

**THE HERITAGE ALLIANCE RESPONSE TO GOVERNMENT CONSULTATION ON  
THE FUTURE 'GOOD CAUSES' SHARES OF LOTTERY FUNDING**

**Proposal**

*On 1 April 2011, to increase the share apportionment for arts, heritage and sport to 18% each of the Lottery and reduce the Big Lottery Fund to 46%. Then on 1 April 2012, to increase the shares for arts, heritage and sport to 20% each of the Lottery and to reduce the apportionment share for the Big Lottery Fund to 40%.*

**1. INTRODUCTION**

**1.1 The Heritage Alliance is the largest coalition of non-government heritage interests in England. Together they own, manage and care for the vast majority of England's heritage. The Heritage Alliance aims to demonstrate the value of our heritage as a national asset that can deliver wide-ranging public benefits.**

Established in 2002 by the voluntary heritage groups themselves, it brings together more than 80 national and major regional organisations. These range from specialist advisers, practitioners and managers, volunteers and owners, to national funding bodies and organisations leading significant regeneration and access projects. They are supported in turn by around 5 million members. Their specialist knowledge and expertise across a huge range of issues is a national resource, much of which is contributed on a voluntary basis for public benefit. There is also a huge volunteer input – an estimated 425,000 heritage volunteers a year.

**1.2** The Alliance has not so far been a direct recipient of Heritage Lottery awards but represents voluntary and community organisations in the heritage movement. With the National Council for Voluntary Organisations, Central Council for Physical Recreation (CCPR) and Voluntary Arts Network, it mounted a major campaign in 2007 in protest at the second diversion of lottery funds to the Olympics. That campaign was successful in demonstrating that heritage groups are an active element of the wider voluntary and community sector (vcs) and in persuading the then Secretary of State for Culture Media and Sport to commit to repaying the diverted lottery funds to the Distributors after 2012.

**The Alliance and its members are integral to the wider voluntary and community sector.** It represents this voice in the main vcs umbrella bodies, ncvo and acevo and has a strong interest in this current consultation.

**This joint response is supported by 48 membership organisations listed below<sup>1</sup>.**

**2. GENERAL POINTS**

**2.1 We welcome the Coalition Government's intention** to increase the shares to arts, heritage and sport in two stages, restoring the original share of 20% in 2012.

**2.2 We welcomed the Government's earlier commitments to the principle of additionality.** We believe that Lottery money should not be allowed to become a substitute for funding that would normally fall to mainstream Government spending

This reallocation is especially welcome at a time when other sources of public funding will be under greater pressure. To have a clearer idea of the make-up of all Lottery Distributors' grant-giving and the proportion going to the voluntary and community sector, it would be helpful to see this figure published annually.

### **3. CONSULTATION QUESTIONS**

*Q1 How would the change benefit you or the sector you represent?*

**3.1 Our national heritage has benefitted immensely from the Heritage Lottery Fund since 1994.** The HLF has invested £4bn in heritage projects of all descriptions transforming the landscape of heritage in the UK, both in terms of conservation and in shifting the idea of heritage as something determined by experts to something involving widespread participation in deciding what is worth preserving. Substantial numbers of projects in historic townscapes and parks, conservation and restoration of land, museums, libraries and archives and industrial heritage would not have happened without Lottery support.

Since 1994, 82% of HLF funded projects have been awarded to voluntary and community organisations. In money terms that is 48% of total funding.

The investment successfully captured the high value people place on the quality and distinctiveness of their surroundings. Most importantly it has helped people to learn about other people's heritage as well as their own. As well as the economic impacts, HLF investment demonstrates the social contribution heritage can make to local identity and community cohesion. It has acted as a catalyst to increase grass-roots engagement, empowering local communities up and down the country to take control of their heritage, to pass on to future generations what they hold of value.

Within The Heritage Alliance, our Places of Worship grouping draws attention to the way Heritage Lottery Fund money has made a significant difference to communities seeking to repair and adapt their historic places of worship. Small 'Your Heritage' grants catalyse education and volunteering projects, larger grants put churches back at the heart of communities as useful, 21<sup>st</sup> century facilities, and the specialist repair grants scheme helps local people take responsibility for keeping grade I and II\* buildings weather tight and open to the public.

This point also illustrates how voluntary and community groups have successfully risen to the challenge of higher level financial operations and project management with related governance issues. Through developing generic business skills, HLF investment has advanced their efficiency and effectiveness, so there is a residual 'Big Society' value as well as the social and economic outcomes.

Restoring the lottery to the original good causes would add, it is estimated, an additional £50m a year to HLF, increasing the number of projects.

**The additional funding will:**

- **conserve and enhance our heritage for social and economic benefit, nationally and locally**

- **sustain the assets that constitute our outstanding tourism industry enjoyed by residents and visitors alike**
- **increase public access to and understanding of our heritage**
- **increase the ability of voluntary sector organisations to rescue historic buildings and to find viable, new, community, uses for them**
- **further develop community engagement skills, with emphasis on underrepresented groups and areas**
- **sustain traditional and specialist conservation skills to meet the skills gaps identified by heritage bodies**
- **increase volunteering opportunities and support community organisers**
- **support the professional development of the not-for-profit sector**

*Q2 How would the proposed change disadvantage you or the sector you represent?*

**3.2** The proposals change the way that money is distributed between the four good causes and reduces the proportion allocated to the Big Lottery Fund. The Alliance is concerned that the reduction in BIG funding may be perceived as impacting negatively on voluntary and community groups, for example places of worship communities that look to both BIG and HLF for funding.

**We welcome the intention that BIG should focus its funding on the voluntary and community sector.**

**These groups will also benefit from the increased funding to other Lottery distributors,** For example almost 50% of HLF grants go to voluntary and community organisations for a remarkably free interpretation of heritage objectives, determined more by the applicant than set by HLF. This approach has successfully broadened the scope, reach and engagement with the voluntary and community sector over the last fifteen years.

**HLF Recipient organisations are not necessarily ‘heritage’ based:** for example grants have been awarded to ethnic groups such as Somali Women’s Group or The Irish Traveller Movement in Britain, to Scouts and Guides Groups, ex Boxers and Age Concern Groups and have covered topics from therapeutic care to homeless and displaced people’s theatre.

*For Lottery distributors:*

*Q3 What change, if any, would you expect to make to planned levels of grant budgets and payment forecasts.*

**3.3** n/a

*For voluntary and community sector organisations:*

*Q4 What impact would the changes have on member organisations’ ability to deliver previously identified priorities or projects?*

**3.4** None but see 3.7.1.

*Q5 In your view will the change have any adverse or positive impact on particular groups, taking into account race, gender, disability, age, faith/belief, sexual orientation, gender identity and socioeconomic equality? How could impacts be avoided or mitigated. Please provide evidence if possible.*

**3.5** A vast range of groups should benefit from the increased allocation to the Heritage Lottery Fund. The HLF already devotes resources to encouraging applications from underrepresented groups and geographic areas. Increasing this role through the additional funding should improve take up from these sectors and make a positive impact. **This support function should be maintained and enhanced, not reduced, if administrative costs are capped.**

*Q6 I will arrange for an initial draft Impact Assessment to be placed on the DCMS website (link below) and would be grateful for any evidence to inform that.*

**3.6 We welcome the public statement ‘the Government believes that a vibrant cultural, media and sporting sector is crucial for our wellbeing and quality of life’.**

We agree that the voluntary and community sector funding through BIG should be protected first by making the change in two stages and secondly that in future BIG should focus its funding on the voluntary and community sector. These groups will also benefit from the increased allocations to other lottery distributors.

*Q7 Do you have any other observations?*

**3.7.1** The additional funding made available through the proposed measures is welcome but **the Alliance is concerned that the requirement for Lottery distributors to reduce the proportion of funding on their own administration might discourage them from making smaller grants which are proportionately more costly to administer.**

Support to applicants, monitoring and evaluation are essential to ensure transparency and efficiency in the use of public money. **We recommend that the Government benchmarks other grant giving organisations’ proportions of administrative costs, especially those specialising in smaller grants before deciding of a standard limit of 5% for the administrative costs of Lottery Distributors.** This is essential if the additional funding is to benefit the voluntary and community sector.

We understand that the HLF research functions are included in administrative costs. This is a much valued service to the heritage sector and no other body is able to produce robust statistics on social and economic outcomes that demonstrate the value of heritage investment. One such figure is the £20.6bn that heritage-led tourism generates. Other figures relate specifically to the voluntary and community sector: again HLF uniquely has the data and professional expertise to extract the community benefits of heritage investment from a diverse range of recipients.

To avoid the crack down on administration costs having the unfortunate side effect of squeezing some of HLF’s most important contributions, **we suggest that research and analysis are treated separately and not included in the definition of ‘administrative’ costs.**

**3.7.2** We accept that the HLF does not grant aid private owners except for small scale access and learning projects. However the proposed amendment to HLF funding highlights the current predicament.

**Much of our heritage is in private hands.** As above, heritage-related tourism contributes £20.6bn to the economy but the responsibility for sustaining the quality of place - the villages and streetscapes, the gardens and historic landscapes rather than the tourist hotspots – is at the discretion of many private owners who derive no

direct financial return. Grants to private owners are limited from English Heritage and almost non-existent from local authorities. Instead, VAT at 17.5% rising to 20% but at 0% on new build is a burden that disincentivises maintenance and good stewardship

**We take this opportunity to urge the Government to explore fiscal incentives or refundable grant schemes that would support private owners in caring for our historic environment for national benefit.**

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**<sup>1</sup> This response is supported by**

1. Ancient Monuments Society/Friends of Friendless Churches
2. Architectural Heritage Fund
3. Association for Industrial Archaeology
4. Association of Independent Museums
5. Association of Preservation Trusts
6. Association of Small Historic Towns and Villages (ASHTAV)
7. Black Environment Network
8. B'nai B'rith UK
9. British Institute of Organ Studies
10. Campaign for the Protection of Rural England (CPRE)
11. Chapels Society
12. Church of England, Archbishops' Council, Cathedral and Church Buildings Division (Cathedrals Fabric Commission and Council for the Care of Churches)
13. Churches Conservation Trust
14. Civic Voice
15. Conservation Course Director's Forum
16. Council for British Archaeology
17. Council for Independent Archaeology
18. Country Land & Business Association (CLA)
19. Ecclesiastical Architects & Surveyors Association
20. FAME (Federation of Archaeological Managers & Employers)
21. Garden History Society
22. Georgian Group
23. Heritage Afloat
24. Heritage of London Trust
25. Heritage Railway Association
26. Historic Chapels Trust
27. Historic Houses Association
28. Historic Royal Palaces
29. Historic Towns Forum
30. ICON (Institute of Conservation)
31. Institute for Archaeologists
32. The Institute of Historic Building Conservation (IHBC)
33. The Landmark Trust
34. The Leche Trust
35. National Trust for England, Wales and Northern Ireland
36. Norfolk Archaeological Trust
37. North of England Civic Trust
38. North West Association of Civic Societies
39. Oxford Preservation Trust
40. The Prince's Regeneration Trust
41. RICS Building Conservation Forum
42. RTPI Historic Environment Group
43. Society for the Protection of Ancient Buildings (SPAB)
44. The Theatres Trust
45. The Transport Trust

- 46. Tiles and Architectural Ceramics Society (TACS)
  - 47. The Twentieth Century Society
  - 48. Victorian Society
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