

# Heritage 2033 – our 10-year strategy



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As the largest funder for the UK's heritage, our vision is for heritage to be valued, cared for and sustained for everyone, now and in the future.

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Over the next decade we will take a longer-term view, investing in heritage for the future as well as for the present. We will invest in places, not just individual projects, to bring about benefits for people, places and our natural environment.

We will strengthen partnerships with governments, local authorities and statutory agencies and create new collaborations with those who share our vision.

These ambitions are set out in a simplified investment framework and form the foundation of our shared vision for heritage to be valued, cared for and sustained for everyone.

- [Quick look: strategy overview](#)
- [Explore and download our new strategy](#)

## Delivery plan 2023–2026

In the first of our three-year delivery plans we set out how we plan to invest over £1 billion between 2023–2026, changes to our National Lottery Grants for Heritage and our priorities for investment.

- [Explore and download our delivery plan 2023–2026](#)

## Our investment principles

Four new investment principles will guide all our decision making through open programme funding, our strategic initiatives or when entering new collaborations and partnerships.

- **Saving heritage:** conserving and valuing heritage, for now and the future.
- **Protecting the environment:** supporting nature recovery and environmental sustainability.
- **Inclusion, access and participation:** supporting greater inclusion, diversity, access and participation in heritage.
- **Organisational sustainability:** strengthening heritage to be adaptive and financially resilient, contributing to communities and economies.

We will ask projects we fund to take all four investment principles into account in their applications.

### [Addressing our investment principles in your application](#)

## Insight

Explore the research, feedback and analysis that's informed our new strategy:

- [an analysis of our engagement survey results](#)
- [a report of our sector and general public research](#)
- [our equality impact assessment of Heritage 2033](#)

## Heritage 2033 overview

### [See all updates](#)

Want a quick overview of our 10-year strategy? Explore our short video and our 'strategy in page' below and in the attached PDF.

**Attachment**

**Size**

[Heritage 2033 strategy in a page](#) 723.63 KB

[Strategaeth Treftadaeth 2033 mewn tudalen](#) 137.16 KB

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## Our vision

We want heritage to be valued, cared for and sustained for everyone, now and in the future.

## Our investment principles and what we'll achieve by 2033

### Saving heritage:

- improved condition and understanding of heritage
- reduced amount of 'heritage at risk'
- delivered transformational long-term projects
- made digital heritage more accessible

### Protecting the environment:

- put landscapes and habitats into recovery
- increased understanding of and connection to nature
- reduced the negative environmental impact of our funding portfolio
- improved heritage's ability to adapt to climate change

### Inclusion, access and participation:

- increased diversity of heritage workforces and audiences
- reduced barriers for people under-served by heritage
- enabled more people's heritage to be recognised
- championed digital technology to improve access

### Organisational sustainability:

- increased organisations' commercial and governance capabilities
- developed skills and capacity across heritage
- embedded resilience in projects we fund
- strengthened heritage's contribution to local economies

## Our approach

- Open programmes for all types of heritage projects with the majority of decisions made at local level.
- Strategic interventions to tackle issues at large and cross-territory scale.
- Partnerships that combine resources and expertise to create investments with greater impact.
- A focus on place, landscape and nature, heritage in need and responding to opportunities and emergencies.

## Heritage 2033

[See all updates](#)

The National Lottery Heritage Fund strategy 2023–2033.

Attachment	Size
<a href="#">Heritage 2033, The National Lottery Heritage Fund strategy 2023–2033</a>	11.17 MB
<a href="#">Treftadaeth 2033, Strategaeth Cronfa Treftadaeth y Loteri Genedlaethol 2023–2033</a>	3.11 MB

## Foreword

The National Lottery Heritage Fund’s 10-year strategy sets out our ambitions to support projects of all sizes that connect people and communities to the UK’s heritage.

Our consultation found that people wanted us to do even more to address the challenges heritage faces and to increase the positive contribution it makes to life in the UK.

Over the next decade we will take a longer-term view, investing in heritage for the future as well as for the present. We will invest in places, not just individual projects, to bring about benefits for people, places and our natural environment.

We will strengthen partnerships with governments, local authorities and statutory agencies and create new collaborations with those who share our vision.

These ambitions are set out in a simplified investment framework and form the foundation of our shared vision for heritage to be valued, cared for and sustained for everyone.

– The National Lottery Heritage Fund Board of Trustees

## Introducing our strategy

As the largest funder for the UK’s heritage, our vision is for heritage to be valued, cared for and sustained for everyone, now and in the future. We believe in the power of heritage to ignite the imagination, offer joy and inspiration, and to build pride in place and connection to the past.

Over the next 10 years, we aim to invest £3.6billion raised for good causes by National Lottery players to make a decisive difference for people, places and communities.

In summer 2022, over 4,000 stakeholders and members of the public shared their views on heritage and our future direction. This powerful feedback, combined with our own experience, has shaped our new approach.

We will strengthen and focus our support for the UK's heritage using four principles that will underpin our investment:

- saving heritage
- protecting the environment
- inclusion, access and participation
- organisational sustainability

We will use these principles to create a more flexible framework to guide our funding.

We will continue to do what we do well: our open programmes with devolved decision-making using the local knowledge and expertise of our six area and nation committees.

In future, we will also take a more proactive approach to strengthen strategic investment, targeting our resources towards the most urgent needs.

The detail of how we will deliver this 10-year strategy will be published through a series of three-year delivery plans.

Our renewed approach has been created through the generous contributions and expertise of many people and partners who care about heritage. We want to continue these conversations, so that National Lottery funding enables heritage to inspire, and challenge, to delight and fascinate, now and in the future.

– Simon Thurley, Chair

– Eilish McGuinness, Chief Executive

## **Achieving our vision**

Our vision is for heritage to be valued, cared for and sustained for everyone, now and in the future.

We see heritage as broad and inclusive, adapting to contemporary and future uses and challenges. From the historic and natural environment to our museums, libraries and archives. From our industrial legacy to cultural traditions, stories, memories, celebrations and more. Heritage can be anything from the past that people value and want to pass on to future generations.

It is our privilege to support the UK's heritage with money raised by National Lottery players. Since 1994, we have invested over £8.2bn in more than 45,000 projects. We operate across all four nations of the UK as a non-departmental public body of the Department for Culture, Media and Sport (DCMS). We work in collaboration with a wide range of statutory bodies across the UK as

well as other National Lottery distributors. We receive Financial Directions from DCMS as well as Policy Directions for the UK and England, and from the Scottish and Welsh governments, with Directions in Northern Ireland currently under development.

We deliver additional funding for heritage on behalf of governments and other bodies to achieve our shared aims.

Our four new investment principles will guide all our decision making through open programme funding, our strategic investments or when entering new collaborations and partnerships.

We will ask the projects we fund to take all four investment principles into account in their applications. The strength of focus, and emphasis on each principle, will be for applicants to demonstrate. We will provide greater detail on what this will mean through guidance and our delivery plans.

## Investment principle 1

### Saving heritage

*Conserving and valuing heritage, for now and the future.*

#### What we mean

Our support will ensure heritage remains accessible, relevant, sustainable and valued.

#### What we will do

**Heritage at risk:** We will commit funding to protect, conserve and revitalise heritage of all kinds that is in poor condition or at risk of loss, decline, damage, neglect or of being forgotten – ensuring it is valued and better understood.

**Invest in places:** Heritage has a unique role in bringing people together where they live, work and visit. We will increase people's connection with the heritage of their local places through targeted investment in our historic and natural environment.

**Revitalise and maintain:** We will invite proposals to work with us to develop the skills, capacity and innovation to sustain and manage heritage. We will identify opportunities for revitalising diverse types of heritage.

#### By 2033 we will have:

- Improved the condition, viability and public understanding of thousands of heritage sites, collections, habitats, species and intangible cultural heritage.
- Measurably reduced the amount of heritage identified as 'at risk', whether through loss, facing extinction, assessed as being in poor or unfavourable condition or at risk of being forgotten.

- Delivered long-term projects to transform local areas, towns, cities and landscapes by taking a targeted approach to improving the condition of heritage and the pride people take in their local environment.
- Ensured that the digital heritage resources we support are open, accessible and discoverable by future generations.

## Investment principle 2

### Protecting the environment

*Supporting nature recovery and environmental sustainability.*

#### What we mean

We will support natural heritage and environmentally sustainable projects that help the UK meet its nature recovery targets and mitigate the impact of climate change on heritage.

#### What we will do

**Landscape:** We will increase our support for strategic and landscape-scale projects – both rural and urban – that help habitats and species thrive, reducing and mitigating the impacts of climate change, while helping people connect to our unique natural heritage.

**Nature:** We will invest through partnerships to help halt and reverse the loss and decline of habitats and species.

**Environmental footprint:** We will support heritage projects that reduce adverse environmental impacts and help heritage to adapt to our changing climate. If projects involve construction, we will encourage restoration, conservation and reuse, rather than new build.

**Mitigation:** We will collaborate to bring natural, built and cultural heritage stakeholders together to identify and mitigate climate risks to heritage and involve people in bringing about positive behaviour change.

#### By 2033 we will have:

- Put landscapes and habitats in both urban and rural places into recovery, so they support abundant natural heritage and healthy natural systems.
- Increased people's understanding and connection with nature across towns, cities and the countryside.
- Reduced the negative environmental impact and carbon footprint of our funding portfolio.
- Improved the ability of natural and cultural heritage to plan for and adapt to a changing climate and helped projects take action for the environment.

## Investment principle 3

## **Inclusion, access and participation**

***Supporting greater inclusion, diversity, access and participation in heritage.***

### **What we mean**

We will support organisations to ensure everyone has opportunities to learn, develop new skills and explore heritage, regardless of background or personal circumstances.

### **What we will do**

**Involve a more diverse range of people in heritage**, investing in volunteering, heritage careers, co-creating projects, leadership, governance and developing knowledge and skills.

**Enable organisations to remove barriers to access and participation**, particularly for people who are under-served by heritage.

**Support all communities to explore and share their heritage**, with a focus on making the stories of our four nations more inclusive of everyone's heritage.

**Accessible digital heritage resources:** Support greater use of digital technology to make heritage more accessible and enjoyable, and promote better access to heritage information, enabling projects to increase impact and reach.

### **By 2033 we will have:**

- Increased the diversity of heritage workforces, leadership and audiences.
- Addressed the barriers to access for people under-served by heritage, providing more equitable opportunities for active involvement and participation.
- Enriched people's lives through our investment, enabling everyone's heritage to be recognised.
- Supported people to creatively use digital technology in heritage to promote access and reach.

## **Investment principle 4**

### **Organisational sustainability**

***Strengthening heritage to be adaptive and financially resilient, contributing to communities and economies.***

### **What we mean**

We will support organisations to develop the skills and capacity to ensure a sound long-term future and encourage new heritage investment that benefits communities and economies.



## What we will do

**Support financial sustainability:** We will continue to offer funding to build resilience, providing organisations with capacity and expertise to develop their long-term organisational and financial plans.

**Support heritage skills development:** We will collaborate with partners to identify opportunities to build capacity, skills and expertise in heritage, to contribute to thriving communities and economies.

**Provide flexible funding:** We will offer flexible financial support in the early planning stages of projects for preparatory analysis and activities. We will also make available follow-on funding for time-limited periods on completion of significant capital projects to help embed operational stability.

**New finance and investment:** We will champion the use of more diverse income sources such as green finance and commercial approaches and help build the capacity and skills needed to deliver this.

### By 2033 we will have:

- Supported organisations to increase their financial and organisational sustainability by developing their commercial and digital skills and strengthening governance and leadership.
- Supported the development of skills and capacity in the heritage sector.
- Used our flexible funding model to embed resilience in the projects we fund.
- Enabled the heritage sector to strengthen its contribution to economies and local communities.

## Our funding portfolio

### Open, responsive, devolved

We will continue our current approach of offering open funding programmes – from small grants up to multi-million-pound projects – for all types of heritage.

Most funding decisions will continue to be delegated to our six area and nation committees and operational staff across the UK. This will enable differences in heritage character in England, Scotland, Wales and Northern Ireland to benefit from local expertise.

### Scale and reach

Our funding programmes have had a ceiling of £5million for over 20 years, which is limiting opportunities for some initiatives to come forward. From 2023, we will introduce a higher investment threshold of £10m to allow for larger-scale investment and will consider investing in projects above this threshold to support truly exceptional heritage projects across the UK. We will adapt our investment thresholds and approach through the 10-year strategy to respond to the needs and requirements of heritage.

## **Strategic interventions across the UK**

We will also introduce new strategic funding streams with the aim of:

- Proactively tackling long-standing heritage issues at a large scale.
- Supporting projects that boost pride in place and connection to heritage.
- Strengthening our focus on heritage at the heart of places, nature and the environment.
- Enabling a coordinated cross-territory approach that will strengthen delivery.
- Allowing us to respond to emerging opportunities and emergencies at speed and at a national level.
- Supporting projects and addressing heritage gaps where proposals are not coming through into our open programmes.
- Accelerating new ideas and interventions where a deliberate approach is needed.

We will regularly review our strategic interventions through three-year delivery plans.

Early initiatives will include:

### **Place**

We will target place-based investment that boosts pride in place and connects communities and visitors with heritage. Drawing on national indicators, combined with local intelligence about the need, opportunity and potential for heritage, we will invest at least £200m over the life of this strategy. We will boost the capacity of local places and communities to develop partnerships and seek out areas that have the potential to draw in and benefit from wider investment.

### **Landscape and nature**

We will support large-scale projects that revive landscapes, support nature recovery and enhance connectivity for people and wildlife. We will work with partners including Areas of Outstanding Natural Beauty, National Parks, conservation organisations, communities and landowners to put entire landscapes and habitats into recovery so they support abundant natural heritage, rich cultural heritage and healthy natural systems. We will invest across rural, suburban and urban areas to enhance landscape character by funding new approaches, sustainable activities and capital improvements.

### **Heritage in need**

We will take an evidence-based approach to identifying gaps in support to the heritage sector, particularly where there is heritage at risk and in need of conservation – for example places of worship or industrial heritage. We will provide targeted support to build capacity, develop approaches to project planning and diversify income streams to help build a future project pipeline.

### **Acquisitions, opportunities and emergencies**

We will ensure we can respond swiftly and act when necessary to respond to unique situations and opportunities. This could mean supporting acquisitions of exceptional heritage, marking significant

events or supporting heritage areas and organisations dealing with an unforeseen emergency. We will work flexibly when the heritage sector needs to come together to secure the future of the most important heritage of all types for future generations.

## Heritage 2033 delivery plan: 2023–2026

[See all updates](#)

Explore how much we'll invest and how we'll deliver the aims of our 10-year strategy, Heritage 2033, over the first three years.

Attachment	Size
<a href="#">Heritage 2033 delivery plan 2023-2026</a>	930.45 KB
<a href="#">Treftadaeth 2033 cynllun cyflwyno 2023-2026</a>	887.53 KB



Porchester Castle, Hampshire © Sadé Elufowoju/National Youth Theatre.

## Context

### Purpose of the delivery plan

The National Lottery Heritage Fund's 10-year strategy, [Heritage 2033](#), sets out our ambitions to make a decisive difference for people, places and communities as we invest an anticipated £3.6 billion raised for good causes by National Lottery players over the next decade.

Our long-term strategy is supported by three-year delivery plans, setting out how the aims of the strategy will be delivered. They will allow us to take a flexible approach, adapting to heritage sector

needs and responding to external events or opportunities over the 10 years.

Our 2023–2026 delivery plan sets out the key milestones and how we will deliver National Lottery investment for the first three years, as well as how we are transitioning to our new strategy in 2023–2024. This plan will be updated annually as part of our business planning processes.

## Our vision

Our vision is for heritage to be valued, cared for and sustained for everyone, now and in the future.

## Our investment principles

Our four investment principles guide all our decision making:

- **[Saving heritage](#)**: conserving and valuing heritage, for now and the future.
- **[Protecting the environment](#)**: supporting nature recovery and environmental sustainability.
- **[Inclusion, access and participation](#)**: supporting greater inclusion, diversity, access and participation in heritage.
- **[Organisational sustainability](#)**: strengthening heritage to be adaptive and financially resilient, contributing to communities and economies.

**We will ask projects we fund to take all four investment principles into account in their applications.** Further details for applicants will follow in updated guidance, communications and announcements during the transition year of 2023–2024.

## Our values

Our [values and behaviours](#) are fundamental to the way we work. They are embedded across our strategic and business planning and our leadership and management. Our four values are:???

- **Inclusive**?of all aspects of heritage, people and communities.?
- **Ambitious**? for our people, communities and heritage.?
- **Collaborative** by working and learning together.?
- **Trusted**? for our integrity, expertise and judgement.

## The role of The National Lottery Heritage Fund

[As the largest funder of UK heritage](#), The National Lottery Heritage Fund (Heritage Fund) invests money raised by National Lottery players across the UK, in collaboration with a wide range of statutory bodies, as well as other National Lottery distributors. Our work is made possible thanks to the support of National Lottery players. We award 20% of the good causes income raised by National Lottery players and deliver grant programmes on behalf of the UK and devolved governments.

We are a non-departmental public body accountable to Parliament via the Department for Culture, Media and Sport (DCMS). Our decisions about individual applications and policies are entirely independent of the government. The Trustees of the National Heritage Memorial Fund is our legal

body for the administration and supervision of all funds vested in us. It was set up by the National Heritage Act 1980 to administer the National Heritage Memorial Fund.

## **The role of the National Heritage Memorial Fund**

[The National Heritage Memorial Fund](#) (NHMF) was set up in 1980 to save the most outstanding parts of our national heritage, in memory of those who have given their lives for the UK.

As a fund of last resort, NHMF provides financial assistance towards the acquisition, preservation and maintenance of some of the UK's finest objects and landscapes. These range from historic houses and works of art, to trains, boats and ancient landscapes. NHMF has helped create a world-class collection that belongs to the people of the United Kingdom, forever.

This delivery plan details how we will deliver National Lottery investment.

## **2023–2026 priorities**

### **Implementing Heritage 2033**

Our priority in 2023–2024 is to implement our new strategy with this first year acting as a transition year as we move from the Strategic Funding Framework 2019–2024 to the new investment principles and aims set out in Heritage 2033.

In this first year we will establish and streamline our funding processes as we transition to assessing funding applications under the four investment principles, as well as mapping the development of our strategic initiatives and partnerships. This implementation programme includes updating our guidance, application forms and process, and the way we monitor and evaluate the impact of our grants. Our progress through the transition year will be evaluated at the end of 2023–2024.

Our funding approach will continue to be open, responsive and devolved. We will:

- deliver a place-based approach through our investments, strategic initiatives and partnerships
- establish new partnerships and long-term collaboration to meet identified sector needs
- use research, analysis and insight to support a shared long-term vision for heritage and improve our delivery
- champion innovation to find new solutions to heritage challenges
- grow digital leadership and confidence across UK heritage
- collaborate with partners in governments, arm's length bodies, the other National Lottery distributors and independent trusts and foundations to shape new initiatives to meet identified needs for heritage
- be an inclusive, accessible and equitable funder

### **Investment plans and budgets**

Our three-year investment and delivery plans are set out below. Budgets are indicative, based on National Lottery income forecasts provided by the Gambling Commission. Forecasts may be

subject to change and will be updated as part of the annual review process for the delivery plan. Budget plans will be reviewed throughout the three years and updated as necessary to meet strategic priorities.

As detailed below, we also distribute non-Lottery funding, including from governments, to support UK heritage.

### Total projected National Lottery investment

Programme	Year 1	Year 2	Year 3
	2023–2024	2024–2025	2025–2026
Total National Lottery investment	£345million	£333million	£333million
Open programme investment	£315m	£287m	£268m
National Lottery strategic initiatives	£30m	£45m	£65m

### Other funding programmes investment

- £50million in 2023–2024

### National Lottery programme activities

#### National Lottery Grants for Heritage

Our open programme for all types of heritage projects in the UK.

#### Year 1 (2023–2024):

- Revise National Lottery Grants for Heritage in line with Heritage 2033.
- Change grant thresholds to £10,000–£10m and undertake scoping work to continue to deliver grants under £10,000 through other organisations and initiatives.\*
- Review and streamline our applications, assessment and monitoring processes.
- Manage and support customers through the application transition from the Strategic Funding Framework 2019–2024 (SFF) to Heritage 2033:
  - last applications for grants between £10,000 and £10million under SFF: November 2023
  - last applications for grants up to £10,000: December 2023
  - first applications for grants between £10,000 and £10million under Heritage 2033, with new guidance and application forms: January 2024
- Make the first awards up to £250,000 under Heritage 2033.
- Work with partners, including DCMS and statutory agencies, in developing our approach to skills and children and young people through the open programme.

#### Year 2 (2024–2025):

- Complete the transition to deliver the open programme under the four Heritage 2033 investment principles.
- Make the first awards over £250,000 under Heritage 2033.
- Deliver grants under £10,000 through other organisations and initiatives and evaluate.
- Continue to streamline our application and assessment processes.
- Embed and deliver our approach to skills and children and young people through the open programme.

**Year 3 (2025–2026):**

- Continue to evaluate our new processes and measure the initial impact of the open programme under Heritage 2033.
- Deliver grants under £10,000 through other organisations and initiatives and evaluate.

\*Grants above £10m can be awarded in exceptional circumstances to deliver Heritage 2033 ambitions.

**Strategic initiative: Place**

Helping to transform the heritage in 20 different places, put heritage at the centre of local approaches to boost pride in place, revitalise local economies and improve people’s connection to where they live, work and visit.

**Year 1 (2023–2024):**

- Nine locations identified for strategic investment using data about heritage, society and investment levels, alongside local intelligence.
- Understand local needs of selected locations, support capacity to plan ahead and engage audiences.
- Project planning and development grants.

**Year 2 (2024–2025):**

- Grants available for the delivery of projects.
- Identify the next round of places.

**Year 3 (2025–2026):**

- Evaluation of first round of place funding.
- Funding to continue over the remainder of the strategy.

**Strategic initiative: Nature Cities and Towns**

Partnership to deliver urban nature recovery through thriving historic parks and green spaces.

**Year 1 (2023–2024):**

- Develop partnerships to design and deliver initiative.
- Understand local needs, design and capacity building.

**Year 2 (2024–2025):**

- Project planning and development and delivery grants.
- Monitoring and evaluation.

**Year 3 (2025–2026):**

- Grants available for the delivery of projects.
- Monitoring and evaluation.
- Grant funding to continue for one further financial year.

**Strategic initiative: Integrated Landscapes**

Landscape-scale nature recovery across UK national landscapes, providing better connections for people and nature.

**Year 1 (2023–2024):**

- UK-wide stakeholder engagement to develop the initiative.
- Initial investment to support project planning.

**Year 2 (2024–2025):**

- Grants available to support the development of projects.

**Year 3 (2025–2026):**

- Grants available for the delivery of projects.
- Initiative will continue over lifetime of the 10-year strategy.

**Heritage in Need**

Identifying gaps in support to the heritage sector, particularly where there is heritage at risk and in need of conservation.

**Year 1 (2023–2024):**

- Research and development and working with strategic partners across the UK to identify the initial focus for support, including for places of worship.



Year 2 (2024–2025) and year 3 (2025–2026):

- Once initiatives identified, grants available for the development and delivery of projects.

### **Opportunities**

Responding swiftly, and acting when necessary, to address unique situations, opportunities and events.

Year 1 (2023–2024):

- Eurovision Liverpool 2023.
- City of Culture.
- New to Nature programme (expansion).
- National Lottery 30th birthday.

Year 2 (2024–2025):

- City of Culture delivery.
- National Lottery 30th birthday.
- Respond to further opportunities.
- New to Nature programme ends.

Year 3 (2025–2026):

- City of Culture delivery ends.
- Respond to further opportunities.

### **Existing programmes and collaborations**

Ongoing initiatives that support new ways of working, innovative investment and resilience.

Year 1 (2023–2024):

- Heritage Innovation Fund.
- Arts & Culture Impact Fund.
- Heritage Impact Fund.
- Facility for Investment Ready Nature in Scotland.
- National Churches Trust.
- Architectural Heritage Fund: Heritage Development Trust Initiative .
- Levelling Up Fund (sector support).
- Museums Estates and Development (MEND) Fund.

Year 2 (2024–2025) and year 3 (2025–2026):

- Planned multi-year programmes continue and new opportunities identified.

## **Other funding programme activities**

We also distribute non-Lottery funding, including from governments, to support heritage across the UK.

The current portfolio of agreed programmes is set out below.

### **Programmes delivered in partnership with Department for Environment, Food and Rural Affairs (Defra) – £25m:**

- Species Survival Fund
- Green Recovery Challenge Fund\*
- Trees Calls to Action Fund\*

### **Programmes delivered in partnership with Welsh Government – £24.65m:**

- Local Places for Nature\*\*
- Local Places for Nature Breaking Barriers
- The Woodlands Investment Grant\*\*
- The Woodlands Investment Grant Tiny Forests
- Nature Networks\*\*

### **Programme delivered in partnership with Department for Culture, Media and Sport (DCMS) – £550,000, awarded 2022–2023:**

- Know Your Neighbourhood (through Historic England High Street Heritage Action Zone Cultural Programme)\*

All funding programmes are subject to business case agreement by the Heritage Fund's Executive team.

\*Programmes have awarded available grants and projects are being delivered.

\*\*Programmes part funded by National Lottery.

[Further information on the individual funding programmes can be found on our website](#) and/or will be published over the transition year.

## **Income and costs**

We receive and award 20% of the National Lottery's good causes income and set our budgets for investment annually depending on the amount raised by National Lottery players across the UK.

In addition to National Lottery income, we receive annual UK government income for the National Heritage Memorial Fund of £5m, comprising £4.9m for grants and £0.1m for administration costs. We also receive income from governments and other bodies such as DCMS, Defra, Northern

Ireland Executive and Welsh Government to distribute grants.

For the first three years of Heritage 2033, we aim to award over £1bn (see table opposite) with a portfolio comprising National Lottery Grants for Heritage as well as strategic initiatives and partnerships.

<b>Projected investment</b>	<b>2023–2024</b>	<b>2024–2025</b>	<b>2025–2026</b>	<b>Total</b>
Lottery income	£377m	£361m	£361m	£1,099m
Operating costs	-£32m	-£28m	-£28m	-£88m
Total available for Lottery investment	£345m	£333m	£333m	£1,011m

Our total National Lottery operating costs are set by DCMS and should not exceed 7.75% of annual National Lottery income over a three-year rolling period.

This is a living delivery plan that will be managed flexibly and will adapt over time to respond to external events and opportunities and as we develop our thinking with our stakeholders and partners.

## **Operational priorities**

Alongside the core delivery of Heritage 2033 and support for the heritage sector, our internal priorities are –

### **Embedding environmental sustainability in our investment and operations:**

- working collaboratively to learn from and share best practice across nature recovery, climate justice and climate adaptation
- reducing our environmental impact and working towards two net zero carbon ambitions:
- medium-term goal of net zero carbon before 2030 for our operations, decarbonising our offices, travel, waste and purchases
- long-term goal to reach net zero for our investments and grants (science-based target in line with the 2015 Paris Agreement)

We report on our environmental impact as part of our [Annual Report and Accounts](#).

### **Equality, diversity and inclusion (EDI) in our investment and operations:**

- ongoing implementation of our [2021 EDI Review actions](#), addressing improvements across our workforce, governance and organisational culture
- developing partnerships and collaborative working to ensure equitable access to our funding for projects led by people under-served by heritage

## **Ensuring we have the right skills and capabilities to deliver and evaluate the strategy successfully:**

- enabling our employees to develop the skills and flexibility to be able to deliver and evaluate Heritage 2033
- enhancing our data, research and analytical capabilities, including implementing a new Geographic Information System (GIS)

## **Continuous improvement of our organisational delivery:**

- continue to improve and refine the organisational delivery of our operations, enabling our customers, employees and others to work more efficiently, using technology and information to streamline our organisation
- embed our new investment management service, making it easier and clearer to engage, apply and interact with National Lottery funding for heritage
- continue to monitor and manage projects already in delivery to support grantees and to ensure project compliance with funding contracts
- continue to review the resilience of funded projects and to provide additional help and guidance as required

We will effectively and efficiently use our resources to distribute National Lottery and government funding for heritage.

## **Governance and decision making**

### **Board, committees and decision making**

We are governed by a Board of Trustees who lead on strategy development, with day-to-day activities delegated to the Executive team. The Board makes funding decisions on grant applications over £5m and holds a central investment budget for strategic initiatives and UK-wide programmes.

We have six grant making committees in Scotland, Northern Ireland, Wales and in three areas of England – North, Midlands and East, and London and South – which make decisions on grant requests between £250,000 and £5m. We continue to delegate the majority of our decision making to these six area and nation committees and operational employees across the UK (for decisions below £250,000).

We retain a 'country reserve' for Scotland, Wales and Northern Ireland for grants that cannot be accommodated in delegated per capita budgets.

For grants above £5m, our Board retain oversight and decision making, following recommendations and input from the area and nation committees.

Allocated on a per capita basis, grant making committees receive the following percentages of delegated budgets:

<b>Area/nation</b>	<b>Budget</b>
Northern Ireland	2.9%
Wales	4.8%
Scotland	8.4%
England, North	23.7%
England, Midlands and East	25.2%
England, London and South	35%

The [processes for grant applications, decision making and monitoring of grants](#) are set out on our website.

## **Managing risks**

Our risk register is regularly reviewed by the Executive team, the Board and our Audit and Risk Committee. Our risk appetite is reviewed and approved by the Board once a year.

Our main risks and mitigations for the first year of the delivery plan, 2023–2024, at the date of publication are:

### **Strategic**

The external operating environment across the UK results in multiple, potentially conflicting, priorities during the cost of living crisis. We will manage this by:

- close working relationships with stakeholders and DCMS sponsor team
- gathering of intelligence and insight and ensuring teams are sighted on all developments
- clear leadership and awareness from directors in terms of impacts on their teams
- careful handling of sensitive programmes or investments

The transition to the new fourth National Lottery licence operator and handover/continuity arrangements. We will manage this through:

- close liaison with DCMS and the Gambling Commission
- advising DCMS of risks to operational delivery, investment planning and portfolio management
- scenario planning for a range of financial options

- collaborative working through the National Lottery Forum to share insight

## **Economic**

High levels of inflation and labour market shortages is having a knock-on impact on supplier and project delivery costs, affecting the heritage sector, particularly in terms of construction and capital costs. We will manage this through:

- continual review of country reserve budgets and grant increase budgets
- review of risk appetite and emphasis on broad resilience support for organisations, including reviewing project planning, business plans and future proposals
- potential rescoping or value re-engineering in projects with grantees supported by our Register of Support Services (RoSS) consultants

## **Operational**

Ensuring the right resource, capacity and skills to deliver the strategy implementation programme of work. We will manage this by:

- continually monitoring what is achievable in the timeframe, current resource and capacity, identifying where there are additional resource needs within the 7.75% cap on operating costs
- agreed budget in 2023–2024 includes an Executive budget to allow flexibility
- business continuity plans developed for the strategy implementation programme workstreams

Challenges in staff recruitment and staff retention due to real wage inflation and pay constraint across the public sector compared to private/third sector salaries. Career progression opportunities. We will manage this by:

- continuing to improve recruitment processes including widening recruitment channels, staff induction and onboarding processes
- developing relevant staff training and learning opportunities
- developing our employee value proposition

Delays in interdependent projects that are critical for the strategy implementation programme. These interdependencies include our investment management service, RoSS procurement and grant in aid delivery. We will manage this through:

- effective governance of interdependent projects with oversight at Board, Executive team and project board level
- project leads liaising to identify and escalate key delivery issues to our strategy implementation programme board
- appointment of a programme lead to manage and monitor the interdependencies between key delivery projects

Risk of cyber security threats that seek to damage, steal or disrupt. We will manage this through:

- strong operational controls and proactive monitoring systems

- continual external assessments of security measures/controls and vulnerability tests conducted by specialist cyber security experts

## Transparency

We recognise our obligations to National Lottery players and taxpayers in explaining how we use their money, and funding working in compliance with relevant laws and the Framework Document with DCMS.

As a public-facing body, we are committed to making information readily available and easy to understand. [For more information, please see the Transparency section of our website.](#)

Our award data is published through [GrantNav](#), which is an open data standard, [on our website](#) and through DCMS and Cabinet Office statistical releases. We publish details concerning individual grant awards which may be considered to be [subsidies](#) to comply with the transparency requirements in the Subsidy Control Act 2022.

We also publish on our website the following:

- [our Annual Reports and Accounts](#) which include senior staff salaries
- [our Board and committee decisions on grant applications](#)
- [our governance structures and details of our trustees, regional committee members and senior staff](#)
- our existing [Strategic Funding Framework 2019–2024](#) and new 10-year strategy, [Heritage 2033](#)
- [opportunities for jobs and working with us](#) including committee membership and trustee vacancies when they arise
- [workforce equality information](#) to comply with equality legislation
- [details of all grant programmes with guidance on how to apply](#), requirements and links to our online portal for submitting applications
- how we work with you to deliver your project and outcomes
- other corporate information

Tenders worth £30,000 (inclusive of VAT) or more where we are seeking suppliers/business partners to help us deliver our business are advertised on [Contracts Finder](#). Tenders over the Public Contracts Regulations 2015 thresholds are also advertised on the [Find a Tender service on the government website](#). Contracts awarded for services and support where we have let those contracts are published (redacted) on Contracts Finder.

## Impact and performance

### Assessing the impact of our investment

[Heritage 2033](#) describes the changes we want to achieve by 2033 across our four investment principles.

During the transition year (2023–2024), we will design a new impact framework that will allow us to regularly evaluate and assess our impact over the next 10 years. We will use the transition year to identify key performance indicators (KPIs) and develop baseline levels, where relevant. We will also establish a new cycle of internal and external reporting on both our impact measures and the actions we are taking to deliver against our aims. Some of the changes we want to achieve will also require detailed qualitative evidence to understand the impact of our work.

We will publish a first impact framework at the end of the transition year, setting out our new strategic KPIs and baseline measures.

[We will continue to make all our research, insights and evaluation available via our website](#), to enable a full assessment of our impact for heritage. Through the publication of regular impact updates, we will improve our approach to measuring and monitoring the impact of our investments.

## **Measuring our performance**

We produce operational indicators to measure our performance through our reporting to our sponsor department, DCMS. New strategic indicators will be developed following the new impact framework. In the meantime, our indicators currently include the following:

- a reduction in heritage assets considered to be ‘at risk’ as a direct result of Heritage Fund investment
- the number of jobs directly supported by Heritage Fund investment\*
- the proportion of grant applications processed within the published timeframe
- the proportion of the public who engage with heritage, museums and galleries recorded in DCMS’s Participation Survey
- the number of volunteers directly supported through Heritage Fund investment\*
- the amount and proportion of funding to the 20% most deprived local authority areas

\*We will be making improvements to how we collect data with projects so we can monitor these areas more effectively.

## **Our service standards**

We have set targets for the delivery of services to our applicants and grantees, which will be reviewed during the transition year.

### **Application decisions**

Decisions will normally be taken at the next available decision meeting following assessment as follows –

National Lottery Grants for Heritage over £250,000:

- Expression of Interest response: 20 days
- development/delivery grant application: 12 weeks

National Lottery Grants for Heritage up to £250,000:



- from application: 8 weeks

### **Grant payments**

Grant payments will be made to the grantee within nine working days from our receipt of the payment request.