



Department for
Digital, Culture,
Media & Sport

Government response to the public consultation on the Heritage Lottery Fund's Policy Directions

Consultation Response

November 2018

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Section 1

INTRODUCTION

The Heritage Lottery Fund (HLF) is the UK's largest dedicated funder of 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 since its inception in 1994, it has given over £7.7 billion of National Lottery money to more than 42,000 heritage projects across the UK. 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.

HLF makes funding decisions independently of government but the National Lottery Act 1993 requires Lottery distributors to comply with policy directions which are issued to them by Ministers, and for these directions to be taken into account when making their funding decisions. The Secretary of State for Digital, Culture, Media and Sport (DCMS) is responsible for issuing UK-wide policy directions for HLF.

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. The Review also recommended that the UK Government review HLF's UK-wide policy directions and set specific priorities for England's heritage sector. These proposed amendments and additions were the subject of this consultation.

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 was 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 was also no Northern Ireland text incorporated into this consultation.

The consultation ran for a 6-week period, from 15 June – 29 July 2018. Respondents were provided with the proposed HLF policy directions and invited to respond to the following four questions:

UK-wide directions:

1. Is there anything in these directions that the HLF should not be doing? 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? If yes, tell us what is missing and why you consider this important.

England directions:

3. Is there anything in these directions that the HLF should not be doing? 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? If yes, tell us what is missing and why you consider this important.

CONDUCTING THE CONSULTATION EXERCISE

The consultation on the proposed new HLF policy directions was available on the DCMS website from 15 June – 29 July 2018. An email was sent to heritage stakeholders to signpost them towards the consultation, and the consultation launch was announced on DCMS' Twitter account.

We received a total of 94 responses via the online form, plus a further ten responses that were emailed directly to DCMS. Of these responses, 51 were from individuals and 45 were sent on behalf of an organisation, with a further 8 respondents choosing not to specify. Those responding on behalf of an organisation predominantly represented heritage bodies and the natural, archaeological and built environment sectors.

Overall there was general support for the new policy directions. The majority of responses focussed on a handful of key themes, including the level of prioritisation that should be given to designated heritage and heritage at risk, the importance of long term community benefits, the need for appropriate skills in the sector, and the requirement for both a proportionate application process and a transparent monitoring and publication process for data and outcomes.

A summary of views expressed and decisions taken in light of the consultation exercise is outlined in Section 2.

Section 2

SUMMARY OF VIEWS EXPRESSED & DECISIONS TAKEN IN LIGHT OF CONSULTATION EXERCISE

KEY ISSUE/THEME RAISED: PRIORITISATION OF DESIGNATED HERITAGE AND HERITAGE AT RISK

Key points raised during consultation

Almost all respondents commented on the prioritisation of designated heritage and heritage at risk. While the majority considered this to be a welcome inclusion, many raised concerns or queries around its implementation and urged a thoughtful approach to defining heritage at risk. Key points raised included:

- how heritage at risk would be defined, i.e. would this only include Historic England's *Heritage at Risk* registers.
- concern that there are no equivalent registers for collections and objects, or natural or local heritage at risk.
- prioritising designated assets may favour built heritage over archaeology, since the latter often remains undesignated even when nationally important.
- prioritising designated heritage may disadvantage natural heritage projects because not all the best natural heritage is nationally designated or legally protected.
- 'significance' should also be explicitly taken into account.
- the need to consider both short term and long terms threats.
- the need to consider communities' views on need and the importance of local heritage.
- prioritising heritage at risk may act as an incentive to encourage neglect to increase the likelihood of securing a grant.
- the need to look at the sustainability and viability of projects and their ability to deliver the greatest benefits to the greatest number of people.
- applications should be assessed on their own merits, and the assessment of need should be based on intrinsic importance regardless of designation status.

Government response

HLF does and will continue to assess each grant application on its own merits, including consideration of the long-term outcomes for heritage, people and communities, and the overall value for money of a proposal. The directions are not intended to exclude any types of heritage, as evidenced by the broad spectrum outlined in the footnote which includes natural and intangible heritage. Government also fully recognises that there are different types of designation and risks to heritage across the country at both the national and local levels.

Given wider considerations, and cognisant of the recent decline in lottery receipts, it is crucial that HLF give due consideration towards that which has been identified as most in need, either because of its recognised architectural, historic, archaeological or artistic interest, or because it is considered to be at risk. The proposed policy directions specifically do not refer to the formal *Heritage at Risk* registers, because it is acknowledged that there are risks to types of heritage other than those nationally designated. The broadness of scope in the directions allows for HLF to take a balanced judgement if an applicant provides evidence to demonstrate the nature of a risk to the heritage.

Government expects HLF to proactively take account of designation and heritage at risk in its grant-giving in order to ensure that funding is provided to where it is most needed. We will require HLF to closely monitor grants awarded against these criteria and report on this at regular intervals.

Suggested revision

UK PD1: In partnership with other funders and stakeholders, assess the needs of **the** heritage of the UK¹ to inform the awarding of funds, taking into particular account any designation and heritage at risk.

KEY ISSUE/THEME RAISED: SKILLS AND TRAINING IN THE HERITAGE SECTOR

Key points raised during consultation

Many respondents raised issues around skills, training and expertise within the sector. These included the need to insist upon accredited professionals to protect heritage and maintain standards within the sector, and the need to address the risks to specialist skills caused by the closure of some higher education courses, an ageing workforce, and Brexit.

Respondents felt that support and training should be aimed at both the professional and volunteer workforces. This is considered to be a twofold issue, with demographic changes meaning that fewer people are able to volunteer, but also a lack of professionals trained and skilled in volunteer management to support those that do.

Government response

It is important to acknowledge both the professional and volunteer workforces because both play crucial roles in the protection and conservation of heritage, and in ensuring that it remains open and accessible to all. Ensuring that heritage conservation work is undertaken with appropriate skills and to

¹ This includes, but is not restricted to built, cultural, natural and intangible heritage.

a high standard is also essential to its long term protection. As part of its new technical education measures, Government intends to support the development and retention of skills in the heritage sector, and to ensure a sustainable talent pipeline through an increased uptake in relevant apprenticeships and the successful implementation of the forthcoming T level qualifications.

UK Policy Directions 6 and 7 have been amended to reflect the points raised in the consultation responses.

Suggested revisions

UK PD6: Support and build the capacity of the full breadth of the heritage workforce, from volunteers to professionals, to ensure that heritage is conserved with the appropriate skills.

UK PD7: Drive innovation and excellence through encouraging good practice and the achievement of demonstrable high standards.

KEY ISSUE/THEME RAISED: LONG-TERM SUSTAINABILITY AND PUBLIC BENEFITS

Key points raised during consultation

Several respondents raised the suggestion that the need for long-term sustainability and public or community benefits should be more explicitly referenced in the directions.

Government response

It is expected that HLF projects deliver long term benefits and we have therefore amended UK Policy Direction 8 to explicitly reflect this.

Suggested revision

UK PD8: Ensure that money is distributed for projects which promote public benefit **in the long term** and which are not intended primarily for private gain.

KEY ISSUE/THEME RAISED: REGIONAL DISTRIBUTION AND DISPARITIES

Key points raised during consultation

Respondents put forward a variety of views around the distribution of HLF money across different regions and diverse socioeconomic areas across the UK. In terms of regional parity, some respondents felt that HLF should be able to demonstrate an equitable distribution of money across the UK. Others, however, argued that HLF should take account of regional disparities and variations in demographics, heritage and priorities, and tailor its grant schemes to reflect these. One large heritage body noted that focussing on areas of greatest deprivation has the potential to pay a social dividend, and that targeting the communities and places in greatest need would greatly increase the impact of HLF's investment in those areas.

Some respondents felt that it was unreasonable to expect all projects to be able to reduce economic and social deprivation, arguing that the Big Lottery Fund leads on this aim and that sometimes HLF should be free to recognise the public benefits of saving heritage for its own intrinsic value, and award grants accordingly.

Some respondents advocated that the directions should be amended to also include reference to 'environmental deprivation', since some communities have poor access to the natural environment.

Government response

HLF can currently evidence distribution of its funds across the UK, and there is no intention to change this model to prioritise some geographical areas above others. In response to the 2017 Tailored Review of the organisation, and to ensure that National Lottery money benefits as wide and diverse an audience as possible, HLF is undertaking analysis of its data collection of its funding across lower socioeconomic groups. It has committed to improving this under its new Strategic Funding Framework.

Grant applicants should always consider how their project can evidence the reduction of at least one of these forms of deprivation. This does not prevent them from also highlighting where a project is important to protect heritage for its own sake, but consideration should be given to where these objectives can be combined.

The addition of the aim of reducing environmental deprivation, in addition to economic and social, fits with the definition of sustainable development outlined in the National Planning Policy Framework. While not all projects will reduce all (or occasionally any) of these indicators, increasing access to the natural environment for communities where this is lacking is an equally important objective to reducing economic and social deprivation and should therefore be explicitly referenced. UK Policy Direction 10 has been amended accordingly.

Suggested revisions

UK PD10: Reduce economic, social **and environmental** deprivation, ensuring that all areas of the United Kingdom have access to the money distributed.

England PD2: 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 **and economic circumstances** in the different parts of England.

KEY ISSUE/THEME RAISED: GRANTS APPLICATION PROCESS / GRANT LENGTH

Key points raised during consultation

Several respondents raised concerns around the application and grants processes. Some felt that the current application process is 'burdensome' and favours those who can afford professional advisors. They suggested that application requirements should be more proportionate to the scale of the project, so as not to exclude small and/or volunteer-led organisations with neither the in-house expertise nor resource to hire professional advisors.

Some respondents also queried the time-limited nature of HLF grants, citing this as an additional burden for small organisations who need to keep applying for new grants. One respondent suggested that this approach runs contrary to the long-term nature of the sector, in which greater stability is needed, e.g. funds for maintenance and repair. Another proposed that HLF should provide an initial allocation of funding to allow applicants to prepare a feasibility scheme and initial report.

Government response

In early 2019, HLF will launch their new Strategic Funding Framework, which will be a simpler and more flexible funding offer with a single open programme for all types of heritage project. As part of this process, new application forms and guidance will be launched, which will have proportionate processes and requirements for the different levels of grants. Where appropriate, requirements for supporting documentation have been reduced. By making the whole application process simpler and more streamlined, this should improve the experience for all applicants regardless of the size of an organisation, and ensure that the application requirements are proportionate to the size of the grant being requested.

The time-limited nature of HLF's grants enables it to fund more projects overall, across a wider range of areas and types of heritage. There are currently no plans to change this to offer ongoing grants.

KEY ISSUE/THEME RAISED: ALTERNATIVE FUNDING MODELS AND SECTOR COLLABORATION

Key points raised during consultation

There was overall support for the suggestion in UK Policy Direction 16 that HLF explores alternative funding models, but this endorsement was mostly cited with caveats. Respondents noted that HLF should work with other heritage bodies to make use of their expertise and ensure that there is no duplication of the existing social investment offer within the sector. Several also noted that staff would need training to be able to work in this alternative way.

However, several respondents felt that HLF should stick to its 'core business' of being the major funder of heritage and not divert too great a proportion of resource away from this at a time of declining revenue. Some of these responses suggested that HLF should play more of a support role in this field. The point was also raised that creative funding models should not be a requirement of all projects, because this would disadvantage less economically active areas.

Government response

HLF is the largest funder of heritage in the UK and there is no intention to remove or diminish this function. HLF will retain its primary grant-giving role, but in order to increase the resilience of the sector in times of declining revenue it is important that it considers how it can also diversify its offer. Part of this may include exploring how it can support or collaborate with organisations already using alternative funding models, in order to generate more revenue for heritage projects and initiatives in the long term.

Suggested revision

UK PD16: Encourage **and support the** effective use of creative funding models (loans, community funding initiatives, crowdfunding etc) to increase viability of projects, financial sustainability, **and overall investment in** heritage.

KEY ISSUE/THEME RAISED: MONITORING, REPORTING, AND DIGITAL HERITAGE MATERIAL

Key points raised during consultation

With regard to UK Policy Direction 17 on digital skills and the sharing of digital heritage material, this was generally welcomed but only if such material forms a natural part of a project and is not a 'tokenistic' addition to the project's outcomes. Some respondents felt that a requirement for digital preservation for projects where digital outcomes are relevant should be explicitly included in this direction. Others considered the inclusion of a digital element to be a welcome addition to the directions but that it should not rank more highly than the heritage needs and outcomes of a project.

Many of the respondents welcomed UK Policy Direction 18 and commented on the need for suitable and proportionate monitoring frameworks to be put in place to capture and enable dissemination of the outcomes from HLF-funded projects. Openness and transparency were recurring themes among the responses, with a clear demand for HLF to make its research and data publicly available. One respondent commented that HLF research has the potential to help develop and influence sector priorities. A few respondents also noted that the data collection requirements should be proportionate to the project and should not place an extra burden on applicants at the application stage. It was suggested that HLF should create and maintain a programme of routine research into the effectiveness of its grant policies.

Government response

HLF has committed to a digital skills programme that will run for 2 years from 2019/20, and has already begun collaboration with the Arts Council England on a digital maturity index and code. New senior and Trustee posts with extensive digital expertise have also been recruited.

The effectiveness of HLF and its grants programmes are already monitored through quarterly meetings between DCMS and HLF's Chief Executive to review progress on the recommendations from the 2017 Tailored Review, which include data and monitoring requirements. Ahead of the launch of its new Strategic Funding Framework in early 2019, HLF has reviewed its grants policies and outlined requirements about what data it expects projects to collect on audiences in its new grant application forms and guidance. This will enable it to analyse who is engaging with projects and to assess its progress in broadening and diversifying audience participation.

More generally, following the Tailored Review HLF are now working on a strategy for better collection analysis and monitoring of data. It has consulted experts to inform this strategy, and to advise on how best to address the Open Data and Open Access recommendations from the Tailored Review.

UK Policy Direction 18 has been amended to make the requirements around the dissemination and accessibility of data more explicit.

Suggested revision

UK PD18: Collect, understand **and disseminate** 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 **and accessible** as possible.

Section 3

Consultation responses were received from the following organisations:

The Architectural Heritage Fund

Art Fund

The Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust

Built Environment Forum Scotland (BEFS)

Chartered Institute for Archaeologists and Council for British Archaeology

Church of England, Cathedral and Church Buildings Division – Church Buildings Council and Cathedrals Fabric Commission for England

Conchie & Co: Community, Heritage & Learning

Co-ops UK, Jericho Road Solutions, Practical Governance LLP, Anthony Collins LLP

Co-operatives UK

Council on Training in Architectural Conservation

The English Heritage Trust

Hampshire and Isle of Wight Wildlife Trust

The Heritage Alliance

Heritage Railway Association

Hertfordshire and Middlesex Wildlife Trust

Historic England

Historic Houses

Historic Royal Buildings Alliance

The Institute of Conservation, Icon

Kadiwaku Family Foundation

Kent Wildlife Trust

Leicestershire and Rutland Wildlife Trust

London Wildlife Trust

Maintain our Heritage

National Association of Areas of Outstanding Natural Beauty (NAAONBs)

National Heritage Science Forum

National Trust

Natural England

Patrimony Committee of the Catholic Bishops' Conference of England and Wales

Rescue, the British Archaeological Trust

Royal Institute of British Architects

RSPB

St Albans Diocesan Advisory Committee (DAC)

Staffordshire Wildlife Trust

Suffolk Wildlife Trust

Warwickshire Wildlife Trust

The Wildlife Trusts

Wiltshire Historic Buildings Trust Ltd

Wiltshire Wildlife Trust

Woodland Trust

World Heritage UK

Yorkshire Wildlife Trust

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Department for Digital, Culture, Media & Sport

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