



**Business
Plan**

April 2022 - March 2023

Who we are

NATIONAL
HERITAGE
MEMORIAL
FUND



The National Heritage Memorial Fund

The National Heritage Memorial Fund (NHMF) was set up by the UK Parliament in 1980 to save the most outstanding parts of our heritage at risk of loss to the nation, as a memorial to those who have given their lives for the United Kingdom.

NHMF is unique in its ability to provide grants for the acquisition, preservation and maintenance of a wide range of heritage treasures from trains to masterpieces of art, wildlife havens to manuscripts. It acts as a fund of last resort, being able to move very quickly in emergencies.

The NHMF operates as an arm's-length body from government under the sponsorship of the Department for Digital, Culture, Media and Sport. We work under the direction of a Board of Trustees, chaired by Dr Simon Thurley CBE.

The National Lottery Heritage Fund

The National Lottery Heritage Fund (the Heritage Fund) is the operating name for our work as the UK's largest funder of heritage, providing a critical role in supporting all kinds of heritage.

We award 20% of the Good Causes income raised by National Lottery players across the UK, and deliver grant programmes on behalf of the UK and devolved governments. Locally connected and with national expertise, we work to enhance and champion the value of heritage for all.

The Heritage Fund is unique in covering the full breadth of natural, cultural and intangible heritage across the whole of the UK. We believe heritage can be anything from the past that you value and want to pass on to future generations and that heritage is vital to improving our quality of life, the physical space around us and is central to our identities. Heritage provides common experiences for us all and has the power to transform lives.

We have a very strong track record of grant-making for heritage, with nearly three decades of experience and expert teams located across the UK, working collaboratively with partners to resource joint solutions for heritage.

Contents

Who we are	2
Foreword by Eilish McGuinness, Chief Executive	4
Our approach 2022-23: Collaboration and partnerships	8
Our business priorities for 2022-23	10
Our values and behaviours	13
Our Lottery investment plans 2022-23	14
Our commitment to equality, diversity and inclusion (EDI)	17
Our commitment to sustainability	18
How to get in touch	19

Important note:

We recognise that we will need to be flexible and agile in all our work in 2022-23. This plan will be reviewed regularly and adapted where required during the year.

Foreword by Eilish McGuinness, Chief Executive

Our Business Plan 2022-23 sets out what we will do over the next year to strengthen the country's recovery from the Covid-19 pandemic, in collaboration with all our partners across the UK.

At The National Lottery Heritage Fund, we believe in the power of heritage to make people's lives better. Heritage brings beauty and character to our countryside, towns and cities; it drives a strong sense of identity and belonging in communities, and it inspires people of all ages through a connection to our diverse histories.

Investment in heritage supports skills and jobs, contributes to tackling geographical inequality, and drives tourism, promoting the UK on the global stage.

We are proud of our contribution to the heritage sector's support through the pandemic over the past two years, working with the Department for Digital, Culture, Media, and Sport (DCMS), the Department for the Environment, Farming and Rural Affairs (Defra), the Welsh Government, Northern Ireland administration, and other partners.

Through this delivery and partnership, we have helped save hundreds of organisations, thousands of jobs, and given urgent help at a time of unprecedented need. In 2022-23 we will ensure that the UK's outstanding heritage continues to play the fullest possible role in supporting people and places to thrive again.

As we now look to recovery, I am committed to maximising the contribution the UK's outstanding heritage can make in boosting local economies, supporting communities to create better places to live and work, driving skills and job creation and re-igniting the visitor economy. We also want to ensure that as many people as possible experience the joy, beauty and excitement that engagement with heritage brings. >>>



£92 million
invested through
DCMS Culture
Recovery Fund

Strong income from the National Lottery means we plan to distribute

over £320million

in new awards across the UK this coming year.

We are investing an additional £2m
with Groundwork UK to support

70 young people

from diverse backgrounds



Strong income from The National Lottery means we will plan to distribute over £320million in new awards across the UK this coming year.

Our business priorities (see pages 10-12) reflect the steps we will take to deliver that National Lottery funding, alongside our work supporting government-funded grant-in-aid programmes. Whilst the post-pandemic economic outlook for heritage remains uncertain, we will prioritise delivery that supports heritage sector resilience, recovery and innovation. Challenges for heritage organisations include increased project and organisational costs, the availability of skills and resources, and a reduction in international tourism. We will continue to work with all our partners to deliver the support needed for a sustained recovery, responding flexibly to meet the needs of the heritage sector through the months ahead.

We will also continue our 20-year commitment to widening participation, enabling people from all backgrounds to benefit from the life-changing opportunities presented by heritage, whether as volunteers, participants, visitors, or in fulfilling jobs working in heritage. We are committed to doing more to respond to the climate crisis, with plans to reduce our own carbon footprint and ensuring that all of our National Lottery funding contributes to environmental sustainability, supporting the UK Government's pledge to reach carbon net zero before 2050.

This year will be a landmark year of celebration, with a series of high-profile events due to take place across the UK: a unique opportunity offered by Her Majesty The Queen's Platinum Jubilee, the Birmingham Commonwealth Games and the UK City of Culture to bring the country together and accelerate the nation's recovery from Covid-19. We have committed £7m of funding to mark the Queen's Platinum Jubilee, including announcing a major £5m investment with the Wildlife Trusts to empower people in economically deprived urban and rural areas to help the natural heritage near them to thrive, recover and open up access to local communities. To help deliver a legacy for the Platinum Jubilee, we are investing an additional £2m with Groundwork UK to support 70 young people from diverse backgrounds across the UK into careers in the not-for-profit landscape and nature sectors, supporting the natural heritage sector to diversify its workforce. >>>



We have invested £3m in the Birmingham 2022 Festival – the six-month-long cultural programme that wraps around this year’s Commonwealth Games – to ensure that the distinctive and inspiring heritage of the West Midlands is at the heart of the Festival and creates an enduring impact for the region beyond the Games.

A further £3m has been invested in Coventry as UK City of Culture 2021, inspiring and supporting the Green Futures programme, so that Coventry could be the greenest and most environmentally conscious UK City of Culture to date. The Heritage Fund is looking forward to supporting Bradford as the 2025 UK City of Culture.

Through our investments, we aim to ensure that National Lottery funding allows heritage to play a leading role in creating a sense of national pride and securing a lasting legacy.

As we move forward from the seismic challenges of the past two years, it is also time to reflect on how the pandemic has re-shaped our society and the role of heritage within it. This year we want to look ahead to the long-range future and impact of our National Lottery investment and define an ambitious and inspiring vision for what we can achieve over the next 10 years. We will do this through conversations with our partners, stakeholders, customers and The National Lottery playing public, informed by new insights and evidence. We will launch a refreshed strategy and vision in the winter, supported by a programme of three-year delivery plans. More detail on our approach will be announced in early summer.



At the same time, we will review our approach to investment in places and refine our priorities, working in partnership with other arm’s-length bodies and governments. We already have a strong track record of investing in under-served and deprived areas. In the 2021-22 financial year, nearly 50% of new grants were awarded to organisations located in the 30% most deprived places in the UK. Our priorities will reflect the potential for National Lottery funding to achieve a step-change for heritage and communities in places where there is significant need, taking account of the opportunities to work alongside and add value to wider investment. >>>

Nearly 50%
of our grants were awarded
to organisations located in the
30% most deprived places in the UK.



We believe we can achieve more for the UK's heritage future through nurturing strong partnerships with organisations across and beyond our sector, harnessing diverse skills, leveraging new sources of income, and extending our own reach and impact. We will announce new partnerships and collaborations during this year, underpinned by our use of evidence, research and data, including 'Heritage Pulse', our joint research panel for the sector. This research-led approach is ensuring that we fully understand, in real-time, the challenges facing heritage organisations and the extent of support needed.

Through all of our work, our delivery will be guided by our organisational values, our belief in the power of heritage to make people's lives better and our commitment to build on our track record of investing in place-led regeneration and long-term social and economic development. In 2022-2023, I look forward to a sustainable recovery from the pandemic for heritage and communities across the UK, and seeing our National Lottery and grant-in-aid programmes achieving a lasting difference for people and places.



Eilish McGuinness,
Chief Executive

Our approach 2022-23: Collaboration and partnerships

Key to the success are the relationships
and network of partnerships we have
forged with other organisations.



By collaborating with government departments, other National Lottery distributors and heritage funders, we are able to share expertise and maximise the impact of National Lottery investment. We have formed successful partnerships across many of the sectors we support, with initiatives such as:

- **Heritage Impact Fund** – collaborating with the Architectural Heritage Fund, Historic England, Historic Environment Scotland, Cadw and the Department for Communities NI, we are helping to acquire, reuse or redevelop buildings that are of historic or architectural importance.

- **Future Parks Accelerator** – a pioneering programme with the National Trust and Department of Levelling Up, Housing and Communities aiming to build a sustainable future for the UK's urban parks and green spaces.
- **Great Place Scheme** – a joint three-year collaboration with the Arts Council in England to trial new approaches to investment in heritage, arts and culture.



In addition in 2022-2023 we expect to work with grantees across the UK to deliver the positive and lasting changes we want to see in our communities as a result of National Lottery funding.

Alongside this support from partners, we have continued to safeguard investments we have already made. We have supported over 2,500 projects that are in development and delivery where our investment commitments total nearly £1 billion, and have made new awards totalling £50m to transformation, innovation and collaboration in heritage through our large-scale Heritage Horizon Awards.

Our business priorities for 2022-23

Our key business priorities are:

1

Deliver National Lottery and grant-in-aid programmes with a focus on heritage sector recovery, resilience and place



2

Strategy development including widening sector collaboration and strategic partnerships



Supporting priorities:

Embedding environmental sustainability in our investment and operations



Equality, diversity and inclusion in our investment and operations



Internal business priority

Complete and embed our new investment management system



Our business priorities for 2022-23

1

Deliver National Lottery and grant-in-aid programmes with a focus on heritage sector recovery, resilience and place, including:

- delivery of core National Lottery project funding (£3,000-10,000, £10,000-250,000, £250,000-£5m)
- delivery of funding programmes for heritage on behalf of UK and devolved governments
- investing in recovery and resilience programmes including our Digital Skills for Heritage and Business Support and Enterprise Development initiatives
- delivering our Dynamic Collections campaign in partnership with Arts Council England
- investing in innovation, including a new Heritage Innovation Fund and a Green Finance pilot, to test new ways of supporting environmental projects
- delivering the final projects of the Future Parks Accelerator through investment in Northern Ireland and the North of England pilots
- an increased focus on the strategic funding of places – collaborating with area-based strategic partners and other arm’s-length bodies
- NHMF grants as fund of last resort for the acquisition, preservation and maintenance of UK’s most significant heritage

2

Strategy development including widening sector collaboration and strategic partnerships

- delivery of a refreshed strategy from 2023, in consultation with DCMS and our many stakeholders, including National Lottery players and informed by wider sector research and insight
- a longer-term vision for heritage with implementation plans from 2023-24 onwards
- collaborative work with other National Lottery distributors to demonstrate the collective impact of The National Lottery, with focus on the Queen’s Platinum Jubilee and 2022 Commonwealth Games
- piloting new partnerships to widen the reach and impact of National Lottery heritage funding



Over £300 million

National Lottery
Grants for Heritage





Other supporting priorities:

Embedding environmental sustainability in our investment and operations

- complete our research into the carbon footprint of our investment and internal operations
- use this insight to develop our approach to reaching Carbon Net Zero across our business operations by 2030

Equality, diversity and inclusion (EDI) in our investment and operations

- refresh our approach to the Heritage Fund's existing 'wider range of people' diversity outcome, as part of our wider strategy refresh, informed by comprehensive research
- partnerships and collaborative working to ensure projects led by people under-represented in heritage can access our funding
- ongoing implementation of our 2021 EDI Review actions, addressing improvements across our workforce, governance and organisational culture, supported through oversight and challenge by our independent EDI Task Force

Internal business priority:

Complete and embed our new investment management system

- deliver an end-to-end process for our new investment management system, enabling our customers, staff and others to work more efficiently, improve our data reporting capabilities and establishing the foundations to create a better long-term customer experience and customer relationship management approach
- close down our previous grant management systems and migrate data to our new systems



Our values and behaviours

Our values and behaviours are fundamental to the way we work. They are embedded across our strategic and business planning and our leadership and management.



Inclusive
of all aspects of heritage,
people and communities

Behaviours:

Appreciating the richness inclusion brings, we champion the interests of all and actively challenge exclusion. We respect each other. Recognising and supporting diverse communities.



Ambitious
for our people, communities
and heritage

Behaviours:

Looking to the future and open to new ideas. We are enterprising, innovative and bold. We grow ourselves, our leadership position and sustainability.



Collaborative
by working and learning
together

Behaviours:

Listening and learning from the best mix of skills and expertise. We share knowledge and experience. Working across boundaries to deliver solutions.



Trusted
for our integrity, expertise
and judgment

Behaviours:

Choosing what is right over what is easy. Trusting each other to lead by example. We are fair, open and transparent.

Our Lottery investment plans 2022-23

Our Strategic Funding Framework 2019-24 sets out six objectives for our investment over the course of five years:

We will continue to bring heritage into better condition

This conveys the importance we place on the condition of heritage. For example, we will measure the extent to which heritage is no longer at risk as a result of our investment by tracking grant data.

We will inspire people to value heritage more

Heritage must remain at the core of every project we fund. Our research shows that a broad range of heritage is important to National Lottery players. We will track the public perception of the value of heritage.

We will ensure that heritage is inclusive

We will do this by measuring and reporting on the demographics of the people engaged through all our work (as visitors, participants, staff, volunteers, trainees and those leading and governing projects), and by tracking the geographic spread of our grant funding across the UK.

We will support the organisations we fund to be more robust, enterprising and forward looking

We will evaluate a sample of organisations before and after our funding to assess whether they have become more resilient.

We will demonstrate how heritage helps people and places to thrive

National Lottery players want to see us fund projects that produce a strong social benefit in local areas. We will measure the added value of our intervention in 13 priority areas compared to other areas using a range of established indicators.

We will grow the contribution that heritage makes to the UK economy

Heritage creates economic benefit. We will measure how much benefit is created in terms of jobs, Gross Value Added and tourism, and what proportion of that can be attributed to our investment.

Our Lottery investment plans 2022-23

Our investment in 2022-23 is driven by our priorities to support the sustainability and resilience of the UK's heritage and for heritage to support the UK's economic and social recovery. In February 2021, in response to the pandemic, we announced refocused priorities for our National Lottery Grants for Heritage and these have now been extended until the end of the financial year 2022-23. In the year ahead, we will continue to prioritise projects that:

- strengthen the resilience of organisations in heritage
- boost local economies
- Provide job creation and encourage skills development
- ensure that local places and communities can thrive
- support wellbeing

Importantly, we also want all our project partners to demonstrate that they are building inclusion and long-term environmental sustainability into their plans.

Our priorities for heritage, as outlined in our Strategic Funding Framework, remain as nature and landscapes, community heritage and heritage at risk.

Given the uncertainty of the wider economic environment, we will continue to review and take a flexible approach to our investment plans throughout the year. Our increased use of data and insight will support ongoing review and measurement and support this flexibility to our funding approaches and decision-making.

Around 80% of our grant-making is delegated to committees in three English areas and Scotland, Wales and Northern Ireland. This means decisions are taken by people who live and work in the communities that benefit, taking account of their local and national contexts. Our Lottery investment portfolio 2022-23 will comprise:

- National Lottery Grants for Heritage £3,000 to £5m (grants of £3,000-£250,000 are delegated and £250,000 to £5m are decided by our committees)
- strategic campaigns, interventions and partnerships focused on themes or areas of heritage
- social investments and green finance such as impact funds and loans



2022-23 Funding in Wales

£10m Nature Networks

£1.5m The Woodland Investment Grant

£1.2m Local Places for Nature



2022-23 Funding in Northern Ireland

£2.5m Covid Recovery Employment and Skills Initiative for Heritage (Northern Ireland)

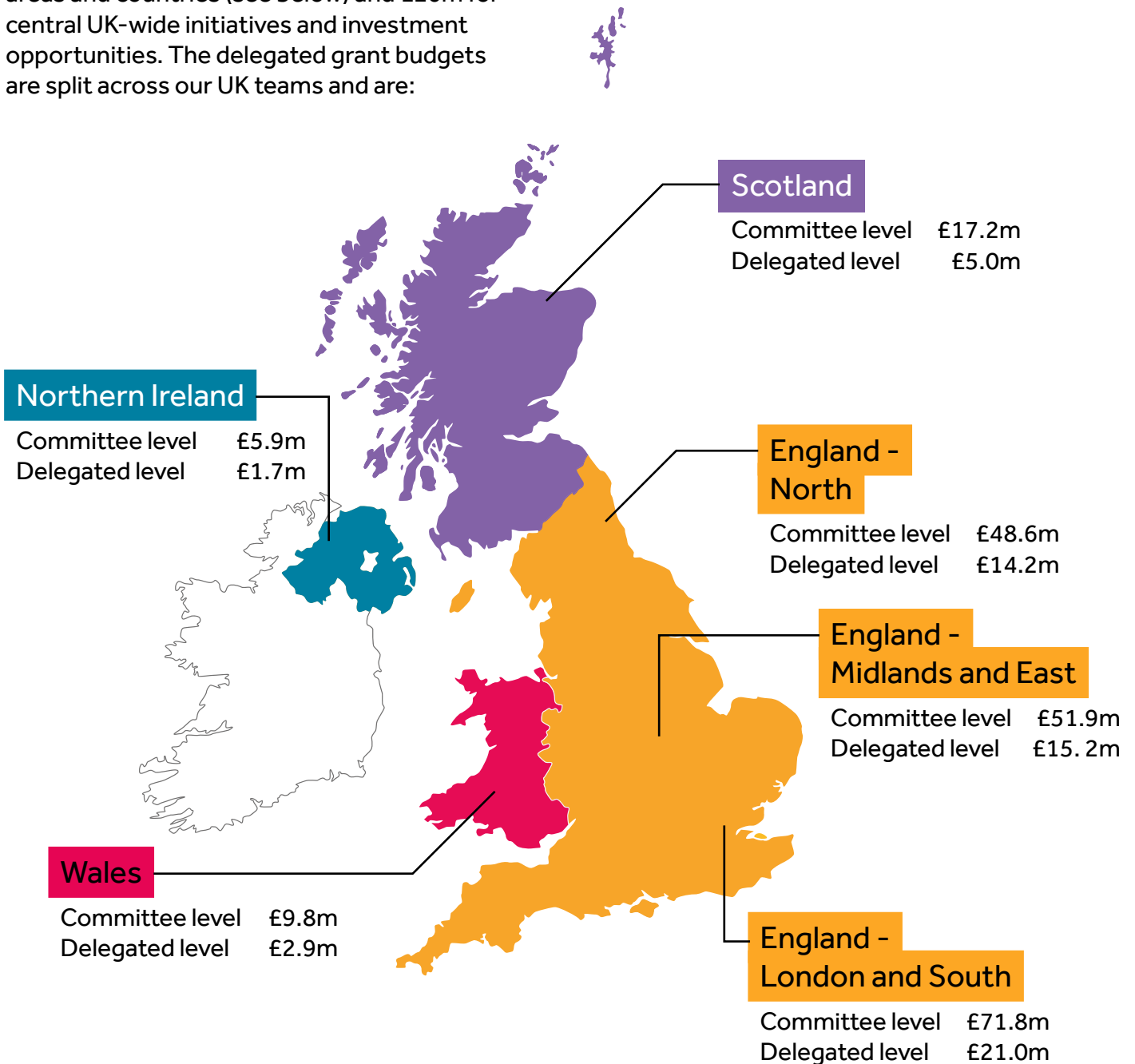


Our lottery investment budgets are expected to be over

£320m

for the year.

This includes over £300m delegated to our areas and countries (see below) and £20m for central UK-wide initiatives and investment opportunities. The delegated grant budgets are split across our UK teams and are:



We will also have a £16m country reserve for Scotland, Wales and Northern Ireland and £20m for grant increases.

Our commitment to equality, diversity and inclusion (EDI)

We published our wide-ranging review of our approach to equality, diversity and inclusion in 2021. As part of the review, we consulted both internally and externally and committed to act on what we learned. An expert, independent Task Force advised the review and is continuing to advise on the implementation of recommendations and new areas of development.

Positively, our:

- research into the development of our new investment management system was wide-ranging and diverse
- colleagues are committed to our values and engaged with our culture programme
- colleagues are keen to learn from each other and share ideas around EDI

We need to continue to improve:

- the diversity of our governance, consultants and workforce to ensure we are more representative of the communities we work with across the UK
- how we collect data about access to heritage and the organisations we support
- the breadth of our definition of 'inclusive projects' and the perception of our mandatory inclusion outcome

We will continue to deliver the actions

agreed in the review which include:

- providing more support for applicants, particularly those with projects run by/ exploring the heritage of under-represented communities
- reviewing the accessibility of our processes, communication channels and the language we use
- providing training and support to our Board and committees to better understand EDI
- diversifying our decision making
- exploring the use of specialist recruitment agencies to help increase the diversity of our governance and our workforce
- delivering a programme of interactive staff sessions around race and heritage
- supporting the development of staff networks
- giving equal consideration to behaviours and achievements in our performance management approach
- investing in opportunities to widen our workforce diversity through interventions such as The Windsor Fellowship, Change 100 and 2027 Partnership.

We will introduce an annual EDI progress

report to our Board, and publish this to

ensure transparency on our progress

and performance.

Our commitment to sustainability

Sustainable development is intrinsic to our work and meeting our strategic ambitions.

Our approach is focused on two net-zero ambitions.

First, a medium-term goal of net zero before 2030 for our operations, decarbonising our offices, travel and waste, driving rapid change over the next decade.

Each year the Heritage Fund reports on its environmental impact as part of the Annual Report and Accounts. Our priority is to create a consistent and clear methodology for reporting, and to include a wider range of environmental impacts. We made significant progress on this last year to help baseline our starting position.

Following this work, we are now moving to the next stage of filling the data gaps in the information available, particularly as a result of the specific energy use data in our offices.

This work will focus on verifying our direct organisational impact (greenhouse gas emissions included in annual report) and also provide a baseline for our wider environmental impact, predominantly due to supply chain and investments. The main output of this work will be an evidence-based reduction target – identifying the minimum rate at which we need to decarbonise as an organisation.

Our second ambition relates to the wider environmental impact resulting from the Heritage Fund's investments, grants and purchases. We will set a science-based target which will determine our low carbon trajectory, in-line with the 2015 Paris Agreement.

This longer-term goal will help to support heritage grantees and provide a robust target for the whole sector. A science-based target will guide environmental targets which will drive change across the whole scope of sustainable development such as quality education, reduced inequalities, sustainable cities and communities, life on land and life below water.

True organisational change will be realised through staff engagement and culture change. One of the key principles of the sustainability work will be transparency, both within and outside of the organisation. To provide transparent information to our colleagues, our intranet will provide up-to-date information and chart the decision making made along our net-zero journey. We will build this into our new ways of working in 2022-23.



Photos:

Front cover: Nextdoor Nature © Broni Lloyd-Edwards

Page 2: Museum of Making © Paudie Spillane / Heritage Fund

Page 4: Eilish McGuinness at Wentworth Woodhouse and visitor at Museum of Making © Paudie Spillane / Heritage Fund

Page 5: Great North Wood © Arnhel De Serra / Heritage Fund and The Dock Museum, Barrow-in-Furness

Page 6: The Dock Museum, Barrow-in-Furness

Page 7: St Fagans © Paul Harris / Heritage Fund and Eilish McGuinness © Luke MacGregor / The National Lottery Heritage Fund

Page 9 and 11: Great North Wood © Arnhel De Serra / Heritage Fund

Page 12: The Burrell © Julie Howden / Heritage Fund and St Fagans © Paul Harris / Heritage Fund

Page 15: St Fagans © Paul Harris / Heritage Fund

Page 18: Eco Park, Birmingham © Kevin Fern Photography / Heritage Fund



How to get in touch

If you want to know more about our work please visit us at:

www.nhmf.org.uk or www.heritagefund.org.uk

Or you can call us on 0207 591 6000, or textphone on 0207 591 6255

 @HeritageFundUK

 @HeritageFundUK

 @NationalHeritageMemorialFund