Foreword

The Heritage Lottery Fund (HLF) is very pleased to contribute to the Committee’s Inquiry into the Delivery of Regeneration in Scotland.

We have focussed our paper on two aspects in which we have experience – heritage and evaluation – rather than responding to every issue in the Call for Written Evidence.

- HLF’s experience is in heritage-led regeneration – funding the restoration of a town’s historic fabric as a catalyst to encourage further investment and, as importantly, to help a community rediscover a pride in their town or to bring people together to identify a common purpose. We believe firmly that heritage can be a powerful route - and one with remarkable popular appeal - for a community to follow to better understand and appreciate their place.
- We have carried out a substantial piece of longitudinal evaluation of our regeneration investment over more than a decade, and some findings from that are cited in this paper.

We have tried to keep the paper as brief as possible, but we would be happy to provide any further information that the Committee may require. We look forward to having the opportunity to attend one of the Committee’s hearings to contribute further. Any queries or requests for further information should be made in the first instance to:

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I am grateful to my colleague Gareth Maeer, HLF’s Head of Research & Evaluation, who prepared the draft of this paper.

1 Introduction - Evidence for the outcomes of regeneration

As part of its Inquiry, the Committee has asked for submissions on how the outcomes of regeneration can be captured and measured. At the Heritage Lottery Fund (HLF), the evaluation of the impacts of our funding has
developed considerably since we first started making grant awards 1994, and has particularly developed in the last ten years. This experience may be of interest to the Committee.

This part of our submission, therefore, briefly reviews the relevant evidence we have on the outcomes of heritage-based regeneration funding, with particular reference to Scottish examples.

**An outcomes approach**

The first step in understanding what the outcomes of regeneration have been is to specify the outcomes that we want to achieve. This is far from easy – outcomes can be a slippery concept to work with and definition is always an issue – but we believe an attempt has to be made to start, with refinements following as we learn from experience.

Like many other funding organisations today, HLF now uses an outcomes approach, both to help in deciding which projects to support and to measure the impact of our funding over time.

We want the Lottery money we distribute across the UK to deliver long-term benefits for heritage and people and have identified the outcomes that we would like to achieve with our funding:

**Heritage outcomes**
With our investment, heritage will be:

- better managed;
- in better condition;
- better interpreted and explained;
- identified / recorded.

**Outcomes for individuals**
With our investment, people will have:

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

**Outcomes for communities / society**
With our investment:

- environmental impacts will be reduced;
- more people and a wider range of people will have engaged with heritage;
- organisations will be more resilient;
- local economies will be boosted;
- local areas will be a better place to live, work or visit.
All of these, arguably, could be used to track and measure the results of regeneration funding – but the most immediately relevant, we would say, are in the 'communities set' – local economies will be boosted and local areas will be a better place to live and work. Although we do have evidence on the delivery of all the other outcomes in our set, this submission will concentrate on what we have for these two.

Most of the evidence is taken from the evaluation of our main regeneration programme – the Townscape Heritage Initiative. Other work on tourism impacts and local resident perceptions of capital investments may be of interest to the Inquiry.

Townscape Heritage Initiative evaluation

Our programme evaluation has contributed to this evidence bank – especially through the evaluation we have done of our Townscape Heritage Initiative, which demonstrates what can be accomplished through research at different scales of intensity and complexity. THI is a heritage regeneration programme that we have run since the late 1990s, and which provides grants that help communities regenerate Conservation Areas displaying particular social and economic need throughout the United Kingdom. Across the UK, we’ve funded 240 THI schemes with a total of £214m to date. THI has been a popular and successful programme in Scotland, where we’ve awarded a total of £40m to 37 schemes. We can readily provide details of these awards if the Committee would find that helpful.

A recent review of completed THI’s shows how a relatively straightforward data collection exercise can be used to assemble some key knowledge about the extra economic activity that results from investment in historic buildings. This review included two cases in Scotland, Parkhead Cross in Glasgow and Dunbar, which demonstrate how basic surveying can provide a good picture of the work carried out through THI’s and the impacts it has had.

- At Parkhead Cross, for example, we know that 26 properties were improved, with seven brought back into use for the budget of £3.7m. New businesses have occupied buildings included in the THI at six premises along Gallowgate. As a consequence, the area had currently more businesses and occupancy than would normally have been expected, given the area and current economic climate.

- In Dunbar, similar data means we know that a smaller investment of £2m led to improvement work being carried out on 29 buildings with a small amount of re-use for residential. But conversations with local staff involved in the regeneration colours this picture. The THI was instrumental in the formation of a number of local groups, and there are now a number of residents associations that are taking an interest in

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1 HLF can award up to £2m to a THI scheme; the average award is c. £1m
2 This figure is the total cost of the THI scheme, of which the HLF award is a proportion, typically 50%
their local environment – an outcome considered to be as a result of having seen investment in the town which has inspired them to take more ‘pride in their place’. Renovation work at one property - MacArthur’s Stores - though modest, was important in the continuation of a fishing industry from the harbour, which has maintained its size and importance in the town over the last 20 years.

We are working to make sure this basic data is readily available for all schemes we fund – and that it can be compared to baseline figures collected in a similar format. Indeed it is now a condition of funding that THI grantees collect building use and business occupancy data.

At the other end of the scale is the much more detailed evaluation we have commissioned from Oxford Brookes University of a small number of THI schemes that we have been running since 1998 as a major longitudinal evaluation of heritage-based regeneration. This is certainly the biggest study of its kind ever undertaken in the UK.

Sixteen case studies have been tracked from 1998, including three in Scotland – Glasgow Merchant City, West Wemyss in Fife, and Wigtown. It is a very involved evaluation which collects a large amount of data from multiple sources including townscape surveys, land use mapping, household and business surveys, secondary data assembly and stakeholder interviews. The value of work on this scale, over a long time scale is that, as well as demonstrating the changing impacts of schemes over time, it can be used in a formative way to amend and adjust the funding programme over time and in the light of changing economic conditions.

In Glasgow, the THI was clearly part of a much bigger regeneration of the City centre – but the evaluation (with the help of excellent monitoring of impacts by the grantee) means that we know exactly how the THI contribution of £3.14m towards total costs of £30m was deployed. With around 100 jobs created in the mostly new businesses that have been set up in the Merchant City, the economic impacts are well understood as well. But the THI evaluators have gone further than this, in making townscape surveys, tracking land use change over time and undertaking surveys with local residents and business. As a consequence they are able to report in great detail that, for example: -

“Both the household survey results and the secondary data dealing with employment and income indicate that the Merchant City area was improving in relation to employment and income from 2001 to 2006, but has subsequently declined with respect to the relevant measure. However, as a place to work, around 42% of respondents said they felt it was OK or better in 2010 – a similar figure to 2006 – compared with 32% in 2001. There has been an increased pessimism in terms of residents’ perception of job prospects since 2006, although not back to the same level as at Baseline. The picture with respect to incomes for our sample is complex: there has been a significant increase in households claiming to earn £50k or
more: 10% in 2001, 21% in 2006 and 26% in 2010. However, there has also been an increase in the number of households earning less than £5k over the same period. Likewise, the percentage of households earning less than £15k has increased from 2006 from 20% to 35% in 2010."

Their overall conclusion of the research, over more than a decade, is that the Merchant City’s success “has bedded in and is likely to be sustained – notwithstanding the current economic challenges that are having to be addressed by Glasgow.”

West Wemyss was a much smaller-scale scheme and involved £1.5m in investment, with £750k coming from HLF. The principal investment of the THI was in the restoration of a key terrace of dwellings on the main street, bringing back into occupation 13 houses in all. Many of these properties were in imminent danger of collapse before the work began and had not been occupied for many years.

Five years after completion of the THI, the researchers concluded that; -

“The THI in West Wemyss clearly represents a scheme which has been key to the revitalisation and restoration of the village. It is evident that without this investment much of the other restoration and physical regeneration works which have followed would not have been guaranteed.” (see Appendix 1)

But, by continuing the research well beyond the completion date of the scheme, we have been able to assess how sustainability of these outcomes varied over time and in changing economic circumstances. The evaluation has also shown the limitations of a regeneration scheme that is predominantly focussed on residential schemes and doesn’t address a community’s commercial reason-for-being. Local residents who responded to the evaluation survey about the THI, for example, recognised that the village continues to have serious problems in terms of shopping, employment and what it might offer the visitor. On the positive side, it is perceived as cleaner and safer than it was, and better maintained. But the great concern remains that it will become a commuter village; and the divide between long-term residents and incomers will grow.

Heritage and local tourism economies

Other evaluation work that HLF has carried out that the Inquiry may find useful to consider, is the work we’ve done on the impacts of heritage projects on local tourism economies. The overall results of this work have been summarised in our Investing in Success publication – which included the case study of Kelvingrove in Glasgow⁴.

⁴ A copy of Investing in Success can be obtained from HLF’s Edinburgh office

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³ Oxford Brookes University 2013, Evaluation of the Townscape Heritage Initiative.
The large number of economic impact case studies we have carried out on completed projects – nearly 100 – means that we now have a very good understanding of the economic impacts we can expect from our investment – in terms of both ‘average’ and ‘range’.

Typically, we know that HLF investment increases visit numbers by around 50%, creates 54 jobs at a grant-per-job cost of £90,000. Schemes can therefore be assessed against these benchmarks – and there are some where cost-per-job ratios are £50,000 or better. Kelvingrove created 150 new jobs and has generated £3.7m ion new income for the City each year, for an investment of £13m.

Local resident perceptions

Finally, we believe that much can be learnt from carrying out very straightforward local resident surveys following investment in places. Between 2005 and 2009 we undertook 55 surveys of this kind – talking to a representative sample of local people living in the neighbourhood of HLF funded capital projects including historic buildings, museums and historic parks and gardens.

This research involved surveying nearly 6,000 people living up to 20 minutes walk away from completed projects to find out how they felt about what has been achieved. Some of the results were:

- Three quarters (78%) were aware of the HLF funded project that had taken place in their area and more than half (55%) had visited the place we had funded in the last 12 months. We found out that:
  - More than half (56%) of local residents are proud of the local heritage supported by HLF
  - Nearly three quarters (71%) believe it makes their local area more attractive and 59% say it helps makes the area ‘a better place to live’
  - Most locals also see the heritage funded by HLF in their area as ‘important in making this part of the UK special’ (60%)
  - They also enjoy the heritage places funded by HLF with more than half agreeing they provide ‘peaceful places to relax’ (56%) where ‘a lot goes on’ (49%)
  - And the changes funded by HLF are seen as having improved site appearance, activities on offer, ease of access and safety
  - According to the survey results, a majority of local people think the HLF project has not only made a positive difference to the heritage – but 25% say this difference has also improved their own quality of life in the local area. As a result of the HLF work these heritage sites are used more by local people – around a fifth (18%) say they visit more often since the project was completed.

2 Background on HLF Strategy
HLF’s strategic framework for 2013-2018 is *A Lasting Difference for Heritage and People*


It is a framework rather than a plan, and it sets the context and direction for HLF’s investment, whilst ensuring we can respond quickly, flexibly and appropriately, should the need arise and should circumstances change. This will allow us to support locally-based projects as well as those based on wider strategies.

We are still offering support to the full breadth of heritage across the UK. Our targeted grant programmes for parks, landscapes, townscapes, places of worship and young people will continue as before, albeit in a more straightforward manner – making it easier to apply and simpler to administer.

3 HLF support for community capacity building and community based regeneration

In the last year we have introduced a range of new measures to help the heritage sector in these challenging times. *Start-up grants* will be available to support changes in stewardship of heritage - helping communities take on the management of heritage assets and undertake initial options appraisals. *Transition funding* will help those previously supported by HLF to develop their business plans. A *Catalyst capacity building grants programme* will help organisations acquire the skills they need to fund raise and attract private investment and donations. A further round of HLF’s *Skills for the Future* programme will build on the success of our first scheme, offering work-based training opportunities across the sector.

We have also reaffirmed our ongoing commitment to place-based regeneration through the *Townscape Heritage* programme and, in recognition of the twin pressures of reduced public investment and ongoing challenging economic conditions, are introducing a new grants programme from Spring 2013 to deliver regeneration at a micro as well as a macro scale. Called *Heritage Enterprise*, the new programme will offer grants of between £100,000 and £5 million to support the conservation and adaptation of an individual historic building or a coherent group of historic buildings for an end-use which actively contributes to sustainable development in areas experiencing economic disadvantage.

Heritage Enterprise is designed to complement the Townscape Heritage programme, meaning we now have two grant schemes with a specific focus on regeneration. Its introduction will give us the flexibility to offer grant support where and how it is most needed. Under Heritage Enterprise, the key and common factor in all cases will be plans for a sustainable end-use, most likely involving the generation of a commercial income. In some cases we think projects could involve the re-localisation of production, through a re-engagement with industrial skills found within the heritage sector – similar to a
growing number of projects we have already funded across the UK that involve the manufacture of pottery, textiles and paper. Other end uses are likely to involve the creation of business start-up units for cultural and creative small and medium sized enterprises (SMEs), widely acknowledged to be the likely future drivers of economic growth.

While there are benefits to a strategic approach to regeneration at governmental level, we suggest that enough flexibility should be retained to respond positively and relatively quickly to local needs in a fragile economic climate.

Heritage Lottery Fund
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Appendix 1 – example of land use mapping change for West Wemyss in 2000 and 2011