

We now hold a unique position as the largest dedicated funder of the UK's heritage. Through our investment and influence we have a significant leadership role in the heritage world. Stakeholders in our recent Tailored Review discussions suggested that we should acknowledge this more proactively.

We believe that there are many ways in which leadership is demonstrated, and there will always be many 'leaders' across the heritage world. HLF will continue to champion a unified view of the full breadth of heritage – natural, built, tangible and intangible across the UK.

During our next Strategic Funding Framework we will provide strong thought leadership, enabling support and investment. We will continue to advocate for the impact and benefits to society that heritage achieves, and aim to secure investment and support from others to strengthen this position through:

- building strategic partnerships and collaborations
- attracting other public or private financial support for heritage
- supporting the capacity and resilience of the heritage sector as a whole
- sharing learning
- advocating for the value of heritage
- supporting organisations within and beyond the heritage world to come together, collaborate and network
- inspiring and promoting innovation helping people and communities to meet their aspirations

We aim to move from being the largest dedicated grant-funder of the UK's heritage to the largest dedicated investor – deploying National Lottery income as grants, loans or other financial interventions where they will respond best to strategic needs and create most long-term value for society. We will continue to be a collaborative partner, developing strategic relationships at scale, for example in place-making.

We will continue to champion innovation in business models, and build the capacity, skills and resilience of organisations working in heritage to enable them to diversify their income and attract new investment. Through our leadership, investment and support we aim to

enable the heritage world to better measure and demonstrate its impact and value to society.

We will continue to take an enabling and empowering role, providing the resources and investment through which others can achieve their ambitions for heritage and people.

We would describe this development of our role as moving from:

- distributing money raised by the National Lottery to make a lasting difference for heritage and people in the UK.

Towards:

- inspiring, leading and resourcing the UK's heritage to create positive and lasting change for people and communities, now and in the future.

## About HLF's role

**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

### Why do you say that?

We note the proposed change from making a "lasting difference for heritage and people" to making a "lasting change for people and communities", which takes the focus away from heritage.

While "inspire" and "resource" are good things, heritage itself cannot be "inspired..." etc. Perhaps this should read "to inspire, lead and resource the UK's heritage sector".

The phrase "lasting change" raises concerns as it can have negative connotations. Permanent change to historic buildings may not always be a good thing. Perhaps this should say "lasting benefit".

The description says HLF "lead... the UK's heritage". We do not agree with this. As noted in the Tailored Review, this would "encroach on the roles of other heritage bodies by veering into direct policy making or to set priorities that may shape the heritage sector". HLF's expertise 'predominantly sits in grant giving and project management' (Tailored Review 3.4). It is certainly not HLF's job to lead the heritage sector or to set policy for it.

Furthermore, The Friends are very concerned that HLF is not requiring applicants applying on behalf of historic places of worship to be accredited in conservation, whereas other distributors of public money are. If HLF does aspire to lead it should not retreat, as here, on the maintenance of the highest professional standards.

**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. Advocating for the value of heritage
3. Attracting other public or private financial support for heritage
4. Building strategic partnerships and collaborations
5. Inspiring and promoting innovation in business models

### Why do you say that?

1. Supporting capacity and resilience: in order to fulfil the ambitions of inspiring and resourcing the heritage sector, the HLF should consider the current heritage skills landscape and

strategically address skills shortages and create a diverse workforce, through apprenticeships, internships, etc.

To sustain these skills, it should advocate the implementation of pay standards.

2. Advocating for the value of heritage: HLF is perfectly positioned to raise awareness of the value of heritage and increase general appreciation. It could achieve greater advocacy by means of more strategic communications plan, highlighting the myriad benefits for HLF-projects for places and people.
3. Attracting other public or private financial support for heritage: As the sector's most significant funder, the decline in National Lottery funds will inevitably be felt harshly. The decrease in local authority funding will further challenge the already under-resourced sector. Alternative financial support will be increasingly important in the challenging funding environment.
4. Partnership working is key to pooling limited resources for maximum impact. HLF should use its networks and knowledge of organisations to foster and promote opportunities for collaboration. Cross-sector collaboration should be encouraged in recognition of the impact that diverse policies and initiatives have on heritage and of other sector organisations' potential to attract new and alternative funding.
5. Going forward, it is clear that all those involved in the care of heritage need to develop new ways to fund and sustain its conservation. It seems right that HLF should help in the development of new ideas, business models, partnerships, etc.

## 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.

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.

Taken from the Heritage Lottery Fund Tailored Review

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

As per the strategic aims question:

With regard to the historic built environment, the HLF should champion maintenance. It is not glamorous, but it is fundamental in the care of historic structures.

In the place of worship sector, various groups have, for some time now, attempted to promote routine maintenance. Most recently, groups are beginning to 'sell' maintenance – for example, most recently, the Churches Conservation Trust.

This is a sustainable campaign that would have "lasting benefit" to our built heritage, which is what the HLF are striving for.

HLF should also address the sector's critical skills needs. The Skills for the Future programme was successful, however, funding for heritage skills training remains in high demand. The recent closure of higher education conservation courses, coupled with an aging workforce and the

uncertainties of Brexit have placed the future of specialist conservation skills at risk. Furthermore, expanded work descriptions have led to new skills demands with greater emphasis on business, digital, commercial and fundraising competencies.

**Should HLF give priority to heritage considered to be ‘at risk’?**

No

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

In our sector (historic redundant churches), there are several factors which qualify places of worship as ‘at risk’. These include the deterioration of building fabric, the neglect of places of worship, the closure of places of worship, the demolition of places of worship, the sale and development of places of worship and the threat of heritage crime.

In total, 6.3% (937) of England’s listed places of worship are on Historic England’s 2017 Heritage at Risk Register. The Welsh outlook is even more bleak.

Looking ahead specifically with the Church of England, there are 16,200 Anglican churches in England. Of this, about 9,000 are rural. Of this 9,000, 8,200 are listed. Of this 9,000, more than 2,000 have congregations of less than ten people. In other terms, in rural areas 96% of people have no formal commitment to the upkeep of their church. Particularly damning is the Government’s recent Taylor Review: Sustainability of English Churches and Cathedrals, which in essence declares rural church such as those mentioned as ‘non-viable’.

This is not an overt risk, but latent.

HLF should not give priority to “at risk” heritage as this promotes an unwelcome culture of applicants waiting until a building deteriorates enough to apply for funding, as their chances of success will be increased.

HLF should (equally) grant aid buildings which are well-maintained and cared for but where there might be clear repair needs and threats to sustainability. This may help incentivise maintenance of historic buildings.

## 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.

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.

Taken from the Heritage Lottery Fund Tailored Review

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

**Why do you say that?**

Geographical location should not be a deciding factor in gaining HLF support. In the light of diminished HLF resources, projects should be evaluated on the merits/needs/etc.

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

Tend to disagree

### Why do you say that?

As above, HLF should support heritage regardless of *where* it is in the country.

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.

- Children (under 11)
- Young people (aged 11–25)
- Older people (over 65)
- Disabled people
- People from Black, Asian or minority ethnic communities
- Lesbian, Gay, Bisexual or Transgender people
- People on low incomes/benefits
- Other: or
- 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 accessing heritage opportunities?**

Socio-economic diversity is not something HLF can solve through its funding alone. HLF should work at a strategic level either by working to build relationships between the sector and under-represented groups or with DCMS to address educational barriers and policies which contribute to the sector's lack of socio-economic diversity.

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

HLF could support partnerships between heritage and community-based organisations.

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

HLF could fund the development of best practice models for measuring the impact of heritage projects.

HLF itself needs to improve its data collection and interpretation, so that what funding goes towards can be better understood.

### 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?**

These nine statements are broadly agreeable. However, nine different goals for HLF's programmes is far too many and will simply dilute impact and divert from what should be the main focus – item 1: Heritage will be better protected. As one of the few funding sources for the heritage sector, it is important that this (item one) is given due weight.

HLF should consider focusing on the first four only.

Further, HLF should show a willingness to accept that, in some cases, repair or emergency protection of building fabric alone has public value and should be supported, especially as public funders like Historic England and Cadw, which used to provide such support, have seen a dramatic reduction in their grant income.

A balance should be struck so that support activities linked to a worthwhile project do not overshadow its core aims or require it to be fundamentally re-modelled at extra cost in order to meet the HLF wishes.

Training and skills development should be encouraged through grant offers. Supportable activities should be ones that exist and are worthwhile, as well as those that are new.

A balance should be achieved between the number of large and small projects supported. Small-scale schemes are important alongside larger capital-works projects.

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 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?**

By their very nature, places of worship promote well-being. They are safe, quiet, shared spaces, which have often served those purposes for hundreds of years. These places should be valued simply for that. They do not need all-singing all-dancing interpretation to increase their impact on well-being. In fact, they are better when preserved peacefully, with alteration limited to low-key new facilities

More consideration should be given to simple schemes to conserve these spaces. Considering this, it is hugely disappointing that the HLF has cut its dedicated places of worship funding stream – especially as GPoW also provided 15% of its grant allocation towards low-key new facilities such as toilets, kitchenettes and disabled access.

## 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 (Catalyst<sup>1</sup> and Resilient Heritage<sup>2</sup>), and place-making (the Great Place Scheme<sup>3</sup>), 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<sup>4</sup>. 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?

Tend to agree

### Why do you say that?

Place-making offers an excellent opportunity to demonstrate the contribution of heritage to social and economic growth.

The historic environment creates local identity. However, in many instances heritage is fragile. From what is set out, e.g. “enabling the re-use of historic buildings for housing” and “unlocking the commercial potential of unused heritage buildings and sites”, the HLF is putting strain on the built environment. Some buildings simply require repair and

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<sup>1</sup> <https://www.hlf.org.uk/catalyst-capacity-building-programme-evaluation>

<sup>2</sup> <https://www.hlf.org.uk/looking-funding/our-grant-programmes/resilient-heritage>

<sup>3</sup> <https://www.greatplacescheme.org.uk/>

<sup>4</sup> <https://medium.com/networked-heritage>

maintenance to add huge value to a place. They do not always need to be adapted, interpreted, upgraded, etc.

HLF should recognise that it affects the nature of applications and the work undertaken. HLF should take greater responsibility for its influence and effects, not merely relying on the consent system for decisions. HLF could consider introducing a formal consultation process on major applications. (as recommended by the SPAB)

There is scope for HLF to fund “bold” schemes as at All Saints’, Hereford. However, we have been concerned at recent decisions where schemes have received a First Round HLF pass that involve significant and intrusive changes with the consent system having to refine the scheme in question to make it less damaging. Local planning authorities and Chancellors should not be put into a position where they are obliged to refuse schemes (in whole or part) where the driver is an HLF First Round Pass. (We can elaborate on particular cases, if that would be helpful).

As mentioned, greater promotion of and commitment to conservation standards and simple protection of heritage would be welcome.

We are concerned that housing picked out as a new use to be encouraged when that is nearly always the most destructive to historic character of building types intended to serve a public as opposed to private use? Multiple residential conversion is the most damaging of all interventions at an historic place of worship. Public uses exploiting the nature of the latter as purpose-built auditoria should be encouraged not excessive subdivision.

Does the intention to allow communities “to decide for themselves how to invest our funding to achieve their goals” imply that decision-making on HLF grants is to be delegated to parties outside the HLF? We are alarmed at this as professional, objective standards must be upheld.

**Please answer if you agree that HLF should focus on putting heritage at the heart of placemaking across the UK.**

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

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

Don't know

#### **Why do you say that?**

Heritage Enterprise grants have been excellent in the past in rescuing buildings stranded by market failure and we can see the value in this programme. However, we are cautious about this scheme with regard to more complex and sensitive places of worship.

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

1. Provide small-scale funding to help organisations build their fundraising capacity and skills
2. Provide funding for testing new ideas, such as the viability of new commercial activity
3. Provide funding to individual organisations to achieve strategic organisational change

- Provide early-stage funding to support new organisations and enterprises in setting their direction
- Fund business support training and capacity building programmes, including in investment readiness

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?

We are all operating within the context of a current trend of reducing National Lottery receipts, reduced local authority funding, and uncertainty caused by the UK's departure from the EU.

1. A reduced funding environment is increasingly requiring sector professionals to combine specialist expertise with skills such as fundraising and marketing.
2. A reduced funding environment require organisations to identify new income streams. The ability to test new commercial activities to attract unrestricted and restricted income will be important to building organisational sustainability.
3. In order to effectively deliver its goals and mission, an organisation should be able to adapt to the external landscape. This may mean change in strategic direction

### 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.

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.

Taken from the Heritage Lottery Fund Tailored Review

**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**
- 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?**

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.**

### **1. Capacity building support in income generation**

Capacity building support in impact measurement  
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

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

**Why do you say that?**

Match funding is a simple way to maximise fundraising efforts, it helps build local support for a project and donors feel some level of ownership/responsibility/buy-in to a project. It is a good indicator of the local appetite for a project.

Of course, in deprived or under-populated areas fundraising will be much more difficult. Furthermore, crowd-funding assumes a certain level of technical nouse.

**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**

To ensure quality content, HLF could champion high standards of practice in digital projects, e.g. by supporting the development of standards of digital documentation.

**b) Increase engagement with heritage**

HLF should be mindful of the sustainability of digital tools and ensure that digital adds real value in the long term. For example, websites or apps that are not maintained once HLF funding stops. HLF will need to continue to think about the longevity and maintenance of projects which use digital tools. Otherwise, engagement for a specific project will spike at the outset and gradually decline.

Fresh content, updated platforms, etc. help sustain engagement.

- c) **Diversify audiences for heritage**
- d) **Make heritage more inclusive**
- e) **Increase organisational efficiency and resilience**
- f) **Build the digital literacy of staff, volunteers, and trustees/governors**

As part of delivering organisational resilience and as DCMS seek to make Britain 'digital by default', HLF should encourage an emphasis on building digital competencies into organisations.

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

The digital content of organisations is threatened by obsolescence as digital and electronic technology is in a state of constant change. We do not have any recommendations on how this can be achieved.

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

**Why do you say that?**

Heritage organisations promote UK culture, trade and tourism, fostering international support for the UK. UK's reputation abroad for heritage protection is exemplary and one of the country's most influential manifestations of "soft power".

HLF should promote awareness of partnership and funding opportunities, supporting organisations in making applications and sharing advice and best practice approaches to international working. This will be vital to encouraging smaller organisations, with little or no previous international experience, to increase their global reach – particularly as Brexit looms.

We already undertake open recruitment for decision takers on our Board and regional and country committees and ask projects to demonstrate how they have involved their local community and other partners in developing their plans. In opening up decision making to a wider range of people we will need to balance the resources required to do this with the benefits to projects, HLF and National Lottery players. There are a number of options that we could explore.

A finding from our consultation with National Lottery Players was the strong public appetite and enthusiasm for involvement in our work and the projects that we support – as audiences, participants, volunteers, supporters and as decision makers.

There was also support for decisions being made 'professionally' . Alongside this, the most frequent message was about also involving the communities and local people who would benefit in deciding what is funded. Findings also highlighted the importance of decisions being made with the input from people with a range of backgrounds and experiences.

**Should HLF involve the public in decision-making?**

- No

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

**Why do you say that?**

HLF should put their limited resources into funding the best/neediest/most viable/most worthwhile heritage projects. HLF should accept that it impacts on the conservation sector and should promote not only the reuse and engagement with heritage, but also the protection of it. It should promote best practice and high standards. A scheme that a community wish for could damage the significance of a particular heritage asset. Suggestions, as below, of hosting a TV show with public voting for projects is irresponsible. Decisions should be taken because they are

right not because they are popular. Decision by referendum would be grossly unfair to the applicant.

## 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 Future<sup>5</sup>.

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

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<sup>5</sup> <https://www.hlf.org.uk/looking-funding/our-grant-programmes/skills-future>

## 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?**

The streamlining of the HLF application process (and form?) is welcome. However, the reduction of the number of separate grant programmes, which has brought about the discontinuation of the Grants for Places of Worship (GPOW) scheme is deeply concerning and presents a significant threat to our ecclesiastical heritage.

Church of England churches alone represent over 45% of all England's Grade I listed buildings. As evidenced in the Taylor Review of December 2017, these buildings are struggling. They are marked 'non-viable'.

Nationally, the number of people attending Church of England services each week is less than 1 million – less than 2% of the population – with Sunday attendances falling below 760,000.

More so, many of these places are rural without any real community.

Historic England's Heritage Crime reports indicate that places of worship are twice more likely to be the target of heritage crime.

It is clear these places are vulnerable, yet HLF has cut their life-line.

By setting out a strategy and criteria which demand community engagement, interpretation, diversity, etc., these monumentally important buildings could be side-lined. This open-grant scheme means that places of worship need to vie for the same funding as other projects which enjoy far more community involvement.

What would the HLF prioritise – a redundant Grade I listed former place of worship or an unlisted building with a local group involved? Particularly given the drive to include the public in decision making. Places of worship will suffer because of the conclusion of the GPoW scheme.

In setting congregations against heritage organisations, HLF must realise that the primary existence of congregations is not to look after the historic place of worship but to worship and use the building for other religious activities (unlike most other applicants, perhaps). For some, the attention that their building demands is at least a distraction from their core religious purpose, if not an unwanted burden. It is likely that these places will be in greater need of HLF assistance.

The nature of many Grade I listed buildings is that adaptation, regeneration and upgrading of facilities will often have a detrimental impact on the historic fabric, character, etc. By making heritage work harder for its HLF grant – through activity plans, business plans, buildings are likely to suffer – whether it is through loss of pews or subdivision, etc. needed to realise HLF aims.

HLF should accept that sometimes heritage adds value just through its existence and it should support modest projects to preserve/repair heritage.

We are concerned about the proposed eligibility of unlisted places of worship (that were excluded under GPoW). At a time when the HLF budget is going down not up, there must be a greater (exclusive) concentration on historic buildings recognised as such through the listing and scheduling processes. It is in the public interest to preserve listed buildings – that does not, necessarily, apply to the unlisted. However, we do acknowledge the uneven nature of the list.

Furthermore, unlisted places of worship may well now be in the hands of individual congregations who have very little idea of the 'heritage' of their building. Whilst these are the new audiences that HLF is seeking to help, their applications will require greater officer input than those from established congregations with a known heritage story (or at very least, a list description). Perhaps, rather than including unlisted places of worship wholesale, applicants should have at least local list designation (and conservation area status?). Perhaps HLF can help to fund local civic societies etc. to develop local lists.

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

Yes

**Why do you say that?**

This will simplify the process and lower the costs for distributing grants, which is an objective of the open grant scheme.

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?**

No

**If you do think HLF should set an upper limit on awards, what should that limit be?**

- £5m
- £10m
- £15m
- Other

**Why do you say that?**

The size of an award should be decided according to a project's need, viability and impact. However, it needs to be reiterated that often projects are remodelled to fit the HLF criteria for engagement, etc., while the amount that is truly needed is often far less. This puts huge strain on the applicant to raise the match-funding but can also impact unnecessarily/negatively on the building.

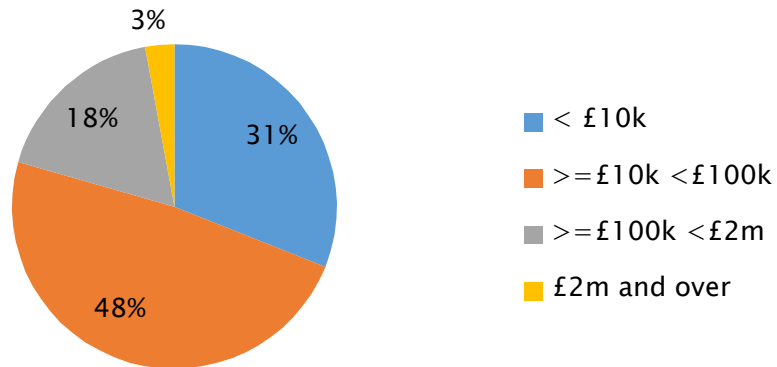
**Balance between smaller and larger grants**

In the current strategic framework since 2013 HLF has made awards in the proportions shown in the following charts.



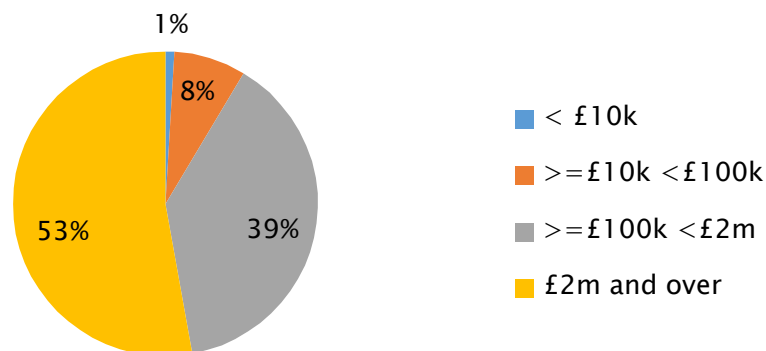
### Number of projects funded

This chart shows the proportion of projects funded by grant band. 48% of projects we funded received amounts between £10,000 and £100,000.



### Value of award by grant amount

This chart shows the proportions of our total funding, by grant band. 53% of our funding went to projects with a grant of £2m or over.



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

- HLF should prioritize investment in smaller grants (under £250,000)
- HLF should give equal weight to smaller and larger grants
- HLF should prioritize investment in larger grants (over £250,000)

### Why do you say that?

The size of an award should be decided according to a project's need, viability and impact.

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 beneficiary group (e.g. young people), or crosscutting 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?**

With regard to the historic built environment, the HLF should champion maintenance. It is not glamorous, but it is fundamental in the care of historic structures.

In the place of worship sector, various groups have, for some time now, attempted to promote routine maintenance. Most recently, groups are beginning to 'sell' maintenance – for example, the Churches Conservation Trust selling maintenance to the Norfolk Quakers and looking to get more faith groups, dioceses, etc. on board.

This is a sustainable campaign that would have "lasting benefit" to our built heritage, which is what the HLF are striving for.

HLF should also address the sector's critical skills needs. The Skills for the Future programme was successful, however, funding for heritage skills training remains in high demand. The recent closure of higher education conservation courses, coupled with an aging workforce and the uncertainties of Brexit have placed the future of specialist conservation skills at risk. Furthermore, expanded work descriptions have led to new skills demands with greater emphasis on business, digital, commercial and fundraising competencies.

The HLF should continue the Skills for the Future programme's legacy and strategically address serious shortages in heritage skills by supporting paid training placements, vocational learning programmes and skills development for employees and volunteers.

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

**Why do you say that?**

A county/region wide maintenance scheme with a fixed maximum sum per building could encourage such schemes to be investigated, as applicants will have some funding certainty to get started.

**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

**Why do you say that?**

The current model encourages commitment on the part of organisations and reduces complacency and reliance on HLF funds, while also not putting too much stress on the applicant to raise extortionate sums.

**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

## Environmental sustainability

We encourage applicants to take steps to minimise the use of resources and to avoid negative impacts on the environment. We currently take account of the outcome 'negative environmental impacts will be reduced' in our assessment and decision making.

Research commissioned in 2016 concluded that environmental sustainability has now become a much more mainstream aspect of building design and construction, and that most professional advisers and contractors specify, manage and deliver environmental sustainability initiatives as standard practice.

As the need to adapt to climate change and promote environmental sustainability is now widely accepted, we will in future ask applicants to address climate change adaptation and environmental sustainability as an integral part of all projects and will consider the proposed sustainability measures as part of our project risk assessment and the business case, rather than as an outcome. We will also continue to build on our recent collaborative work with the Fit for the Future Network to support potential applicants and grantees to adopt effective environmental policies and deliver projects that have tangible positive environmental impacts.

**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?**

Tend to agree

**Why do you say that?**

The drive towards environmental sustainability is important and encouraged in projects, however, it is impractical to demand these are embedded into projects; particularly, as best practice and methods of achieving environmental sustainability are evolving constantly. Enforcing measures onto historic buildings could be detrimental to the building in the long term.

Furthermore, historic buildings by their very nature are sustainable.

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

HLF could offer guidance on best practice in environmental sustainability.

## PART 5: Improving the experience for customers

### Support and guidance for applicants

We will continue to ensure that the application process is as straightforward as possible and that applicants are supported to achieve high-quality projects.

We will make available a new range of digital resources to make our application process clear and straightforward, with guidance on our requirements and on how to develop high quality heritage projects.

**Which of the following resources do you think would be most helpful to applicants preparing project proposals and applications? Please rank the top three most helpful, placing the numbers 1–3 in the corresponding box.**

1. Tailored advice, such as a telephone helpline and/or online chat facility
2. Application guidance documents and help notes
3. Self-assessment tools and/or checklists to identify 'project readiness'

- Video guides to navigating the online application process
- 'Top tips' short videos from successful grantees
- Digital peer to peer support (from current/recent grantees) through an online community
- Online toolkits and guidance on specialist topics e.g. evaluation, working with young people
- Webinars on specialist topics e.g. on project planning and management

Other, please specify

### Why do you give these rankings?

Tailored advice is valuable. This support would benefit those who are less familiar with the grant application process and contribute to removing access barriers.

### Managing competition effectively

In a competitive funding environment, we want to minimise the resources spent by applicants before they have a realistic view of whether their application will be worthwhile. For larger grants (over £250,000) we propose to introduce a simple, formal Expression of Interest screening stage, to ensure that the success rates for those progressing to a full application are reasonable. We will assess brief Expression of Interest submissions against published criteria and advise whether or not we encourage a full application.

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

Strongly agree