



INSTITUTE OF HISTORIC BUILDING CONSERVATION

Rachel Miller,
Review of National Lottery Funding,
Department for Culture, Media and Sport,
2-4 Cockspur Street,
LONDON
SW1Y 5DH.

Mr David J Chetwyn, MA, MA, MRTPI, IHBC
IHBC Consultations Secretary
142 Richmond Street,
Penkhull,
Stoke-on-Trent,
Staffordshire,
ST4 7DU

Tel: 01782 413896
Mob: 07974 099635
E-mail: consultations@ihbc.org.uk

15 September 2003

Dear Madam

National Lottery Funding

I refer to the current consultation document, National Lottery Funding (July 2003).

The Institute of Historic Building Conservation is the professional body representing conservation specialists and practitioners in the public and private sectors in the United Kingdom and the Republic of Ireland. It has around fourteen hundred members divided between fourteen branches. The Institute exists to establish the highest standards of conservation practice, to support the effective protection and enhancement of the historic environment, and to promote heritage-led regeneration and access to the historic environment for all.

The Institute welcomes much of the content of the paper, in particular the proposals for simplifying the application process and reducing the administrative demands on applicants. There has been a tendency over the past decade for the UK's various grant regimes to become more complex and administratively demanding. Many funding streams are difficult to mesh with others due to conflicting timetables and administrative arrangements. When the additional layer of complexity caused by EC State Aid Law is taken into account, it becomes extremely difficult to deliver regeneration in the UK. ERDF funding in particular has reached a level of complexity and inaccessibility of almost surreal proportions, especially for community and voluntary organisations. **Any moves to simplify Lottery procedures are therefore to be strongly welcomed.**

However, the IHBC is greatly concerned over the document's proposals for reducing balances (Paras 5.1 - 5.11). Whilst it is appreciated that reduction of balances has some benefit, too much emphasis on this (such as the suggestion in Para 5.11) will reduce the efficiency of the fund, and create pressures on applicants that could result in many worthwhile projects foundering through lack of flexibility over timetables.

INSTITUTE OF HISTORIC BUILDING CONSERVATION

Under the heading of 'Guidance on Managing Balances', the document criticises Lottery distributors for holding large sums of unspent money. It proposes to introduce legislation not only to confiscate interest earned on those deposits, but also to go further and 'legislate to create a reserve power to reduce balances where they appear to be excessive and to reallocate them to other good causes in the usual proportions. The suggested 'spill over' provision is puzzling given that figures published by DCMS itself show conclusively that these sums do not represent unspent money, but rather money that has been committed to projects but not yet drawn down. Quarterly figures published by DCMS show that at the end of the financial year 2002/3, the total amount of money held by Lottery distributors was £3.25billion, and the total amount committed to projects was £4.21 billion. In other words, the distributors are not sitting on an unspent hoard of cash - they are actually over-committed to the tune of £950 million. In the case of the Heritage Lottery Fund, the current balance is £1.019 billion, but commitments amount to £1.133 billion - an 11 per cent overspend. The implications of the 'spill over' suggestion for the HLF and other Lottery funding streams would be very serious. If the options in the document were followed to the letter, large numbers of projects that have already been approved in principle and given Stage 1 funding might have to be cancelled or frozen - including, to name but one, the Stonehenge enhancement scheme.

As mentioned above, complex regeneration funding streams are often difficult to mesh together. This is especially true for large or complex projects that need to rely on a varied palette of funding sources. It is only through flexibility by funding bodies such as the Lottery that some projects have remained viable. This is illustrated by the recent difficulties with EC State Aid law and heritage regeneration funding. It is only through the Heritage Lottery Fund's constructive and flexible approach that some projects have not had to be abandoned.

The measures proposed in the consultation document would place far more pressure on Lottery Funders to abandon such projects and re-allocate funds. This would obstruct regeneration in some areas. Any reform of the Lottery should be aimed at making regeneration easier to deliver, not more difficult. There needs to be a far higher degree of realism and awareness of the difficulties of delivering complex regeneration projects.

I trust that these comments are helpful.

Yours faithfully

Dave Chetwyn
Consultations Secretary