

Written evidence submitted by Andrew White, Director, Wales, National Lottery Heritage Fund (TOU0008)

Background

The National Lottery Heritage Fund is unique in covering the full breadth of natural, cultural and intangible heritage, across the UK. Since 1994, National Lottery grants amounting to over £8billion distributed to more than 45,000 projects have sustained and transformed the UK's heritage. In Wales, our investment equates to £420million to over 2,700 projects. Through the scale of this investment we've had significant influence over 25 years, driving an inclusive and democratic approach to heritage which is widely supported by National Lottery players and the public.

Our UK-wide operation and regional and country presence enable us to work strategically with governments and a wide range of partner organisations. At the same time, we're also closely engaged with people and communities looking after and celebrating their heritage at a local level.

Within our funding framework¹, we take account of different policy priorities of the different administrations, and the strategic roles of other agencies. We receive Policy Directions from the UK Government and from the Welsh Government for our work in Wales.

Our Priorities

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.

UK heritage is facing its gravest threat since the Second World War. The risks to heritage sites, attractions and organisations from a sudden and dramatic loss of income as a result of the pandemic have put the heritage and visitor economy in crisis, requiring an urgent response.

Our focus up to end of the 2022–2023 financial year will be to support the sector to strengthen its recovery in the medium term and build back for positive change across the UK's heritage.

The Heritage Fund follows a set of priorities² 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, 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.

In 2021-22, we are prioritising heritage projects that will meet six of our outcomes as a response to the Covid-19 pandemic. These 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. All local authorities areas in Wales have received funding through this mechanism. The Welsh Government funded schemes have thus far included:

- Local Places for Nature³ capital grant scheme for Wales – Welsh Government funding to enable communities to restore and enhance nature. £10,000-£100,000 grants totalling £2.3million; and Local Places for Nature – Breaking Barriers⁴ – revenue only grant scheme to help excluded and disadvantaged communities to connect with nature in Wales;
- Community Woodlands⁵ scheme - £2.1million Welsh Government funding to restore, create, connect and manage woodlands in Wales;
- Two rounds of 15 Minute Heritage⁶ – a collaboration with Cadw encouraging engagement with heritage within 15 minutes of people’s doorsteps;
- The Green Recovery Capacity Building Scheme – A £1million 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.

Right across the UK, the National Lottery Heritage Fund is working on a range of initiatives in supporting the sector in relation to tourism, for example, through our Digital Skills for Heritage⁷ work stream. More than ever, heritage organisations are looking to develop their use of digital so they can move towards a more resilient, creative future. Our £3.5million Digital Skills for Heritage initiative offers a range of activities and resources for organisations of difference sizes: engaging digital volunteers; digital literacy seminars; digital resources; networking; survey data helping us to understand and support the sector’s needs; and skills development, including marketing and content creation – crucial for the tourism offer.

Heritage and tourism

Wales has a distinctive and diverse heritage which helps us to understand who we are and where we are from. Our funding enables communities from Wales and around the globe to engage with heritage. Every cultural attraction in Wales has its charms, but the significance of four sites have been elevated onto the world stage by the awarding of UNESCO World Heritage Status⁸.

Taking just one example, our funding has contributed towards restoring the prosperity and pride of the World Heritage Site in Blaenavon⁹. The ironworks in Blaenavon ceased production in 1904, which initiated a slowdown in the area’s economy, however it was the closure of Big Pit in 1980 that mean that Blaenavon began to rapidly decline. The 20,000 people of Blaenavon held a deep sense of community – proud of the role their small corner of the world played on the international stage, supplying coal around the globe. By the turn of the 21st century, the prosperous Blaenavon was on the wane. By 2000, around 75% of the town’s buildings were boarded up, its population and more than halved to 6,000, and there seemed little prospect in the future. However, the year 2000 marked a significant turning point – UNESCO designated its industrial landscape a World Heritage Site. This became a catalyst for a major shift in how not only the wider world viewed Blaenavon but also its local residents. Today, Blaenavon is enjoying a renaissance, and £8.7million of National Lottery investment in the town’s heritage has played a pivotal role in restoring its prosperity, confidence and pride. Blaenavon's town centre shopfronts are being revived with National Lottery money. Bethlehem Chapel, a significant building in the town, opened

its doors following a major restoration, and can now be used more widely by the community. Big Pit National Coal Museum received significant funding in 2002 and is today a major tourist attraction. Visitors travel from across Europe to experience first-hand a working coal mine. The Blaenavon World Heritage Centre is located in the sympathetically restored former St. Peter's School and provides a starting point for exploring Blaenavon Industrial Landscape. Funded through the National Lottery, it also provides vital community facilities including a library, café, state-of-the-art conference facilities and a tourist information centre.

Visitors to Blaenavon, from Wales and around the globe, make a significant contribution to the economy – through spending on accommodation, food and drink, transport, shopping, and visiting other local attractions. Tourism generated income can be hugely beneficial to the local area and the wider economy, and can promote international connections which can help to increase business opportunities. Welsh Government data demonstrates that heritage and enjoying the landscape are the primary motivations for international travellers visiting Wales¹⁰.

How attractive is Wales as a holiday destination for international tourists?

The heritage sector is a major attraction for visitors in Wales, whose spending contributed £1.72billion to the Welsh economy in 2019¹¹. Wales may be a small country, but when it comes to tourism, Wales punches above its weight.

Heritage tourism is more popular in Britain, compared to other Europe nations. 35% of UK citizens “totally agree” that the presence of cultural heritage influences their choice of holiday destinations. Heritage is an integral part of the UK brand, driving millions of international visits each year. History and heritage are strong product drivers for most overseas markets. Visit Britain's GREAT campaign has identified heritage as one the UK's 12 'unique selling points'. In 2018, the UK was ranked fifth out of 50 nations in terms of being rich in historic buildings and monuments, and seventh for cultural heritage in the Anholt GfK Nations Brand Index¹². Our rich heritage makes Wales a hugely attractive tourist destination.

It is critical to recognise that the contribution that heritage makes to tourism comes from a broad spectrum of places – heritage tourism is not only about historic buildings and monuments – as important as they are. Wales boasts excellent museums, galleries, rich industrial, maritime and transport heritage. Wales' stunning landscapes, wildlife sites, and parks, are immensely popular with tourists – from Wales and around the world.

As set out in our Strategic Funding Framework¹³, engaging internationally opens up opportunities for heritage organisations to exchange knowledge with other countries, promote themselves in new areas, and drive inbound tourism. International work is already integral to the work of many large organisations, particularly major museums which have an explicitly international role. However, for much of the heritage sector it is the lack of capacity and funding which is holding them back.

How has the Covid-19 pandemic impacted the tourism industry in Wales?

Welsh Government data shows that visits to tourist attractions fell from 22.3million in 2019 to 6.2million in 2020¹⁴. In the survey, 15% of responding attractions did not open at all during 2020. A further 18% opened at some point in the first quarter but then remained

closed for the rest of the year. Therefore a third were not open at all between April and December 2020. Focusing on the heritage sector, in 2019 museum/art galleries received the largest share of visits (26%), but this fell to 15% in 2020. Wildlife/nature reserves and country parks/gardens increased their share of visits to 45% in 2020 from 26% in 2019.

At the very start of the pandemic, in March 2020, the National Lottery Heritage Fund conducted a short survey to help us understand the impact of the Covid-19 crisis on organisations we support across the UK¹⁵. In these early days, the headline findings told us that the impact of Covid-19 was universal, with significant financial impact on the sector – loss of revenue was the second most reported impact during that early period of Covid-19, after postponement of events. Organisations were reporting: closures to the public; a lack of volunteers; staff absences; and reduced visitor numbers. At the start of the pandemic, before financial support from governments had reached them, 82% of heritage organisations were reporting high or moderate risks to the long term viability of their organisations.

As the pandemic took hold, the Heritage Fund moved quickly to offer support to the heritage sector. Regular programmes were suspended and £50million was committed to the Heritage Emergency Fund (HEF) set up in April 2020. Through that emergency response, 54 organisations in Wales received a total of £2,742,400. To illustrate the impact of these funds on the tourism industry we would like to draw attention to the following examples:

- Thanks to a £48,000 HEF grant, wardens continued to care for the vast colonies of rare seabirds that nest on Skomer and Skokholm islands. The Covid-19 crisis brought tourism to a complete standstill, devastating income for the Wildlife Trust of South and West Wales. The grant allowed the 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 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 databases so that they can be viewed virtually.

Fast forward to the present day, the Heritage Fund has a range of projects that are currently in delivery (especially large capital builds) which are struggling due to: a lack of materials and contractors to do the work; rising costs of materials; and the impending energy price rises as well as the rising cost of living – resulting from a complex combination of leaving the European Union, Covid-19, and the ongoing crisis in Ukraine. This means increasing costs and length of projects. In addition to this, a number of projects being run by local authorities have been struggling with their delivery phase, where staff have had a period of being deployed elsewhere because of Covid-19, and not all staff have returned to pre-pandemic working patterns in offices etc. A great many organisations are continuing to struggle with capacity, and it should be recognised that projects need revenue funding, in addition to capital.

The impact of Covid-19 will be felt for some time, but the sector has worked tirelessly, adapted and innovated to keep the heritage we all love safe and accessible for current and future generations. Significant change and uncertainty remain, but the commitment and resilience shown by heritage organisations over the past two years has ensured that heritage's role in supporting jobs, skills, wellbeing, as well as tourism, can continue.

How can Wales increase its share of international tourism while meeting the UK and Welsh Governments' respective decarbonisation commitments?

We all have a part to play in tackling climate change. The heritage sector has an important role in reducing carbon emissions, and in tackling the dual climate and nature crises. In our corporate plan we have committed to play our part in tackling climate change – both within our organisation and in our grant giving¹⁶. We want all the projects we fund to reduce the effects of climate change, assist places and people to adapt to our changing planet, and to support nature's recovery across the UK. We are working together with our sector partners to take action. The National Lottery Heritage Fund has signed a joint statement with the UK heritage sector¹⁷ recognising that the historic environment has its part to play in: mitigating climate change by making its contribution to reducing greenhouse gas emissions; understanding and adapting to the challenges presented by a changing climate; and communicating and engaging people with climate change and actions to reduce carbon emissions and adapt to changing climate.

In Wales, the Historic Environment Group Climate Change Subgroup¹⁸ has prepared a plan to help raise awareness of the risks and opportunities of climate change for the historic environment of Wales and the need for adaptation. The objective is to encourage collaboration and action across all sectors that will:

- increase our knowledge and understanding of the threats and opportunities for the historic environment from changing weather and climate in the short, medium and long term;
- increase our capacity by developing the awareness, skills and tools to manage the impacts of climate change on the historic environment; and
- build the resilience of the historic environment by taking action to adapt and respond to the risks, reduce vulnerability and maximise the benefits.

Every year, the National Lottery Heritage Fund publishes our environmental impact as part of our annual reports and accounts¹⁹. In our grant giving, we factor the environmental impact of all projects – not just of landscape and nature projects – into our decision making. To reach our environmental sustainability requirement²⁰, we expect all kinds of heritage project, large and small, to: limit any potential damage on the environment; and make a positive impact on the environment and particularly for nature. We want all our projects to do their very best to help mitigate against and adapt to the effects of our changing climate and to help nature recover. Whether our funding is conserving a nature reserve, a museum, a public park or a building, we will expect projects to take the opportunity to create positive benefits for nature, for example, by creating roosts for bats, including green roofs, providing ponds for natural drainage, or increasing tree planting²¹. Our expectation of the number of outputs which projects deliver is proportional to the size of the grant, but we encourage projects to consider: building sustainably, energy innovation, waste management, enhancing the environment, future proofing, cleaner transport and travel, measure impacts, green budgeting. The Heritage Fund has also

employed key staff with remits focused on tackling climate change, and we set out our expectations from projects on our website²², and include tangible examples for others to learn from.

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

² National Lottery Heritage Fund, Strategic Funding Framework 2019-2024, available at [Strategic Funding Framework 2019–2024 | The National Lottery Heritage Fund](#)

³ National Lottery Heritage Fund, Local Places for Nature, available at [Local Places for Nature | The National Lottery Heritage Fund](#)

⁴ National Lottery Heritage Fund, Local Places for Nature – Breaking Barriers, available at [Local Places for Nature – Breaking Barriers | The National Lottery Heritage Fund](#)

⁵ National Lottery Heritage Fund, Community Woodlands, available at [Community Woodlands | The National Lottery Heritage Fund](#)

⁶ National Lottery Heritage Fund, 15-Minute Heritage Fund, available at [15-Minute Heritage Grants \(Round 2\) | The National Lottery Heritage Fund](#)

⁷ National Lottery Heritage Fund, Digital Skills for Heritage, available at [Digital Skills for Heritage | The National Lottery Heritage Fund](#)

⁸ UNESCO, World Heritage List, available at [UNESCO World Heritage Centre - World Heritage List](#)

⁹ Visit Blaenavon, available at [Visit Blaenavon - Blaenavon World Heritage Site](#)

¹⁰ Welsh Government, Welcome to Wales – Priorities for the Visitor Economy 2020-2025, available at [39441 Welcome to Wales: Priorities for the visitor economy 2020 - 2025, Summary of Evidence Base \(gov.wales\)](#)

¹¹ Cadw, Heritage Counts report 2019, available at [Heritage Counts Report 2019 | Cadw \(gov.wales\)](#)

¹² UK Government, Six Dimensions (of the Nations Brands Index 2018), available at [Six Dimensions \(of the Nations Brands Index 2018\) - GOV.UK \(www.gov.uk\)](#)

¹³ National Lottery Heritage Fund, Strategic Funding Framework 2019-2024, available at [Strategic Funding Framework 2019–2024 | The National Lottery Heritage Fund](#)

¹⁴ Welsh Government, Visits to Tourist Attractions: 2019 and 2020, available at [Visits to tourist attractions: 2019 and 2020 | GOV.WALES](#)

¹⁵ National Lottery Heritage Fund, Economic Insight into the Impact of Coronavirus (Covid-19) across the Heritage Sector in the UK, available at [Economic Insight into the impact of the Coronavirus \(COVID-19\) across the Heritage Sector in the UK \(heritagefund.org.uk\)](#)

¹⁶ National Lottery Heritage Fund, How We're Tackling Climate Change, available at [How we're tackling climate change | The National Lottery Heritage Fund](#)

¹⁷ Historic England, Joint Heritage Sector Statement on Climate Change, available at [Joint Heritage Sector Statement on Climate Change | Historic England](#)

¹⁸ Historic Environment Group, Climate Change Sub Group, Historic Environment and Climate Change in Wales – Sector Adaptation Plan, February 2020, available at [Historic Environment and Climate Change Sector Adaptation Plan \(gov.wales\)](#)

¹⁹ National Lottery Heritage Fund, Annual reports, available at [Annual reports | The National Lottery Heritage Fund](#)

²⁰ National Lottery Heritage Fund, Environmental Sustainability Guidance, available at [Environmental sustainability guidance | The National Lottery Heritage Fund](#)

²¹ National Lottery Heritage Fund, Our environmental sustainability requirement. Available at [Our environmental sustainability requirement | The National Lottery Heritage Fund](#).

²² National Lottery Heritage Fund, Our Environmental Sustainability Requirement (2021). Available at [Our environmental sustainability requirement | The National Lottery Heritage Fund](#)