



Ms Tracey Crouch MP  
Department for Culture Media and Sport  
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Dear Minister

### **The Consultation on Society Lottery Reform**

The on-line public consultation on Society Lottery Reform is presented in a format that enables large or small society lotteries to respond to appropriate questions and does not provide for other interested parties to offer comments on the current proposals for change. I am therefore writing to you to express Historic England's concerns about the proposed changes.

HLF funding has been transformative in providing grants to the heritage sector since 1994. It has contributed nearly £8bn and changed the culture by setting clear standards that are now recognised across charitable and philanthropic giving. National Lottery income is already suffering a severe reduction in the face of increased competition from scratch-cards and existing Society Lotteries. Despite the Gambling Commission's advice that the proposed reforms will have no statistically significant impact on National Lottery sales Historic England is very concerned that the impact of the proposed changes could be considerable, further reducing the funding for all good causes, including heritage.

In addition, Historic England has particular questions about the proposed changes to Society Lotteries relating to national oversight, funding efficiency and public benefit of community-managed heritage, as set out below:

#### National oversight

- We believe that it is vital that policy on lottery funding is based on reliable evidence and sufficient regulation and oversight, such as DCMS provides for HLF. Government is able to influence how the proceeds of the national lottery are spent through its Directions; in comparison, private and commercial lotteries are not accountable to the same degree.
- The cut to Historic England and other public sector heritage funding sources means that the importance of HLF has increased considerably. Having a single strategic overview for the vast majority of the funding

available to the heritage sector is important in ensuring that the most appropriate projects are funded and the money is fairly distributed across the UK. It also provides smaller funders, who provide limited match-funding, to invest their grants with confidence.

- There is a risk that fragmenting lottery proceeds will mean that there will no longer be funding for nationally significant projects, which have no other source of grants. Projects such as Wentworth Woodhouse or Shrewsbury Flaxmill Maltings would find it very hard to raise the amounts of money required without HLF's capacity to make large capital grants and the confidence they give to match-funders.

#### Funding efficiency

- HLF has developed expertise, based on a nation-wide overview, which ensures the most important heritage gets appropriate levels of effective funding for capital grants and capacity building to keep it in active and sustainable use. It is hard to see how the proposed changes to Society Lotteries could provide the same efficient targeting.
- We consider that HLF's national perspective and infrastructure means that the proportion of advertising and administration costs is kept to a minimum, ensuring that the maximum amount of income is available for distribution to the heritage sector. Society Lotteries may not be able to achieve the same efficiency.

#### Public benefit of community-managed heritage

- The heritage sector is largely composed of volunteer groups working hard to keep local sites in good repair. HLF's development officers help such groups to create worthwhile schemes with clear public and economic benefits, enabling volunteers to increase their confidence and skills. This means projects have sustainable business plans and volunteers can go on to apply their experience to other projects in the future, increasing social capital.
- Most volunteer groups are very small and lack professional advice or infrastructure. They would never be able to run a lottery or compete with Society Lotteries. Many of the high-quality but poorly-resourced heritage projects with which we work report that they can only attract minimal local funding because donations that might have supported a heritage project are all going to schemes at the nearby school, or sports club and people have finite disposable income.
- HLF's national capacity means that it is able to bring expertise and funding to partnership projects that will enhance whole areas. Working with local authorities, Historic England, Amenity Societies and volunteer groups from the local community it is possible to create Great Places

and Heritage Action Zones. Recent achievements in Hull demonstrate the enormous social and economic benefit such investment in heritage-based regeneration can offer communities with long-term impact. It is hard to see how a Society Lottery could have achieved equivalent outcomes.

Yours sincerely

A handwritten signature in black ink that reads "Deborah Lamb". The script is cursive and fluid, with the first letter of each name being significantly larger and more decorative than the others.

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