



HLF funding for community asset transfer

For Heritage Lottery Fund

From Locality

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Limited Company no. 2787912

Charity no. 1036460

June 2017 v.2

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Introduction

The Heritage Lottery Fund (HLF) would like to establish with greater accuracy the extent of the funding they have provided, in recent years, for projects that enable, support or follow the transfer of ownership or management of local authority assets to community organisations.

Although HLF has no specific funding programmes to support community ownership and management of assets, projects involving asset transfer could be eligible for funding through several of their open and targeted programmes¹. This might be for projects that:

1. Incorporate a transfer of the management or the ownership of land or buildings, from local authorities to community organisations.
2. Are run by community organisations following the transfer of ownership or management of assets from local authorities to community organisations.
3. Involve planning for the transfer of management or ownership of assets.

Methodology

Locality carried out the work in two stages during the period February - June 2017:

1. An initial review of the summary project descriptions by applicants to establish a short-list fitting the description above. This long-list of 4,557 records was whittled down to a short-list for closer investigation using the following criteria:
 - Conditional formatting using relevant key words and combinations such as: 'asset', 'transfer', 'management' and 'ownership'.
 - Cross-referencing the Applicant name against Locality's assets programme database to flag up any matches.
 - Asking Locality delivery team to identify any Applicant names/projects located in their region.
2. This resulted in a short-list of 1,078 records for a more detailed review of the project descriptions and the partial application forms.

This deep dive identified 96 projects (9% of the short-list) that met one of the three project descriptions. The following findings are based on these 96 projects.

¹ The funding programmes included in the review were: Heritage Grants; Our Heritage; Heritage Enterprise; Parks for People; Resilient Heritage; Catalyst Small Grants; Start Up Grants and Transition Funding.

Findings

Number and value of grant awards for asset transfer projects supported by type (based on the indicative typology set out in the introduction above)

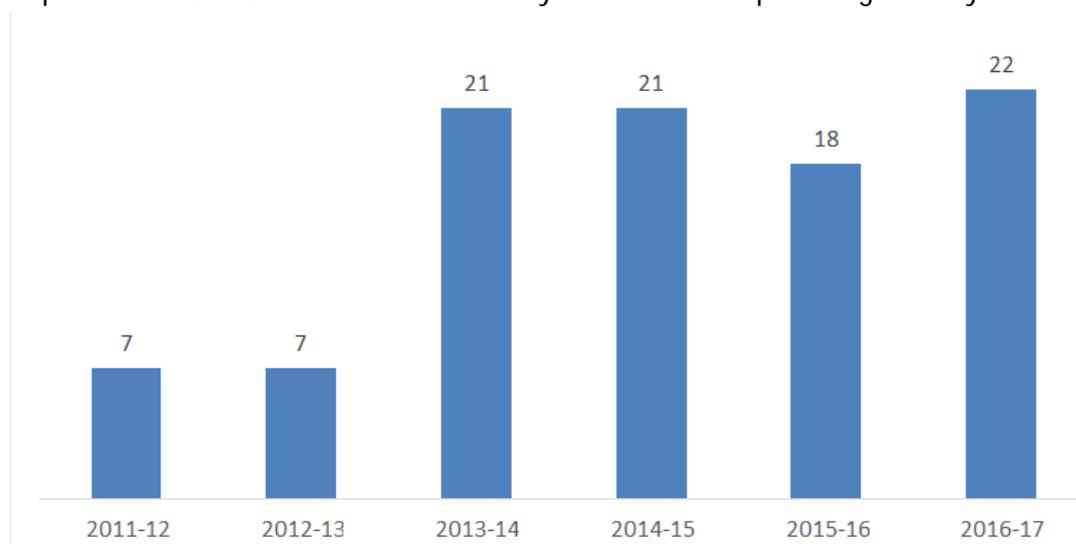
47 grant awards (49%) were for projects that involved *planning* for the transfer of management or ownership of assets. The total value of these grants was £32.6m (40% of the total £s awarded).

32 grant awards (33%) *incorporated* a transfer, totalling £26.5m (33%). 17 grant awards (18%) were for projects run by community organisations *following* a transfer. These totalled £22.7m (28%).

Typology	No. of grant awards	Per cent	Value of grant awards	Per cent
Incorporate a transfer of the management or the ownership of land or buildings, from local authorities to community organisations.	32	33	£26,533,300	32
Run by community organisations following the transfer of ownership or management of assets from local authorities to community organisations.	17	18	£22,776,600	28
Involve planning for the transfer of management or ownership of assets.	47	49	£32,681,600	40
TOTAL	96	100	£81,991,500	100

Number of projects by year (initial decision FY)

The peak year for projects was the most recent 2016-17 FY, which is in line with the upward trend in demand for community asset ownership more generally.



Value of projects by year (initial decision FY)

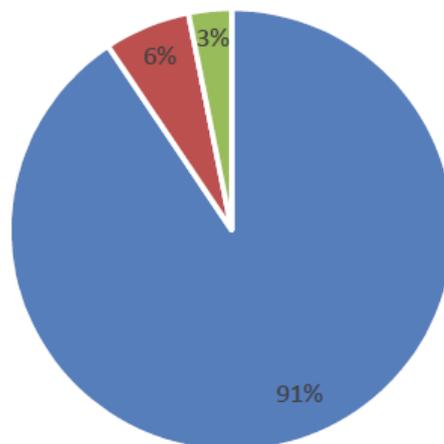
Total grant value per FY year has fluctuated quite dramatically (the average across all years is £13.6m per FY). The peak year was 2014-15, with £22.4m awarded. However, a large grant of £12.4m was awarded to The Hasting Pier Charity in 2011-12, which skews the total for that period. In terms of other large grants, in 2014-15 four grants of over £4m each were made to Saltdean Lido Community Interest Company; Historic Coventry Trust; Ancoats Dispensary Group and Cleveland Pools Trust. In the last two FYs the total awarded has dropped significantly, even though more individual grants have been made, as shown above.



Number of projects by country/region

England accounted for 86 projects (91%). There were 6 projects (6%) from Scotland and 4 projects (3%) from Wales. The modest number of projects from Scotland is perhaps surprising given that the legislation there is relatively accommodating for CAT.

■ England ■ Scotland ■ Wales

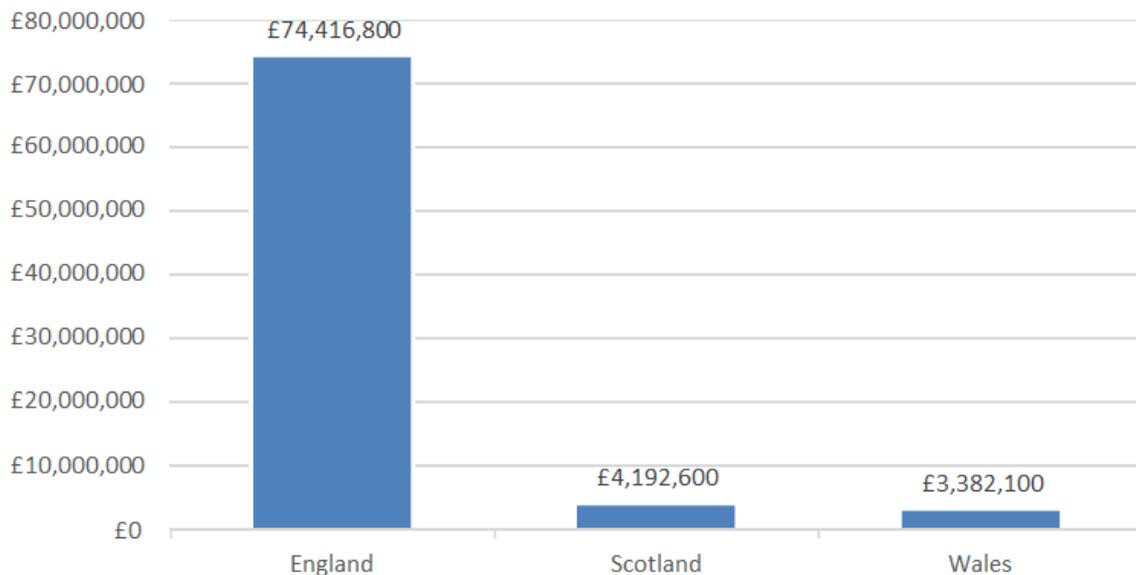


All English regions were represented but the North West had a much larger slice of projects than the other English regions - 22 (24%). The South East and the South West were the next highest - twelve projects (14%) and ten projects (12%) respectively. The North East had the fewest projects - five (6%). This spread broadly compares to previous asset support programmes that Locality has run, and in our experience is driven by the combined factors of asset demand and supply.



Value of projects by country/region

The grant value for England totalled £74.4m (91%), £4.1m (5%) for Scotland and £3.3m (4%) for Wales.



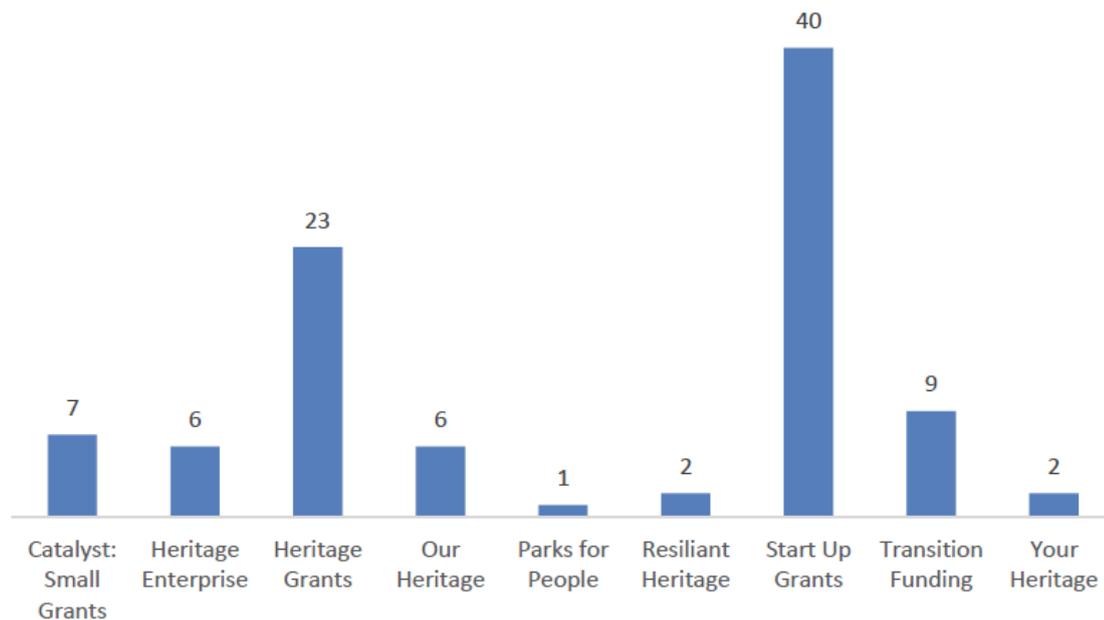
The value of projects per region differed significantly, and varied from the pattern generated by the number of projects by region above. The South East region had the highest grant value - £19.3m (26%) despite having 10 fewer projects than the North West - the leading region for the individual number of projects funded. The South West and the North West regions had the next highest values - £18.4m (25%) and £14.3m (19%) respectively. Surprisingly, the Yorkshire and Humber region had the lowest combined value with £474k (1%) despite having six projects funded, one more than the lowest placed North East region.



Number of projects by programme

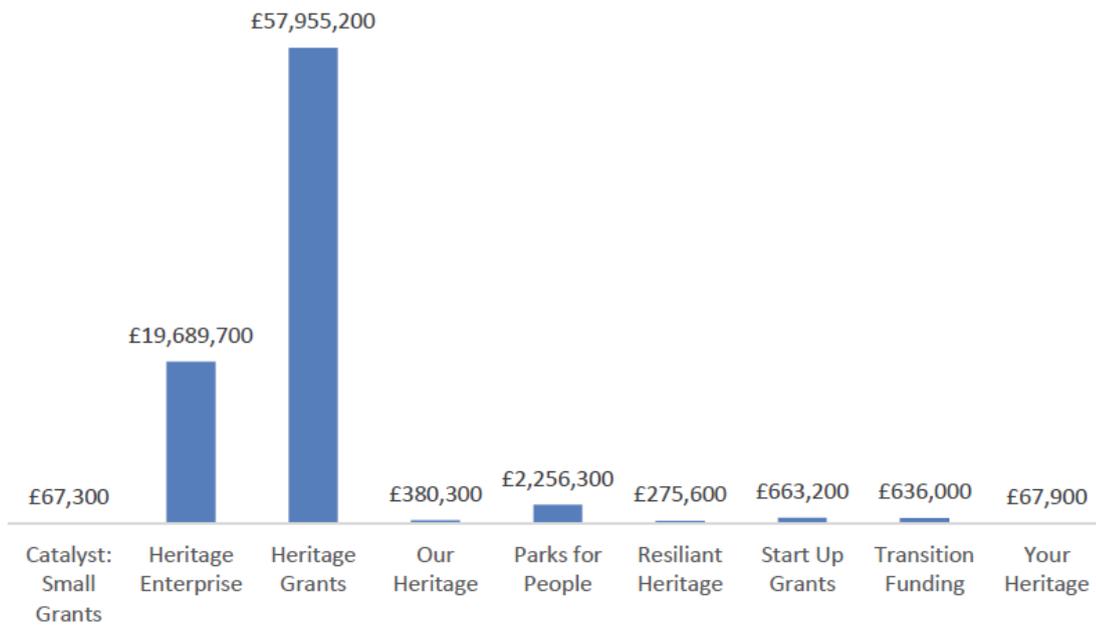
There was at least one project funded from all of the programmes, but most project awards were made under the Start Up Grants programme - 40 projects (42%). This programme is now closed, but its remit to help unconstituted groups with their early stage planning activities would have been appropriate for many CATs.

Heritage Grants was the next most popular programme with 23 projects (24%). For more substantial/advanced CAT projects, the upper limit of £100k for this grant programme would have been relevant. Only one project was made under the Parks for People programme - to Avenue House Trust for the restoration of its estate (formally the responsibility of the London Borough of Barnet).



Value of projects by programme

The Heritage Grants programme accounted for the majority of overall grant value - £57.9m (71%). The next highest value was under Heritage Enterprise - £19.6m (24%). Given that Heritage Enterprise is aimed at funding the 'heritage deficit' it is perhaps surprising that it has not played a bigger role to date in supporting CAT. Despite funding the vast majority of individual projects (above), the Start Up Grants programme only totalled £663,200, due to the relatively modest average grant of £16,580 per project.



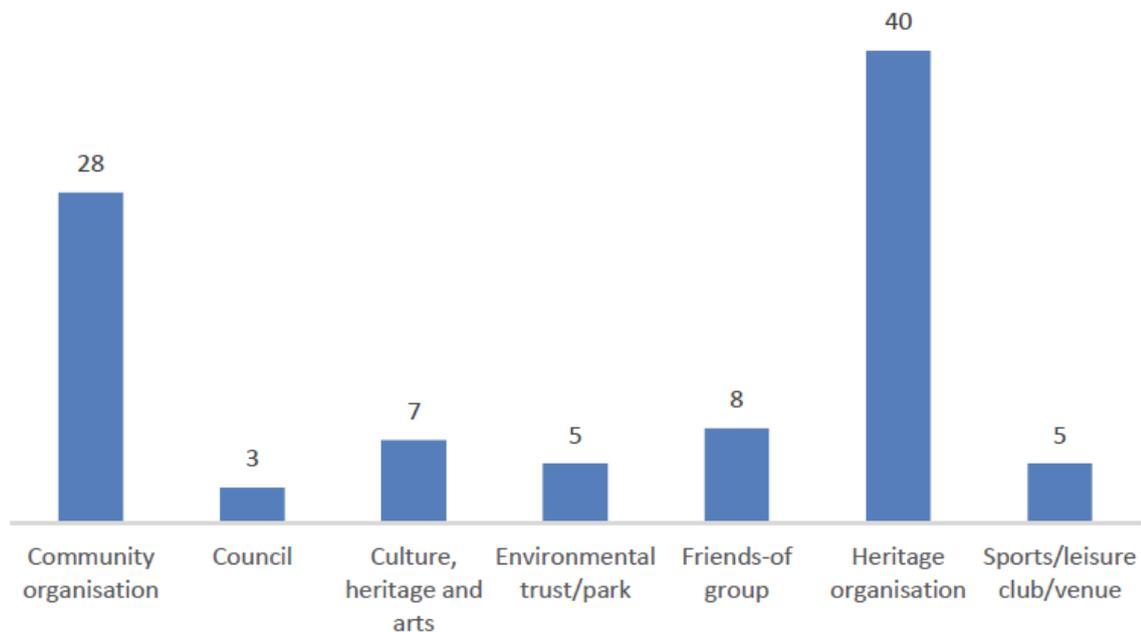
Range of community organisations supported

The categorisation of organisations in the third sector is not straightforward. There is no accepted typography and many grey areas. Some terms are understood for a while but then drop out of fashion. Therefore, we have used a simple classification that is based on their core purpose in our view.

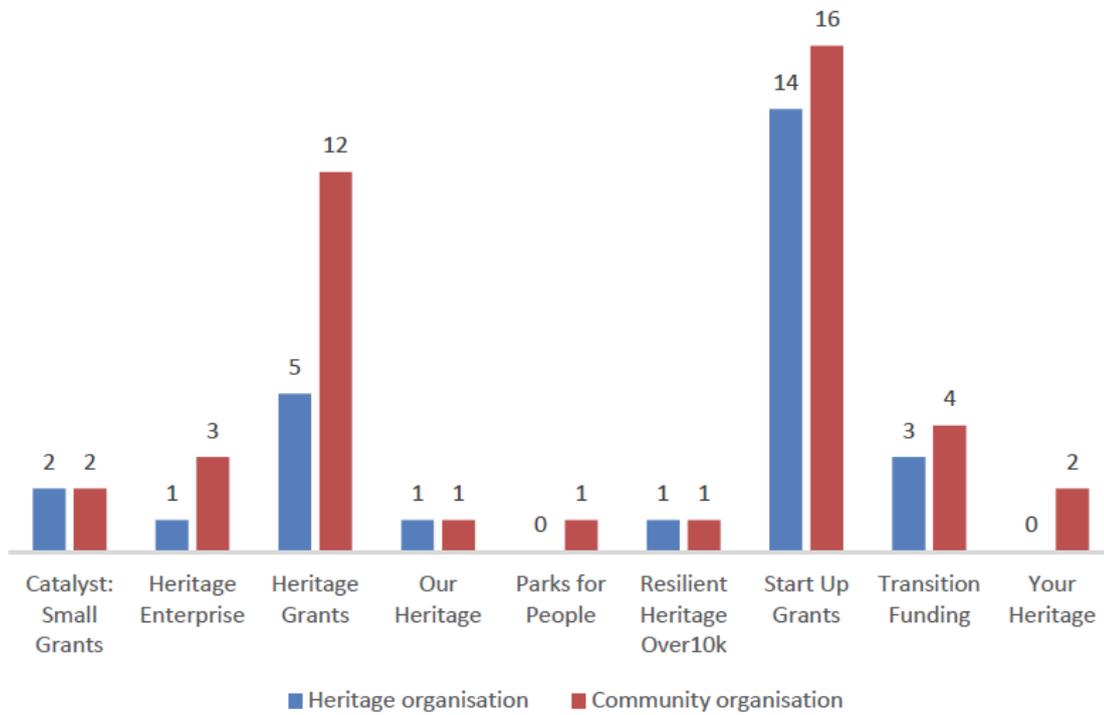
Unsurprisingly, the majority - 40 organisations (42%) are classified as a 'Heritage organisation'. These include organisations with 'Building Preservation Trust' or 'Civic Society' in their title, but in most cases we have included them because they are concerned with the restoration, renovation or preservation of historic assets and widening heritage their appreciation and understanding through education and public access.

The next most frequent organisation type was 'Community organisation' - 28 organisations (29%). These are typically multi-purpose 'community-anchor' type organisations whose principle aim is to serve the needs of their local population. In these cases, the heritage asset was more of a means to that end rather than their core reason for being. They include organisations who describe themselves as Community Development Trusts. Some were Locality members.

Eight 'Friends-of' groups were supported, which is notable given that they tend to be volunteer-led only and do not have paid staff to manage complex projects. All of the 'Culture, heritage and arts' organisations are involved with venues for public performance, exhibition and museums. The 'Environmental trust/park' and 'Sport/leisure club/venue' categories consist of five projects each. Two councils were supported.



We looked at the funding programmes related to the two biggest organisation categories and it clear that 'Start Up Grants' have been used to a similar degree by both Heritage and Community organisations. However, just over twice as many grants were awarded under 'Heritage Grants' to Community Organisations than to Heritage Organisations.



Range of capital and activity works supported

The range of activity supported was extensive, and not easy to calculate as applicants used a variety of language (which was sometimes quite vague). However, in terms of generic work supported most of it comes under the headings of feasibility planning, options appraisals and business planning for asset projects, i.e.

Activity works	Details
Engagement, consultation and increasing public access to heritage	<ul style="list-style-type: none">• Building relationships with the local community, relevant interest groups, schools, conducting stakeholder workshops, etc.• Education/interpretation programmes and open days to increase heritage understanding and education• Events, exhibitions and performed tours
People related skills and capacity building	<ul style="list-style-type: none">• Develop strategies/processes to increase the number and diversity of members, including 'Friends-of' schemes and enhanced database management• Recruiting and training new volunteers• Recruiting additional staff capacity, e.g. project manager, fundraising executive, heritage/outreach officer, volunteer co-coordinator• Recruiting business partners• Skills development of board, staff and volunteers in all aspects of project management and asset operation, including peer learning visits• Creating opportunities for learning practical restoration/conservation skills, including apprenticeship schemes• Commissioning external consultants, e.g. condition survey, property valuation, archaeological investigation, VAT advice, CPO advice, legal (lease negotiations, incorporation, constitutions and governance), architect, pre-planning, quotes for capital works, structural engineer, tourism consultants• Commissioning specialists surveys and reports, e.g. stonemasonry report, architectural designs, maintenance and management plans, health and safety advice, DDA compliance, asbestos surveys, drainage report

Income generation and fundraising	<ul style="list-style-type: none"> • Strategies and approaches to maximize income generating potential usage options • Market research, competitor analysis and benchmarking in relation to revenue generating plans • Strategies for commercial sponsorship, philanthropic giving, loans, grants, crowd-funding, donations, etc. • Joint marketing, heritage trails, etc. • Preparing the ground for subsequent bids, e.g. HES, EU Leader programme • Potential for buildings revolving funding • Establish new social enterprises, e.g. service provider for training in archaeology and traditional building skills • Whether to establish an SPV
Digital	<ul style="list-style-type: none"> • Strategies and approaches • Website development

Costs related to capital works fall into three main categories:

- 1) Restoration/conservation of heritage fabric
- 2) Remodelling existing asset for income generation and/or heritage appreciation purposes
- 3) New build for income generation and/or heritage appreciation purposes

Restoration/conservation	Remodelling existing asset	New build
<p>For various building elements, e.g. balustrades, water fountain, memorial, pagoda, mill, cottage, outbuildings, stables, clock tower, etc</p>	<p>Intended purpose:</p> <ul style="list-style-type: none"> • Rental of office space, retail outlets, parking • Room hire for meetings, celebratory events such as weddings, christenings, conference venue, etc • Holiday lets • Mixed use residential/housing • Hotel • Artists' studios • Café/catering • TIC • Performance space • Artists' studios 	<p>Intended purpose:</p> <ul style="list-style-type: none"> • Visitor centre • Lifts for new access • Toilets • Multi-use space for learning, meetings, functions • Storage • Retail displays • Signage

A description of the objectives of the projects supported

The objectives of the projects supported were understandably diverse and driven by specific contextual circumstances. However, taking an overview the following themes were held in common amongst projects:

- Repair/conservation of heritage asset
- Identifying/developing new sustainable funding models/income streams
- Organisational capacity improvement, following training, mentoring, external support, visits, etc.
- Interpretation/education projects and improving access to heritage
- Encouraging inward investment and economic growth
- Increasing visit numbers, users, participants
- Creating new jobs, employment, apprenticeships
- Increasing retail spending, tourism activity