

**NATIONAL  
HERITAGE  
MEMORIAL  
FUND**



## **Business Plan for 2017-2018**

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## **Foreword: Our purpose and role**

The National Heritage Memorial Fund (NHMF) - also operating as the Heritage Lottery Fund (HLF) - holds a unique position across the United Kingdom.

The NHMF is able to provide financial assistance towards the acquisition of assets of national heritage that are at risk of loss.

HLF complements the NHMF role by providing grants to sustain and transform heritage through projects that make a lasting difference for heritage, people and communities.

We help people to get involved in the UK's heritage and make a positive impact by enriching lives and communities and bringing economic value to the UK.

We have established a reputation built on trust and confidence. We are trusted by the public, stakeholders and Government to distribute funding wisely and in support of successful projects.

We are an expert in grant making. We are independent, measured and focused on quality.

We have developed the relationships, and skills, to work with others in partnership to improve heritage and the quality of people's lives.

# 1. Introduction

## Background

This business plan sets out what we are aiming to achieve in 2017-18, and the resources that we plan to use in that year. This covers both the National Heritage Memorial Fund (NHMF) and the Heritage Lottery Fund (HLF).

The National Heritage Memorial Fund was set up by Parliament in 1980 to save the most outstanding parts of our heritage at risk of loss to the nation, as a memorial to those who have given their lives for the United Kingdom. NHMF is unique in its ability to provide financial assistance towards the acquisition, preservation and maintenance of such a wide range of heritage treasures from trains to masterpieces of art, wildlife havens to manuscripts.

In the last year NHMF has awarded funding to help acquire:

- Wentworth Woodhouse;
- Shaw's Moonrocket;
- The Lenborough Hoard for Buckinghamshire County Museum Trust;
- Isaac Oliver's miniature portrait of Lord Herbert for National Trust Wales and,
- The Castle Howard Cabinets for the Fitzwilliam Museum.

A small grants team handles the UK wide NHMF grants business. In 2015 an additional team was established as part of NHMF to manage the Listed Places of Worship Roof Repair Fund on behalf of the Government. We expect this programme to conclude in 2017-18 where we have a final tranche of £1M in funding to allocate.

In 1994, the NHMF and its trustees were also given the task of distributing the heritage share of National Lottery money for good causes, which it now operates through the Heritage Lottery Fund (HLF).

The NHMF operates as an Arms-Length Body from government under the sponsorship of the Department for Culture, Media and Sport. We work under the direction of a Board of Trustees. Our chair is Sir Peter Luff.

The NHMF continues to act as the fund of last resort, being able to act very quickly in emergencies. The Heritage Lottery Fund gives grants to sustain and transform heritage through projects that make a lasting difference for heritage, people and communities.

Although our origins are in the NHMF, this now accounts for a small but still important element of our work - about £5M a year in grants. HLF is otherwise the main focus of our activity on which we will spend around £300M in 2017-18 in grants.

## **Heritage Lottery Fund: How we are organised**

We have four departments: Operations, Strategy & Business Development, Communications, and Finance & Corporate Services.

Scotland, Wales, Northern Ireland and each of the English regions have a dedicated local team within Operations providing advice and support to applicants and assessment and monitoring of grant applications.

Our Board is made up of 13 appointed trustees in total, including the Chair, bringing differing areas of expertise. They meet monthly throughout the year (except July and August) and consider grants for non-delegated programmes – the larger spending programmes with awards above £2M, and some specific national programmes.

Country and regional committees covering Scotland, Wales, Northern Ireland and the English regions approve grant decisions for programmes with spend from £100K to £2M.

Senior Operations staff have delegated authority to approve grants of up to £250K under the Resilient Heritage programme.

Operational staff have delegated authority to approve smaller grants on a local basis where these are below £100K.

We expect to review our wider approach to delegation in 2017-18.

## 2. Our aims and our values

### Aims

Using money raised by National Lottery players, the Heritage Lottery Fund aims to give grants to sustain and transform our heritage, making a lasting difference for heritage, people and communities.

### Our value and impact as HLF

- Over the last twenty-three years we have been trusted by the public, stakeholders and successive governments to distribute National Lottery money wisely, supporting successful heritage projects right across the UK;
- We are an expert grant maker, experienced in ensuring that our funding achieves great results. We are independent, considered and focused on quality;
- We have developed the relationships and skills to work with others to improve heritage and quality of life across the UK and;
- Thanks to National Lottery players, our investment has had an enormous impact on the nation's heritage, transforming it for people and communities. With around £300M to distribute this year, HLF will be one of the most important sources of heritage funding, and will continue to make investments which unlock the huge potential of the UK's heritage.

### Our values

Last year we refreshed our internal values in consultation with all staff. We intend to use these organisational values to underpin and support our strategies for grant giving in the remainder of the current Strategic Framework, and in planning for the next to run from 2019 onwards. They will also play a crucial part in underpinning the new business strategy for the organisation itself.

In our work we aim to:

Always act with **integrity** by being impartial and professional.

Be **trusted** for our expertise and judgement.

Be **collaborative** by working in and learning from partnerships across HLF, with stakeholders and National Lottery players.

Be **inclusive** by embracing all aspects of heritage, and the interests of all people and communities.

Be **forward looking** by advancing the cause of heritage, encouraging new and innovative thinking.

These values define:

- A fundamental part of our culture and the way we work;

- A framework for our leadership and management and;
- Our behaviours.

During 2017-18, we will build these values into our strategic and business planning; incorporate them into our business change programme; make them an integral part of the new performance management system and promote them through internal communications.

## 3. Our strategy

### Strategic Framework

2017-18 will be the fifth year of HLF's Strategic Framework 2013-19, *A lasting difference for heritage and people*. The framework aims to give confidence to the sector, and provide some certainty about how we will deploy our resources, whilst retaining flexibility to respond to emerging needs and demands. In this Framework we have remained true to the core principles that have defined our distinctive approach since 2002: we invest in the full breadth of the UK's heritage, and have identified outcomes we want our funding to achieve for heritage, people and communities.

Following a review of the Framework at its mid-point (September 2015), we delivered a range of responsive measures in 2016-17 to address pressures in the operating environment for our applicants and grantees, and our priorities for an inclusive heritage sector. These were in the areas of organisational resilience, skills and young people.

In view of the flexibility offered through our current Strategic Framework to introduce changes or new initiatives when needed, Trustees agreed to extend the current Strategic Framework for a further year to 2019, and undertake full consultation on that during 2017-18 rather than earlier. This enabled us to accommodate delivery of some key parts of the Government's Culture White Paper published in March 2016, and to enable the new Chief Executive to engage with the strategic planning process.

### Our project outcomes

In assessing applications, we take account of the broad range of outcomes we know heritage projects can deliver, give extra weight to those outcomes we value most, such as learning, and are proportionate in our expectations of projects at different levels of grant.

The project outcomes we will be assessing can be summarised as:

#### Heritage outcomes

With our investment, heritage will be:

- better managed\*
- in better condition\*
- better interpreted and explained
- identified and recorded.

#### Outcomes for individuals

With our investment, people will have:

- learnt about heritage\*\*
- developed skills\*
- changed their attitudes and/or behaviour
- had an enjoyable experience
- volunteered time.



### **Outcomes for communities/society**

With our investment:

- environmental impacts will be reduced\*
- more people and a wider range of people will have engaged with heritage\*
- organisations will be more resilient
- local economies will be boosted
- local areas/communities will be a better place to live, work or visit.

\*These outcomes are weighted for grants over £100K in our open programmes

\*\*This outcome is weighted for all grants in our open programmes

## Progress to date

### Grant programmes and initiatives

We continued six programmes from our previous Strategic Plan (Heritage Grants, Your/Our Heritage, Parks for People, Landscape Partnerships, Townscape Heritage and Young Roots).

In the first two years of the Strategic Framework we added 6 new rolling programmes (Sharing Heritage, Start-up Grants, Transition Funding, First World War: Then and Now, Grants for Places of Worship and Heritage Enterprise), and 5 time-limited initiatives (Skills for the Future, Catalyst umbrella, Catalyst small grants, Catalyst Endowments, and Collecting Cultures).

We reviewed our progress and achievements at the mid-point of the framework in 2015-16, and as a result identified a number of new developments and priorities which we delivered in 2016-17:

- A renewed focus on organisational resilience. We simplified and consolidated our support for organisations needing to build their capacity and capabilities in the context of a challenging operating environment by combining the existing grant programmes (Transition Funding, Start-up Grants, and Catalyst small grants), into a single new programme – Resilient Heritage - offering grants from £3K, to a higher maximum grant level of £250K;
- Alongside this, we supported organisations with ambitions to develop their long-term financial sustainability through endowment building with the launch of Heritage Endowments, a third investment in a challenge fund for endowments, providing grants of £250K, £500K or £1M, to be matched through private fundraising on a 1:1 basis;
- We delivered a third round of the Skills for the Future programme, designed to address the skills shortages in the heritage sector, and with increased emphasis on supporting heritage organisations to recruit, and train a more diverse workforce;
- We launched a new initiative, Kick the Dust, to support a small number of organisations working in consortia to deliver a demonstrable step-change in young people's engagement with heritage – outside school – and to embed good practice across the sector and;
- We continued to encourage high-quality applications for projects focusing on natural heritage as a strategic priority, as these are less well-represented in our funding.

### The Culture White Paper

**The Culture White Paper**, published in March 2016, was the first for over 50 years, and sets out the UK Government's vision for culture under four main themes:

- **Opportunities for enjoyment of culture** – the importance of lifelong cultural experiences, and how they should be available to everyone, regardless of background.

- **Culture and place** – how culture is integral to the identity of local areas, and has the potential to transform a place.
- **Culture and international standing** – how culture can further enhance the soft power of the UK.
- **Cultural investment, resilience and reform** – making sure our culture has a robust and resilient future.

The White Paper created important context for HLF's work in 2016-17. In addition to Kick the Dust, Skills for the Future and Heritage Endowments, we contributed to delivery of a number of other initiatives.

- **Great Place Scheme** – this will be piloted in at least 12 areas in England, announced in March 2017 with investment of £10m from HLF and £10m from Arts Council England. This programme aims to support communities to realise their local cultural vision, embedding culture in their local agencies' plans and boosting jobs, economic growth, education, health and wellbeing. We expect to award £5m to Great Place Schemes in Scotland, Wales and Northern Ireland during 2017-18.
- **Funding** – HLF contributed £125,000, with a further £125,000 from Arts Council England, to a pilot crowd funding match funding scheme for cultural organisations, developed by NESTA.
- **Churches Sustainability Review** – HLF contributed expertise to this review of the funding, use and sustainability of places of worship; our Chair Sir Peter Luff was a member of the Panel.
- **Museums Review** – HLF and Arts Council England each contributed to this review of museums, how they are funded, who leads strategically and how to build resilience. The review will report in 2017.
- **Tailored Review** – Our Tailored Review began in February 2017, and is expected to report during 2017-18.

## Balance and spread of funding

To ensure we achieve an optimal balance and spread of funding, we made three spending commitments in our Strategic Framework:

- Around 75% of funding would be available through “open programmes”. In 2016-2017, due to the time-limited initiatives detailed above, this was 68%. We expect to achieve 75% in 2017-18.
- £30M a year would go to small grant programmes (under £100K) – we have achieved this to date and;
- Delegation of grants up to £2M to country and regional committees/teams – we have achieved this to date too.

## Leadership and sharing learning

As part of our Strategic Framework we committed to “speak up for and demonstrate the value of heritage to modern life” and to create “more opportunities for dialogue with people who care about heritage”. We took this forward through a convening role in 2015-2016 with a major conference, twenty years on from the Disability Discrimination Act,

Inclusive Heritage, and continued our commitment to this theme with a workshop focusing on heritage and mental health, held in Manchester in late 2016.

In September 2016, we published the second *State of UK Public Parks* report, which was praised across the parks sector for providing robust research demonstrating the continuing decline of the UK's public parks. The research provided comprehensive evidence for the Parliamentary Communities and Local Government Committee Inquiry in to the *Future and Funding of Public Parks in England* which was held in November 2016. The inquiry is due to report in early March 2017. HLF is regarded as the UK authority on the current state and future of public parks. In 2017 we will continue to support innovation in financing and managing public parks through our Rethinking Parks programme, and new initiatives with partners such as the National Trust, Parks Alliance, the Greater London Authority and Nesta.

Following the Heritage Exchange conference in July 2014, we continued our research with the Royal Society of Arts (RSA) on Heritage, Identity and Place, and held a further Heritage Exchange event in November 2016 to launch this research. Alongside this, we re-issued an updated Heritage Index, first launched by the RSA in September 2015, which helps people understand local heritage assets and activities, and access relevant data through a single site. The Index is designed to stimulate debate about what is valued from the past, and how that influences the identity of its current residents. Both the research and the Index were available to inform the proposals developed as applications to the Great Place Scheme.

We have further developed our online communities as a focus for sharing learning and good practice across the sector. In 2015-16 we launched a new open space for applicants and grantees to share information, advice and questions about any kind of heritage project. Our programme-specific forums around Parks, Landscape Partnerships, Young Roots, Skills and Resilience continue to provide a focus for those with shared interests around these themes. We will continue to promote these in 2017-18.

In the current challenging operating environment many projects are facing unexpected challenges and demands, both during delivery, and after completion. We have increased our focus on risk management, and sharing lessons through the work of our Business Improvement Unit, and will continue to do so for the remainder of the Strategic Framework.

## 4. Our focus in 2017-18

### Challenges

We recognise that 2017-18 is set to be an exceptionally demanding and challenging year.

The operating environment for heritage overall remains extremely volatile with the uncertainty, and social impacts, associated with the UK's vote to leave the EU in June 2016 the most significant change. A more competitive climate for the National Lottery in 2016 has also contributed to increased volatility in income to the Good Causes, following two record years in 2014-15 and 2015-16. None the less we expect to be able to make awards totalling £300m in 2017-18, close to historic average levels.

We will seek to carefully manage and address the challenges through our management of risk, relationships and business approach.

### Challenges for the UK

- Continued austerity across the UK, with the impact of reduced public expenditure continuing to put pressure on additionality of the National Lottery spend;
- Uncertainty generated by Brexit, and the nationalist sentiment, social divisions and plural identities of 'Britishness' that this has highlighted and;
- Devolutionary developments at local level in England and individual country issues across the UK.

### For heritage a need to:

- Develop new sources of sustainable income;
- Foster more diversity and be more inclusive;
- Build capacity and skills, in order to be more inclusive and more entrepreneurial;
- More actively demonstrate its role in wider social and economic agendas – e.g. health and well-being, regeneration;
- Act as a focus for public and community involvement through asset transfers and community businesses and;
- Stay relevant in a digital age with other urgent social and economic pressures.

### For HLF – looking ahead we aim to:

- Drive change through our leadership, influence and investment;
- Build on the UK's Government's focus on access and inclusion;
- Explore new models, and lever in additional sources of funding for heritage;
- Work collaboratively across the National Lottery family;
- Simplify processes and be more flexible;
- Explore new opportunities grant giving partnerships;
- Work with exciting ideas and people wherever they come from;
- Build public involvement in what we do and;
- Continue to advocate for the unique place/role of heritage.

## Corporate priorities

Delivering our HLF grant programmes in accordance with our current strategic framework, and our NHMF grants in line with our funding agreement, is the core of our work and the starting point and context for our annual priority-setting. This comprises the vast majority of our activity and is reflected in our departmental plans, staff objectives and personal development plans.

We will continue to provide locally based support to applicants and grantees across the UK, responding quickly and effectively to changing demand, ensuring access to our funding, and being ready and able to deal with projects facing difficulty and protect our investment.

We will maintain our progressive agenda, working responsively and collaboratively to support the sector. We will continue to make a compelling, evidence-based case for the value and impact of heritage, and the vital role of National Lottery funding. In doing so we will ensure we are accountable to governments, the sector that we serve, as well as National Lottery players too.

We place a high value on our staff, respecting their professionalism and commitment alongside their skills and competences. We will try to enhance all of these through our learning and development opportunities.

In this context we have identified the following priorities for 2017-18, and grouped these into areas of common themes:

Corporate Priority	How we will know we have achieved this in 2017-18
Simplify our grant programmes, processes and decision making	<ul style="list-style-type: none"> <li>We will have reduced the number of our programmes</li> <li>We will have redesigned processes for SF5</li> <li>We will have introduced new delegation and authorisation schedules</li> </ul>
Develop proposals for SF5 and business strategy	<ul style="list-style-type: none"> <li>We will have articulated our vision for SF5</li> <li>We will have developed proposals for the SF5 funding portfolio consulted on them</li> <li>Our business strategy will underpin SF5</li> <li>Our values will be connected with strategy, operation and governance</li> <li>The Tailored Review will be completed and we will respond to the recommendations</li> <li>CWP implementation will be completed</li> <li>Internal communications and intranet will be improved</li> <li>New performance management system will be prepared</li> <li>Leadership and staff development programmes will have been delivered</li> </ul>
Enable the development of new business and operating models to promote resilience in	<ul style="list-style-type: none"> <li>We will have developed new partnerships with stakeholders in social investment, social enterprise, community business and civil society</li> <li>An approach to support wider resilience including opportunities like crowd funding, civic engagement etc.</li> </ul>

heritage	<ul style="list-style-type: none"> <li>• All parts of HLF will share lessons of projects with each other and potential applicants, grantees and wider stakeholders</li> <li>• We will introduce pre-operational reviews</li> <li>• We will continue to protect past investment</li> </ul>
Embed inclusion and diversity into our business	<ul style="list-style-type: none"> <li>• We will have developed a shared internal understanding of what HLF means by inclusion and diversity to inform our decision making, governance and workforce</li> <li>• Under-represented groups will have improved access to our funding</li> <li>• Projects will have a wider range of beneficiaries from under-represented groups</li> <li>• Inclusion and diversity will be established at the centre of strategy, governance and operations</li> </ul>
Promote the National Lottery to support brand health and use our leadership role to demonstrate the value of heritage as a good cause	<ul style="list-style-type: none"> <li>• We will have a strengthened focus on National Lottery players in our communications and advocacy</li> <li>• We will aim to improve recognition and awareness of the National Lottery while promoting heritage as a TNL good cause, amongst the public</li> <li>• We will continue to build HLF's profile as a sector leader, through the development of SF5 and through our wider public affairs work</li> </ul>

## 5. Our people

### Our staffing details

During 2017-18 we expect to employ about 302 staff (full time equivalents), either in permanent roles, or in fixed term appointments.

These staff will be deployed in our departments as follows:

Operations:	202 representing 67% of our staffing
Strategy & Business Development:	34 representing 11% of our staffing
Communications:	25 representing 8% of our staffing
Finance & Corporate Services*:	41 representing 14% of our staffing

(\*Includes our Secretariat, Chief Executive and her office support)

These staff will be located as follows:

London (Corporate Head Office, London and SE England regions)	147 people
Other English regions:	109 people
Scotland	19 people
Wales	17 people
Northern Ireland	10 people

Our staff are employed in different grades across our organisation and details of the grades, structures etc. can be found on our website and at the [direct.gov.uk](http://direct.gov.uk) website.

### Our commitment to diversity and equality

We recognise and appreciate the value of having a diverse staff group.

We actively promote diversity and equality through our organisation, and in our recruitment and selection processes. Our staff diversity details are:

Gender:	Female staff 75%	Male staff 25%
Ethnicity:	White 91%	Other ethnicity 9%
Disability:	Declared disability 3.5%	
Age:	Under 40 years old 50%, 41 to 60 years old 47% & 61 years or older 3%	



## **6. Our grant programmes**

### **Overview**

#### **National Heritage Memorial Fund**

In 2017-18 we will receive £5M Grant In Aid as the second year of our new settlement for the NHMF. We continue to prudently invest the NHMF Endowment Fund to align with our investment strategy, and try to retain the value of the endowment at par to the initial grant in 1980.

#### **Heritage Lottery Fund**

We estimate that our share of the National Lottery good causes income will be £325M for 2017-2018. Along with the department, we continue to monitor income levels and fluctuations to ensure they remain consistent with optimising the level of grant giving, setting prudent levels of commitments (given that many projects take some time to complete), and maintaining a sensible level of funding in the National Lottery Distribution Fund (NLDF) and our bank accounts.

In December 2014 our trustees undertook a review of our financial parameters, income projections and cash balances to set a financial framework to run alongside our strategic framework. Following planned oversubscription of income in 2016-17 in order to reduce the balance held in the NLDF, we will return to an approach that aligns our expenditure with income in 2017-2018. Our grant budget will therefore be £300m.

Our programmes in 2017-18 will be;

- Grants over £2M and those determined on a UK-wide basis - about £165M will go to grants of £2M+ and national programmes (including Parks for People, Landscape Partnerships, and Kick the Dust).
- Grants under £2M delegated to the English regions, Northern Ireland, Scotland and Wales will amount to £135M.
- We offer a combination of open grant programmes, through which we expect to make the majority of our awards, and targeted programmes and special initiatives.

## 7. Our programme budgets for 2017-18

The planned programme budgets are:

Heritage Grants (Under £2M)	£70M*
Heritage Grants (£2M to £5M)	£75M*
Heritage Grants (Over £5M)	£40M
Parks for People	£20M
Landscape Partnerships	£20M
Grants for Places of Worship	£20M
Our Heritage/Sharing Heritage/Young Roots	£30M
First World War: then and now	£2M
Kick the Dust	£10M
Great Place Scheme	£5M
Resilient Heritage	£8M

\*Including Heritage Enterprise

## 8. Our open programmes

Open Programmes for 2017-18 are:

### Heritage Grants Programme:

This offers grants over £100K for projects that make a lasting difference for heritage, people and communities in the UK. It caters for all types of heritage and a wide range of projects, including the very largest and most complex. To receive a grant, projects requesting less than £2M must achieve at least one of our outcomes for each of heritage, people and communities, projects requesting £2M or more should achieve more than one outcome for each.

### Our Heritage

Our Heritage offers grants from £10K to £100K for all types of heritage projects, including small and medium-sized capital projects (for example, smaller parks and green spaces, community buildings, museum collections and archives), as well as activity projects exploring language, cultures and memories. To receive a grant, projects will need to achieve at least one outcome for heritage and one outcome for people.

### Sharing Heritage

Sharing Heritage is for the smallest grants of £3K to £10K. This grants programme is for any not-for-profit group wanting to explore, share and celebrate their community's heritage. Activities we can support include events, celebrations, producing local history publications, conservation of individual heritage items, acquisitions, volunteer training and support. To receive a grant, projects will need to achieve at least one outcome for people.

## **9. Our targeted programmes**

Targeted programmes for 2017-18 are:

### **Resilient Heritage**

Resilient Heritage offers grants from £3K to £250K to organisations seeking to increase their capacity and capabilities to withstand risks, and pressures, in their operating environment, and to become more financially sustainable. It is a flexible programme open to past grantees of HLF and new groups, and funds all of the types of activity previously supported through Start-up Grants, Transition Funding and Catalyst small grants, as well as enabling some innovative approaches and ways of working.

### **Kick the Dust**

This initiative seeks to address the under-representation of young people in heritage by building the long-term capacity of the heritage sector to engage with 11-25 year olds in a meaningful way. We are seeking a step-change in the way the sector works with young people as an audience group. Projects will be delivered by consortia with a credible track record of work with young people, deliver benefits beyond a single organisation and work as cohort to demonstrate commitment to share learning from the programme across the heritage sector. Projects will last between 3-5 years, with grants from £500K.

### **Grants for Places of Worship**

The Grants for Places of Worship programme offers grants of £10K to £250K for urgent structural repairs, new facilities and activities to encourage greater community use, and get more people involved with these buildings. Historic England provides technical advice on projects in England, and Historic Environment Scotland partner with us in grant-making in Scotland.

In 2017-18 in order to provide simpler and more flexible access to funding for Places of Worship in the future we will be offering funding for these types of project through Our Heritage and Heritage Grants programmes. We will confirm the date for this change later in the year.

### **Heritage Enterprise**

The Heritage Enterprise programme offers grants of between £100K and £5M for the conservation and adaptation of historic buildings for an end-use that actively contributes to sustainable development. The programme supports projects that seek to bring back historic buildings into active commercial use, helping to improve the local built environment whilst at the same time stimulating economic growth.

### **Parks for People**

Parks for People offers grants between £100K and £5M, and supports projects that restore and transform public parks and cemeteries across the UK. The programme supports projects that make a real difference by caring for the heritage that makes parks and cemeteries special, improving people's wellbeing and knowledge of their area, and making communities better places to live, work and visit.

The Big Lottery Fund has also committed £10M for Parks for People projects in England during 2017/18. Our Parks for People budget includes provision for a further round of Re-thinking Parks in 2017-2018, in partnership with Big Lottery Fund and Nesta.

### **Landscape Partnerships**

This programme offers grants between £100K and £3M, and is for schemes led by partnerships of local, regional and national interests that conserve distinctive landscapes throughout the UK and bring to light the heritage of local communities. Landscape Partnerships help put heritage conservation at the heart of rural regeneration. The programme aligns with the UK's commitment to the European Landscape Convention.

### **Townscape Heritage**

The Townscape Heritage programme offers grants between £100K and £2M for projects that regenerate historic areas across the UK requiring investment. Local, regional and national organisations are supported to work together to make a difference to deprived towns and cities and their communities, by repairing and bringing buildings back to life, improving urban spaces, encouraging new investment and providing skills training.

We will be pausing the programme in 2017-18 and offering a further round of funding in 2018-19, with an application deadline in December 2017.

### **Young Roots**

The Young Roots grant programme is for young people aged 11 to 25 years old who want to explore their heritage and develop skills. Grants of between £10K and £50K are available for partnerships of heritage, and youth organisations, to help young people shape and deliver their own projects.

### **First World War: Then and Now**

This programme offers grants between £3K and £10K for local, community projects which explore, learn about, and share the heritage of the First World War. The programme aims to leave a legacy of First World War community heritage to mark the centenary. This is in addition to the First World War projects we are likely to support through our other grant programmes.

We will continue to evaluate programmes to understand their impacts, benefits and value so that we can apply lessons learned to improve the programmes.

## 10. Our operating costs

We recognise the importance to National Lottery players and taxpayers that they wish to maximise the amount spent on grants, and to keep our own costs on administration down to the minimum level.

We are set a limit by DCMS that our total lottery operating costs should be less than 8% of National Lottery income. Our track record on achieving this has been good to date:

2012-13	4.8%
2014-15	5.2%
2015-16	5.8%
2016-17	6.9%

We expect in 2017-18 to operate at 6.3%.

DCMS have also set a limit for processing costs to be no more than 5% of National Lottery Income. Our track record on achieving this has also been good to date:

2012-13	3.8%
2014-15	3.7%
2015-16	4.1%
2016-17	4.8%

We expect in 2017-18 to process at 4.9%.

The increase over the last few years has been a reflection of intentionally increased resources to handle record volumes of applications and caseloads, as well as specific targeted spend in grant programmes (such as Kick the Dust, Heritage Endowments, Great Place etc.), and investment in our IT to support greater use of mobile technology, digitisation etc. Nonetheless we understand the need for efficiency overall, and in 2017-18 we expect to start a change programme to make processes simpler and easier, improve targeted investment for more flexible working etc. with the ultimate aim to reduce our overall operating costs.

## 11. Our Service Standards

We have set targets in our Strategic Framework to deliver timely and satisfactory services to our applicants and grantees as follows:

### National Heritage Memorial Fund Decisions

The decision on an application will normally be taken at the next available decision meeting following assessment in:

Urgent acquisitions            3 months

Other projects                6 months

Grant payments will be made to the grantee within 15 working days from receipt by NHMF of the payment request.

(Owner: Judy Cligman, Director SBD).

### Heritage Lottery Fund Decisions

A number of our grant programmes have published application deadline and decision dates. We will meet those deadlines.

For those applications without fixed deadlines, decisions will normally be taken at the next available decision meeting following assessment in:

Heritage Grants first round	12 weeks
Heritage Grants second round	12 weeks
Heritage Grants Major Batch second round	12 weeks
Heritage Enterprise first round	12 weeks
Heritage Enterprise second round	12 weeks
Landscape Partnership second round	16 weeks
Grants for Places of Worship first round	12 weeks
Grants for Places of Worship second round	12 weeks
Townscape Heritage second round	12 weeks
First World War: Then and Now	8 weeks
Our Heritage (including transition funding)	8 weeks

Sharing Heritage (including Start-up grants) 8 weeks

Young Roots 8 weeks

(Owner Eilish McGuinness, Director of Operations).

### **Grant Payments**

Grant payments will be made to the grantee within 9 working days from receipt by HLF of the payment request.

(Owner: Colin Bailey, Director of Finance).

### **Customer Satisfaction**

We will undertake a survey of successful and unsuccessful applicants, and aim to maintain customer satisfaction with our assessment processes at no less than 80%.

We will undertake a similar survey of those to whom we have awarded grants, and aim to maintain customer satisfaction with our monitoring and post-award processes at no less than 85%.

The proportion of applicants that find the HLF website easy to use will be at least 87%.

We will publish decisions on our website within a maximum of twenty working days, and will actively promote a wide selection of our awards via the media, to generate awareness amongst potential applicants and National Lottery players.

(Owner: Louise Lane, Director of Communications).

## 12. Our risks and how we manage these

Like all organisations we face risks. Our approach to managing risks is to mitigate those risks so they come within what we are prepared to tolerate. We recognise that it is often impossible to eliminate risk entirely. We maintain a corporate risk register setting out the main strategic risks to us as an organisation. This is regularly reviewed by the executive staff as well as our Audit Committee and Board. Our main risks that we presently anticipate for 2017-18 are as follows, along with what we will do to manage those risks:

-	<b>Our corporate risks</b>	<b>Our actions to mitigate these</b>
1	Exiting the EU has impacts on our existing funding/investment and future grants	<ul style="list-style-type: none"> <li>• Understand existing exposure on part EU funded programmes/projects</li> <li>• Early, and as clear, an understanding of EU strategy and implications</li> <li>• Cross lottery distributor working</li> </ul>
2	Devolution arrangements may lead to different demands on our business and operating model	<ul style="list-style-type: none"> <li>• Liaise closely with Devolved Administration/English regional devolved bodies</li> <li>• Early understanding of implications of different model</li> <li>• Evidence gathering of differing options and implications</li> </ul>
3	Volume, vitality and variability of workloads may impact being able to deliver our priorities and operating targets	<ul style="list-style-type: none"> <li>• Review of business process</li> <li>• Bring in business improvements and changes</li> <li>• More flexible approach to resourcing and staffing</li> </ul>
4	Maintain staff morale and engagement	<ul style="list-style-type: none"> <li>• Continue to promote employee engagement and actions</li> <li>• Promote job, secondment etc. opportunities including flexible location</li> <li>• Engage staff in business design, planning and change</li> </ul>
5	Existing investment is put at risk through wider public sector funding reductions, changes to different organisation/business models across the sector	<ul style="list-style-type: none"> <li>• Close monitoring of project risks and early identification</li> <li>• Proactive engagement in those projects</li> <li>• Fund and support greater resilience in sector</li> </ul>
6	Lottery income fluctuations and changes make planning more difficult	<ul style="list-style-type: none"> <li>• Better understanding of changes in income streams</li> <li>• More flexible planning across variety of scenarios</li> <li>• Develop a range of potential responses to activate if needed</li> </ul>



### **13. Our commitment to transparency and data publication**

We recognise our obligations to National Lottery players and taxpayers in explaining how we use their monies and funding.

We publish on our websites (see below) the following:

- Tenders and contracts worth £10K or more where we are seeking suppliers/business partners to help us deliver our business. We welcome bids from all potential suppliers especially small, medium enterprises whom we haven't worked with as yet;
- Contracts awarded for such services and support where we have let those contracts;
- Our organisation charts and senior staff salaries. These are also published in our Annual Reports and Accounts (which are also available on our websites);
- Our Board and Committee decisions on grant applications;
- Our governance structures;
- Details of our Trustees and Regional Committee members as well as our senior staff charged with the day to day running of the NHMF and HLF;
- Our full Strategic Framework 4;
- Our online communities and opportunities to share experiences and ideas;
- Opportunities for jobs and working with us including committee membership and trustee vacancies when they arise;
- Any special initiatives or programmes;
- Details of all grant programmes with guidance on how to apply, requirements and links to our online portal for lodging applications;
- How we work with you to deliver your project and outcomes;
- Our research and evaluation reports and;
- Other corporate information.

#### **How to contact us**

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

[www.nhmf.org.uk](http://www.nhmf.org.uk) or [www.hlf.org.uk](http://www.hlf.org.uk)

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

Or by appointment at:

7 Holbein Place  
London  
SW1W 8NR

## Appendix on our grant programmes: Applications and Awards

Number of applications to all programmes since beginning of Strategic Framework 4

Programme	2013-14	2014-15	2015-16	2016-17
Catalyst Umbrella Grants	18	-	-	-
Catalyst: Endowments	-	-	-	-
Catalyst: Small Grants	139	-	-	-
Collecting Cultures	-	57	-	-
First World War:Then and Now	564	578	292	252
Grants for Places of Worship	375	348	323	324
Heritage Endowments	-	-	-	40
Heritage Enterprise	43	35	33	36
Heritage Grants under £2m	295	283	276	263
Heritage Grants £2-5 m	70	48	65	68
Heritage Grants Major	19	19	12	24
Kick the Dust	-	-	-	67
Landscape Partnership	24	23	14	19
Our Heritage	1,098	933	867	917
Parks for People	33	27	25	17
Resilient Heritage Over10k	-	-	-	75
Resilient Heritage Under10k	-	-	-	47
Sharing Heritage	679	440	619	893
Skills for the Future	-	-	-	81
Start Up Grants	67	78	105	76
Townscape Heritage Initiative	25	30	24	28
Transition Funding	31	42	49	28
Young Roots	132	170	191	156

Value (£m) of applications to all programmes since beginning of Strategic Framework 4

Programme	2013-14	2014-15	2015-16	2016-17
Catalyst Umbrella Grants	7.0	-	-	-
Catalyst: Endowments	-	-	-	-
Catalyst: Small Grants	1.3	-	-	-
Collecting Cultures	-	12.60	-	-
First World War:Then and Now	4.5	4.63	2.55	2.25
Grants for Places of Worship	48.0	50.59	49.12	50.91
Heritage Endowments	-	-	-	28.20
Heritage Enterprise	98.3	73.99	70.36	88.41
Heritage Grants under £2m	217.8	228.27	209.22	209.02
Heritage Grants £2-5 m	244.3	168.38	223.30	243.12
Heritage Grants Major	183.4	203.81	141.48	224.05

Programme	2013-14	2014-15	2015-16	2016-17
Kick the Dust	-	-	-	52.59
Landscape Partnership	48.9	50.13	29.72	36.94
Our Heritage	63.3	50.61	48.90	50.98
Parks for People	61.2	45.25	57.03	41.95
Resilient Heritage Over10k	-	-	-	6.80
Resilient Heritage Under10k	-	-	-	0.44
Sharing Heritage	5.43	3.68	5.23	7.71
Skills for the Future	-	-	-	37.30
Start Up Grants	0.7	0.72	0.99	0.69
Townscape Heritage Initiative	34.4	39.38	35.25	40.47
Transition Funding	2.0	2.29	3.36	2.11
Young Roots	4.5	5.84	7.41	5.98

Number of awards under all programmes since beginning of Strategic Framework 4

Programme	2013-14	2014-15	2015-16	2016-17
Catalyst Umbrella Grants	9	-	-	-
Catalyst: Endowments	13	-	-	-
Catalyst: Small Grants	125	-	-	-
Collecting Cultures	-	23	-	-
First World War:Then and Now	336	528	213	215
Grants for Places of Worship	187	174	158	179
Heritage Endowments	-	-	-	15
Heritage Enterprise	11	14	16	12
Heritage Grants under £2m	109	92	154	127
Heritage Grants £2-5 m	26	20	-	24
Heritage Grants Major	8	7	-	6
Landscape Partnership	9	9	13	12
Our Heritage	463	465	444	487
Parks for People	17	12	13	16
Resilient Heritage Over10k	-	-	-	36
Resilient Heritage Under10k	-	-	-	20
Sharing Heritage	385	276	307	480
Skills for the Future	39	0	0	18
Start Up Grants	22	47	59	45
Townscape Heritage Initiative	9	14	9	10
Transition Funding	18	22	35	24
Young Roots	95	104	118	97

Value (£M) of awards under all programmes since beginning of Strategic Framework 4

Programme	2013-14	2014-15	2015-2016	2016-2017
Catalyst Umbrella Grants	3.46	-	-	-
Catalyst: Endowments	8.5	-	-	-
Catalyst: Small Grants	1.137	-	-	-
Collecting Cultures	-	5.12	-	-
First World War:Then and Now	2.73	4.19	1.91	1.93
Grants for Places of Worship	26.71	27.81	25.52	31.00
Heritage Endowments	-	-	-	10.35
Heritage Enterprise	28.89	33.43	23.49	30.41
Heritage Grants under £2m	95.56	82.76	263.88	111.30
Heritage Grants £2-5 m	92.78	79.88	-	91.80
Heritage Grants Major	99.29	78.97	-	61.50
Landscape Partnership	21.15	20,27	28.93	24.73
Our Heritage	25.52	23,99	24.96	26.97
Parks for People	35.31	33.75	28.69	35.45
Resilient Heritage Over10k	-	-	-	3.66
Resilient Heritage Under10k	-	-	-	0.19
Sharing Heritage	3.06	2.32	2.68	4.15
Skills for the Future	20.37	-	-	10.10
Start Up Grants	0.21	0.45	0.56	0.42
Townscape Heritage Initiative	11.13	20.93	13.54	17.12
Transition Funding	1.19	1.15	2.51	1.75
Young Roots	3.22	3.47	4.44	3.64

Success rates by programme in Strategic Framework 4

Programme	SF4 (to date)	SP3	SP2
Catalyst Umbrella Grants	50%	-	-
Catalyst: Endowments	46%	-	-
Catalyst: Small Grants	89%	-	-
Collecting Cultures	41%	-	-
First World War:Then and Now	80%	-	-
Grants for Places of Worship	57%	43%	48%
Heritage Endowments	38%	-	-
Heritage Enterprise	43%	-	-
Heritage Grants under £2m	43%	50%	69%
Heritage Grants £2-5 m	40%	50%	69%
Heritage Grants Major	48%	50%	69%
Landscape Partnership	54%	57%	82%

Programme	SF4 (to date)	SP3	SP2
Our Heritage	50%	56%	78%
Parks for People	55%	48%	74%
Resilient Heritage Over10k	67%	-	-
Resilient Heritage Under10k	57%	-	-
Sharing Heritage	57%	-	-
Skills for the Future	28%	59%	-
Start Up Grants	56%	-	-
Townscape Heritage Initiative	42%	40%	60%
Transition Funding	68%	-	-
Young Roots	66%	70%	78%
Total	-	-	-

Note: Grants to commemorate the First World War have also been made under several programmes not only First World War: Then and Now.