24 September 2020

Joan McAlpine MSP
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Convener,

On behalf of The National Lottery Heritage Fund, I would like to once again thank you for inviting me to take part in the Culture, Tourism, Europe and External Affairs Committee evidence session on 3 September, and as requested, please find below further evidence on the impact of Covid-19 on Scotland’s heritage sector.

**Heritage Emergency Funding**

As I outlined at the meeting, as a distributor for National Lottery heritage funding in Scotland, we have worked hard to respond quickly to understanding the unique challenges faced by the heritage sector, directing our emergency funding to those vulnerable heritage organisations most at risk and awarding over £6.4m in emergency funding to these organisations across Scotland.

However, it is clear that the heritage sector in Scotland faces a major operational and financial challenge over the coming months. Our analysis of data from our Heritage Emergency Fund (HEF) applications projects that Scotland’s heritage sector faces a funding gap of between £24m and £29m in the remainder of this financial year. Most of this need is for ongoing revenue support for organisations that have experienced a significant loss of income owing to Covid-19. The remainder is for the recapitalisation of reserves for those who face a viability risk over the course of the winter.

The HEF grant application asked how many months of free reserves were available to applicant organisations, taking into account all other sources of funding. Our analysis of this information shows that in Scotland 56% of applicants at 3 months or less of free reserves, even when taking into account the other forms of support those organisations had available.
105 projects were awarded our emergency heritage funding, amounting to over £6.4m, and 11% of overall funding awarded. This funding covers a maximum of four months of costs and the last awards were made on 24th August.

The breakdown of the amount awarded for Scotland’s different types of heritage is shown below, alongside whether funds announced as part of Scottish Government (emergency) funding is currently accessible to support these different sectors:

<table>
<thead>
<tr>
<th>Heritage Type</th>
<th>HEF Awarded</th>
<th>Aligned to SG Emergency funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Heritage</td>
<td>£258,700</td>
<td>No</td>
</tr>
<tr>
<td>Intangible Heritage</td>
<td>£184,051</td>
<td>No</td>
</tr>
<tr>
<td>Historic Buildings and Monuments</td>
<td>£2,826,400</td>
<td>TBC (see PQ S5O-04600)</td>
</tr>
<tr>
<td>Industrial, Maritime and Transport</td>
<td>£525,600</td>
<td>No</td>
</tr>
<tr>
<td>Landscapes and Nature</td>
<td>£1,219,600</td>
<td>No</td>
</tr>
<tr>
<td>Museums, Libraries, Archives and Collections</td>
<td>£1,250,200</td>
<td>Yes</td>
</tr>
<tr>
<td>Other / unknown</td>
<td>£92,700</td>
<td></td>
</tr>
</tbody>
</table>

The Cabinet Secretary for Culture confirmed (17 September) that £81.47m of the £97m in UK Government consequentials announced on 5 July for the arts, culture and heritage sectors has been allocated. This, together with the £10m for performing
arts venues brings the total to over £91m. A further £5m was subsequently confirmed, which includes £4m for the historic environment sector. The £4m Museums Resilience and Recovery Fund will also provide support for Scotland’s museums and galleries. However the following types of heritage will have no specific support available:

- Community heritage
- Intangible heritage
- Industrial, Maritime and Transport
- Landscapes and Nature

We have also identified c.£10m additional costs incurred by heritage projects that we are already funding that are currently in delivery and delayed due to Covid-19. This includes increases in construction costs and professional fees as a result of delays, as well as concerns about available match funding and income generation.

**Geographic need of Heritage Emergency Funding**

We were pleased we were able to achieve a wide spread of spend across the country. Awards were made to organisations across Scotland from the North Isles of Shetland to the Isle of Whithorn, and in 27 of 32 local authority areas (excluding: East Ayrshire, East Dunbartonshire, East Renfrewshire, Falkirk and Renfrewshire). The map below shows where HEF awards were made in Scotland: grants of between £3-50k indicated in green; grants of £50-250k indicated in red.

Rural, coastal and under-represented communities in Scotland remain a concern in terms of long-term recovery from Covid-19. As you can see from the map above, we
were able to quickly provide these vulnerable organisations with emergency funding. However, taking into account other challenges faced by many of these organisations, such as infrastructure, resource and capacity, it is apparent that continued and sustained support will be required to address their long-term recovery needs.

Before the pandemic, my team was developing a range of creative approaches in North Lanarkshire and Inverclyde, in partnership with communities and organisations based in or serving those areas. They were selected under the Strategic Funding Framework because they rank highly on the Index of Multiple Deprivation and have historically received lower levels of grant from The Fund. When Covid-19 hit, there was concern that momentum and interest in heritage developed to date would be lost and that The Fund could miss out on opportunities to ensure that heritage is factored in to helping fragile communities in these areas recover and thrive. We worked quickly with potential applicants and bids were solicited from each area. Interest from the organisations approached was very high and subsequently grants were awarded to Inverclyde Council (£230k) and the Rural Development Trust (£200k) in South Lanarkshire – see case study below.

**Community heritage case study:** A grant of £230k has allowed Inverclyde’s Watt Institution to re-engage with a wide range of audiences and new groups to reinterpret their collections - examine Inverclyde’s links to the transatlantic slave trade, focusing on the untold stories in the collections, rethinking the collections in relation to their origins and addressing historic omissions through the decolonisation of the collections. They will take a collaborative and co-design approach in developing project activities (for example partnering with Inverclyde Community Development Trust to involve refugees in exploring ideas of identity, Garvel Deaf Centre in Gourock to increase accessibility for deaf audiences and West College Scotland to build on the current Young Curators programme), as well as build on existing community partnerships to develop long term and meaningful engagement with groups who have previously been under-represented at the Watt Institution, particularly those severely impacted by provisions available as a result of the Covid-19 pandemic.

Other HEF awards include:
- The Living Memory Association - £13,300
- Glasgow Women’s Library - £76,800
- The Venture Trust - £82,900

**Emergency funding by heritage area**

The Fund has awarded emergency grants across the full breadth of heritage, from historic sites, industrial and maritime heritage, museums, libraries and archives to parks and gardens and landscapes and nature.

In Scotland, the highest proportion of grants (over a third, 34%) supported organisations that manage historic buildings and monuments, followed by museums, libraries and archives (25%). The grants helped museums and historic houses to
care for their collections and buildings while they were closed, and in some cases, enable them to safely reopen. With demand for emergency funding highest in this type of heritage, which essentially consists of Scotland’s key visitor sites and attractions, it is clear that the tourism sector has been significantly impacted. There are however smaller, independent sites, that are not necessarily museums or cultural venues, which are potentially falling between the gaps of available funding provision and remain at risk.

**Built-heritage case study:** Abbotsford Trust, the home of Sir Walter Scott, near Melrose, was awarded over £224k of emergency funding to help pay for a range of essential day-to-day costs including salaries, utilities, garden upkeep and security at Abbotsford. The Trust had to shut Abbotsford’s doors to visitors on 20th March due to the pandemic. Giles Ingram, the Trust’s Chief Executive, said: “Abbotsford is not only one of Scotland’s most significant heritage icons, it is also a crucial linchpin to supporting the local and regional economy across the whole of the South of Scotland. Although we still anticipate there may be tough times ahead for us, the Heritage Emergency Fund grant is helping us to look to the future with more confidence.” At least 70,000 people of all ages from all over the world visited Abbotsford last year. In the absence of visitor income because of the Covid-19 pandemic, the charity feared its losses could reach £350,000 or more this year alone.

Other awards include:
- Moat Brae - £173,500
- Maryhill Burgh Halls Trust - £173,900

**Museum case study:** Morven MacDonald, manager of the Highland Museum of Childhood in Strathpeffer, which received £6,800, said: “We were delighted to be awarded some funding. Being a small, independent museum and with funding so restricted from local authorities at the moment, it was really helpful in opening up again amid the Covid-19 crisis.” The museum has used funding to install a touch-screen computer to help people view its collections, add hot water to its toilet facilities and find extra help to stand in for its many elderly volunteers who have been shielding.

Other awards include:
- The Black Watch Museum - £75,600
- Gairloch Museum - £55,900
- Highland Museum of Childhood - £6,800

15% of funding has also gone to charities supporting vulnerable and marginalised communities, and organisations exploring and supporting our cultural heritage and memories – see community heritage case study above.

Industrial, maritime and transport heritage sites, such as Caledonian Railway (awarded £115,500) received 9% of the overall funding. While demand for this type of heritage was relatively small, in comparison to built heritage for example, these
small organisations play a key part in local and regional tourism, and will feel the effects of long-term impact as a result of sustained visitor loss during the pandemic.

There was significant demand for emergency funding of landscapes and nature (16%) projects. Green spaces, important to health and wellbeing, such as nature reserves and parks stayed open during lockdown and grants were used to help keep wardens working, care for livestock and native species, maintain paths and landscapes and deal with litter.

**Land & nature case study:** A grant of £49,200 has allowed Forth Rivers Trust to introduce safe working practices and purchase extra protection and additional tools. The volunteers will be tree-planting, managing invasive species, keeping paths maintained and monitoring fish and other species to protect and improve the area for wildlife and community use. Alan Brooks (85) who helped to plant 400 trees along the Killandean, a tributary of the River Almond, comments: “Getting out and meeting new people is really important to me. I have missed the camaraderie of volunteering and the feeling that I am doing something to help nature.”

Other awards include:
- The Scottish Seabird Centre - £60,000
- Hebridean Whale & Dolphin Trust - £58,700
- Scottish Wildlife Trust - £197,000

Our news story and infographics highlighting emergency funding awards across the UK can be found [here](#).

We are now planning our funding offer for the remainder of this financial year, following the closure of the Heritage Emergency Fund, and will keep you updated as our plans progress. We are continuing discussions with Scottish Government officials about the potential for us to support the distribution of funds for the sector across all areas of Scotland’s heritage.

I hope the information we have provided has been useful and if you have any queries do not hesitate to get in touch with me. We look forward to continuing these discussions with you about the heritage sector and its recovery ahead.

With best wishes,

Caroline Clark
Director, Scotland