

National Lottery Heritage Fund response to the Senedd's Culture, Communications, Welsh Language, Sport and International Relations Committee: Priorities for the Sixth Senedd consultation

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This consultation response may be made public and is not subject to any restrictions.

Background

Created in 1994, the National Lottery Heritage Fund ('the Heritage Fund') supports projects involving the national and local heritage of the United Kingdom. We are a UK-wide arm's length public body, we receive policy directions from the UK Government and from the devolved governments. Since our inception, the Heritage Fund has invested over £8 billion in grants to more than 45,000 projects across the UK, equating to £420 million to over 2,700 projects in Wales, making us the biggest single investor in the UK's heritage sector outside of government, a level of investment made possible through people across the UK participating in the National Lottery. We believe in the value of heritage as a contributor to the life of the nation, assets, organisations and experiences that help define our lives, and our shared identities. The Heritage Fund follows a set of priorities¹ which help decide which projects receive National Lottery money. These include to have regard to the interests of Wales as a whole and the interests of different parts of Wales, take account of the diverse demographic and deprivation patterns in the different parts of Wales, provide opportunities for people from across Wales of all ages and backgrounds, especially children and young people to have access to, to learn about, to enjoy and thereby, promote the diverse heritage of Wales.

The Heritage Fund defines the difference we want to make with our funding through a set of outcomes. In 2021-22, we are prioritising heritage projects that will meet six of our outcomes as a response to the COVID-19 pandemic. They are: a wider range of people will be involved in heritage (this is a mandatory outcome); the funded organisation will be more resilient; people will have greater wellbeing; people will have developed skills; the local area will be a better place to live, work or visit; and the local economy will be boosted.

In addition to distributing National Lottery funds, we also distribute funding on behalf of the Welsh Government. Since 2020, we have distributed £3,916,577 to 145 projects in Wales. The majority of funding has been spent on landscape and nature projects - £2,813,692. All local authorities in Wales have received funding via this mechanism:

Local Authority	Projects	Grant Awarded
Blaenau Gwent	2	£20,100
Bridgend	3	£120,000
Caerphilly	2	£58,800
Cardiff	15	£763,700
Carmarthenshire	10	£272,800
Ceredigion	3	£53,700
Conwy	1	£10,000
Denbighshire	5	£56,100
Flintshire	6	£322,765

¹ National Lottery Heritage Fund, Strategic Funding Framework 2019-2024. Available at [Strategic Funding Framework 2019-2024 | The National Lottery Heritage Fund](#)

Gwynedd	11	£165,600
Isle of Anglesey	3	£28,800
Merthyr Tydfil	2	£60,000
Monmouthshire	6	£254,500
Neath Port Talbot	8	£251,900
Newport	3	£32,900
Pembrokeshire	9	£154,700
Powys	23	£676,800
Rhondda Cynon Taf	9	£68,700
Swansea	11	£249,000
Torfaen	4	£65,700
Vale of Glamorgan	4	£118,200
Wrexham	5	£111,792

The Welsh Government funded schemes have thus far included:

- Local Places for Nature Capital Grant for Wales scheme - Welsh Government funding to enable communities to restore and enhance nature. £10-100K grants totalling £2.3million (and Local Places for Nature – Breaking Barriers² open now);
- Community Woodlands scheme - £2.1m Welsh Government funding to restore, create, connect and manage woodlands in Wales;
- 15-Minute Heritage - this collaboration with Cadw saw us distributing £680,000 to 84 heritage projects in each of Wales' 22 local authorities to encourage engagement with heritage within 15 minutes of their doorstep (second round currently open - 15 Minute Heritage (Round 2)³;
- The Green Recovery Capacity Building Scheme - A £1m joint project with the Welsh Government to offer grants between £5,000–£100,000 to pay for business skills training for Welsh environmental non-governmental organisations.

What is the current impact of the COVID-19 pandemic on your sector, and what further support is needed from the Welsh Governments and UK both to mitigate the impact of the pandemic and enable the post-pandemic recovery?

As the pandemic took hold the Heritage Fund moved quickly to offer support to the heritage sector. Regular programmes were suspended and £50m was committed to the Heritage Emergency Fund (HEF) set-up in late April 2020 to respond to the immediate lockdown in response to the COVID-19 pandemic. The HEF was designed in response to a rapid survey of the sector on likely impacts. Through that emergency response 54 organisations in Wales received a total of £2,742,400. From November 2020 we took a phased approach to reopening our National Lottery programmes to all applicants across the UK as we continue to support project through this challenging period. To illustrate the impact of these funds, the Heritage Fund would like to draw attention to the following examples:

- Thanks to a £48,000 HEF grant, wardens can continue to care for the vast colonies of rare seabirds that nest on Skomer and Skokholm islands. The COVID-19 crisis brought tourism to a standstill, devastating income for the Wildlife Trust of South and West Wales. The grant allowed four wardens to keep working.
- The Insole Court Trust in Cardiff which operates Insole Court - a 160-year-old Victorian mansion in the Llandaff area of the Welsh capital city received a £103,600 HEF grant. This helped to cover

² National Lottery Heritage Fund, Local Places for Nature – Breaking Barriers (2021). Available at [Local Places for Nature – Breaking Barriers | The National Lottery Heritage Fund](#)

³ National Lottery Heritage Fund, 15 Minute Heritage Grants (Round 2) (2021). Available at [15-Minute Heritage Grants \(Round 2\) | The National Lottery Heritage Fund](#)

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income lost when the trust had to close its café for renovation work, which was then followed by the lockdown and an even longer period of lost income and uncertainty.

- The Llangollen Museum received a £6,200 HEF grant to buy and erect COVID-19 protection screens and counter top display/safety screen and PPE face masks for its personnel. The grant also allowed the centre to install new till software to allow contactless payments as well as uploading over 1,400 images of museum items to its online database so they can be viewed virtually.

The Heritage Fund has a range of projects that are currently in delivery (especially large capital builds) which are struggling due to the lack of materials and contractors to do the work – due most likely to a combination of COVID-19 and Brexit. This means increasing costs and length of projects. In addition to this, a number of projects being run by local authorities are struggling in their delivery phase where staff have been redeployed elsewhere. Staff power on the ground remains a pressure point, for example, where not all staff have returned to offices, or where teams are managing caring responsibilities and so on. These challenges are best illustrated with case studies:

- Recently a large-scale capital project funded in part by the Heritage Fund went out to procure a contractor to deliver the works. The only viable contractor came in well above the expected price, and whilst the project is asking the contractor to reduce their costs, it still means a shortfall. With no other choice of contractor there are very few options for them.
- Newport Transporter Bridge⁴ – the contractor for the Visitor Centre element has gone into administration and therefore they need to retender – the cost impact of this is currently unknown. The steel contractor has also gone into administration. Freight shortages⁵ caused by Brexit and COVID-19 are known to be causing an increase in the cost of steel⁶ (and other materials) as well.
- Local authorities – during the pandemic, many staff were deployed⁷ to work on other projects or priorities – this was to cover new work, staff shortages etc. The Heritage Fund did not pay for their time during this period, but it has resulted to delays in projects. Even in cases where staff were not working on projects, other costs may have increased (for example, contractors) so it has not been possible to pause work. This is also the case where staff from organisations were furloughed – whilst the staff cost would not have had an impact on our grant, the delays could have a negative effect.

A great many organisations are continuing to struggle with capacity, and it should be recognised that projects need revenue funding, in addition to capital.

What issues should the committee prioritise in planning our work programme for the immediate and longer term?

The Heritage Fund is particularly interested in the impact of cultural access. The COVID-19 pandemic has demonstrated to us the importance of accessing culture and heritage, and how particular groups face a range of barriers to access, including black and minority ethnic groups, young people, and others with protected characteristics. The role of cultural access and its impact on tackling loneliness, mental health, youth unemployment etc is critical, and ensuring equity of access is crucial. In responding directly to this challenge, the Heritage Fund is undertaking a range of initiatives, including working in partnership with the Welsh Government in delivering the 'Local Places for Nature – Breaking Barriers' programme⁸. It is intended to help organisations working with excluded and disadvantaged communities to identify and

⁴ Newport City Council, Newport Transporter Bridge. Available at [Visit \(newport.gov.uk\)](https://www.newport.gov.uk)

⁵ Harvey D., (2021), Brexit and Covid cause big jump in pay for lorry drivers, BBC News. Available at [Brexit and Covid cause big jump in pay for lorry drivers - BBC News](https://www.bbc.com/news/business-56844444)

⁶ Inman P., (2021), UK building material costs soar on strong construction orders, The Guardian. Available at [UK building material costs soar on strong construction orders | Construction industry | The Guardian](https://www.theguardian.com/business/2021/jun/02/uk-building-material-costs-soar-on-strong-construction-orders)

⁷ BBC News, Coronavirus: Thousands of Council staff moved to the frontline, March 2020. Available at [Coronavirus: Thousands of council staff moved to the frontline - BBC News](https://www.bbc.com/news/health-55844444)

⁸ National Lottery Heritage Fund, Local Places for Nature – Breaking Barriers. Available at [Local Places for Nature – Breaking Barriers | The National Lottery Heritage Fund](https://www.national-lottery-heritage-fund.org.uk/local-places-for-nature-breaking-barriers)

remove barriers to community involvement in nature. The total available funding is £400,000, and the Heritage Fund is offering grants of £30,000 to £100,000 for revenue costs. The funding is primarily for: organisations working with black and minority ethnic, refugee, gypsy, Roma and traveller community groups; those working with people in the 30% most deprived areas; and previous recipients of Local Places for Nature grants to move on to the next step of developing their places for nature in their community. The sector is continuing its efforts to increase access to Wales' heritage. Inclusion is critical, so that the people of Wales – all the peoples of Wales – feel that their heritage, their built environment and their natural surroundings not only belong to them, but are relevant to them, accessible to them, and tell a story of all our culture and heritage.

The Wellbeing of Future Generations Act is clear in its goal for “a Wales of vibrant culture, and thriving Welsh language – a society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, sports and recreation”⁹. An avenue for exploration should be the extent to which how social and cultural impact is being measured across the policy spectrum. The Future Generations Act should be an opportunity to embed systems for recognising the role of culture across the breadth of the Welsh Government's aims and outcomes.

How does Brexit and the new UK-EU relationship affect you or your organisation? What support have you received to respond to the changes? What further support, if any, is needed from Welsh and UK Governments?

The main focus for projects currently is supplies and project cost increases means that projects are more expensive, meaning we can fund fewer projects in the longer term. This concern should not be underestimated.

**National Lottery Heritage Fund
September 2021**

⁹ Future Generations Commissioner for Wales, Culture. Available at [A Wales Of Vibrant Culture & Thriving Welsh Language – The Future Generations Commissioner for Wales](#)