

Heritage Development Trusts pilot funding programme – case study report

Architectural Heritage Fund response to The Audience Agency's recommendations

Background

The pilot Heritage Development Trusts (HDTs) initiative was one strand of the *Transforming Places through Heritage* programme delivered by the Architectural Heritage Fund (AHF) from 2019-23. Funded by the UK Government's Department for Digital, Culture, Media & Sport (DCMS) as part of the Future High Streets Fund, the programme supported projects led by charities and social enterprises with the potential to contribute to the transformation of high streets and town centres in England. The HDTs initiative supported seven organisations taking a multi-project approach to restoring and managing historic buildings, helping them develop a portfolio of income-generating assets. Organisations were invited to apply for revenue funding of up to £50,000 per year for new staff or other revenue costs that would support their growth and financial resilience. The successful applicants received total revenue funding of £717,458. This funding made it easier for the HDTs to work on multiple projects simultaneously, develop and strengthen partnerships, be more responsive to new opportunities and develop successful funding bids for specific projects. Most of the HDTs subsequently secured further investment from Historic England and the National Lottery Heritage Fund.

The Audience Agency was commissioned to undertake in-depth case studies of three of the pilot HDTs. The AHF's response to the recommendations of their report, which will inform a new HDT programme funded by the National Lottery Heritage Fund, is set out below.¹ This report was funded by the National Lottery Heritage Fund as part of the new HDT programme.

1. Strategic Business Planning

- 1.1. The Audience Agency (TAA) recommended that the AHF should continue to offer support in developing organisational strategies to HDTs and should consider giving HDTs the chance for an independent review of their organisational business plans.

In the expanded programme, we are embracing both of these recommendations. Each HDT will be able to access support and advice on business planning, strategy and policy development through the new programme, primarily from consultant project advisers, including those specialising in specific areas such as governance. In addition, by bringing the Trusts together, we are building a network that means peers are well placed to

¹ The new Heritage Development Trusts programme is a £5 million strategic partnership between the AHF and the National Lottery Heritage Fund, running from 2023-26 – new investment to build the capacity and resilience of 12 new HDTs across the UK.

share information and experience with one another. For example, a number of HDTs have recently been through wide-ranging strategic reviews and business planning, some funded by the National Lottery Heritage Fund's Resilient Heritage grants, and they bring these insights to the wider group.

- 1.2. (i) TAA recommended that the AHF continue to facilitate peer support and provide examples which help HDTs to understand, assess and develop a pipeline of projects. The peer learning activities being delivered as part of the new programme provide many opportunities for participants to deepen their knowledge and learn from projects in other parts of the UK. This includes in-person meetings hosted by HDTs, which feature visits to completed projects where possible. These visits enable HDT participants to recognise common challenges and opportunities, such as high rates of vacant and derelict properties, difficult or absentee owners and routes to potential funding. Local authorities are more interventionist in some places than others, willing to use their powers to support HDTs' acquisition of buildings; by sharing these stories, the AHF is helping to promote these as models for other local authorities to follow. Online webinars by external consultants, as well as by HDT leaders themselves also help to disseminate information on successes and failures. Funding opportunities change over time and vary according to location but by learning from each other's projects through the peer network, new opportunities can emerge. As the programme develops, in-depth case studies will be created to help tell the story of how HDTs have developed effective strategies for the acquisition of properties, secured ownership and raised funds to deliver successful projects.

(ii) TAA recommended that the AHF should continue to encourage applications for AHF grants to assess viability and develop business plans.

A ringfenced budget of £1,350,000 is available for Project Viability Grants and Project Development Grants over the duration of the new programme. It is anticipated that demand will peak in Years 2 and 3, as target projects are developed.

(iii) TAA recommended that the AHF should consider how it can grow its loan funds to support more responsive acquisitions opportunities for its HDTs, including working alongside other funders to achieve this.

We continue to seek opportunities to grow our loan funds and recognise the need for some HDTs requiring access to more flexible patient loans for acquisitions. These tend to be early-stage purchases without a fully developed business case. To develop a loan fund tailored specifically for HDTs would require collaboration with the National Lottery Heritage Fund, which will be explored further. In the meantime, we do have two existing funds which HDTs have access to, in addition to two new funds in development which would be

suitable for at least some HDTs: West Midlands Combined Authority Blended Finance fund and a Heritage Housing Fund. Both funds might include use of funds for acquisitions and over a longer term than our current loan funds.

2. Capacity Building

- 2.1. TAA recommended that the AHF signpost guidance for HDTs to develop staff capacity sustainably to ensure they find a balance between the pipeline of projects and the organisation's capabilities, and provide information or advice on organisational structures that are flexible including a mix of core and project staff, with fixed and variable costs. In addition, it was recommended that the AHF should encourage HDTs to utilise AHF revenue funding for staff costs, training and development which help them develop short-, medium- and long-term business models and facilitate opportunities for HDTs to share best practice with other HDTs or others in the sector on developing capacity.

Revenue funding provided through the programme has enabled the HDTs to recruit staff on full-time or part-time contracts or provide additional hours for existing staff as appropriate, in many cases alongside freelance or consultant input. We are also open to requests to budget variations and staffing restructure where the need for flexibility is apparent and a good case has been made. AHF funding has also been matched with funding from other sources, such as Historic England, which has helped to provide more secure contracts. Staff training and development costs are an eligible cost item in the new programme and most grantees have included this in their budgets. As part of the peer learning network, HDTs are encouraged to openly share their experiences of staff recruitment and retention and the challenges it can present, as well as the benefits of bringing in consultants for discrete tasks where appropriate.

3. Local regeneration and community benefit

- 3.1. TAA recommended that the AHF should continue to advocate for the impacts of the HDT model on regeneration to local and national policy makers and share examples and case studies to demonstrate the impacts of HDTs on regeneration and local investment, to support HDTs to make the case for investment in (riskier) capital projects.

We utilise a variety of means to promote and share the positive regeneration and place-making impact of HDTs in their target areas. Regular media stories to celebrate project milestones such as building acquisitions or major capital investment in projects aim to raise the profile of HDTs as a national movement. Stakeholder events are planned in each UK nation to engage policymakers and relevant partners. The programme evaluation will produce case studies to help

demonstrate the economic and social impact of HDTs activity in their localities. Projects completed by HDTs that have secured capital investment from major funders and investors will offer examples for others to emulate, particularly in developing cases for support from the National Lottery Heritage Fund.

- 3.2. TAA recommended that the AHF should continue to generate and source case studies demonstrating the social, community and economic impacts of heritage development and innovative uses of heritage and support HDTs to identify potential public and private partnerships with advice on stakeholder mapping and examples of innovative partnerships.

Where possible, case studies will attempt to incorporate a range of data to demonstrate the impact of individual projects as they are completed by HDTs. Where requested, support with stakeholder mapping and advice on building and sustaining partnerships is being provided by consultant project advisers assigned as 'critical friends' to the HDTs in the new programme.

4. Impact measurement

- 4.1. TAA recommended that the AHF show how they might guide and support HDTs to implement a streamlined impact measurement strategy.

We were eager to implement an evaluation and data collection strategy from the outset of the new HDT programme. This initiative aimed to ensure consistent data capture and learning, fostering responsiveness and flexibility to meet needs while supporting HDTs in data collection efforts. The goal was to ensure that the data and findings were mutually beneficial and valuable to both the organisations and the AHF. As such, the new HDT programme began with the development of a logic model and evaluation framework detailing intended activities, outcomes, and impacts. This was communicated to HDTs and they were also given standardised monitoring templates and surveys. The latter will capture information from HDTs at the beginning of the programme, to establish a baseline, interim and at the end. Furthermore, a user-friendly public engagement survey has been introduced to gather feedback from local communities. It is available in both print and online formats for accessibility. Bi-monthly meetings feature dedicated time for HDTs to address evaluation matters, allowing them to raise questions or concerns. This approach is proving effective in addressing queries and exchanging information, rendering light-touch evaluation workshops unnecessary thus far. Together, these measures enhance the organisation's capability to effectively showcase the social and economic impacts of redeveloped assets.

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*Architectural Heritage Fund: Heritage Development Trusts
Pilot Funding Programme*

Case Study Report: Executive Summary

Heritage Development Trust programme evaluation led by The Audience Agency
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1. Introduction

The Heritage Development Trusts (HDTs) Pilot Funding Programme was an organisational capacity building initiative, delivered by the Architectural Heritage Fund (AHF) between 2019 and 2023 and funded by the Department for Digital, Culture, Media, and Sport (DCMS). The programme aimed to enable seven building preservation trusts or similar organisations working across England delivering heritage-led regeneration to make a step change in their operations and support their long-term sustainability. This report presents the findings from the case study ex-post evaluation of three pilot HDTs: Historic Coventry Trust (HCT), Great Yarmouth Preservation Trust (GYPT) and Tyne & Wear Building and Preservation Trust (TWBPT), with a focus on activities in Sunderland.

A Theory of Change and a detailed Evaluation Framework were developed, in line with the AHF's expanded HDT programme funded by the National Lottery Heritage Fund. Research tasks included in-depth interviews with key stakeholders, review of secondary data, collection of management information, and additional background research to provide contextual economic data.

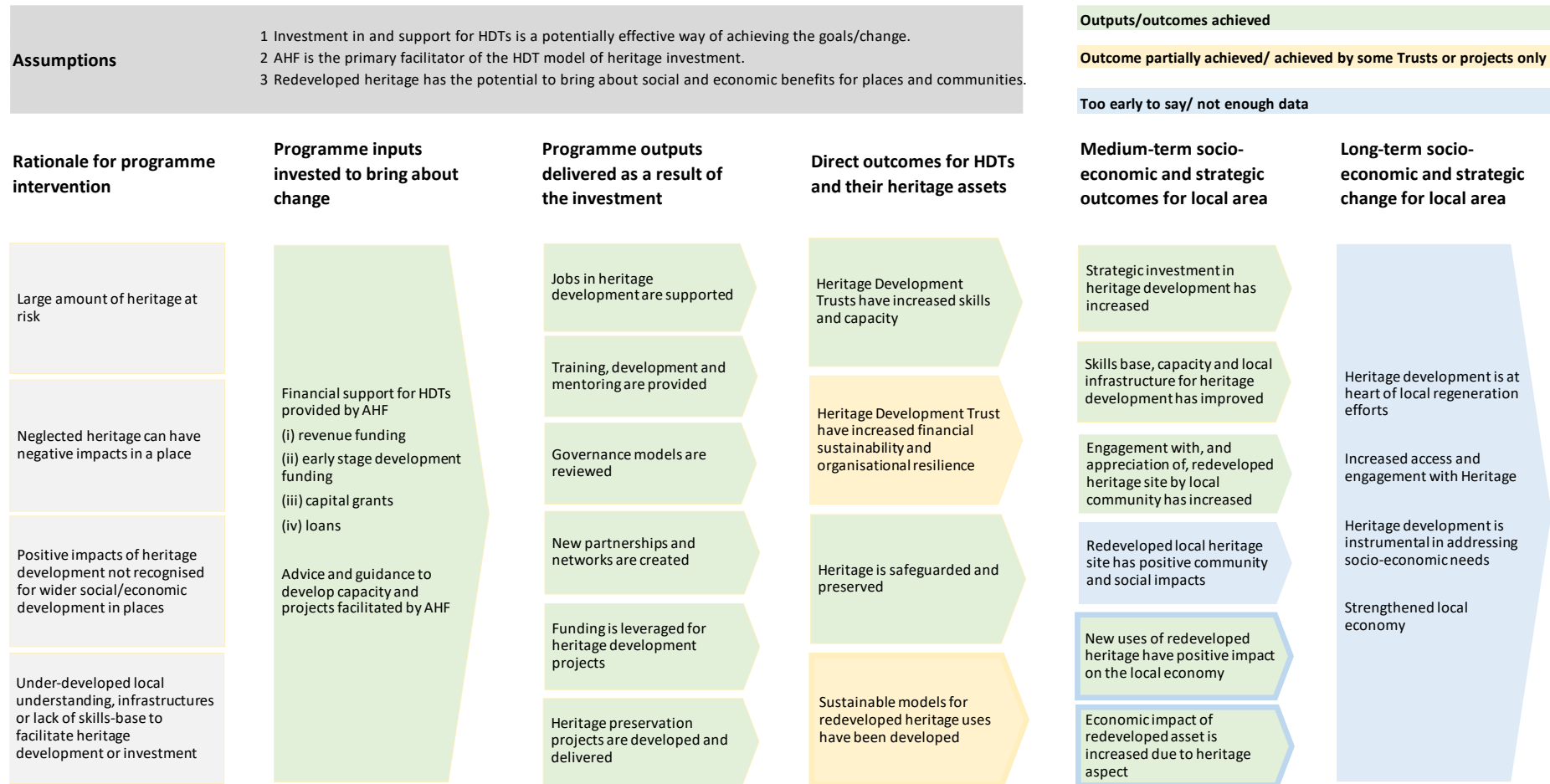
An overview of the pilot funding programme's outputs and outcomes can be found in Figure 1 and key findings are briefly discussed in the following sections. Lessons learned from the Pilot Funding Programme and recommendations for the AHF to consider in the expanded programme complete the report.

2. Increased capacity and skills to deliver heritage development projects

The pilot funding programme successfully increased the capacity of HDTs to deliver heritage development projects. A total of £447,643 of AHF revenue funding **supported 5 posts (4 FTEs) across the Trusts**. During the three-year funding period, the Trusts **initiated 37 projects**, progressed them through the RIBA project stages and completed 15 of them. **Completion rates increased across all Trusts**, in two cases almost doubling, and in one case tripling, during the funding period. Additional capacity enabled the Trusts to leverage significant amounts of additional funding for heritage development projects. Figures from HCT show that **£3.15m of leveraged investment were generated for heritage development projects** as a direct result of £150,000 HDT revenue funding.

The HDTs benefited from training and advice through the programme in the fields of governance, organisational policy development, financial management, data protection and evaluation. As a result, **the staff employed through the funding increased their skills** in these areas, with some skills development also evident at Board level. Furthermore, during the funding period, the Trusts collectively recruited **120+ additional volunteers that benefited from skills development** in the field of heritage research, interpretation and management. GYPT also built **extensive training** elements into their projects, offering work experiences, hands-on conservation training and skills development opportunities in heritage governance through the creation of a youth board.

Figure 1: Overview of the outputs and outcomes achieved by the HDT Pilot Funding Programme



Assumptions

- Investment in and support for HDTs is a potentially effective way of achieving the goals/change.
- AHF is the primary facilitator of the HDT model of heritage investment.
- Redeveloped heritage has the potential to bring about social and economic benefits for places and communities.

Outputs/outcomes achieved

Outcome partially achieved/ achieved by some Trusts or projects only

Too early to say/ not enough data

3. Heritage preservation, safeguarding and engagement

As a result of successfully completing heritage development projects, **15 assets have been safeguarded and preserved**. These assets were previously in a dilapidated state, at-risk, vacant, and in some cases earmarked for demolition. Through the work of the HDTs, at least 8 assets were taken off the Heritage At Risk register and **transformed into high-quality community and visitor facilities**. The heritage buildings have a range of new uses, from visitor attractions to visitor accommodation; from residential to commercial lets; from events venues to cafes and restaurants. These redeveloped sites **offer opportunities for increased engagement with heritage, activities** (such as guided tours at Charterhouse Coventry), **events** (such as Heritage Open Days in Coventry and Sunderland) and **participatory projects** (such as a young people's project in Great Yarmouth that explored the town's heritage through urban arts, murals and photography). The research also found **some indication that the preserved heritage sites (and their engagement activities) are successful in leveraging more strategic investment into heritage** for projects not run directly by the HDTs, for instance, a follow-up participatory urban art & heritage project in Great Yarmouth or discussions about leasing out part of Charterhouse Woodlands to a Scottish-based Trust for the creation of an outdoor education space.

4. Organisational resilience and financial sustainability

With the support of the AHF experts, the HDTs conducted skills audits and reviewed governance processes and financial systems, as well as drawing up organisational policies. These activities helped them **to become more effective in their governance and focus on evidence-based decision making - both 'lead indicators' of resilient organisations**¹. In two cases, this led HDTs to recruit new Trustees, making their Boards more representative of, and responsive to, the community and adding relevant skills. One Trust also reported greater fundraising success, as a result of having relevant policies in place. During the funding period, one HDT reported **becoming more intentional about their organisational purpose and strategic priorities** (and the kind of heritage development projects they would take on as a result), while in another case, the effects of the Covid pandemic required the Trust to operate outside their 'core purpose and expertise' (heritage assets operation rather than development) leading to financial challenges. There were **mixed results for how successfully HDTs were able to support and empower staff**, to the benefit and growth of heritage development activities. Although in the best cases, empowered staff shaped project development and brought in significant new investment to the organisations. While not evident across all HDTs, there was **some indication that a culture of innovation was promoted** with new initiatives (such as the Youth Board for GYPT) or through new Trustees (such as for TWBPT) resulting in wider organisational change.

There were significant differences among the HDTs with regards to progressing towards greater financial resilience. One trust made great strides towards financial sustainability and was able to sustain the additional post beyond the HDT funding, while two of the case study trusts were unable to do so. In addition to the uniquely challenging external economic context (Covid-19 pandemic, followed by the cost-of-living crisis) in which the projects were developed, some of the trusts reported that their focus on increased project delivery distracted from considerations of long-term sustainability (e.g., assessing the viability and risk of business plans for assets in development, negotiating favourable contracts with occupants, or developing revenue grant applications). That said, key enabling factors of financial sustainability were developed by the HDTs', including developing sustainable models of use for some of the redeveloped heritage assets,

¹ The Audience Agency and Golant Media Ventures (2018) "[What is resilience anyway? A Review](#)", for Arts Council England.

devising effective operational models, securing revenue funding from other public funders, and, in one case, the creation of an investment vehicle (through the sale of redeveloped assets). A key challenge faced by all HDTs is their position as a 'developer of last resort', often taking on projects deemed high-risk. To be sustainable, therefore, HDTs need robust business models and their portfolio must be balanced in terms of risk profile and revenue-generating (or not) assets.

5. Local regeneration and social outcomes

The redevelopment of heritage assets by the HDTs have **resulted in a range of community benefits**, from **providing new community infrastructure and services** (e.g. PopRecs acting as café/social hub for community activities in Sunderland or Draper's Hall as the base of Coventry's Music Service), **delivering education and outreach activities** (e.g. Charterhouse Coventry's guided tours, Great Yarmouth urban art project), **volunteering engagement** and **local partnership working** (e.g. Charterhouse working with local businesses to cater for Heritage Open Days). While insufficient data was gathered in the pilot programme to conclusively demonstrate the impact of these activities, the wider literature suggests that activities such as this led to a range of positive social outcomes, including increased sense of belonging, social skills, health and wellbeing, and civic participation.

While the transformed heritage sites have enhanced the public realm in their locations, many of the projects are located in areas with complex socio-economic challenges and it is too early to see a measurable impact on regeneration or anti-social behaviour.

6. Non-market economic value of heritage assets: the case of Coventry

The preservation and enhancement of the heritage assets mean that people derive increased benefit from access to these assets. **Results from our Benefit Transfer study on heritage assets based in Coventry suggest that the gain in economic value directly attributable to the AHF's funding is between £8.2 million and £9.8 million over the next decade.**

This approach leverages primary research findings from applicable contexts and applies them to HCT, assessing cultural goods and services that lack a market-based valuation mechanism. Such Benefit Transfer valuation aids understanding of the broad societal impacts of preserving public goods, such as heritage sites and buildings, and is often determined by the value individuals assign to a good or service, e.g., their Willingness to Pay (WTP)².

Two studies were identified as comparable to the assets managed by HCT from the DCMS Cultural and Heritage Capital Evidence Bank³. Based on these studies, the gross value of Coventry-based assets in one year is estimated as between £1.4 million and £1.63 million. This is calculated as the total WTP in a given year by all households in Coventry, adjusted by 1) inflation and 2) the relative income level to the comparator sites. We then assume that the effect of intervention persists for 10 years. Therefore, over the period of a decade, the gross value of maintaining the historic townscape of Coventry is between £13.7m and £16.3m. The calculation steps are illustrated in

² The maximum price that a buyer is willing to pay for a good or service.

³ The two studies are: [Heritage and the Value of Place \(Simetrica Jacobs, 2021\)](#), which includes an assessment of four historic high streets in pre-industrial cities; and [The Economic Value of Heritage: A Benefit Transfer Study \(Nesta & Simetrica, 2018\)](#), which focuses on historic cities and their cathedrals.

Figure 2: Lower and upper-bound gross values of Coventry assets⁴

Parameter	Lower bound value	Upper bound value
WTP	£7.80	£9.63
WTP (2024 £)	£9.13	£11.88
Number of households in Coventry ⁵	134,100	134,100
Average income of comparator cities	£625.50 ⁶	£681.68 ⁷
Average income of Coventry ⁸	£698.80	£698.80
Gross value (£m)	1.4⁹	£1.6
Gross value - over 10 years (£m)	13.7	£16.3

Acknowledging that HCT’s assets have received funding from multiple sources, in order to isolate the impact of the AHF’s capital funding, a scaling factor is assigned based on the HDT’s self-assessment of the importance of funding provided by the AHF. For Coventry assets, this is 0.6 on average, indicating that 60% of the assets’ total economic value would not have been realised without funding from the AHF. Applying this to the gross value previously calculated, the net yearly value is between £821,000 and £980,000. Over a 10-year period, the net impact is between £8.2 million and £9.8 million.

Figure 3: Net values attributable to AHF funding

Source study	Gross benefit transfer value (2024, £000s)	Scaling factor	Net benefit transfer value (2024, £000s)
Heritage and the value of place (2021)	1,368	0.6	821
The Economic Value of Heritage: A Benefit Transfer Study (2018)	1,633	0.6	980

⁴ This calculation is based on WTP figure and comparator sites taken from *Heritage and the value of place (2021)*.

⁵ Source: <https://coventryobserver.co.uk/news/coventrys-2021-census-results>

⁶ The comparator sites are Exeter High Street, Lincoln High Street, Norwich Pottergate/Bedford Street, and York Stonegate. Source: [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/labour-market-profile)

⁷ The comparator sites are Canterbury, Lincoln, Winchester, and York. Source: [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/labour-market-profile)

⁸ Source: [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/labour-market-profile)

⁹ WTP (2024 £) multiplied by number of Coventry households and adjusted for difference in average income in Coventry versus comparator sites.

7. Place-based economic impacts

The HDT's responses to a survey indicate that **heritage assets in Coventry and Great Yarmouth which received funding from the AHF have supported approximately 80 FTE jobs** (with 74.5 in Coventry and 4 in Great Yarmouth). In terms of annual revenue, the heritage assets in Coventry generated £1.6 million for HCT - this is equivalent to 51% of HCT's income in 2022¹⁰; the two heritage assets in Great Yarmouth generated £57,000, accounting for 11% of GYPT's total income in 2023. Participation in the HDT programme brought both Trusts crucial sources of funding that supported these revenue-generating activities. **Over 60% of this turnover, totalling over £1.7 million, has been reinvested into the local economy** through staff wages and procurement expenses, driving further growth due to multiplier effects. Additionally, **201 volunteers** (with 163 in Coventry and 38 in Great Yarmouth) **have contributed more than 16,000 hours to support the operations of these assets**. Sites serving as visitor attractions have also made a significant contribution, **enhancing the local tourism economy**.

¹⁰ 2023 figures are not yet available at the time of writing.

Lessons learned and recommendations

Key learnings from the case studies indicate how Trusts can maximise their impact, and bring greatest value to their localities, by developing resilience as organisations. Based on this learning, the following provides a set of recommendations for how the AHF may wish to amend the expansion programme to support HDTs to achieve greater resilience.

1. Strategic Business Planning

1.1 Lesson learned: HDTs need a robust business model which supports a sustainable pipeline of heritage development over the longer-term and includes strategies for generating reliable revenues and managing risk.

AHF should continue to offer support to HDTs to assess wider organisational strategies and policies which support their sustainability, including tailored advice on governance processes and strategic partnership development.

AHF should consider, as HDTs embark on their significant periods of heritage development, providing HDTs with the opportunity for third-party or independent review of organisational business plans and financial resilience, to help Trusts ensure that they are future proofed and risk is appropriately balanced across their activities.

1.2 Lesson learned: HDTs need to be able to be responsive to heritage development, funding or partnership opportunities as they present themselves, alongside managing an ongoing and varied pipeline of projects at different stages.

AHF should continue to facilitate peer support and provide examples which help HDTs to understand, assess and develop a pipeline of projects, particularly new HDTs.

AHF should continue to encourage applications for AHF grants to assess viability and develop business plans.

AHF should consider how it can grow its loans funds to support more responsive acquisitions opportunities for its HDTs, including working alongside other funders to achieve this.

2. Capacity Building

2.1 Lesson learned: The rate of heritage buildings being brought back into use increases when an HDT boosts its capacity, but in order to maintain long-term resilience, business models may need to adapt, including reducing capacity when necessary.

AHF should consider signposting guidance for HDTs to develop staff capacity sustainably to ensure they find a balance between the pipeline of projects and the organisation's capabilities. The AHF could provide information or advice on organisational structures that are flexible including a mix of core and project staff, with fixed and variable costs.

AHF should consider encouraging HDTs to utilise AHF revenue funding for staff costs, training and development which help them develop short-, medium- and long-term business models.

AHF should consider facilitating opportunities for HDTs to share best practice with other HDTs or others in the sector on developing capacity.

3. Local regeneration and community benefit

3.1 Lesson learned: HDTs' work catalyses increased investment and positively stimulates regeneration through taking on riskier heritage projects in neglected areas.

AHF should continue to advocate for the impacts of the HDT model on regeneration to local and national policy makers.

AHF should consider sharing examples and case studies to demonstrate the impacts of HDTs on regeneration and local investment, to support HDTs to make the case for investment in (riskier) capital projects.

3.2 Lesson learned: HDTs can deliver and catalyse sustainable social and economic impact which meets local needs by bringing heritage back into use, often supported through public and private partnerships.

AHF should continue to generate and source case studies demonstrating the social, community and economic impacts of heritage development and innovative uses of heritage.

AHF should consider supporting HDTs to identify potential public and private partnerships with advice on stakeholder mapping and examples of innovative partnerships.

4. Impact Measurement

4.1 Lesson learned: More robust evaluation and data collection (including of engagement activities) would enable the AHF and HDTs themselves to demonstrate the social and economic impacts of their redeveloped assets more effectively.

AHF should consider how they might guide and support HDTs to implement a streamlined impact measurement strategy, including:

- Producing a logic model and evaluation framework to outline expected activities, outcomes and impacts of projects.
- Developing standardised monitoring templates and surveys to capture HDT's outputs.
- Developing a simple survey to capture feedback from public engagement activities, in accessible formats (e.g. print, online).
- Conducting light-touch evaluation workshops to equip stakeholders with the necessary knowledge and skills for effective data collection.