



Department for
Digital, Culture,
Media & Sport

Heritage Lottery Fund Policy Directions

Consultation Document

June 2018

Contents

Ministerial Foreword	2
Introduction and Background	3
The Consultation	5
Summary of proposed changes and questions	7
Proposed Policy Directions	9

Ministerial Foreword

The Heritage Lottery Fund is an important national institution for the conservation and celebration of heritage in the United Kingdom. As the UK's largest dedicated funder of heritage, it has given over £7.7 billion of National Lottery money to more than 42,000 heritage projects since its launch in 1994. The diversity of its grant recipients is vast, with projects ranging from buildings and monuments, to landscapes and natural heritage, to museums, archives and libraries, to community heritage and the history of place. The Heritage Lottery Fund carefully assesses each application for funding to ensure that its grants enable communities in all corners of the UK to explore and understand their heritage and to protect it for future generations.

Last year's Tailored Review of HLF and HLF's recent consultation on its future Strategic Funding Framework have both demonstrated how vital HLF is considered to be by both the heritage sector and public. Its grant giving is crucial in ensuring we retain and better utilise our most important national heritage.

The government's Heritage Statement outlined a series of commitments to ensure that our heritage is better supported and HLF play a large part in this. These Policy Directions aim to provide HLF with the right framework to properly equip them to do this. They aim to strike a balance between getting on with the job in hand and ensuring that key strategic priorities are factored into their grant giving to preserve and promote this country's vast heritage.

Now more than ever, it is crucial that National Lottery funds are targeted where they will have the most impact. The funds distributed by the Heritage Lottery Fund comprise public money, for whose management government is ultimately accountable to Parliament.

The Heritage Lottery Fund is a UK-wide distributor and must tailor its focus to specific objectives in each of the nations. The devolved administrations in Scotland, Wales and Northern Ireland will be revising their own Policy Directions in due course to set out the key heritage priorities to be addressed by HLF money in each region. My counterparts are in agreement with the priorities outlined in the proposed UK-wide Policy Directions.

I invite you to review the proposed Policy Directions and to respond to the consultation, either as a member of the public or as a stakeholder in the heritage sector. My Department will consider all responses received and will amend the Directions if and as required, before issuing a final version to the Heritage Lottery Fund in Autumn 2018. We look forward to hearing your views.

Michael Ellis MP, Minister for Arts, Heritage and Tourism

Introduction and Background

THE HERITAGE LOTTERY FUND

The Heritage Lottery Fund (HLF) is the largest dedicated funder of the UK's heritage. It is responsible (through its parent body the National Heritage Memorial Fund) for distributing a share of money raised through the National Lottery and has awarded £7.7 billion to over 42,000 projects since 1994. HLF's grants support a broad range of heritage right across the UK.

BACKGROUND TO THE POLICY DIRECTIONS

As a Lottery distributor and public body, the HLF is answerable, through Ministers, to Parliament for their work. How they do this and the ministerial responsibilities in relation to them, are governed by the National Lottery Act 1993 (the Act). HLF is a non-departmental body responsible to the Department for Digital, Culture, Media and Sport (DCMS).

HLF make funding decisions independently of government but the Act requires Lottery distributors to comply with policy directions which are issued to them by Ministers and for the directions to be taken into account when making their funding decisions.

The Secretary of State for Digital, Culture, Media and Sport is responsible for issuing UK-wide policy directions. The Devolved Administrations in Scotland, Wales and Northern Ireland issue country-specific policy directions. The Welsh and Scottish Governments will be revising their directions through a separate process and as such their text is not incorporated into this consultation. The Northern Ireland Executive will be asked to consider Northern Ireland directions in due course and as a result there is no Northern Ireland text incorporated here either.

REASONS FOR CHANGE

In 2017, DCMS and Cabinet Office undertook a 'Tailored Review' of HLF as part of the Government's public bodies reform programme. The Review considered HLF's functions, form, performance and governance arrangements and concluded that the HLF was a valued organisation and that its funding was vital for heritage. There were two recommendations which refer to the policy directions:

- 2. The Scottish and Welsh governments should review their Policy Directions for HLF to ensure they reflect each government's priorities. The UK government should review the UK-wide Policy Directions and set specific priorities for England's heritage sector. The Northern Ireland Executive should keep under review whether to set HLF Policy Directions.*
- 3. The UK, Scottish and Welsh governments and the Northern Ireland Executive should agree a more structured reporting relationship with HLF, which demonstrates how HLF meets any relevant*

KPIs, takes into account its Policy Directions and provides evidence of how National Lottery funding is used across the UK for the public's benefit.¹

As a result, Ministers have considered HLF's policy directions and proposed a series of amendments, in consultation with HLF and the devolved administrations. We are now seeking wider views, through this public consultation on these changes.

The directions aim to strike the right balance between covering the full remit of HLF's work, ensuring they prioritise as Ministers see fit and ensuring that they are strategic enough to apply across the sector. There is a deliberate absence of specific references to individual sectors or stakeholder groups, as the directions need to apply across all potential applicants.

HLF'S CONSULTATION ON THEIR NEW STRATEGIC FUNDING FRAMEWORK

At the same time as these policy directions have been considered, HLF have been consulting on a new Strategic Funding Framework. They received over 1,500 responses and are currently analysing the findings to inform their Strategic Funding Framework for the next 5 years.

Ministers and HLF are clear that the policy directions need to inform the final shape of HLF's new Strategic Funding Framework. As a result, DCMS have worked closely with HLF to understand the feedback and responses received during their consultation. This has ensured that any major themes have been incorporated into this draft of the policy directions, where relevant. For example HLF asked, in their consultation, whether they should prioritise 'at risk' heritage. 70% of respondents said yes. The first policy direction now includes a clear reference to the need for HLF to consider 'at risk' heritage when awarding grants.

¹ Page 10, HLF Tailored Review – https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/662546/HLF_Tailored_Review_Final_Report.pdf

The Consultation

This consultation seeks views on whether:

- The policy directions adequately cover what is expected HLF should take into account when allocating grants
- There is anything that HLF do, that is not included in the policy directions

The consultation does not:

- Consider whether HLF should be doing anything above and beyond its current remit
- Cover specific sector or organisation issues
- Seek views on directions for the devolved administrations

HOW TO RESPOND

This consultation will be open from 15 June and will close on 29 July.

Please respond by completing the survey available on [gov.uk](https://www.gov.uk)

The consultation has 4 questions in total. If you are unable to complete the online survey or have specific information to share, you can contact the team in the following ways:

By email – hlfpolicydirections@culture.gov.uk

By post – Heritage Team, DCMS, 100 Parliament Street, SW1A 2BQ

DISCLOSURE OF RESPONSES:

The Department for Digital, Culture, Media and Sport (DCMS) controls the information you provide in your answers. Information is being collected and processed by DCMS, with your consent, for research purposes to inform the consultation on HLF's policy directions. All information will be processed in compliance with the Data Protection Act 2018 and General Data Protection Regulation (GDPR).

As part of the consultation on HLF's policy directions, DCMS may publish findings from the research. If we do so, we will ensure that you as an individual are not identifiable, and any responses used to illustrate findings are anonymised. Your information will not be shared with third parties. It will be retained for up to 5 years following the creation of a summary of the consultation, after which it will be destroyed. DCMS will not disclose any information you provide unless required to do so in accordance with access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

Once you have submitted your response to the survey you will not be able to withdraw your answers online. However, under the current Data Protection Act 2018 and the GDPR regime, you have certain rights to access your personal data and have it corrected or erased. You can therefore withdraw your consent to us processing your personal data at any time by contacting us directly.

If you need any further information please contact us at: dcmsdataprotection@culture.gov.uk

You have the right to lodge a complaint to the Information Commissioner's Office about our practices, to do so please visit the Information Commissioner's Office website: <https://ico.org.uk/concerns/>
Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF
casework@ico.org.uk

Telephone: 0303 123 1113

Textphone: 01625 545860

NEXT STEPS

Once the consultation is complete, all responses will be read and any changes will be considered to the directions as a result. DCMS will produce a summary of consultation responses but no individual responses will be published in full. Example quotes may well be used in the summary report but these will not be attributed to named individuals.

DCMS will then aim to publish the final policy directions later this year, ahead of HLF's publication of their new Strategic Funding Framework.

Implementation of the Policy Directions will then be monitored at the quarterly review meetings held between DCMS and the Chief Executive of HLF.

Policy directions will then be reviewed every 5 years to inform HLF's future Strategic Funding Frameworks.

Summary of proposed changes and questions

UK WIDE DIRECTIONS:

The majority of these directions are standard directions that are mirrored across all Lottery distributors.

A summary of changes and additions is below:

Direction	Summary
1	The previous direction requested HLF to prioritise heritage needs. The new draft now incorporates the need to take into account designation and heritage at risk when making grant decisions.
2–15	Unchanged and are mirrored across other Lottery distributors
16	This new direction encourages greater innovation in funding models to help ensure future sustainability
17	This new direction aims to build on the recommendations in the Tailored Review on digital skills
18	This new direction aims to ensure HLF can better utilise its data to support its work on increasing participation, building on the recommendations in the Tailored Review.

UK-WIDE QUESTIONS:

1. Is there anything in these directions that the HLF should not be doing?

Y/N

If yes, tell us what you think HLF should not be doing and why.

2. Is there anything that the HLF should be doing that is not covered by these directions?

Y/N

If yes, tell us what is missing and why you consider this important.

ENGLAND DIRECTIONS:

This is a new section and was recommended by the Tailored Review. This section aims to ensure that, like the country specific directions for Wales, Scotland and Northern Ireland, England specific matters are incorporated into future decision making.

England directions:

3. Is there anything in these directions that the HLF should not be doing?

Y/N

If yes, tell us what you think HLF should not be doing and why.

4. Is there anything that the HLF should be doing that is not covered by these directions?

Y/N

If yes, tell us what is missing and why you consider this important.

Proposed Policy Directions

UK GOVERNMENT

The UK directions apply to all funding grants made by HLF. Devolved/regional directions additionally apply in those areas.

1. In partnership with other funders and stakeholders, assess the needs of heritage of the UK² to inform the awarding of funds, taking into particular account any designation and heritage at risk.
2. Involve the public and local communities in making policies, setting priorities and distributing money.
3. Increase access and participation for those who do not currently benefit from the heritage opportunities available in the United Kingdom.
4. Inspire children and young people, awakening their interest and involvement in the activities covered by the heritage good causes.
5. Foster initiatives which bring people together, enrich the public realm and strengthen communities.
6. Support volunteers and encourage volunteering activity in heritage.
7. Encourage innovation and excellence and help people to develop their skills.
8. Ensure that money is distributed for projects which promote public benefit and which are not intended primarily for private gain.
9. Further the objectives of sustainable development.
10. Reduce economic and social deprivation, ensuring that all areas of the United Kingdom have access to the money distributed.
11. Work jointly with other organisations, including other distributors, to ensure the positive impact of National Lottery funding, including evaluating projects and sharing data where appropriate.
12. Include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.
13. Require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.
14. The need a) For money distributed to be applied to projects only for a specific time-limited purpose; b) To ensure that they have the necessary information and expert advice to make decisions on each application; and c) For applicants to demonstrate the financial viability of projects.

² This includes, but is not restricted to built, cultural, natural and intangible heritage.

15. Where capital funding is sought, the need (a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period, and (b) to ensure that appraisal and management for major projects reflect the Major Projects Authority's Gateway Review Standards.
16. Encourage effective use of creative funding models (loans, community funding initiatives, crowdfunding etc) to increase viability of projects and financial sustainability of heritage.
17. Increase digital skills, capability, and use of digital tools, both within HLF and the heritage sector, encourage better collecting, using and sharing of digital heritage material and encourage digital innovation.
18. Collect and understand data on the reach, impact and audience of HLF's work and use that understanding to improve HLF's grant-making policies and procedures, including supporting the work on participation. Data should be made as transparent as possible.

ENGLAND

1. Encourage the conservation, preservation, presentation, promotion and interpretation of England's heritage, so that they can continue to be appreciated and understood by future generations.
2. Have regard to the interests of England as a whole and the interests of different parts of England, taking account of the diverse demographic patterns in the different parts of England.
3. Encourage the financial sustainability and, where viable and appropriate, the community use of heritage assets in England with special regard to those at risk.
4. Work strategically with others to maximise the impact of National Lottery funding, encouraging national, regional and local partnerships wherever it will result in better outcomes for people and heritage.

We can also provide documents to meet the specific requirements for people with disabilities.

Please email enquiries@culture.gsi.gov.uk

Department for Digital, Culture, Media & Sport

Printed in the UK on recycled paper

© Crown copyright 2018

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at enquiries@culture.gsi.gov.uk

This document is also available from our website at www.gov.uk/dcms

