

The Heritage Lottery Fund and Devolution

This note sets out the principles through which the Heritage Lottery Fund (HLF) will engage with local decision-makers across the UK, including devolved administrations, local government and other stakeholders.

Context

The Heritage Lottery Fund invests money raised by National Lottery players across the United Kingdom. Because of this we have always been committed to ensuring that all communities across the UK benefit. To secure National Lottery funding, applications to us already need to demonstrate local support and engagement. We also recognise that involving people and communities in how their money is invested is crucial to devolution at a UK, country, regional and local level. Local authorities and the public sector are already vital partners that HLF works with closely – over £3.7bn of our total investment has been in projects led by them.

Our approach

Our approach is already highly devolved - two thirds of our staff and the majority of our decision-makers operate in territories across the UK, meaning that local people, with local expertise, assess applications and make awards. Our strategy is designed to be flexible to local needs and nearly half of our award budget (46%) is allocated in advance on a per capita basis to ensure UK-wide reach. This approach means that most grants are decided locally (91% of all decisions over the last three years) and has seen us invest more than 80% of our funding outside London.

We also already recognise and respond to local priorities in locally-appropriate ways – e.g. our joint work with the Big Lottery Fund on the Parks for People programme; our work with Hull City of Culture 2017; and our 'Celebrate' programme in Scotland linked to the Commonwealth Games.

The remainder of our budget is retained for larger scale projects or strategically directed investment. We make grants of over £2m to major, transformative projects which compete for our funding against applications from across the UK. Projects such as the Giants Causeway visitor centre in Northern Ireland, the Great North Museum, Newcastle, and large-scale natural and industrial heritage sites such as Kennet and Avon Canal and the Great Fen, Cambridgeshire, are at a scale that would otherwise not be possible, were local budgets to be apportioned by population size.

That, taken together with one of the founding principles of the National Lottery - that it should be distributed at arms-length from Government and support projects that are additional and complementary to public funding rather than substituting for it - is why we are clear that we should maintain our current approach, rather than devolve funding budgets to devolved administrations, local government, city regions or other organisations. We believe this is in the best interests of the heritage.

However, we now want to better understand and reflect local priorities and explore new models that enable us to take fuller account of local and regional priorities while ensuring that the heritage share of National Lottery Good Cause funding delivers genuinely additional

investment in heritage. This approach will also help maximise the value of our investment in heritage across the UK, and the value of partnership funding that it unlocks.

Next steps

In order to achieve this, we will:

- Continue to engage pro-actively with local government, devolved administrations and devolution partnerships to ensure that they are aware of the opportunities that heritage, and our funding, can deliver for communities. HLF's local teams will build on the already strong relationships they have with communities, including local authorities and key stakeholders.
- Explore ways in which we can align our decision making with the strategic priorities of devolution areas, for example through a regular strategic review of projects and formally consulting the combined authorities on larger project bids in their areas.
- Identify new investment approaches which may unlock additional funding for heritage, and support innovative business and governance models in the sector as we develop our next Strategy. The Great Place pilot (with ACE, Historic England and others) is one important demonstration of this engagement. We expect that this will include public consultation around the UK.
- Work more closely with other national partners with an interest in the local area as appropriate, for example other organisations distributing National Lottery funds.

Conclusion

As we prepare our next strategy we are excited by the potential of wider democratic participation in decision-making in the interests of heritage and to benefit communities and will consult the public on how this might be achieved. Our devolved operating model puts us in a strong place to explore such opportunities.

August 2016