Equality, diversity, and inclusion report for The National Lottery Heritage Fund

April 2022

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Contents

Executive summary

This research was conducted by The Social Investment Consultancy (TSIC) between December 2020 and March 2022, with two active phases in January-March 2021 and January-March 2022. It was commissioned by The National Lottery Heritage Fund (the Heritage Fund) to inform the ongoing Equality, Diversity and Inclusion (EDI) review and action planning.

The aim of the research has been to better understand how the Heritage Fund can be a more inclusive and equitable funder. Whilst it is vital to continually work towards more inclusive practices, this research is particularly significant at the time of writing due to the renewed national and international attention to the structural and inter-related contexts of inequalities, including the impact of Black Lives Matter as a social movement and the effect of Covid 19 pandemic reinforcing disproportionate outcomes for some people and UK communities.

The research is based on 86 interviews with grantees, unsuccessful applicants and potential applicants to the Heritage Fund from across the UK, as well as on a survey filled in by 82 grantees, and 9 workshop consultations with 90 Heritage Fund staff.

The research focused on groups who have been identified as being historically and currently under-served by Heritage Fund investment. Research participants were mostly organisations led by or focused on under-served groups: minority ethnic communities (in Scotland, defined as minority ethnic and cultural communities), disabled people, LGBTQ+ individuals, young people, low socio-economic groups. TSIC also analysed an EDI survey distributed by the Heritage Fund to all applicants in 2021 and applications data received between 2018 and 2022.

It is important to note that, although the research focused on organisations that have connections to under-served groups, many of the findings have a wider applicability . The implementation of the recommendations from this research will improve access to funding for all types of heritage organisations, and clarifications around inclusive practice – with respect to the value of inclusion and the expectations of the Heritage Fund – will also be of specific benefit to organisations who are not currently engaged with under-served groups and who are working towards changes of practice.

The research resulted in a series of recommendations developed in consultation with the Insight team at the Heritage Fund. The key findings and corresponding recommendations are summarised below.

By asking organisations led by or focused on under-served groups why they thought heritage was important, we discovered that they valued the role of heritage in creating outcomes such as wellbeing, community cohesion, social justice. Those outcomes broadly align with the Heritage Fund's nine outcomes for heritage projects, but interviewees tended to put more emphasis on heritage as a means to achieve other outcomes rather than heritage as an outcome in itself. **With this in mind, we recommend adopting a social impact and wellbeing approach to heritage in communication and strategy.**

The research highlighted the need to improve the Heritage Fund's communication around its definition of heritage. A significant number of organisations that had not received funding from the Heritage Fund (including unsuccessful and potential applicants) shared their confusion around the Heritage Fund's understanding of heritage, or thought the Heritage Fund adopted a restrictive definition. This was partly explained by the connotations carried by the word of

"heritage" and its use by other organisations. To plug this gap in awareness and understanding of its open definition of heritage, the Heritage Fund needs to find ways to more clearly express what heritage is and can be, and explain how the open definition can apply to organisations led by or working with under-served groups. **We recommend for the Heritage Fund to review its communication around heritage and target specific groups that are not sufficiently engaging with the Heritage Fund.**

The research also investigated the use and perception of the mandatory Inclusion Outcome **'a wider range of people will be involved in heritage'**, a key piece in the Heritage Fund's strategy around EDI. This mandatory outcome was informed by 2017 Tailored Review and extensive UK sector and stakeholder consultation 2017/18 in preparing the current Strategic Funding Framework 2019-24 and has been used to ensure that within all funded projects, the range of people benefiting from heritage becomes more diverse than before the project started. The research revealed that, according to staff members, while the Inclusion Outcome brings great benefits in widening general involvement in heritage, there are significant limitations to its ability to act as a tool to increase the inclusion and participation in heritage of people from under-served groups. The research uncovered internal inconsistencies in the implementation of the Inclusion Outcome as well as external misunderstandings around expectations linked to the outcome. As a result, **we recommend clarifying the role and implementation of the Inclusion Outcome internally, before improving external guidance for applicants.**

The organisations that were interviewed shared challenges associated with the funding process, and in particular the application process. As the research progressed, it became evident that processes had an impact on the organisations' ability to access funding and were therefore central in the EDI strategy. Staff members showed that they were aware of this fact, and many initiatives to streamline and simplify application processes, especially for small grants, had already emerged. This finding abour barriers in the applications process was corroborated by evidence from the data analysis, as overall success rates were lower for organisations led by under-served groups, and especially low for organisations led by or focusing on disabled people and young people. As a result, **we recommend supporting and strengthening ongoing efforts to address barriers in the funding process, for example by streamlining application processes and increasing transparency.**

The analysis of application data showed that organisations led by under-served groups were less likely to receive larger grants from the Heritage Fund. For grants above £100,000, their success rates plummeted compared to those of other organisations. It is not clear whether this "ceiling" in access to funding is the result of those organisations' position as led by or focused on under-served groups, or of the conditions faced by most small organisations (less than 5 staff members or volunteer-led) in the sector. Interviews showed that organisations faced challenges around the application process, but also more generally around funding, financial sustainability and resilience, especially as small organisations. The research highlighted a clear need for further support. **We recommend exploring possibilities to provide long-term or core funding to small organisations led by or focused on under-served groups, as well as training and in-kind support.**

Finally, we also found that the organisations that were interviewed expected the Heritage Fund to become more transparent and open to including under-served groups in decision-making. Staff members showed an appetite for the adoption of such practices. They were seen by staff and organisations as a way of addressing some of the barriers in accessing funding. **We**

recommend piloting processes that enable members of under-served groups and the local community to play a bigger role in decision-making alongside Heritage Fund staff and committees.

The research also represented an opportunity for TSIC and the Research, Data and Insight team to identify gaps in the Heritage Fund's data collection approach around EDI. **This resulted in a set of recommendations on the type of data that the Heritage Fund should collect and analyse regularly moving forward.**

To conclude, we would like to highlight the complexity of the challenges uncovered by this research. While some challenges are linked to the internal functioning of the Heritage Fund, many of them reflect or result from wider, structural inequalities present in UK society as well as challenges faced by organisations in the heritage sector. The recommendations in this report aim to help the Heritage Fund mitigate and rectify those inequalities, instead of reinforcing them.

Addressing the challenges uncovered by this research will be equally complex, as it will require coordinated action across multiple work areas and an approach to change that is grounded in continuous learning and assessment. Establishing a cycle of transparent and honest learning through EDI monitoring and sharing with the heritage sector (and more widely) will be essential to develop solutions that respond to needs of under-served groups and adjust as wider changes in society and the sector occur. Despite the complexity of the task at hand, we believe that the Heritage Fund can make significant progresses thanks to the motivation and willingness of staff members to enact change, which we have witnessed throughout the research process.

Research methodology

The research focused on how the Heritage Fund can be more inclusive of groups working with and/or for under-served groups (minority ethnic communities, disabled people, LGBTQ+ individuals, young people, low socio-economic groups).

This research primarily focuses on:

- how grantees, unsuccessful and potential applicants perceive the Heritage Fund and its role
- how grantees, unsuccessful and potential applicants perceive heritage, and whether perceived difference with the Heritage Fund is a barrier
- what could the Heritage Fund do to become more inclusive, according to grantees, unsuccessful and potential applicants, and Heritage Fund staff

This research also speaks to:

- what are some of the barriers facing grantees, unsuccessful and potential applicants
- what could the Heritage Fund do to increase the social impact of heritage on communities of interest

The research focused on groups currently and historically under-served in the Heritage Fund's portfolio: minority ethnic communities, disabled people, LGBTQ+ individuals, young people, low socio-economic groups. Those groups were identified by the Heritage Fund prior to the project. The research engaged organisations led by and/or working with/for under-served groups from across the UK from the following categories: current or former grantees, unsuccessful applicants who have never received funding from the Heritage Fund, and potential applicants who have never engaged with the Heritage Fund.

Data collection methods

The data collection methods used for this research are:

Phase 1 (2020-2021)

- 38 interviews with grantees from England
- Survey for grantees (82 respondents) from England
- 2 workshops with staff members (about 10 in total)
- Interviews with heritage experts

Phase 2 (2021-2022):

- 48 interviews with grantees, unsuccessful and potential applicants from across the UK
- 4 focus groups, between 4-6 interviewees in each group (grantees, unsuccessful and potential applicants from across the UK)
- 7 workshops with 80 staff members

Definitions

Based on our experience in the first Phase of the research, we developed categories to better understand the nature and depth of the connection that organisations in the sample have with under-served groups. The table below presents four categories or types of organisations. More details on the categories can be found in Appendix 1.

Category 1: Organisations whose funded project engaged under-served groups

> *Organisations that received funding for a project focused on under-served groups, but that do not have this group as a key audience across other projects.*

Category 2: (Category 1 +) Organisations focused on under-served groups

> *About 50% or more of their beneficiaries are from under-served groups; or*
> *organisations that define their mission or objective as supporting one or more under-served groups*

Category 3: (Category 1+2) + Organisations that are led by under-served groups

> *Minimum 50% of their staff are from under-served groups that reflect beneficiary groups*
> *or*
> *the organisation engages beneficiaries from under-served groups extensively through co-production processes*
> *or*
> *organisations that define themselves as "led by" under-served groups*

Category 4: (Category 1) + Organisations that have individuals from under-served groups within their staff or Board

> *Organisations that have at least one individual from an under-served group within their staff or Board.*

Sampling for interviews

Participants were selected based on the following criteria, using GEMS and IMS datasets from 2016-2021:

- Links to under-served groups (as previously defined) in the dataset; based on manually tagged datasets or self-reported data on organisation's mission.
- Nation or region in which the organisation operates.
- Organisations working with individuals from low socio-economic backgrounds were identified based on the Indices of Multiple Deprivation.
- Potential applicants and some unsuccessful applicants were recruited through a public callout shared on the Heritage Fund's social media and with network organisations. In total, we received 69 responses to the callout and invited organisations that met the sampling criteria.

The list of potential interview participants was reviewed and approved by the Heritage Fund's Engagement Managers and Investment Managers. More details on the differences in sampling approach between the first and the second Phase can be found in Appendix 2.

Interview sample

In total, 86 interviews were conducted for the research. This section provides an overview of the characteristics of organisations in the sample.

The majority of interviewees were past or existing grantees of the Heritage Fund (64%), and 36% were unsuccessful or potential grantees who have never or not received funding from the Heritage Fund in the last five years.

Number and percentage of organisations represented in the sample, based on their relationship with the fund
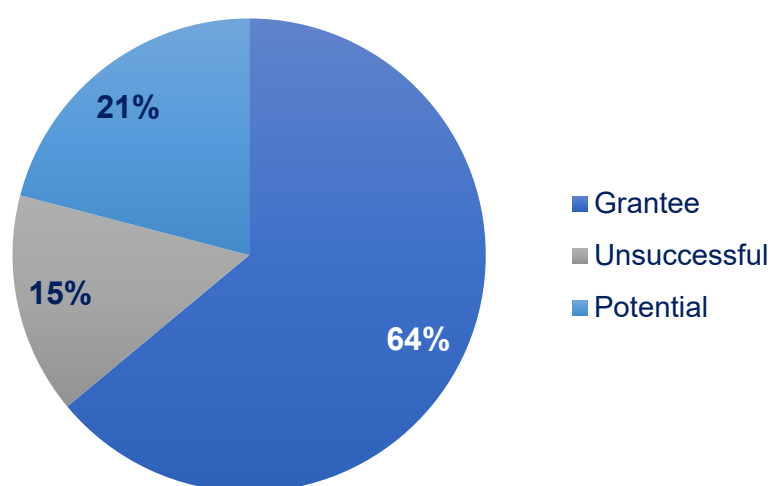
Almost half of the organisations in the sample were led by under-served groups (47% of the sample), based on the definition outlined in the section above. The remaining organisations included in the sample were mostly those focused on under-served groups (41%), and about 10% of the sample was made up of organisations whose funded project engaged under-served groups but who work with under-served groups only occasionally.

Category	% of sample
Organisations whose funded project engaged under-served groups	10%
Organisations focused on underserved groups	41%
Organisations that are led by under-served groups	47%
Organisations that have individuals from underserved groups within their staff or Board – and work with under-served groups	2%

All Nations were represented in the sample, with the majority of organisations coming from England, as shown in the chart below.

Percentage of organisations located in each nation represented in the sample

7%	
14%	■ England
10%	■ Wales
10%	■ Scotland
59%	■ Northern Ireland
	■ UK-wide
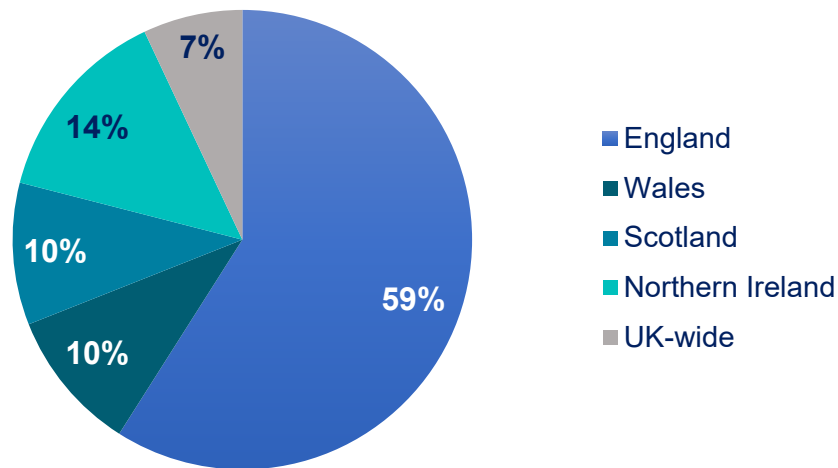
Organisations in the sample were led by, focused on, or worked with individuals from one or multiple under-served groups, i.e. having an intersectional focus. The figure below shows the representation of under-served groups across the sample.

Percentage of the sample representing under-served groups,

15%	■ Young people
19%	
30%	■ Low socio-economic groups
24%	■ LGBTQ+ individuals
12%	■ Minority ethnic communities
	■ Disabled people
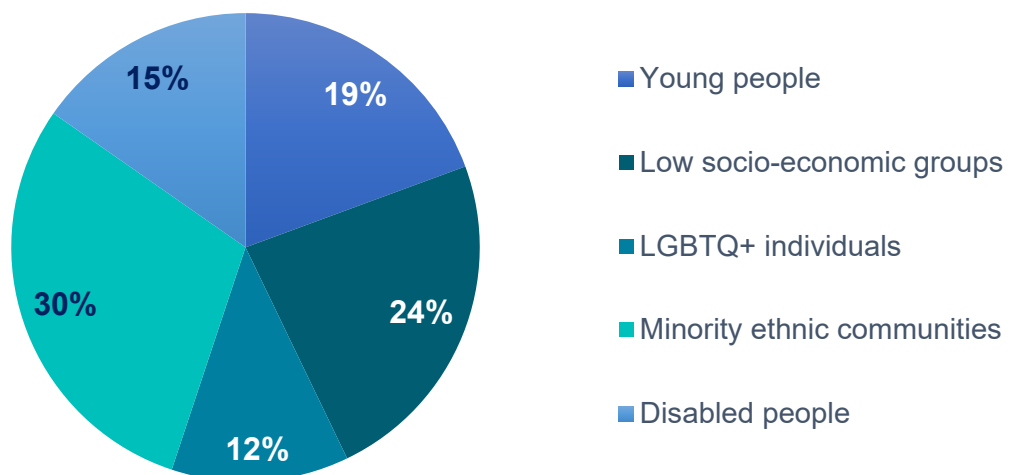
Research limitations

A number of research limitations were identified and should be carefully considered when reviewing findings from this report. The most important limitations include:

- **Identification of organisations led by under-served groups (quantitative analysis):** this information was self-reported by applicants. It might be reasonable to expect that applicants that would not count as "led by" or focused on under-served groups under a stricter definition, were counted as such in this research, as there was not a set definition of "led by" suggested by the Heritage Fund.
- **Lack of data on organisation sizes:** the absence of data on organisation sizes in the GEMS and IMS dataset limited the scope of the analysis and the conclusions that can be reached in this report.
- **Identification of organisations working with people from low socio-economic background (quantitative and qualitative analysis):** organisations working with economically disadvantaged communities were identified using the Indices of Multiple Deprivation (IMD). This approach presents two challenges: one is that the location of the organisation and the one of beneficiaries might not always overlap; another one is that, although IMD data is relatively granular, it might not always capture the realities experienced by groups of users who might be economically disadvantaged but live in wealthier neighbourhoods.

Additional limitations are outlined in Appendix 3

Findings

This chapter presents the main insights from the research. The first two sections serve as a way of outlining key challenges that the Heritage Fund in engagement with under-served groups: the representativity of organisations led by under-served groups in the pool of applicants, and patterns of inequality in accessing funding for those organisations. The following sections provide an overview of differences observed between the stakeholder groups in this research, namely grantees and other organisations (rejected and potential applicants), as well as between organisations based in different Nations. The other sections are structured around the insights gathered mainly through interviews and focus groups.

The findings in the report are drawn from both quantitative and qualitative data analysis.

The quantitative data analysed for this report came from two distinct datasets: (1**) the EDI survey**, focused on individuals, which was sent to organisations who had applied for funding and contained optional questions about the demographic of the person replying to the survey, including data on individual applicants from 2021, with 558 respondents from 224 organisations; (2) **GEMS dataset,** focused on organisations, including data on applications from organisations between 2018 and 2020, with a total of about 11,000 applications. The data relating to organisational interaction with under-served groups is self-reported. More information on the datasets and variables used for analysis can be found in Appendix 4.

The qualitative data is drawn from interviews and focus groups with grantees, potential grantees, rejected applicants and staff members.

Under-served organisations engaging with the Heritage Fund

Overall, 32.6% of all applications for funding at the Heritage Fund between 2018 and 2020 came from organisations who identified as being led by one or more under-represented groups.

The proportion of applicant organisations that self-identified as led by ethnic minority groups and LGBTQ people, and of organisations located in deprived areas, reflected the UK population. By contrast, organisations led by young people and by disabled people were under-represented in the pool of applicants. Both groups represent about 20% of the UK population, but only 16% of the pool of applicants were from youth-led organisations and 9.2% from disability-led organisations. Regarding youth-led organisations, this gap could be explained by the challenges involved in having young people lead an organisation, although we can expect that many organisations co-producing with young people might have self-identified as "led by".

When considering these findings, it is also important to take into account the probability of under or over-reporting in the absence of a clear definition of organisations "led-by" provided by the Heritage Fund.

Percentage of applications from organisations led by under-served groups, compared to representation of those groups in UK population

Group	% UK Population (ONS data, 2020)	% of total NLHF applications (N=6095)
Young people	20%	16%
Minority ethnic communities	13.8%	12.8%
low socio-economic groups	10%	9.7%
Disabled people	20%	9.2%
LGBTQ+ individuals	2.7%	5.9%

■ % UK Population (ONS data, 2020)   ■ % of total NLHF applications (N=6095)
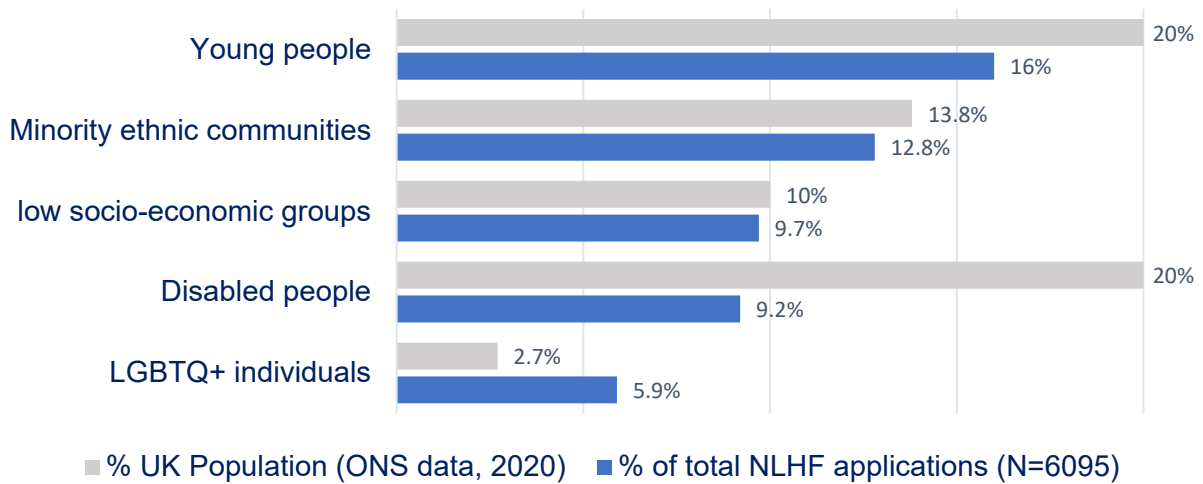
This finding from the analysis of the GEMS data set (above - focused on organisations) is also supported by the EDI survey (below - focused on individuals), as it indicates that people with disabilities are under-represented among people working at applicant organisations. About 14% of all respondents identified as having a disability, compared to 20% of the UK population. The survey did not capture other demographics such as socio-economic background.

Percentage of survey respondents (staff from applicant organisations) compared to UK population

Group	% of UK population	% of total respondents (N=558)
Minority ethnic communities	13.8%	11.6%
LGBTQ+ people	2.7%	14.0%
Disabled people	20.0%	14.9%

■ % of UK population   ■ % of total respondents (N=558)
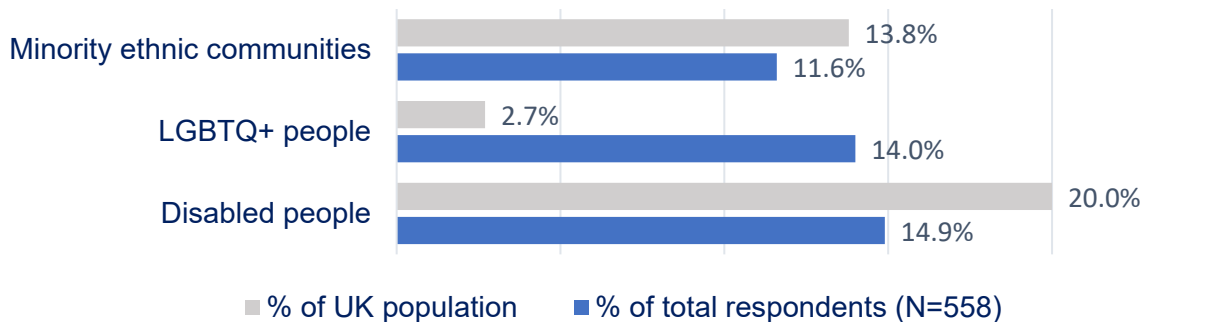
Access to funding for organisations led by under-served groups

Analysis of success rates for organisations led by under-served reveals interesting dynamics in the way they tend to access funding. While overall success rates show that organisations led by under-served groups are less likely than others to receive a grant from the Heritage Fund, success rates disaggregated by grant size indicates that they are more likely to receive smaller grants than other organisations. Differences in success rates can also be seen among different under-served groups, with organisations led by people from low-socio economic backgrounds almost as likely to receive a grant as organisations not identifying as led by under-served groups.

Data finding 1: Organisations led by under-served groups were less likely to receive grants from the Heritage Fund

Overall, applications from organisations led by under-served groups were less likely to receive grants from the Heritage Fund, compared to organisations that were not led by those groups (success rate of 28% for organisations led by under-served groups vs 36% for other organisations). The difference in success rates was wider for certain groups, for example organisations led by people with disabilities & youth-led organisations, who only had a 20% success rate. Success rates are calculated based on the number of applications from a particular group and the number of grants awarded for this group. Further analysis on the success rate for under-served groups in each region is available in Appendix 4.

Percentage of applications from organisations led by under-served groups that were awarded grants, compared to applications from other organisations

Category	Percentage
Ethnic minority led	26.2%
Disability led	20.6%
LGBTQ+ led	22.6%
Youth led	20.2%
Low socio-economic led	35.9%
Total led by	28.3%
Total organisations not led by	35.7%
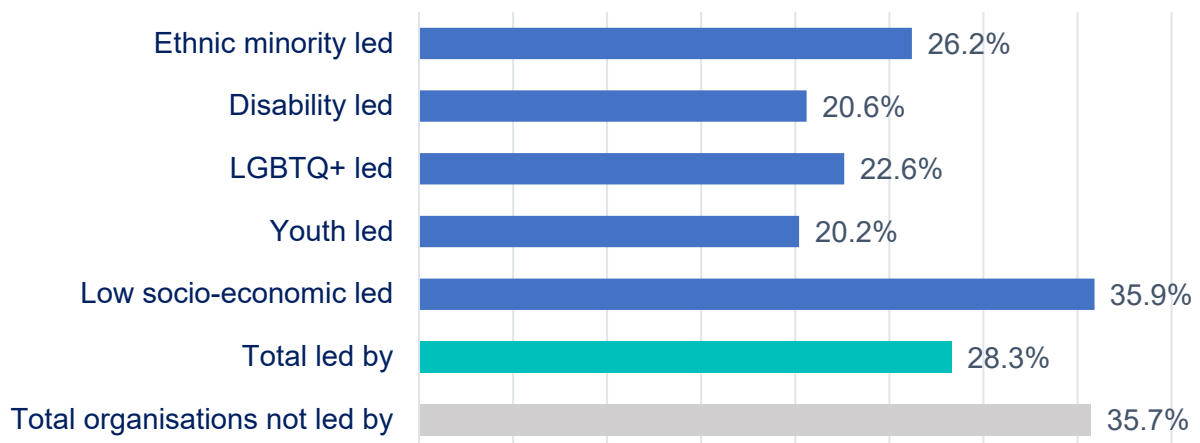
Data finding 2: Organisations led by under-served groups had higher chances of receiving smaller grants compared to other organisations, but were less likely to receive larger grants

Applications from organisations led by under-served groups were more likely than others to lead to the award of grants below £100,000. In other words, organisations led by under-served groups had a slightly higher success rate compared to other organisations when applying for smaller grants. For example, about 22.5% of applications from organisations led by under-served groups received a grant below £10,000, compared to 19.3% for other organisations.

However, organisations led by under-served groups were less likely to receive larger grants. Only about 5.8% of organisations led by under-served groups were awarded amounts of more than £250,000, compared to 9.8% for those for other organisations.

Success rate of applications from organisations led by under-served groups compared to other organisations, for different levels of funding

Funding level	Total for other organisations	Total for organisations led by
£250,000-5mil	9.8%	5.8%
£200,000-250,000	6.3%	3.2%
£100,000-199,999	10.3%	5.1%
£50,000-99,999	16.3%	21.4%
£10,000-49,999	38.7%	42.3%
£1-9,999	19.3%	22.5%

■ Total for other organisations ■ Total for organisations led by
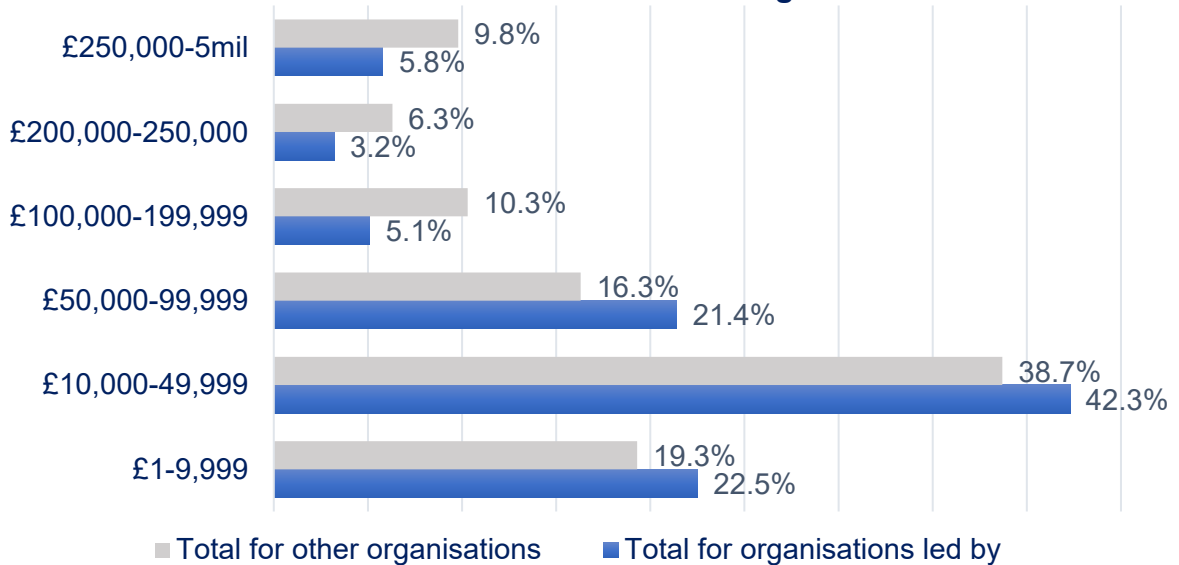
Data finding 3: Organisations led by people from low-socio economic backgrounds (identified as located in deprived areas) were almost as successful as organisations not led by under-served groups

There are notable differences in success rates between organisations led by different under-served groups. Organisations located in deprived areas had better chances of receiving larger grants compared to other under-served groups, with an overall success rate of 35.9%, compared to 35.7% for other organisations. By comparison,the success rate for organisations led by the other four under-served groups was much lower with success rates between 20.2% for youth-led organisations and 26.2% for ethnic minority-led organisations.

Percentage of applicantions from organisations led by under-served groups that were awarded grants, by under-served groups

Group	Percentage
Ethnic minority led	26.2%
Disability led	20.6%
LGBTQ+ led	22.6%
Youth led	20.2%
Low socio-economic led	35.9%
Total led by	28.3%
Total organisations not led by	35.7%
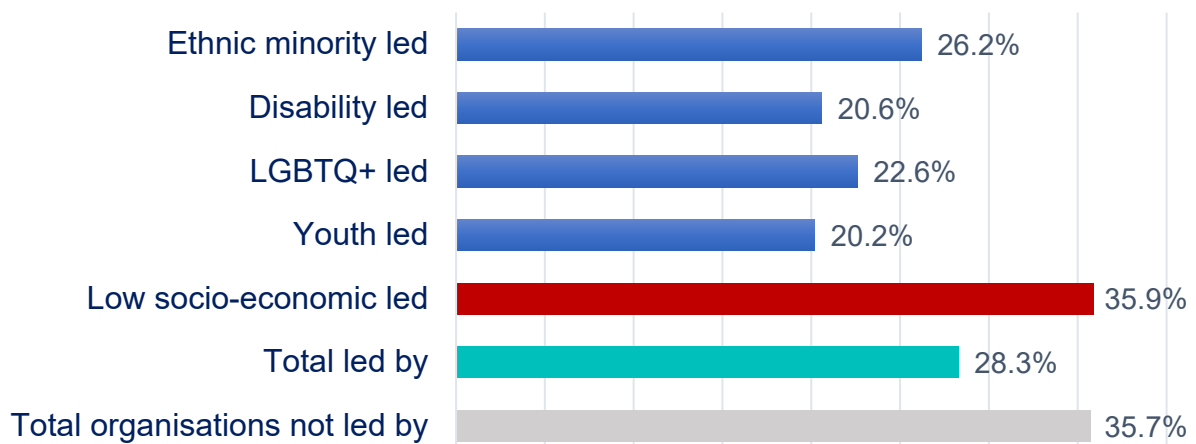
Key differences between grantees and other organisations

In recognition of the fact that grantees and organisations that have not received funding from the Heritage Fund are likely to perceive the Heritage Fund in very different ways, the research included both organisations whose applications were rejected (unsuccessful applicants), as well as organisations that have never applied for funding (potential applicants).

The key differences between grantees and other organisations who haven't received funding can be summarised as follows:

- Unsuccessful and potential applicants were less likely than grantees to have a clear understanding of the Heritage Fund's definition of heritage.
- They were also more likely to identify issues with the application process.
- Interviews with potential applicants who had very limited knowledge of the Heritage Fund proved extremely useful to understand their initial impression of the Heritage Fund and the application process. The interviews revealed that potential applicants often did not have a clear understanding of the Heritage Fund's definition of heritage and were keen to receive more support on the application process, which often felt overwhelming.
- Interviews with unsuccessful applicants revealed barriers to accessing funding that were not noted by grantees, such as inconsistencies in the definition of heritage applied by decision-makers or in the interpretation of the Inclusion Outcome.

Key differences between Nations

Overall, we found little variation in findings between the four Nations. The main differences that came out from the research are:

- A discrepancy in resources available, as perceived by Heritage Fund staff. Some staff members felt that certain Nations or areas are better resourced that others, which can lead to more capacity to engage with and support under-served groups. Access to resources – staff time and budget – was mentioned by staff as a key determinant of whether they will be able to deliver the EDI strategy.
- The definition of heritage was similar across the four Nations. However, three interviewees from Northern Ireland noted that heritage can become a sensitive topic in their political context. The Heritage Fund in Northern Ireland has undertaken significant work in this area over many years including a partnership with the Community Relations Council leading to Principles of Remembering being developed for the recent Decade of Centenaries. In 2021 the Heritage Fund in NI delivered The Shared History Fund on behalf of the Northern Ireland Office which funded 39 projects receiving grants totalling £1million to mark the Centenary of Northern Ireland and within the open lottery programmes a range of funded projects have dealt with NI's contested heritage including the impacts of The Troubles on people and communities. Whilst the Heritage Fund actively engages with sensitive topics, this small number of interviewees perceived that the Heritage Fund seemed unwilling to address sensitive topics relating to the Troubles in Northern Ireland.

Overall, the main differences appeared to be situated at the local level – for example, when it comes to ethnic diversity there can be significant differences between rural areas and urban

centres – rather than at the level of the Nations. It is possible that a more in-depth comparison on specific issues could have uncovered additional variations, and further research might be needed to identify differences in how the Heritage Fund engages with potential applicants and grantees across the Nations.

Finding 1: The role of heritage

One of the key goals of the research was to better understand perceptions around the role of heritage for under-served groups. We found that organisations led by or working with under-served groups believe that heritage can play an important role in driving outcomes such as wellbeing, community cohesion and social justice. When asked why they thought heritage was important for the communities they worked with or were part of, the 164 participants (in survey or interviews) told us heritage was important for:

Wellbeing, mentioned by 48% of participants, associated with:

- wellbeing through sense of community
- special wellbeing approaches (eg: for people with memory loss)
- opportunities for engagement in deprived areas, access to outdoors

Community cohesion & inclusion, mentioned by 35% of participants, particularly important for minority ethnic communities and low socio-economic groups, associated with:

- sense of belonging in a community and pride in local heritage (e.g. local area or diaspora)
- inclusion of a group into the community by fostering understanding of this group among local population (e.g. immigrant group)

Social equity & empowerment, mentioned by 30% of participants, particularly important for minority ethnic communities, disabled people and LGBTQ+ individuals, associated with:

- empowerment through heritage and using the past to imagine the future
- offer a platform to discuss social issues
- being inspired by role models
- help with processing discrimination traumas

Skills, education and employment opportunities, mentioned by 13% of participants, associated with:

- heritage skills providing employment opportunities
- researching the local heritage
- confidence building

Preserve heritage, mentioned by 11% of participants, associated with the preservation of buildings, culture, etc.

The outcomes of heritage shared by participants broadly align with the Heritage Fund's nine outcomes for funded projects, although interviewees tended to put more emphasis on heritage as a means to other outcomes rather than heritage as an outcome in itself. The findings

suggest that organisations who support under-served groups feel that the Heritage Fund's aims could be more strongly weighted towards social impact.

Quotes from unsuccessful and potential applicants:

> *"For me, heritage is anything that is passed down, like a tradition. A lot of women (we work with) are from South Asia, so for them it might be clothes, also food, cooking. Lot of heritage is in music – culture and heritage go hand in hand. Our users don't relate to the word heritage, they do understand traditions, what did you do when growing up."*
> **Unsuccessful applicant, organisation led by minority ethnic group**

> *"For the Fund the definition is quite broad, it's not really defined. It gives you the option to say what it is – but how do you know? When you apply to the funder, and they reject you, you won't go to them again. Last grant was unsuccessful – it was about South Asian food. They said it wasn't enough about heritage – we also wanted to include also health aspect of it. The food heritage is lost now. So what is heritage?"*
> **Unsuccessful applicant; organisation led by ethnic minority group**

Finding 2: Perception gap around the definition of heritage

External perception gap

Most grantees interviewed in this research thought that the Heritage Fund's definition of heritage included a wide range of heritage types (referencing the 8 heritage types: Community heritage; Industrial, maritime and transport; Landscapes, Parks and Nature; Museums, Libraries and archives; Cultures and Memories; Places of worship; Areas, building and monuments; Intangible heritage). However, by contrast, most unsuccessful and potential applicants were not aware of or did not clearly understand the Heritage Fund's definition of heritage, or they did not perceive the Heritage Fund as having an open definition of heritage. We found:

- 32% of non-grantees, compared to 10% of grantees, said they did not understand the Heritage Fund's definition of heritage and were not able to answer the question "what do you think is the Heritage Fund definition of heritage".
- 42% of non-grantees, compared to 16% of grantees, said that the Heritage Fund had a conservative definition of heritage, focused mostly on buildings and Anglo-Saxon heritage.
- Most grantees (about 75%) thought the Heritage Fund had a definition of heritage that included a wide range of heritage types, while only about 40% of non-grantees thought so.
- Low information interviewees – those who knew little about the Heritage Fund – were more likely than other interviewees to think that the Heritage Fund did not have an open definition of heritage. Many interviewees who, at the point of interview, had a good understanding of the Heritage Fund's open definition of heritage noted that their first impression was completely different, as they initially thought the Heritage Fund to be only interested in built heritage.

- Unsuccessful applicants who were rejected because their project was not considered "heritage" were also more likely to say that the Heritage Fund's definition of heritage was narrow and elitist.

Interestingly, interviewees highlighted that many groups, especially grassroots organisations led by under-served groups, do not think that heritage or the Heritage Fund is relevant to them. They proposed two main explanations for this:

- Potential applicants think the Heritage Fund has a definition of heritage that does not cover their communities or goals.
- The word "heritage" has a wide range of connotations and more "conservative" definitions of heritage are still present and used by other major funders, which creates confusion and makes it difficult for some groups to feel that heritage is relevant to them.
- Two interviewees noted that publicity around large projects, which are mostly awarded to white-led organisations as analysis from GEMS data has shown, created an impression that organisations led by under-served groups did not stand a chance at getting funding.

This finding was also reflected in the Year 2 Evaluation of the Areas of Focus produced by the Heritage Fund. One of the main barriers to developing projects in areas of high deprivation identified in the report was a "negative perception or lack of understanding" of heritage among local organisations and the "perception amongst working-class groups of being 'only for middle-class communities'". This research found the Heritage Fund's approach to the Areas of Focus – active relationship building (taking a systematic approach to understanding an area and the needs of potential applicants) and targeted and dedicated engagement (workshops, funding surgeries, and one-to-one support), is successfully addressing this barrier.

The research also captured the thoughts of staff members more extensively on the question of the perception gap. We found that staff members supported an open definition but also generally recognised the openness of the Heritage Fund's definition as a potential barrier and noted that the information provided has not been sufficiently clear and has seemed exclusive, rather than inclusive, to some potential applicants. There was a general agreement that the issue should be understood as a communication problem and staff felt there is a need to provide better information about its definition of heritage for potential applicants.

Quotes from potential applicants and grantees:

> *"We've actually spoken with them about that, it's not clear what heritage is, currently it's very broad – language, community background – sometimes they talk about buildings – sometimes they are so fixated that they need to preserve about the heritage of buildings. Maybe they can do a consultation of what they want and what heritage is. That would help to come out with a clear definition. For me, heritage is also about history of communities – for example, Black African heritage, that's where everything comes from, way of life, culture, language."*
> **Potential applicant, led by ethnic minority group**

> *"(Understanding the Heritage Fund's definition of heritage) It has been very confusing. I spoke to quite a lot of people. Here it means built heritage. A lot of BAME people get confused. Or it is about Nelson Mandela or famous people. The message hasn't been given out properly. There is not enough consultation work*

done with BAME communities. (…) But I can see that they are trying to shake their processes.”

Grantee, organisation led by ethnic minority group

Internal perception gap

The confusion around the definition of heritage also exists within the Heritage Fund. A few interviewees and staff noted that staff members, and in particular decision-makers, might have restrictive understandings of heritage.

We found that at least six organisations in the sample reported being rejected on the grounds that their projects were not considered "heritage enough", although they considered their projects to be about their heritage. A range of factors are considered during the assessment of applications, however, the fact that applicants understood their rejection to be for this reason indicates that the Heritage Fund may be applying a certain definition of heritage in the decision-making process.

This finding was supported by a small number of staff members, who observed different understandings of heritage within their team. In some cases, the definitions of heritage were more restrictive in nature (e.g. not including certain aspects of intangible heritage, for example cuisine or a specific tradition) compared to the open definition.

They explained that restrictive definitions of heritage within the team sometimes resulted in groups with less "traditional" heritage projects being rejected at application stage. In this context, they highlighted the importance of applying a coherent – and consistently open – definition of heritage when assessing applications.

Quote from an unsuccessful applicant:

"We learnt that when we initially applied -they said this wasn't heritage enough. Trustees were very upset that the Heritage Fund decided our clothing wasn't heritage. What they did – some people thought it as racist but I wanted a conversation. We asked for extended feedback. I quoted the history, they were open and receptive. We were able to see that we need to fill the application as if the person on the other end wouldn't know about us. On their side now they were able to see it was heritage".

Unsuccessful applicant, who applied a year ago (and just received funding); organisation led by ethnic minority group

Finding 3: Value and perception of the mandatory Inclusion Outcome

Limits of the Inclusion Outcome to increase the involvement with under-served groups

The mandatory Inclusion Outcome: **"a wider range of people will be involved in heritage"**

The majority of interviewees recognised the value of the mandatory Inclusion Outcome, whether it is to keep them accountable to being inclusive or ensure that they think about this

constantly in project design and delivery. However, interviewees and staff members revealed limitations of the Inclusion Outcome when it comes to increasing in participation of under-served groups, for three main reasons.

The first one can be found in the design of the Inclusion Outcome, as it does not focus on under-served groups. It requires organisations to widen their reach and develop their audiences with any group that they are not yet engaging with. Expectations are based on the context of the project and put the onus on grantees to identify audiences that they are not engaging with. For this reason, the Inclusion Outcome does not present itself as the ideal tool to increase involvement of under-served groups.

Secondly, the Inclusion Outcome stops short of fully accounting for the "quality" and "depth" of engagement. The current use of the Inclusion Outcome does not sufficiently reflect the "nuances" of what involvement means in practice, and it does not directly recognise the importance of giving under-served groups the opportunity to "create" or "manage" heritage projects in a way that they judge relevant and interesting (whether this is similar or differs from what other groups want to see).

Finally, there are challenges at the implementation stage, when realising the ambitions of the Inclusion Outcome. The implementation of the outcome (e.g. reaching out to specific groups) is sometimes hindered by a lack of capacity or willingness from grantee organisations, which can be compounded by a lack of understanding of the importance of inclusion. Heritage Fund staff shared:

- Organisations that are not working with or led by under-served groups (who were not interviewed as part of this research) do not always have the skills and knowledge to engage new audiences, in particular under-served groups. Additional support is required for them to meet the outcome in practice. The Heritage Fund offers resources and sometimes support from external stakeholders (e.g. ROSS consultants). This is particularly relevant for small organisations.
- Staff members stressed that it was difficult to expect from grantees what the Heritage Fund was struggling to achieve.
- In some instances, staff noted a certain resistance from "mainstream" organisations when it comes to the Inclusion Outcome. They noted that the outcome was sometimes perceived as a box ticking exercise and a barrier to accessing funding. This is compounded by the fact, as staff members highlighted, that the Heritage Fund has not yet managed to articulate the value of the Inclusion Outcome for organisations that are not already invested in inclusive practices.

Research with organisations that are not led by or focused on under-served groups should be conducted to better understand the challenges associated with the Inclusion Outcome. As this research focused on organisations led by or focused on under-served groups, it cannot provide a detailed overview of those challenges.

Inconsistencies in internal interpretation

Conversations with staff showed that the interpretation of the Inclusion Outcome is not consistent across the organisation. Guidance notes on the Inclusion Outcome do not state that organisations led by under-served groups automatically achieve the Inclusion Outcome. It is unclear whether assessment teams are all applying this criterion consistently, and whether

it applies only to organisations that are led by under-served groups or also those working with under-served groups. Experiences shared by unsuccessful applicants might suggest that organisations led by under-served groups do not always automatically achieve the Inclusion Outcome.

Staff also shared that "involvement in heritage" might take on different meanings for staff members across the organisations. It could be interpreted as light-touch engagement, or deeper involvement through consultations and co-production.

Quote from an unsuccessful applicant:

> *"This (the Inclusion Outcome) is where we get to some issues with Heritage Fund funding – not only my perspective. That's their primary goal and it's a great goal to involve more people in heritage. But I think there's a gap in how they interpret that and how organisations like mine can deliver that. I put in a bid last year – I worked with other organisations that all failed because of this outcome. I don't think we can do what they think we should do."*
> **Unsuccessful applicant, organisation led by ethnic minority group**

Quotes from staff:

> *"Inclusion Outcome maybe applies better to 'traditional' heritage projects – but not for organisations who are underrepresented, this might exclude small, led-by organisations and might act as a barrier; it's almost penalising them and making them do more. Also making sure there is consistency across the organisation in understanding this."*
> **Staff member**

> *"Grantees see it (the inclusion outcome) as an obstacle to overcome. For more traditional heritage organisations, those working on big capital builds, possibly less experience of working in inclusive ways – it's a barrier, an unknown, inclusion needs a lot more explanation."*
> **Staff member**

External misunderstandings and inconsistencies in interpretation

Discussions with interviewees revealed misunderstandings and confusion around the expectations linked to the Inclusion Outcome, which could result in perceived barriers for organisations working with under-served groups. Listening to staff members and organisations, we found:

- Many organisations led by under-served groups did not know that they could automatically meet the Inclusion Outcome. Instead, interviewees assumed that the Inclusion Outcome applied to all projects in the same way. Therefore, they described the barrier that the Inclusion Outcome could represent for projects aiming to engage primarily with one under-served group. According to their understanding of the Inclusion Outcome, those projects were required to reach out to a wider audience, although they were already engaging an audience that is not usually engaging with heritage. For some projects, this might be a challenge, either because the group would be hesitant to share their heritage widely, or because resources are focused on

engaging participants with specific needs.

- Interviewees sometimes felt that they were expected to target all the groups typically seen as under-served. They wished there was more clarity around the definition of "inclusion" in this context. Staff confirmed that they still spend a lot of time explaining the outcome to potential applicants and, whilst this is a valid use of time, this level of support cannot be provided to all applicants.
- Whilst the local context and size of the grant are taken into account by the Heritage Fund when it comes establishing expectations related to Inclusion Outcome, most interviewees (particularly unsuccessful and potential applicants) did not know this was already the case, showing that there is confusion around the outcome.

Quote from an unsuccessful applicant:

"I would say it's difficult – because we work with minority groups. Not everybody is LGBTQ+ - but this project is dedicated to the minority. We engage the wider community through e.g. documentaries. The outcome maybe doesn't make a lot of sense."
Unsuccessful applicant, organisation focused on the LGBTQ+ community

Finding 4: Barriers to accessing funding

Over the course of the research, grantees, unsuccessful and potential applicants shared their experience of the engagement and application process. Even though processes were not the primary focus of the research, it became clear that they had a significant influence on the ability of organisations led by and focused on under-served groups to access funding. In this context, it is easy to see how any EDI strategy that does not take into account and address those barriers is likely to fall short of its mission.

The reason why processes impact organisations led by and focused on under-served groups can be understood when looking at inequalities at a societal level. Because under-served groups face structural barriers in accessing resources – financial or others – those organisations come to the Heritage Fund with less resources, volunteers, and track record at their disposal. They might also face accessibility barriers, which could partly explain the lack of representation and lower success rates for organisations led by people with disabilities.

However, it is important to stress that a lot of the challenges reported by organisations in this research related to what they described as their situation as relatively small organisations, which included volunteer-led organisations and those with only a few full or part-time staff, usually between 2-5 staff members. Although this research looked only at organisations led by or focused on under-served groups, it is reasonable to expect that most small organisations might face similar challenges.

Overall, when reflecting on the Heritage Fund's processes, interviewees felt that the Heritage Fund did not sufficiently recognise the challenges and needs of the variety of organisations applying for funding, and of organisations that tend to be less resourced and established.

Application process

Most interviewees, and in particular unsuccessful applicants and grantees, found the

application process complex and opaque, especially for small organisations. We found:

- Many interviewees thought the platform was not accessible and straightforward enough (e.g. impossibility of downloading the form or using videos instead of written responses). Some of them referred to other funders with "simpler" and more accessible application processes, such as Arts Council England, the National Lottery Community Fund and Paul Hamlyn Foundation. Community organisations distributing funding on behalf of larger funders were also mentioned by interviewees and staff as good examples of organisations that managed to streamline processes. They praised the simplicity and limited number of questions, the transparency of the assessment process, and the possibility to share responses via videos.
- The number of documents required for the application was daunting for small organisation. Staff members shared that the Heritage Fund did not always need, or could accept alternatives to, certain documents, but that this was not clearly stated in the documentation shared with applicants and alternative solutions are currently explored on a case-by-case basis for individual applications.
- Explanations provided about the application form were not straightforward and were text heavy.
- There is a lack of transparency about the application and decision-making process. Interviewees shared that not being able to see assessment criteria made the process of writing their application difficult, as they were left wondering what the Heritage Fund was looking for.
- Members of the Investment, Engagement, and wider Business Delivery teams were not surprised by the findings and noted that the application process could be simplified as a certain number of requirements were not necessarily applicable to smaller organisations.
- They also highlighted that there could be stronger direct alignment between the application questions and assessment criteria, making it easier for applicants to provide the required information and for Investment Managers to confirm they have met requirements.
- Since the end of the enquiry service for small grants, staff noted that, for many small organisations, the first application effectively functions as an enquiry as organisations are not provided with a direct way of contacting the Heritage Fund for support.

Decision-making process

The decision-making process and criteria applied at this stage were also considered problematic. Interviewees and staff members shared that:

- Interviewees noted that the Heritage Fund's conception of risk prevented newly formed groups from accessing funding, as they lacked the track record to prove their ability to manage even small projects. They found that the Heritage Fund didn't sufficiently recognise the potential of new organisations and, as a result, failed to enable them to start building a track record in the funding sector.
- Staff members also recognised that the Heritage Fund doesn't do enough to acknowledge applicants' track record with other funders.
- They noted that even though small organisations focused on under-served groups can access funding by partnering with larger, more established organisations, there is a perception they are not trusted to receive a larger grant themselves.

- Staff members observed that the two available options to qualify the result of an assessment (awarded/rejected) don't give them sufficient flexibility to give organisations with limited track record, or considered as "risky investments" for other reasons, a chance at getting funding. A third option could enable them, for example, to offer support for organisational development alongside funding, thereby plugging the gaps in capacity or skills and contributing to the long-term development of the organisation.
- In general, smaller organisations felt that the Heritage Fund did not understand the purposes of their projects and sometimes the nature of their heritage, which can be particularly challenging to explain in a few words when it comes to projects on intangible and community heritage.
- Staff members noted that competing priorities (including the strategic priorities 'Community Heritage' and 'Land and Nature', the Areas of Focus, the Place-based approach, specific regional and country priorities, and time-limited campaign priorities) made it difficult to prioritise under-served groups.
- Finally, the lack of representativity on decision panels was mentioned by organisations as potentially problematic and one of the possible reasons why misunderstanding might arise. Further research is required to establish an overview of diversity within those panels, which is beyond the scope of this research.

The monitoring and evaluation processes were also considered too time-consuming by grantees, whilst applicants reaching this stage have been successful in gaining funding there are broader implications in relation to their likelihood of submitting future applications or acting as an advocate for the Heritage Fund to similar organisations. However, this research did not focus on this part of the process.

Quotes from potential and unsuccessful applicants:

> *"With all funders, taking risks is really scary – if they want to open up they need to try and take the risks. (Otherwise) it creates the perception that only old White men get this funding, or already influential organisation."*
> **Potential applicant, organisation led by people from low socio-economic background**

> *"What concerns me is being asked about our history of delivering similar projects – we understand why they would take that into account, but it seems like an instant barrier for marginalised communities. Of course, we don't have that history. It seems quite a barrier for bringing new people into the area."*
> **Unsuccessful applicant, led by people from low socio-economic background**

Finding 5: Support for small organisations and those led by under-served groups

The need for support for small organisations, defined here as volunteer-led or with less than 5 part- or full-time staff, and organisations led by or focused on under-served groups emerged as a recurring theme during interviews with all groups and across all four Nations. Interviewees felt that their organisations were at a disadvantage compared to others, and that the Heritage Fund could do more to support them.

Analysis of grant applications data supports the impression of interviewees, showing that organisations led by under-served groups were less likely to be awarded larger grants. This finding might indicate that those organisations are on average relatively small and therefore do not have access to larger grants, which in turn prevents them from scaling up. Existing research from the voluntary sector suggests that it could also be the result of a structural lack of access to resources and skills to scale their operations, due to their position as organisations led by under-served groups.

Additional research is needed to fully understand the challenges faced by organisations led by under-served groups, and how those overlap and differ from the difficulties faced by small organisations. This section offers an overview of the support requested by organisations interviewed.

Overall, organisations interviewed said they would need more **support before and during application:**

- Most interviewees thought that the Heritage Fund Engagement teams were not sufficiently engaging with small organisations working with under-served groups. This observation came from all groups of interviewees, even grantees, as only a few of them had been in contact with the Heritage Fund before submitting their applications. Direct contact with small organisations led by under-served groups was seen as the best way of enabling more of them to apply. Interviewees from all groups wished the Heritage Fund would focus more on building "human contacts" with potential grantees.
- Staff members shared experiences with mandating external consultants (e.g. ROSS consultants) to support grantees over the course of the funding period, or establishing buddy systems or peer mentors.

Interviewees also wanted more **support to help them develop as organisations.** The organisations interviewed compared the Heritage Fund to other Lottery distributors (e.g. the Community Fund, Arts Council England) and especially those with a greater remit for development (e.g. Arts Council England). Staff members noted that the Heritage Fund has a different statutory and strategic remit to distribute funds on a time-limited basis as compared to other lottery distributors and funders who can provide long-term revenue funding, however, the majority of interviewees were unaware of this and wanted additional funding and in-kind support. They suggested the Heritage Fund should:

- Provide core and long-term funding instead of project-based funding to enable small organisations to develop and become sustainable. It is important to note that the Heritage Fund's remit only allows it to grant time-limited funding, as opposed to core funding.
- Foster collaborations between organisations to enable smaller organisations to deliver long-term projects and develop long-term and meaningful partnerships
- Provide support to recruit volunteers - it is difficult to recruit volunteers, especially for organisations working with/for under-served groups, as they are less likely to volunteer than other groups (NCVO, Time well spent: Diversity and volunteering. 2020).
- Provide training and development opportunities for organisations that want to become more financially sustainable and develop their business and enterprise skills around heritage. This kind of support should be offered on a regular basis and the Heritage Fund should adopt a long-term, consistent approach (as opposed to one-off programmes). Two such programmes were or are currently implemented by the Fund:

[Heritage Compass](#) and [Resilient Heritage](#) which provided support for capacity building.

Those findings prompted discussions with staff around the limited capacity and resources available to provide more support to potential applicants and potential applicants, as well as the need for prioritisation of organisations receiving help.

Quote from staff:

> *"Our team's been talking about resources a lot. Some of the groups are rejected a few times when they ask for 150-200 k GBP, because they're considered risky. We could mitigate that risk by putting extra support, e.g. external consultant – but at the moment we don't have staff capacity for this. Then maybe they wouldn't need that extra support the next time – currently it's a Pass/Fail system, but there could be 'Pass with a bit of support'."*
> **Staff member**

Quote from a grantee:

> *"The support for organisation is that… minimum 3-5 years otherwise it won't provide the sustainability. There are lots of discussions about funding from the Arts Council and others. The sector has been pushing for multi-annual funding. Particularly around core costs and overheads that really limits organisation's ability to plan and deliver strategically. It consumes so much time and energy and can be quite demotivational. If organisations had the comfort of multi annual funding they would achieve a lot more. Time and energy could be put in other forms of fundraising. That would give a lot more opportunity for delivery and development."*
> **Grantee, organisation focused on people with disabilities**

Finding 6: Expectations and perception of the Heritage Fund

When asked what they expected from the Heritage Fund in the future, four key expectations came out from discussions with grantees.

1. Recognise and respond to the needs of small organisations (see section above for more details).
2. Be a champion for under-served communities in the heritage sector and elevate diverse voices:
   - Involve people from under-served groups in decision-making (through co-production, co-design, panels). Interviewees and workshop participants welcomed the fact that some large funders were testing ways of including end users, grassroot organisations or community members in their decision-making processes.
   - Provide funding streams for under-served groups, because projects focused on under-served groups (wellbeing and social equity) are likely to require specific sources of support.
   - Share stories of under-served communities and their heritage more widely.
   - Show that the heritage most important to under-served groups is also worthy of receiving large amounts of funding.

3. Advocate for a definition of heritage that includes wellbeing and social equity considerations:

- Interviewees stressed that expanding the understanding of outcomes linked to heritage could support positive outcomes for under-served groups.

4. Advocate for and take action to prove the importance of heritage.

- Use impact evaluation and data to prove the importance of heritage for wellbeing and social equity
- Make sure that funded organisations can compensate staff fairly, so that organisations can attract more diverse staff

We also asked participants if they could tell us about funders that had adopted an inclusive approach. Funders cited as examples were mainly small and community oriented, such as:

Small funders: Francis C Scott Charitable Trust, Garfield Weston Family Foundation, Communities First, Northern Rock Foundation. Those funders are appreciated for their understanding of local needs, flexibility, the simplicity of the application process (eg: open format to allow applicants to write about stories and impact).

Bigger funders: The National Lottery Community Fund, for its simplified application process and ability to connect organisations with potential partners; Paul Hamlyn Foundation, for its progressive approach to social equity; Esmee Fairbairn, for its focus on communities; Arts Council England, for its Organisation Portfolio and provision of core grants.

Finding 7: Identifying organisations led by under-served groups

The research presented an opportunity to assess the current data collection practices on EDI. Looking at the data collected by the Heritage Fund so far, we also observed that:

- Data used to identify organisations "led by" under-served groups present two limitations. The first one is that it relies on self-reporting (applicants decide whether they qualify as led by). The second limitation, and perhaps the most important one, is that there is no definition of what "led-by" means for the Heritage Fund and that could help applicants decide whether they fit under this category. Although giving applicants the freedom to apply their own definition of "led-by" can be positive, this approach does not guarantee internal coherence within the dataset, as applicants might apply very different interpretations of "led by".
- There is no mechanism to identify organisations led by or focused on people from low socio-economic backgrounds other than within the Areas of Focus, which are 13 specified areas selected due to low index of multiple deprivation ranking (and lack of previous investment).
- The Heritage Fund currently only collects limited data about the different stages of the engagement and investment process and there is a need for additional data about the applicant journey of organisations led by or focused on under-served groups.
- Data on organisation size was not available for analysis at the time of this report, which diminished the strength of conclusions that could be drawn from the dataset. Most notably, the assumption that organisation led by under-served groups are generally smaller could not be tested, which in turn made the comparison between organisations led by under-served groups and other organisations of the same size impossible.

Recommendations

Based on the findings of the research, The Social Investment Consultancy developed a series of ten recommendations for the Heritage Fund to consider. Members of the EDI research steering group, which included Heritage Fund staff working on the topic, were given opportunities to share their feedback and contribute to the development of the recommendations.

It is worth noting that, at the time of writing, some of the recommendations have already been partially implemented or are in the process of being implemented. Ongoing efforts that contribute to the changes described by the recommendations are mentioned in this section.

The recommendations include a suggested timeline for implementation. This is based on TSIC's understanding of the Heritage Fund's capacity to enact changes in processes and strategies. The timeline is designed to help readers distinguish "quick wins" from more long-term changes but is only indicative.

The list of recommendations is as follows:

- **Recommendation 1: Adopt a more nuanced approach to equality, diversity and inclusion**
- **Recommendation 2: Adopt a social impact and wellbeing approach to heritage in monitoring, communication and strategy**
- **Recommendation 3: Review the Heritage Fund's communication on heritage**
- **Recommendation 4: Refine the Heritage Fund's approach to implementing and providing guidance on the mandatory Inclusion Outcome**
- **Recommendation 5: Remove barriers to accessing funding for organisations led by under-served groups**
- **Recommendation 6: Adapt funding offers from the Heritage Fund to the needs of small organisations and support them to access funding**
- **Recommendation 7: Support capacity building of the sector by using the Heritage Fund's influential position and convening power**
- **Recommendation 8: Encourage power-sharing within the Heritage Fund**
- **Recommendation 9: Improve EDI data collection and conduct analysis on existing data sets**
- **Recommendation 10: Ensure that the Heritage Fund adopts a learning culture and that staff clearly understand its EDI objectives and vision**

The following sections provide details of the recommendations based on the findings of this report.

Recommendation 1: Adopt a more nuanced approach to equality, diversity and inclusion

As a result of the research, TSIC developed a framework to support the Heritage Fund in thinking about EDI in its funding in a more structured and strategic way.

The framework contains the following elements:

1. **Participation** (linked to the Inclusion Outcome): ensure that a wider range of people engage with and enjoy heritage. This means that the way heritage is presented resonates with a wide range of audiences and feels relevant to them.
2. **Ownership:** making sure under-served groups are actively leading projects on heritage, determining what heritage is important to them. Under-served groups should not be considered passive users of heritage; instead, they should be given the resources and tools to preserve and share their heritage.
3. **Social Equity & Inclusion:** heritage and social impact are often interlinked for under-served groups. Recognising the role of heritage in addressing structural issues (e.g. racism, ableism, Islamophobia, homophobia) is key for the Heritage Fund to put heritage in the service of under-served groups. The funding framework should reflect these types of outcomes.
4. **Wellbeing for under-served groups:** ensuring that under-served groups also enjoy the wellbeing benefits of heritage. Existing research has shown that heritage is linked to wellbeing, therefore taking a wellbeing approach to heritage can help make heritage relevant to everyone and is key to post-pandemic recovery.

Accessibility in its wider sense is embedded across all aspects of this framework. It includes access to physical infrastructures, information and activities, but also as access to opportunities.

If embedded in the Heritage Fund's EDI strategy for its funding, the framework could:

- Provide clear goals to direct the Heritage Fund's EDI efforts and can help measure EDI performance.

- Embed inclusion as core to social and economic recovery by including the ownership dimension alongside the wellbeing and social equity lens
- Meet strategic outcomes by addressing the social context of heritage. This approach will enable the Heritage Fund to support grantees to meet the Wellbeing Outcome 'people will have greater wellbeing' within the outcomes for funded projects and deliver against the Heritage Fund's environmental sustainability requirement for projects; it will also support the Heritage Fund to deliver against the two of the objectives in the Strategic Funding Framework 2019-24:
  - ensure that heritage is inclusive.
  - demonstrate how heritage helps people and places to thrive

The framework received positive feedback from staff members, although they highlighted the need to refine and test the terms used in the framework.

Timeline: short and medium-term (2022-2023)

Recommendation 2: Adopt a social impact and wellbeing approach to heritage in monitoring, communication and strategy

We found that respondents value heritage as a way of addressing social issues. Wellbeing, social equity and community cohesion were reported as key outcomes of heritage for under-served groups.

In response, the Heritage Fund should:

- Ensure the funding strategy accounts for the social context of heritage (inequality in health, economic outcomes, skills and access to environment) and the fact that many organisations working for or with under-served groups do not have heritage as a primary focus (about 55% of organisations in this research)
- Further integrate wellbeing and social equity outcomes in a simple and coherent monitoring framework and report on results or/and commission long-term evaluation to build the evidence base
- Communicate about and advocate for the role of heritage in wellbeing and social equity
- Adopt a wellbeing and social equity lens to enable the Heritage Fund to better align with the objectives of the Strategic Funding Framework of embedding inclusion and using heritage to support people and places to thrive

Timeline: medium-term (2023)

Recommendation 3: Review the Heritage Fund's communication on heritage

The research revealed a need for clarity around the Heritage Fund's expectations and a more tailored approach to communicating heritage to under-served groups.

The Heritage Fund should:

- Develop and test new ways of communicating about heritage, with a focus on demonstrating how a wide range of projects can fit within the Heritage Fund's open definition of heritage. This could include making more case studies and profiles of existing grantees easily accessible on the website, considering different ways stories can be told (audio, video), and sharing the Heritage Fund's platform so people can tell their own stories. As a good practice example, the Midlands and East team created a video explaining what heritage means and providing concrete examples of funded projects.
- Develop and implement communication strategies targeted at organisations led by and focused on under-served groups with explicit mentions of those groups. Members of the communication team noted that communications tailored for and targeted at certain groups – with explicit mention of those groups – for example, tweets specifically noting an intent to work with disadvantaged communities and using appropriate hashtags – proved effective at generating high levels of engagement from those groups. Events for potential applicants, for example, LGBTQ-focused events run by the Scotland team or Global Majority events run by the North team proved to be useful to reach potential applicant organisations led by those groups.
- Set up processes to enable increased collaboration between the Communication and Engagement teams in their efforts to reach out to organisations led by under-served groups (staff observed that there were opportunities for increased and formalised collaboration between teams)

Timeline: short-term (2022)

Recommendation 4: Refine the Heritage Fund's approach implementing and providing guidance on the mandatory Inclusion Outcome

The research showed that although the Inclusion Outcome is welcomed and appreciated by most organisations consulted in the research, the Heritage Fund should reflect on the role of the Inclusion Outcome in increasing participation of under-served groups. Both interviewees and staff members have shared challenges and limitations linked to the Inclusion Outcome.

The Heritage Fund should:

- Clarify the role of the Inclusion Outcome in driving participation in heritage for under-served groups and how it fits into the Heritage Fund's plans to increase their participation in heritage.
- Review and clarify guidance notes to ensure the consistent implementation of the outcome internally. This could include establishing processes to identify organisations that are led by or focused on under-served groups to make sure that they automatically meet the Inclusion Outcome. It is particularly important that those organisations, especially small ones, are not expected to reach out to additional groups to receive funding.
- After the internal review, the Heritage Fund should review external guidance for applicants around the mandatory Inclusion Outcome to make sure that applicants understand the requirements. This should include a review of what information is communicated, but also how it is communicated. Information should be clear and easy

to understand and communicated through a range of accessible media.

- Articulate the benefits of inclusion for organisations in the heritage sector. If organisations understand the wide range of benefits that could come from being more inclusive – e.g. increased reach and audiences, new ideas and talent, financial and organisational sustainability, resilience – they are less likely to see the requirements of the Inclusion Outcome as a box-ticking exercise or an obstacle to receiving funding. This would be particularly valuable for organisations that are not led by or focused on under-served groups.

In terms of support provided to organisations to meet the Inclusion Outcome, the Heritage Fund should prioritise in the following way:

Support **small to medium-sized organisations** that are not used to working with under-served groups and need support to engage with a more diverse audience. This could also include organisations with limited experience or skills in communication, audience development and outreach. Staff members already have experience with mandating external consultants (e.g. ROSS consultants) to support grantees over the course of the funding period, or signpost grantees to organisations with lived experience and that have delivered similar projects, establishing buddy systems or peer mentors.

Larger organisations should be expected to meet the Inclusion Outcome without the support of the Heritage Fund. Staff capacity should not be used to support organisations with the means to work on diversity on their own. The Heritage Fund could potentially support those organisations through signposting to relevant partners.

Timeline: medium-term (2023)

Recommendation 5: Remove barriers to accessing funding for organisations led by under-served groups

We identified a certain number of barriers that made access to funding difficult for organisations led by under-served groups. The recommendations below can be implemented quickly to mitigate those barriers.

Application process:

- Support and build on staff initiatives to streamline the application process for small grants, encourage the removal of requirements that are not absolutely necessary or that could be obtained at later stages of the application, and more closely align application questions with assessment criteria. Staff members mentioned that the Heritage Fund used to award micro-grants that could be accessed via a much less intensive and more accessible application process relying on conversation-led decision-making.
- Support ongoing efforts by the Central team to make the application platform more accessible (e.g. possibility to upload videos)
- Clarify the purpose of the enquiry stage as it is currently used and it's intended role in the applicant journey.

- Review guidance provided to decision-makers (Heritage Fund staff or Committees) on the definition of heritage to ensure the use of a consistent and open definition of heritage across the Heritage Fund.
- Review assessment processes to make sure that the scoring methodology does not disadvantage applications from under-served groups.
- Implement open recruitment for Committees, explicitly encourage applications from under-served groups and strive for representativity of those groups on panels (aligned with the regional population). This should include skills-driven and experience-driven recruitment, encouraging applications from within and beyond the heritage sector.
- Continue implementing strategies in place to increase the number of staff at the Heritage Fund with lived experience. The Heritage Fund already hosts paid, mentored placements with Change 100 and with the Windsor Fellowship programme to provide opportunities for graduates from minority ethnic communities, as well as with the 2027 partnership initiative.

Timeline: short and medium-term (2022-2023)

Recommendation 6: Adapt funding offers from the Heritage Fund to the needs of small organisations and support them to access funding

Interviewees, and especially rejected and potential applicants, highlighted the need for support for small organisations at pre-application and application stage. We recommend providing pre-application support to ensure that organisations with limited capacity and/or experience with fundraising have a chance to receive funding. This includes:

- Create opportunities for in-person and informal contacts. Targeted events for potential applicants, for example, LGBTQ-focused events run by the Scotland team or Global Majority events run by the North team are good examples of such opportunities. Workshops for applicant on topics related to their application (e.g. general tips for writing an application, budget) were organised by a certain number of teams in the past and were seen as a good way of engaging with potential applicants who need more help.
- Clarify priorities to enable Engagement teams to focus on and provide support to organisations led by under-served groups.
- Develop more partnerships with network organisations focused on under-served groups and build on existing initiatives. Programmes employing bridge-builders to support applications (Breaking Barriers, Keep Scotland Beautiful, the work with BME Network in the North) have been successful at encouraging organisations led by under-served groups to apply.

The research highlighted the importance to consider the needs of small organisations and those led by under-served groups in the design of funding programmes. We recommend:

- Explore how the Heritage Fund could direct funding to organisations led by or focused on under-served groups to support resilience of those organisations to enable them to

develop and take on larger grants if they wish to (e.g. developmental, core funding, strategic partnership to distribute grants).

- Provide capacity building and development opportunities for small organisations (eg: on fundraising) to help them become financially sustainable and scale their operations. Three programmes serving this purpose in different ways and implemented by the Heritage Fund were mentioned favourably by interviewees: Heritage Compass (focused on training), Resilient Heritage (funding for capacity development) and Catalyst Endowments (match funding leading to increased capacity for fundraising).

Timeline: medium-term (2023)

Recommendation 7: Support capacity building of the sector by using the Heritage Fund's influential position and convening power

Organisations interviewed suggested that a greater involvement of people from under-served groups in heritage could be achieved through partnerships between organisations of different sizes and with different audiences, as well as through co-production.

The Heritage Fund should facilitate knowledge sharing and learning with grantees and potential grantees to generate good practice on:

- developing meaningful and equal partnerships, to enable small organisations to deliver long-term projects
- building capacity for co-production with under-served groups (so heritage is relevant for them)
- increasing understanding of decolonisation* across the sector to make heritage relevant to under-served groups and explicitly move beyond an understanding of heritage as a "White British" social institution. Organisations interviewed indicated that heritage was sometimes not seen as relevant for under-served groups because it was not "about them".

*Decolonisation: "Acknowledging the historical, colonial contingencies under which collections were acquired; revealing Eurocentric ideology and biases in the Western museum concept, discourse and practice; [and] acknowledging and including multiple voices and multiple perspectives" (Kreps, 2011 – quoted in Wintle, 2016, p.1502). In: Examining the Situation of Decolonisation Within the Culture and Heritage Sector in The South West of England. Black Southwest Network, 2020.

Timeline: medium-term (2023)

Recommendation 8: Encourage power-sharing within the Heritage Fund and with external stakeholders

Many respondents would like The Heritage Fund to be a champion for under-served groups. Involving more people from those groups in decision-making was one option suggested by

respondents to achieve this goal. Based on strong support for power-sharing within the Heritage Fund, both from staff and interviewees, we recommend:

- Setting up an internal inclusion group with members of staff and volunteers/community representatives who can interact directly with members of the executive team, with subgroups for each under-served group. The National Trust recently introduced their "Inclusion Council" based on this model.
- Pilot decision-making processes that enable a shift of power from the Heritage Fund staff to members of under-served groups and the local community, by engaging users and community members in decision-making. For example, former grantees or local organisations representatives could be involved in funding decisions; a panel of heritage organisations leaders from under-served groups could award grants in specific funding streams; or a user panel (such as that used during the Kick the Dust programme) could be involved in allocating grants.

Including users, former grantees or community leaders in decision-making is an increasingly popular practice among grant-making organisations. The Heritage Fund has experience delivering programme that generate opportunities for users to be involved in decision-making and project design. Examples include the Year of Young People in Scotland, Kick The Dust and Young Roots programmes. These were targeted at young people and included opportunities for them to select projects and/or lead on project ideas and delivery.

Quote from staff:

> *"Year of Young People funding, delivered by the Scotland team, is a good example of taking a co-creation approach with under-served communities around our funding, and also involving young people in our decision making."*
> **Staff member**

Other large funders are experimenting with similar approaches, for example the Esmee Fairbairn Foundation is testing ways to involve young people in its funding decisions through the Young People Collective.

Timeline: medium-term (2023)

Recommendation 9: Improve EDI data collection and conduct analysis on existing data sets: changes include

Through this research, we have found that the existing data collection processes could be improved to allow for more granular and meaningful research in the future.

The Heritage Fund should improve the quality of the EDI data collected – where possible minimising the burden for applicants (see Recommendation 5) – and conduct regular analysis on available data sets. We recommend:

- Establish processes to identify organisations "led by", "focused on", "working with" under-served groups, based on the definitions outlined in this report. This could be achieved by altering or adding questions to the application platform. Questions could be focused on the number of staff or/and Board members and users from under-served

groups. It should include the option for respondents to indicate that they need support to collect this information moving forward, which would allow the Heritage Fund to provide appropriate support, such as ROSS consultants, signposting, or training.

- Include questions to enable applicants to indicate all the postcodes in which their project takes place. In that way, the Heritage Fund could use the IMD data at neighbourhood level to conduct more detailed analysis on the project beneficiaries.
- Capture and collate demographics of project beneficiaries and track this throughout the investment process
- Use nation-specific demographic data to establish the most appropriate benchmarks possible for each of the four Nations.

The Heritage Fund should also increase its data collection around the different stages of engagement and application, to better understand the barriers to accessing funding:

- Capture and analyse data on "organisation journey" (e.g. history of unsuccessful applications) to improve the quality of engagement with applicants. This work has started already with the development of KPIs to better understand applicant's journey through the application and grant-management process.
- Capture reasons for "rejection" for each unsuccessful application. The Heritage Fund could offer a series of common reasons for rejection and ask Investment Managers to provide the information after the assessment.

The data collected through the application form and throughout the application journey should be analysed on a regular basis. The Heritage Fund should set a schedule for comprehensive analysis of its available data on EDI, followed by a process of review of existing practices based on the findings.

Finally, the Heritage Fund should also collect or analyse available data on the representativity of decision panels. The lack of representation was mentioned as a potential challenge for organisations led by under-served groups seeking funding, but more data is required to confirm this assumption. This data should also be monitored regularly.

Timeline: short to medium-term (2022-2023)

Recommendation 10: Ensure that the Heritage Fund adopts a learning culture and that staff clearly understand its EDI objectives and vision

The Heritage Fund has already developed processes and programmes that are key to integrating EDI into its strategy and processes. It should better leverage internal learnings and experience moving forward. In summary, the Heritage Fund should:

- Continue to improve knowledge sharing and learning for staff
- Compile a list of programmes and projects related to EDI and under-served groups (eg: Kick the Dust, Young Roots, research conducted by the Service Design team) and review available evidence on a regular basis to support existing practices
- Learn from other funders who have been on a journey, such as the National Lottery Community Fund and Comic Relief

We saw that there were inconsistencies in how staff members understand and apply the Heritage Fund's definition of heritage or the Inclusion Outcome. The Heritage Fund should:

- Provide additional training or review existing material to ensure that staff understand the application of the open definition of heritage.
- Ensure a consistent implementation of the Inclusion Outcome (more details under recommendation 6)
- Make sure staff understand the Heritage Fund's objectives in terms of EDI and heritage for wellbeing and social equity.
- Continue to implement the social model of disability at all levels of the organisation, which also means encouraging staff to take the model into account in the selection and monitoring of grants.

Timeline: short-term (2022)

Appendices

Appendix 1: Definitions

The five under-served groups identified as the focus of this research are: minority ethnic communities (in Scotland, defined as minority ethnic and cultural communities), disabled people, LGBTQ+ individuals, young people, low socio-economic groups.

The table below presents the definitions used in this research, with additional comments and reflections on each category.

Category 1: Organisations whose funded project engaged under-served groups

> *Organisations that received funding for a project focused on under-served groups, but that do not have this group as a key audience across other projects.*

Category 2: (Category 1 +) Organisations focused on under-served groups

> *About 50% or more of their beneficiaries are from under-served groups;*
> *or*
> *organisations that define their mission or objective as supporting one or more under-served groups*

Category 3: (Category 1+2) + Organisations that are led by under-served groups

> *Minimum 50% of their staff are from under-served groups that reflect beneficiary groups*
> *or*
> *the organisation engages beneficiaries from under-served groups extensively through co-production processes*
> *or*
> *organisations that define themselves as "led by" under-served groups*

We are aware that definitions of "organisation led by" differ widely across the sector. Initially, we thought about adopting a strict definition and only considering organisations with a minimum of 75% of staff, volunteers or Board with lived experience as "led by".

However, given the challenges involved in obtaining information about the lived experience of staff or Board members without reaching out directly to them, we decided to adopt a more flexible approach and rely on self-reporting of organisations that see themselves as led by. In some instances, we were able to confirm that organisations had a majority of people from under-served groups in their staff during interviews. It is worth noting that we only looked at the proportion of staff members who are from groups that the organisations set out to serve.

We are also aware of the differences in representation of under-served groups that might appear at different levels of the organisation. Existing data from the cultural/heritage sector indicate that staff and volunteer groups are more likely to be

representative of under-served groups compared to Board members.

Category 4: (Category 1) + Organisations that have individuals from under-served groups within their staff or Board

Organisations that have at least one individual from an under-served group within their staff or Board.

In this case, we aimed to speak with the staff member identifying as part of an under-served group in order to gather insights on their experience.

Appendix 2: Sampling for interviews

Selection process

In the first Phase of the research (2020), participants for interviews were selected based on:

- links to under-served groups (minority ethnic communities, disabled people, LGBTQ+ individuals, young people) in the dataset
- for all programmes but the Culture Recovery Fund (CRF), organisations with the smallest turnover were selected
- for CRF, organisations were selected randomly

Due to the nature of the dataset on which the sampling was based (manual tagging and information focused on project beneficiaries), the number of organisations that were led by or had one of the under-served groups as their main audience in the sample was limited.

In the second Phase of the research, the quality of the sample was remarkably improved thanks to access to a dataset including more detailed information on applicant organisation's missions and their focus on under-served groups. Organisations were selected based on whether they identified as led by or focused on the under-served groups. The Engagement and Investment teams also played a key role by providing additional insights on the focus of organisations selected to be part of the research and helping the research team improve the quality of the sample.

Potential applicants and some unsuccessful applicants were recruited through a public callout shared on the Heritage Fund's social media and with network organisations. In total, we received 69 responses to the callout and invited organisations that met the sampling criteria.

In both Phases, to identify organisations working with users from low socio-economic backgrounds, we selected organisations based in the 10 most deprived areas based on Indices of Multiple Deprivation. The list of potential interview participants was reviewed and approved by the Heritage Fund's Engagement Managers and Investment Managers.

In Phase 2 of the research, all participants (interviewees and workshop attendees) were offered remuneration for their time. About 77% of all participants accepted the remuneration. In liaison with research participants it was clear that most did not expect remuneration. This suggests that there is a low risk of remuneration as a driver for participation and confirms that this practice to appropriately recognise contributions from participants can be successfully

implemented without significant risk of bias to the research findings.

Sample structure

The total interviewees for both Phases was 86, with 38 interviewees in Phase 1 and 48 interviewees in Phase 2. Interviewees in the second Phase of research were remunerated for their contributions.

Interviewees were categorised based on their self-identification as "led by" and information provided about their organisation. Interviews enabled researchers to clarify the position of certain organisations. Most (77%) of the interviewees for Phase 2 were organisations led by the communities or groups they serve.

The table below shows the percentage of organisations in the sample corresponding to each category (full definitions are available in Appendix 1) for Phase 1 and Phase 2.

Category	Phase 1	Phase 2
Organisations whose funded project engaged under-served groups	20%	0%
Organisations focused on under-served groups	67%	20%
Organisations that are led by under-served groups	13%	77%
Organisations that have individuals from under-served groups within their staff or Board - and work with under-served groups	0% (not reported for Phase 1)	3% (estimate - based on person interviewed for this research)

Interviewees had different relationships with the Heritage Fund:

- **64% (55) were grantees**
- **15% (13) were unsuccessful applicants**
- **21% (18) were potential applicants with no prior engagement**

In the second Phase of the research, all Nations were represented in the sample, as shown in the table below.

Location	Phase 1	Phase 2	Total
England	38 (100%)	12 (25%)	50 (59%)
Wales	0 (0%)	9 (19%)	9 (10%)
Scotland	0 (0%)	9 (19%)	9 (10%)
Northern Ireland	0 (0%)	12 (25%)	12 (14%)
UK-wide	0 (0%)	6 (12%)	6 (7%)
Total	**38**	**48**	**86**

The table below shows the representation of under-served groups across the sample for Phase 1 and 2, based on the groups that organisations are led by/focused on/work with and looking only at their sole or primary focus.

Under-served group	Totals (based on sole or primary focus)
Minority ethnic minority led	24 (28%)
Disability led	14 (16%)

Under-served group	Totals (based on sole or primary focus)
LGBTQ+ led	12 (14%)
Youth led	17 (20%)
Low socio-economic led	19 (22%)

The table below shows the representation of under-served groups across the sample for Phase 1 and 2, based on the groups that organisations are led by/focused on/work with and including intersectionality.

Under-served group	Sole focus	Primary focus but with intersectional interests	As an intersectional interest with a different primary focus	Totals (including intersectional interests)
Minority ethnic minority led	24	0	5	29 (29%)
Disability led	12	14	1	15 (15%)
LGBTQ+ led	7	5	0	12 (12%)
Youth led	16	1	2	19 (19%)
Low socio-economic led	15	4	4	23 (23%)

Appendix 3: Research limitations

A number of research limitations identified in Phase 1 of the research were addressed in Phase 2, which considerably improved the overall quality of the findings. The limitations included:

Selection bias: we mitigated risks of selection bias by adopting a mix of purposive and random sampling approach in both phases, whereby participants were selected for characteristics such as location or groups they work with. Nevertheless, it is still possible that organisation representatives who had the most positive or negative experiences were the ones who ultimately took the time to respond to our invitation. Selection bias could be even higher for participants recruited via public callout in Phase 2.

Identification of organisations working with people from low socio-economic background (quantitative and qualitative analysis): organisations working with economically disadvantaged communities were identified using the Indices of Multiple Deprivation. However, we are aware that not all organisations located in an area identified as economically deprived will actually provide services to this community. For interviews, we were able to check for alignment between our requirement and the organisation's mission, but that was not possible for quantitative data analysis. The Engagement and Investment teams also provided valuable insights on the work of organisations that were on the sample list, which increased the quality of the sample.

Identification of organisations led by under-served groups (quantitative analysis): data from the application form were used to identify whether organisations were led by under-served groups. The data point used to categorise organisations originates from one question in the application form, which asks about the organisation's mission and focus on particular groups. There is no guidance on how to answer this question (no definition of what constitutes an organisation being "led by" a particular group), and the data is self-reported. In this case, it

might be reasonable to expect that applicants that would not count as "led by" or working primarily with under-served groups under a stricter definition were counted as such in this research.

Missing variables in the quantitative dataset: Data on organisation size was not available for analysis at the time of this report, which diminished the strength of conclusions that could be drawn from the dataset. Most notably, the assumption that organisation led by under-served groups are generally smaller could not be tested, which in turn made the comparison between organisation led by and not led by of the same size impossible.

Appendix 4: Quantitative data analysis

TSIC analysed data from GEMS to better understand diversity within the Heritage Fund's portfolio and some of the barriers faced by organisations led by or working with under-served groups. This is the first time GEMS data has been analysed for EDI purposes.

The data analysed for this section came from two distinct datasets:

The EDI survey: This data set focused on data from individuals. The survey was initiated in 2021, it was sent to organisations who had applied for funding and contained optional questions about the demographic of the person replying to the survey. This dataset did not aim to capture data at the level of the organisation. In total the EDI survey had 558 respondents from 224 organisations. The relatively small sample size, when compared to the total of applications received by the Heritage Fund, is a key limitation to bear in mind throughout the analysis.

GEMS dataset: This data set focused on data from organisations. This included data on applications from organisations between 2018 and 2020. Variables available in the datasets and used in the analysis included:

- the organisation and project name
- decision for each application (accepted, rejected or withdrawn)
- the amount of grant requested and awarded
- organisation and project postcodes

Answers to the following question were used to determine whether organisations were "led by" under-served groups:

If your organisation defines itself and its mission as being led by one of the following, please select the options that apply:

Black or minority ethnic-led;
Disability-led;
LGBT+-led;
Female-led;
Young people-led.

And in Northern Ireland only:

Mainly led by people from the Catholic communities
Mainly led by people from the Protestant communities

Three categories were removed from the analysis of the question, as they did not align with the under-served groups covered by the scope of this research: female-led; Protestant-led, Catholic-led.

Applicants profile

Analysis of GEMS data between 2018 and 2020 (11,374 application records from 7,935 organisations) shows that under-served groups were slightly under-served in the Heritage Fund's pool of applications. We found:

- **67.4% (7,671) of all applications did not represent under-served groups.**
- **32.6% (3,703) represented at least one under-served group.**

Within the 32.6% of applicants representing under-served groups, 26.4% of all applications were from organisations self-identifying as led by the following under-served groups: minority ethnic communities, disabled people, LGBTQ+ individuals, young people. The remaining 6.2% came from organisations located in areas in the first IMD decile (data available for England, Wales, and Scotland), which represent organisations working with people from low socio-economic backgrounds for the purpose of this research.

From an intersectionality perspective, it is interesting to note that there is relatively little overlap between organisations located in the deprived areas and organisations led by under-served groups. Looking only at four of the under-served groups (excluding socio-economic factors) - applications from organisations led by minority ethnic communities, disabled people, LGBTQ+ individuals, and young people – and comparing this to deprivation we found:

- **26.4% (3,003) of all applications were from organisations led by minority ethnic communities, disabled people, LGBTQ+ individuals, and young people.**
- **9.7% (1,103) of all applications came from organisations in deprived areas.**
- **5% (154 out of 3,003) of applications from organisations led by under-served groups were from organisations in deprived areas.**
- **14% (154 out of 1,103) of applications from deprived areas were from organisations led by minority ethnic communities, disabled people, LGBTQ+ individuals, and young people.**

Only 14% of applications from organisations located in deprived areas identified as led by under-served groups (compared to 26.4% of all applicants). Conversely, about 5% of applications from organisations identifying as led by under-served groups were located in deprived areas.

When comparing the percentage of applications from under-served groups with their representation in UK population, we found:

- The percentage of applicant organisations that self-identified as led by minority ethnic groups was only slightly below the UK population.
- The percentage of applicant organisations located in the 10% most deprived areas reflected the population living in those areas in the UK.
- The number of applicant organisations led by people with disabilities and young people were markedly lower than expected.
- The number of applicant organisations led by LGBTQ people was slightly higher than

expected, although the figure for UK population only covers LGB groups and is likely to be higher when all groups are considered.

Under-served group	UK Population	Number of applications	% of total applications
Ethnic minority led	13.8%	1,460	12.8%
Disability led	20%	1,041	9.2%
LGBTQ+ led	2.7% (only LGB)	668	5.9%
Youth led	About 20% (under 25s), depending on area	1,821	16%
Low socio-economic led	10%	1,105	9.7%

The analysis of the EDI survey broadly confirms the findings above. It is worth noting that data from the EDI survey and GEMS are different in nature. The EDI survey is not an attempt at capturing demographics at organisation level and only focuses on characteristics of the respondent. As such, it can provide with valuable insights into the diversity of people working at organisations that applied to the Heritage Fund. Please note that the demographic characteristics captured in the EDI survey did not capture data on all under-served groups.

Analysis of the EDI survey shows that applicants who responded to the survey were generally representative of the UK population, with some groups being over or under-served. We found:

- 11.6% of respondents were from ethnic minorities background, slightly lower than the 12.8% of the UK population. 44 of the 224 organisations represented in the survey, or 19%, had at least one respondent who identified as being from ethnic minorities.
- 14% of respondents identified as LGBTQ+, much higher than the UK population statistics of 2.7%. These 79 LGBTQ+ respondents came from 38 different organisations, or 14% of all organisations responding.
- 14.9% of respondents said they have a disability, compared to a UK average of 20% or 19% for working age adults. 24% of organisations represented in the survey had at least one person who identified as having a disability.

The table below shows the percentage of all survey respondents (588) and all organisations represented in the survey (224) who identified with key demographics compared to the UK population.

Under-served group	UK Population	Total survey respondents	Total surveyed organisations
From a minority ethnic community	13.8%	82 (11.6%)	44 (19%)
Identifying as having a disability	20%	83 (14.9%)	55 (24%)
Identifying as LGBTQ+ - counting non-binary or gender non-conforming and people identifying as Trans-sexual	2.7%	79 (14%)	38 (17%)

Geography

When looking at the Nations and areas where applications came from, we found:

- The North was the region that received the most applications from organisations self-reporting as "led by" under-served groups, followed by London and South.
- Wales, Scotland and Northern Ireland are slightly below the average percentage of applicants identifying as led by under-served groups, which could be explained by the

demographics in these areas (e.g. in terms of ethnic diversity).

- Organisations located in deprived areas were more represented in Northern Ireland than in other Nations. About 20% of all applications in Northern Ireland came from organisations located in deprived areas, compared to an average of about 9% for other Nations.

The table below shows the percentage of applications from organisations self-identifying as "led by" under-served groups for each region between 2018 and 2020, with one column including organisations led by groups from low socio-economic background and one column excluding this category. The reason to make a distinction between those categories is that the identification process differed: organisations led by groups from low socio-economic background were identified based on IMD data, as opposed to self-reporting by organisations for other groups.

Area	Applications from organisations self-reporting as "led by" under-served groups (including low socio-economic background)	Applications from organisations self-reporting as "led by" under-served groups (excluding low socio-economic background)
London and South	34.3%	27.5%
Midlands and East	33.6%	26.1%
North	35%	28.5%
Wales	28.9%	25.4%
Scotland	27.5%	23.7%
Northern Ireland	37.5%	23.8%
Average % All Areas	**31.8%**	**25.8%**

Success rates

Analysis of GEMS data shows that organisations self-reporting as "led by" under-served groups were less likely to receive grants from the Heritage Fund, compared to other. We found:

- Overall, organisations self-reporting as "led by" under-served groups were less likely to receive funding from the Heritage Fund compared to organisations that do not identify as led by under-served groups: 28.3% of organisations led by under-served groups were successful in receiving a grant, whereas 35.7% of other organisations received grants
- Organisations led by young people and disabled people were least likely to receive a grant, with just over a fifth of applications accepted.
- Organisations led by groups from a low-socio economic background – identified using IMD data – had a success rate comparable to other organisations.

The table below shows the overall success rate for organisations led by each under-served group, compared to other organisations.

Under-served group	% of total applicants	% of which awarded grants
Ethnic minority led	12.8%	26.2%
Disability led	9.2%	20.6%
LGBTQ+ led	5.9%	22.6%
Youth led	16%	20.2%

Low socio-economic led	9.7%	35.9%
Total organisations led by under-served groups	**35.5%**	**28.3%**
Total other organisation	**66.5%**	**35.7%**

When looking at the success rates by areas, we see that:

- Overall, Northern Ireland-based organisations led by under-served groups were the most likely to receive grants (38.1% received grants).
- The biggest difference in success rate between under-served organisations and others can be found in the Midlands and East, followed by the North and London and South. There is almost no difference in success rate between organisations led by under-served groups and other organisations in Northern Ireland.

The table below presents the overall success rate for organisations led by under-served groups compared to the success rate for other organisations for each region.

Region	Overall success rate	Success rate of under-served groups	Difference (points)
London and South	33.3%	24.9%	8.4
Midlands and East	35.3%	26.4%	8.9
North	32.5%	23.7%	8.8
Wales	28.5%	21.7%	6.8
Scotland	28.9%	24.3%	4.6
Northern Ireland	38.5%	38.1%	0.4
Average % All Areas	**32.82%**	**26.5%**	**6.3**

Looking in more detail at the success rates across the different stages of the application process, it appears that organisations led by under-served groups are more likely to be "discouraged" with their current project after submitting an enquiry, compared to other organisations. The data shows:

- Overall, 39% of all applications were discouraged after submitting an enquiry. In Scotland, this was the case for about half of all applications.
- 43% of all applications from organisations led by resulted in a personalised response informing applicants that they were discouraged to apply with their current project after submitting an enquiry, higher than the 36% for other organisations.
- The proportion of applications from organisations led by under-served groups that were discouraged was higher than the average for all groups except organisations located in deprived areas (low socio-economic background).
- 51% of applications from disability-led organisations were discouraged at enquiry stage.

The table below shows the percentage of applications that received "discouraged as presented" feedback after enquiry stage for organisations led by under-served groups.

Under-served group	% of applications that received "discouraged as presented" notice after enquiry stage
Ethnic minority led	47.5%
Disability led	51%

Under-served group	% of applications that received "discouraged as presented" notice after enquiry stage
LGBT+ led	47%
Young people led	48.4%
Low socio-economic background	35.3%
Total for organisations led by under-served groups	**43.3%**
Total for other organisations	**36.5%**

While their overall chances of success were lower, organisations led by under-served groups were more likely to succeed with applications for smaller grants compared to other organisations. We found:

- Applications from organisations led by under-served groups were more likely than others to lead to the award of grants below £100,000. In other words, organisations led by under-served groups had a slightly higher success rate compared to other organisations when applying for smaller grants. For example, about 22.5% of applications from organisations led by under-served groups received a grant below £10,000, compared to 19.3% for other organisations.
- However, organisations led by under-served groups were less likely to receive larger grants. Only about 5.8% of organisations led by under-served groups were awarded amounts of more than £250,000, compared to 9.8% for those not representing under-served groups.

These findings reflect those from the Year 2 Evaluation of the Areas of Focus produced by the Heritage Fund. The research identified a funding gap in areas of deprivation, between the range of £50,000-£200,000, where small organisations do not access funds beyond a certain level and "community groups are seen to be content to apply for smaller pockets of money, whilst the larger projects (e.g. large capital projects), tend to be undertaken by large and well-resourced organisations".

Within this Equality, Diversity and Inclusion research there are notable differences in success rates between under-served groups. Overall, organisations located in deprived areas had better chances of receiving larger grants compared to other under-served groups. For example, only 2.3% of organisations identifying as led by ethnic minorities received a grant over £250,000, while 10% of organisations located in deprived areas did.

The below table shows the percentages of applications from organisations led by under-served groups that were awarded a grant, and then shows the split of those successful applications by grant size awarded.

Under-served group	£1-9,999	£10,000-49,999	£50,000-99,999	£100,000-199,999	£200,000-250,000	£250,000-5m
Ethnic minority led	22.%	45%	24%	4.2%	1.8%	2.3%
Disability led	27.6%	36%	24.8%	3.7%	2.8%	5.1%
LGBT+ led	26.5%	39.7%	20.5%	6%	2%	5.3%
Young people led	24.5%	39.1%	23.4%	5.7%	2.7%	4.9%
Low socio-economic background	19.4%	41.1%	18.9%	5%	5.3%	10.3%

	22.5%	42.3%	21.4%	5.1%	3.0%	5.8%
Total for organisations led by under-served groups	22.5%	42.3%	21.4%	5.1%	3.0%	5.8%
Total for other organisations	19.3%	38.7%	16.3%	10.3%	6.3%	9.8%

It is also worth noting that organisations led by under-served groups based in England were more likely to receive a larger grant, with 202 organisations (2.3%) of English applicants receiving a grant of over £300,000, compared to 4 (0.6%) from Northern Ireland, 8 (1%) from Scotland and 3 (0.3%) from Wales.

Appendix 5: Additional information on the perception of projects accepted

Certain types of projects were not perceived by interviewees as being interesting to the Heritage Fund, even though the Heritage Fund does support such projects. This included projects:

- that are about or touch on 'sensitive' topics such as sexuality (eg: dimension of LGBT+ heritage) – staff noted that the Heritage Fund did support that kind of projects
- that are designed for one specific group with limited opportunities to extend to other user groups
- that are for or led by under-served groups but not about under-served groups' heritage
- centred around wellbeing and with limited engagement with heritage artefacts (but some engagement with intangible heritage).

Appendix 6: Additional quotes

On the role of heritage:

"I think it's very important to those diaspora communities, their memories and their identity and their heritage stem from other places in the world. They have that link to other countries. Heritage for them is so important – it's through making that heritage very accessible to them, help them understand themselves but also help others understand them. It's a dialogical resource. (…) We have a situation in this country where there's still a lot of misunderstanding, intercommunitarian frictions. (…) A lot of our work is generated by the anxiety of the parents, grandparents about their children being disconnected by heritage. The children don't know who they are – that creates a crisis of confidence, which undermines their potential. Heritage as a resource of intergenerational cohesion, nurturing cohesion, self-respect, dignity."
Potential applicant, organisation led by minority ethnic group

"I think it's important – as long as it's told truthfully, you have to tell bad and the good – not only the good. We wouldn't be here if we didn't have all stories. What comes to mind – is migration stories – a lot of communities were shipped out to the West/East. At the same time, you have the vibrant music heritage – Rolling

Stones started in my area. These stories aren't being told here."
Unsuccessful applicant, organisation led by minority ethnic group

"It moulds them (project participants), it helps them to know where they are from, to represent themselves wherever they are. It helps them to remember where they're from – you have to present yourself well."
Unsuccessful applicant, organisation working with young people

On the perception gap around the definition of heritage:

"I struggle and I don't really understand it (the definition of heritage). It seems very prescriptive. A lot of people there (funded by the Heritage Fund) have ownership of heritage. We are the opposite – but we are the wearer of the shoes, the ones who know what we need (in a deprived area). The Lottery is more interested in big project, for example they gave 5m to buy a boat that carried people from the Titanic - SS Nomadic – it was absurd. (…) From my limited knowledge of the Lottery, it is all (about) the legacy of empire, the Titanic and all of that. Whereas our community...nothing like that. But our communities need help to preserve our heritage. And the Fund isn't that interested in this heritage. The application system is good and works well. The thinking of the people is the problem."
Unsuccessful applicant, led by people from low socio-economic backgrounds

"I do think there's an effort to value our heritage. But they (the Heritage Fund) need a better understanding of how you approach (heritage). Whose interpretation of heritage are you talking about? They have a very White, middle-class, academic understanding. When I look through successful recipients – I see many churches that are being preserved. Those groups have someone White, academic who will write that bid."
Grantee, led by people from low socio-economic backgrounds

"If you were asked 5 years ago – I would've said it's about preserving buildings. The Fund has moved in the last 2 years to focus more on health and wellbeing. The heritage is way broader, includes grassroots activism. Heritage is people."
Grantee, organisation led by LGBTQ people

On the value and perception of the mandatory Inclusion Outcome:

"The Fund should be better at communicating about inclusion. It needs to be in your face that the Heritage Fund wants to listen to people who are not involved in heritage. The potential for learning is enormous"
Grantee, organisation focused on working with people with disabilities

"The fact that we all have 'work arounds' that accompany what our guidance says, means that it's not really fit for purpose. We have to have those deeper conversations about who is engaging in the heritage at the moment, who is missing etc."
Staff member

"It does take a bit of unpicking – the groups might see it as a very literal thing. But it's not about how diverse your local community is but understanding who is and

isn't engaging with heritage and trying to fill those gaps. For led-by organisations, it is important to let them know they are already filling out the Inclusion Outcome."
Staff member

"Everyone has their own heritage – so inherently everyone's engaged with it. Maybe to phrase it to people who are less engaged with heritage organisations; when it is important to them, people do engage with their heritage – we can't convince them to engage groups that do not need that. NLHF understands that more than before."
Staff member

On barriers to accessing funding:

"They thought heritage is something that you have to record and grasp and lock it away, but how many future generations will look at transcripts- it feels very old fashion. Also… it seemed to be the luck of the straw with the funding officer. If they have got local community knowledge and understanding you feel that you have more chances of success because they understand the heritage."
Unsuccessful applicant – rejected a few months ago; organisation working with young people

"Committee members should be beneficiaries of similar projects, an environment that's welcoming, it needs a range of people on the committee. Diversity is very important – needs to have a mix of people. I was on a similar panel once, people were being laughed at for making grammar mistakes. It's about what happens in that space, not only about who is on it. At least one person who is not from a grant-making world."
Potential applicant, organisation led by ethnic minority group

On support for small organisations and those led by under-served groups:

"My mental health was affected by funders' lies – they say they don't fund this sort of thing, but you see the same projects being funded. For people coming from minorities – we would like to see NLHF break rank and be a funder which is truly inclusive, truly transparent and is equitable. Equitable means recognising the distinct circumstances from which people are coming."
Potential applicant, organisation led by ethnic minority group

"Everyone wants innovation but nobody wants to pay for the work to make it happen, the time for people to be creative."
Grantee, organisation led by people with disabilities