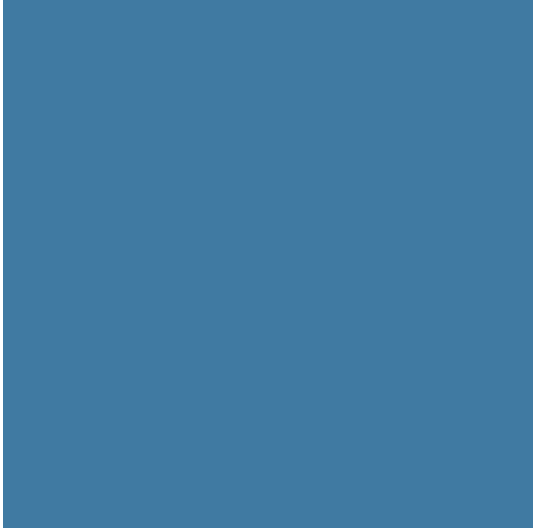
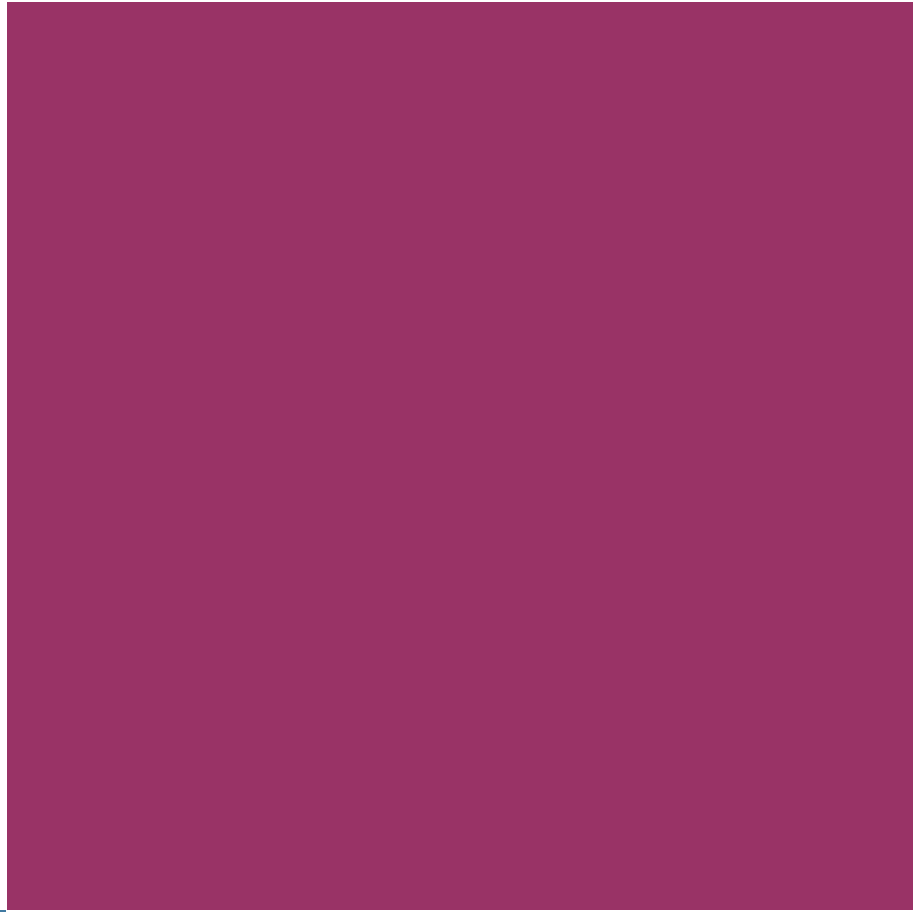




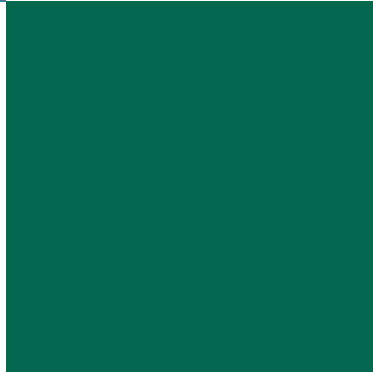
**E R S**

Research &  
Consultancy



**External Evaluation:  
Architectural Heritage  
Fund's progress towards  
2020-2023 Strategic Aims**

**August 2022**





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## Quality assurance

Keith Burge  
Managing Director





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# 1 Introduction

In March 2022, ERS was commissioned by the Architectural Heritage Fund (AHF) to undertake an evaluation of its interim performance against its strategic aims and objectives, as set out in its 2020-23 strategy.

This external evaluation relates to AHF's delivery between April 2020 and March 2022. The findings of this mixed-methods evaluation are presented in this report.

Broadly, the evaluation set out to:

- Assess AHF's progress against each of its Strategic Aims;
- Explore stakeholders' perception of AHF's role and reputation within the sector;
- Understand recipients' perceptions of AHF's support and what difference this made; and,
- Provide actionable insights to support development of the AHF's upcoming 2023 strategy.

This piece of work was accompanied by an Equality, Diversity, and Inclusion Mapping exercise and report.



## 2 Overview of external evaluation

AHF has monitored progress against its Strategy internally, through multi-strand data collection (at various intervals) and has undertaken performance monitoring against ten defined Key Performance Indicators (KPIs), as set out in Section 3.1. This, alongside primary data collection carried out by AHF, has informed assessment of the current position in relation to the four Strategic Aims, also described in Section 3.1.

### 2.1 Methodology

The approach to the evaluation was developed in collaboration with AHF. The evaluation adopted a mixed methods approach, including quantitative and qualitative evidence gathering, ERS-led primary research, and review of secondary data (captured by AHF). The key methodological steps are set out below.

#### 2.1.1 Secondary evidence review

The evaluation began with a comprehensive document and data review. This included AHF internal reports, reviews, evaluations and data, alongside externally commissioned research. Documentation and data in scope for this review related to the current strategic period, 2020-2022.

The review sought to examine, verify, and synthesise the data already gathered and held by AHF. Mainly, this data related to delivery, performance, and impact, in relation to the range of advice and guidance, grants, and loan services administered by AHF.

#### 2.1.2 Recipient e-survey

An e-survey was circulated to recipients of AHF support (financial and non-financial), across the current strategic period. The total population size was 418, and a total of 259 responses to the e-survey were received, providing a robust confidence interval of 95%, +/- 3.76 margin of error. A 96% completion rate was achieved, with the majority of respondents completing all questions applicable to them.

The e-survey captured both quantitative and qualitative data via a range of question types, such as rating scales and open-ended questions. Question themes included exploring the nature of support sought and received, how recipients rated the support, which aspects were most valuable to them, and the impact of the support upon their organisation and/or heritage-regeneration project. The profile of survey respondents is detailed in the appendix to this report.

#### 2.1.3 Stakeholder consultation

Semi-structured, qualitative interviews were conducted with AHF strategic stakeholders. Primarily, the interviews aimed to explore stakeholders' viewpoints around the role of AHF in the heritage-regeneration and social impact sectors.

The list of suggested stakeholders for consultation was provided by AHF, and was comprised of those known to the organisation – through current or prior collaboration, partnership working, and/or belonging to shared networks or operating across similar sectors. This approach was taken in order to ensure stakeholders would be in a position to offer their perceptions of AHF as an organisation. The sample size was largely led by resource and available timescale. In total, 16 stakeholders were approached for interview, and 13 were scheduled and completed within the available window.



## 2.2 Limitations of the evaluation

There are a few data limitations to note to aid interpretation of findings.

- **Timespans of data:** the timeframe explored in this study (the current strategic period from April 2020 to March 2022), did not always align with the timespan covered in available sources of secondary evidence. For example, annual reports pertain to a specific one-year period. Due to a variety of timespans across evidence sources, and different areas of focus, it was not always possible to collate data to establish totals across the specific strategic period up to this interim stage. In addition, it was not always possible to disaggregate data sources to look solely at achievement across the relevant period. Timespans are specified in the reporting where applicable to ensure accurate interpretation.
- **Selection of stakeholders for consultation:** there is an inherent bias involved in the selection of stakeholders, given that those with an *existing* relationship to AHF were sought in order to provide commentary around various aspects of AHF's delivery. Stakeholders were encouraged to provide honest, anonymous feedback to ensure perceptions could be shared freely; however, it must be noted that themes and insights garnered represent the views of specific individuals, with an existing awareness of AHF and who were, broadly, engaged in existing collaboration. Findings therefore cannot be extrapolated to the sector as a whole – though they can nevertheless offer valuable insights.
- **E-survey response bias:** e-survey respondents with either extremely negative or extremely positive views may have been more likely to respond to the e-survey. Minimising the likelihood of such responses skewing the overall result, a sufficient response rate has been achieved (259) to ensure an appropriate confidence level in the accuracy of responses, and confidence in extrapolating this across the whole population (418). Any outliers will be described in the narrative throughout this report, as applicable.



## 3 Architectural Heritage Fund's strategy

### 3.1 Strategic Aims and KPIs

In April 2020, the AHF launched its current Strategy, which runs until 31 March 2022. Included within the strategy are four overarching aims:

1. Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings.
2. Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings.
3. Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in.
4. Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to Government, communities, and funders.

These aims are accompanied by a series of ten KPIs, connected with Strategic Aims One and Two. These are summarised in the diagram below, taken from AHF's Strategy document.

STRATEGIC AIMS	OUTCOME	INDICATORS
01 Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings;	01 Funds for lending	Available funds for lending (£)
	02 Funds for grant making	Available funds for grant making (£)
	03 Funds for support service	Available funds for support service (£)
02 Support community led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings	04 People and organisations enabled to take ownership of historic assets/acquire long term rights a key milestone in AHF Investment and Support System lifecycle	Number or % of charities and social enterprises helped to secure/take ownership of/acquire long-term rights to historic
	05 Organisations able to attract investment/access support from other funders	Amount of funding (£) secured by projects from other funders
	06 Number of projects supported through stages of AHF investment and Support System	Projects moved forward to the next stage of development: Viability, Development, Capital, Operational
	07 Organisations are financially resilient and sustainable	No. or % of organisations who consider themselves to be financially resilient/sustainable
	08 Historic assets are appropriately repaired and adapted for new sustainable uses	No. of buildings being repaired or repaired/reused in total
	09 New community enterprises are enabled to start up and grow and use historic buildings and places for public benefit	No. of charities and social enterprises and small businesses using restored historic buildings for public benefit
	10 Vacant spaces and buildings are effectively repurposed and reused to support thriving places	Final use of restored building; no. units created; m <sup>2</sup> of floor space safeguarded



## 3.2 Stakeholder perceptions of the current strategy

Stakeholders were asked to provide comments - if they had them - on AHF's current strategy, in relation to various prompts such as awareness, relevance, fit with their perceptions of AHF, and progress against the strategic aims.

Firstly, when asked whether they were familiar with AHF's current strategy, **the vast majority of stakeholders confirmed having read it** (at a time prior to being informed of the interview). Many had revisited it prior to the conversation, but few stakeholders were familiar with the strategy in any detail.

*"The four aims are very clear in terms of why they do it and how they do it, I think" – stakeholder consultee*

Next, stakeholders were provided with a diagram summarising the four strategic aims, and asked to consider, from their perspective, whether the aims made sense, were relevant, and aligned with their perceptions of AHF's role and activities. On the whole, **stakeholders agreed that the aims made sense, fit with what they might expect to see**, and what they were aware that AHF delivered and was aiming to achieve.

*"It's a rational set of propositions. They are put together with a beginning, middle and end, and are lived out in what I see they are doing, here and elsewhere." – stakeholder consultee*

*"Entirely consistent with what they're about and what they do" - stakeholder consultee*

Next, stakeholders were asked to provide commentary on AHF's progress against each of the aims. It should be noted that the following is based on individuals' views and perceptions, and that stakeholders may not be aware of the full complement of AHF activity and impact. The aim was to provide insight into how AHF is *viewed* to be contributing across the sector, what it does well, and to uncover specific examples if applicable.

Not all stakeholders were able to comment on all (or any) of the aims. Comments and themes that did emerge are set out below.

Some stakeholders offered their view on progress against the four aims as a whole, and **considered AHF to be performing or progressing in all areas**.

*"If I gave marks out of 10 for each aim they would all be pretty high. I can see they manage to deliver on those aims." - stakeholder consultee*

### 3.2.1 Strategic Aim 1: Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings

Stakeholders who commented against this aim **agreed that AHF had increased its investment across the current strategic period**. Some stakeholders had observed this in terms of an increase in funds awarded within their particularly locality, compared to what they were aware of before the current strategic period. Another mentioned that AHF has increased the amount distributed, which has sometimes come through to AHF via another organisation who were awarded funding. At other times, this has been distribution of or contribution to grants administered by multiple funders. This emphasises the role and importance of strategic partnerships in drawing down investment.

*"It's more about strategic partnerships. Nobody is going to be a sole investor, so having a recognition that it's not just investment - there's a need for a coordinated effort." – stakeholder consultee*





One stakeholder referenced AHF's ability to attract investment directly, as the organisation had responded to AHF's invitation to fund them.

Another stakeholder was aware that AHF had attracted government funding from Cadw and Department for Communities Northern Ireland.

### **3.2.2 Strategic Aim 2: Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings**

Generally, there was **agreement that AHF's projects are community-led**, and stakeholders were aware of this component of AHF's work and approach. This was evident in the nature of applicants coming through to the various available funds, as well as the resulting awards.

In relation to the other elements of the aim, one stakeholder suggested that it is quite broad, with a number of differing aims contained within the following: *take ownership of, develop and sustain new uses for historic buildings*. A few comments pointed towards this second aim relating primarily to the *sustainability* and resilience of organisations and projects following AHF investment, suggesting this was perhaps the key element of focus; for example, how many projects supported in the past are still going and viable.

There was a suggestion that aim two could focus more heavily on reach, looking at where and to whom investment was distributed.

### **3.2.3 Strategic Aim 3: Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in**

Most comments against this aim were focussed on how AHF might measure and capture impact. It was agreed that measuring impact is difficult to baseline and measure. However, those who had views to offer in relation to aim three shared that, from their perspective, **AHF had evolved their approach and reinforced their commitment to measuring impact across the current strategic period**. This was cited as having included reports and so on, but also adopting the "language of impact" internally and externally.

Related to this, another stakeholder reiterated the importance of measuring impact, and stated that they had observed a shift in AHF's approach to impact across the relevant period; for example, through publishing of the impact report, and beginning to ask '*what does this mean?*' and '*what does success look like?*'.

Effectiveness was recognised as separate to impact, seen as more closely related to internal processes, and impacts more closely related to external effects. Stakeholders mentioned that, from what they had observed directly, **AHF appears to deliver effectively and to a high quality**, but they felt unable to comment more broadly than that.



### 3.2.4 Strategic Aim 4: Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to Government, communities and funders

In terms of (perceived) progress against aim four, **it was recognised that AHF has connections across the sector, and is considered to be in an advisory position.** A number of stakeholders were aware of this type of work, perhaps providing an indication of its visibility. One stakeholder saw that this area of work had evolved positively over the current strategic period. They made the link that the progress against strategic aim four had been made possible as a result of progress against aim three.

Some stakeholders were aware of and mentioned the AHF website and social media as routes to communicating messages; however, likely because of their particular perspective, most stakeholders cited AHF's engagement with strategic stakeholders via roundtables, forums, and events in connection to this aim.

In terms of understanding progress against this aim, one stakeholder wondered how success is defined, and whether this might be dissemination of a newsletter, or a Government plan, for example.

One stakeholder thought that AHF could potentially be doing more policy and comms specifically, and wondered whether this stream of work might be aided by employing a "policy person". This stakeholder suggested that if AHF did seek to strengthen this area of work, that it would "land well", owing to the organisation's expertise and reputation.

*"If you're very technically good you may as well get your knowledge out there. Come back to that element of capacity, so, adding to their board or staff team. Getting a mix of those skills." -stakeholder consultee*

AHF was felt by one stakeholder to have a wide reach, given that Ministers are familiar with the organisation and its work. They questioned whether that same awareness exists at a local authority level.

### 3.2.5 Other comments in relation to the strategic aims

Linked to a comment above, there was a question as to whether a specific aim or wording around reach could be included within the strategy, specifically in terms of getting support to communities around the UK, in particular, economically deprived communities, or those with lower capacity to undertake heritage regeneration projects.

Largely, the aims were considered relevant still, leading one stakeholder to suggest that three years is a relatively short period for a Strategy, given that frequent changes might impair consistent progress towards a longer-term vision, and recognising the time change takes to achieve. One consultee suggested that the aims as they are may still be relevant in another six or seven years.

*"It would be preferable to see the aims together on one single page (as in the diagram provided via the interview), as opposed to spread over two pages as it is in the document itself." -stakeholder consultee*



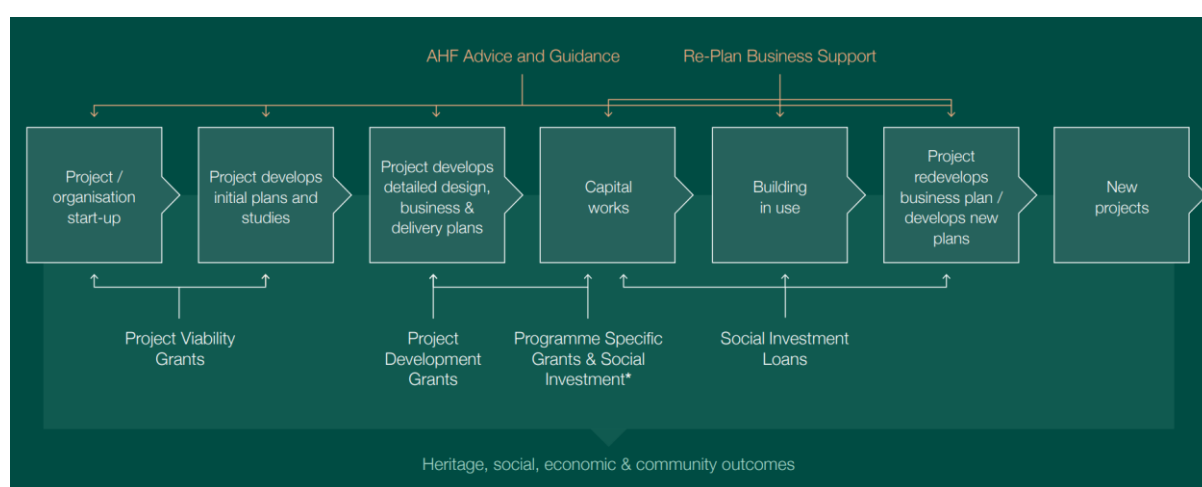
## 4 Progress Against Strategic Aim One

### 4.1 Overview

This Chapter sets out progress against Strategic Aim One, which aims to:

**Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings**

The basis on which this is achieved by AHF is depicted below.



The programmes feeding into the above are as follows:

- Transforming Places Through Heritage Programme
- Heritage Impact Fund (loans)
- AHF Endowment loans
- Wales programme
- Northern Ireland programme
- Scotland programme.

**Taken together, evidence shows considerable progress and achievement against this objective. There is clear evidence that, across the current strategic period, each of the three KPIs have been met.**



### 4.1.1 KPI 1: AHF social investment funds available to support heritage-regeneration sector

AHF internal monitoring against KPI1, across the period April 2020-February 2022, recorded:

		Grants			Loans		
Indicator	Measurement	Viability	Development	Capital	Endowment	HIF	TARGETS
KPI1: AHF social investment funds available to support heritage-regeneration sector (since April 2020)	New loan funding (£) allocated				£4,508,000	£3,338,0	
	No. new loans allocated				9	12 (to 10 projects)	Target: 5+ new HIF loans each year

Across secondary evidence sources, since April 2020, more than £20 million has been invested in grants and loans, benefiting 413 different projects across the UK involved in developing sustainable re-uses of historic buildings. This represented an increase of 20 per cent over the previous two-year period. Around £11 million has been dispersed in grants and just over £9 million in loans (the latter to 30 borrowers). As such, all programme spend profiles have been met and COVID-19 emergency funding has been allocated in full.

The largest number of AHF awards have been via the ‘Transforming Places through Heritage’ programme, and 36% of projects in receipt of AHF funding are focused on conservation and re-use of buildings on national or local At Risk registers.

Loans via the Heritage Impact Fund (HIF) have also been significant, including contributions from the National Lottery Heritage Fund, Historic England, Cadw, the Department of Communities Northern Ireland and Historic Environment Scotland. The HIF is the first partnership loan fund dedicated to assisting charities and social enterprises with investment in historic building projects.

The AHF’s Investment Team administers 60 drawn and undrawn Endowment and HIF-funded loan facilities across the UK. The AHF has total UK loan commitments of £16,526,567 – its greatest ever amount and close to its lending capacity. From the borrowers’ perspectives, there has been a need for discussions about loan term extensions and repayment holidays due to the damaging effects of Covid-related disruptions.

AHF reports that the loan pipeline remains healthy and with the prospect of demand exceeding supply there may be a need to consider how funds might be targeted on particular areas of impact, such as areas of deprivation. It is also noted that the average loan size is more than 60 per cent larger than expectations and that the average loan term is 66 per cent greater than anticipated. The obvious consequence has been fewer than expected loans.

### 4.1.2 KPI2: AHF grants funds available to support heritage-regeneration sector

AHF internal monitoring against KPI2, across the period April 2020-February 2022, recorded:



		Grants			Loans		
Indicator	Measurement	Viability	Development	Capital	Endowment	HIF	TARGETS
KPI2: AHF grants funds available to support heritage-regeneration sector (since April 2020)	Available funds for grant making (£)	£11,856,299					
	New grant funding (£) allocated	£1,742,386	£5,149,396	£3,211,894			Target: Allocate 100% available funding

From secondary evidence, since April 2020, nearly £12 million has been invested in grants, benefiting 483 different projects across the UK. This represented an increase of 75 per cent over the previous two-year period. As such, all programme spend profiles have been met.

In addition, AHF has secured significant grant funding to support specific priorities in different parts of the UK. This includes funding from the Department for Digital, Culture, Media & Sport that will support town centre and high street regeneration. This funding will facilitate investment in charities and social enterprises delivering new uses for historic assets. It also includes funding from Historic Environment Scotland for a new Support Officer role.

#### 4.1.3 KPI3: AHF support and advice service able to support heritage regeneration sector

A total of £1,342,000 was set aside for this purpose. The evaluation of AHF’s previous strategy confirmed that there was an ongoing need for much of the support offer and a number of specific elements were cited by clients and funders as particularly valuable (advice and grant funding often acts as a catalyst for regeneration and reuse projects; early-stage funding helps to generate momentum and confidence in a project; loan finance provides flexible funding to projects, often at stages when other funding is unavailable; and flexibility and willingness to take risks is unique in the funding environment).

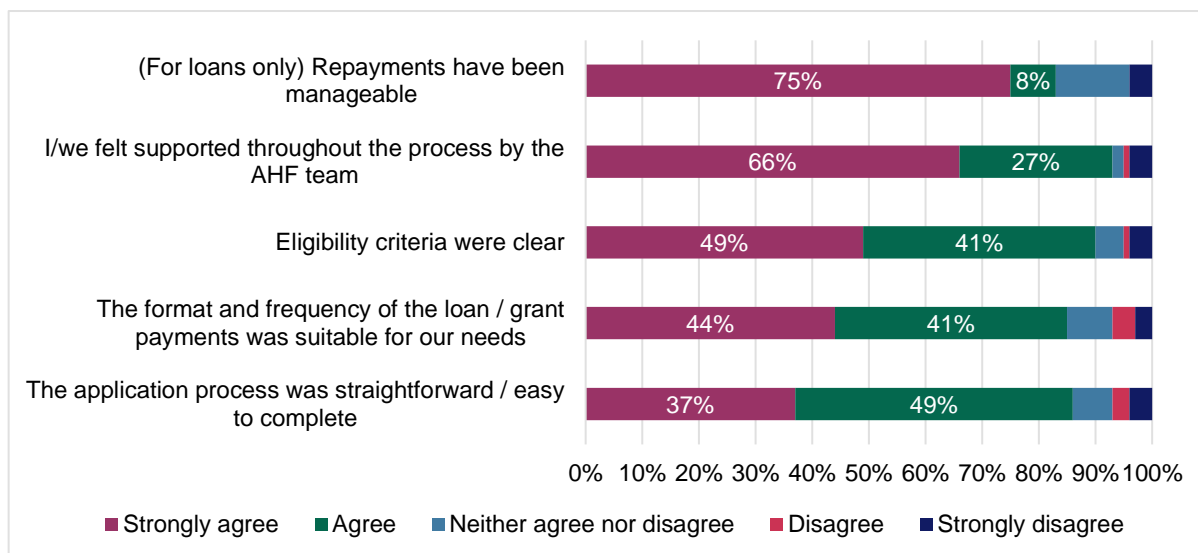
Business support for heritage projects was a significant gap that AHF and its partners identified. This led to the development of RePlan, aimed at charities and social enterprises managing heritage assets that need assistance to change or adapt their business plans, thereby helping them become more resilient.

An additional £205,000 was allocated to providing support in connection to the HIF.



## 4.2 Recipient perspectives on loans and grants

AHF loan/grant recipients were asked to rate their agreement with the above statements (n=237).



In each case there was positive agreement with these statements, which in most cases was strongly positive, with only a small percentage of the 237 respondents reporting a negative experience.

The only three suggested improvements cited by more than 2 per cent of respondents were as follows:

- Improve (online) application/claims form/process - simplify, shorten, described as 'clunky' by several respondents (11 per cent of respondents)
- Grant payments in advance instead of retrospective to prevent cashflow issues - esp. for small orgs (6 per cent of respondents)
- Higher level of grant/more financial help - percentage of application received for some (5 per cent of respondents)

Only 12 per cent of respondents cited any barriers to them accessing AHF support and most commonly this related to issues of staff capacity within their organisation.

## 4.3 Broader experiences/perceptions of stakeholders

AHF is viewed as a highly valued source of funding for projects and activities that would probably otherwise not be resourced, be they capital works, organisational capacity building or community development.

The point about organisational capacity building is seen as crucial given that this seems to have facilitated the development of a healthy pipeline of projects, many of which are subsequently resourced by funders other than AHF. In addition, early project development grants are highly valued, enabling organisations to explore feasibility and sustainability and then, where appropriate, using this information to make a case to funders (AHF or others).



In addition, there was a significant degree of gratitude for support provided by AHF in helping organisations survive the Covid pandemic. Further, this has extended to its understanding and flexibility in relation to loan repayments, where borrowers have continued to suffer from Covid-related impacts and have been unable to honour their originally agreed repayment schedule.

That said, there is an appreciation of the fact that AHF is not a bottomless pit and needs to be accountable for its investments. As such, it is recognised that AHF may have some difficult decisions ahead as it prioritises particular activities/focuses on specific types of investments. This may mean that the types of support that have been available to date may no longer be available in the future.

Another complication in AHF reviewing its activities is thought to be whether/to what extent/how it seeks to engage new organisations and/or support existing funding recipients in working with new audiences (or under-represented audiences to a greater extent). However, there seems to be a lack of clarity about both who AHF may not be reaching and, once identified, the most effective means of doing so. Sector stakeholders would welcome an honest and open debate about this.



# 5 Progress Against Strategic Aim Two

## 5.1 Overview

This Chapter sets out progress against Strategic Aim Two, which aims to:

**Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings**

Progress against KPI targets is summarised in the tables set out over the following pages.

**Taken together, evidence shows considerable progress and achievement against this objective. There is clear evidence that, across the current strategic period, most KPIs have been met, whilst others have shown good progress.**

### 5.1.1 KPI 4: People and organisations enabled to take ownership/acquire long-term rights to historic buildings

AHF internal monitoring against KPI4, across the period April 2020-February 2022, recorded:

Indicator	Measurement	Grants			Loans		TARGETS
		Viability	Development	Capital	Endowment	HIF	
KPI4: People and organisations enabled to take ownership/acquire long-term rights to historic buildings	No. and % organisations completing grants or awarded a loan that were enabled to take or secure ownership/gain long-term rights to historic buildings	39% (59 of 153) projects helped to secure building (acquired before or during grant)	66% (102 of 154) projects helped to secure building (acquired before or during grant)	77% (10 of 13) projects helped to secure building (acquired before or during grant)	89% (8 of 9) projects helped to secure building (acquired before or during loan)	70% (7 of 10) projects helped to secure building (acquired before or during loan)	Viability Grants: 25%+ helped to secure ownership of building
		8% (13 of 153) projects acquired ownership/long-term right as <b>direct result of grant</b>	21% (32 of 154) projects acquired ownership/long-term right as <b>direct result of grant</b>				Development Grants: 75%+ helped to secure ownership of building

From secondary evidence, according to AHF's Impact Report (2020/21):

#### Viability Grants

- 37% (26 of 164) projects were helped to secure a building (acquired before or during grant) – compared to a target of 25%
- 9% (14 of 164) projects acquired ownership/long-term rights as a direct result of grant

#### Development Grants

- 66% (109 of 165) projects helped to secure building (acquired before or during grant)
- 20% (33 of 165) projects acquired ownership/long-term right as direct result of grant





### Capital Grants

- 77% (10 of 13) projects were helped to secure a building (acquired before or during grant) – compared to a target of 75%

### Endowment Loans

- 50% (8 of 16) projects were helped to secure a building (acquired before or during loan)

### HIF Loans

- 82% (9 of 11) projects were helped to secure a building (acquired before or during loan)

It should be noted that these indicators collate the proportion of grant recipients who acquire the building prior to AHF funding and those who acquire it during funding. Analysis of exit and longitudinal surveys show that while it is certainly true that people and organisations report being helped to secure the building before during and subsequent to the grant, a significant proportion of recipients have acquired the building prior to the grant. Potentially, these indicators overstate the amount that recipients need assistance to acquire a building rather than secure it. It may be beneficial to separate these indicators.

## 5.1.2 KPI 5: Organisations able to attract support from other funders

AHF internal monitoring against KPI5, across the period April 2020-February 2022, recorded:

Indicator	Measurement	Grants			Loans		TARGETS
		Viability	Development	Capital	Endowment	HIF	
KPI5: Organisations able to attract support from other funders	Amount funding (£) secured by projects from other funders for same stage works	£1,022,018	£3,580,583	£12,067,478			Grants secure external funding 110%+ awarded

From secondary evidence, the target was to secure external funding to the value of 110% of AHF grants awarded. The total value of AHF grants was £10,594,812, whilst total partner funding for same stage works was £20,036,193, equating to 189% of AHF grants.

External funding comprised the following: £1,033,958 (viability); £4,007,183 (development); and £14,995,053 (capital).

AHF grants have enabled projects led by charities and social enterprises to develop detailed proposals and be included in Town Investment Plans and other local authority bids for major Government funding. In addition, many projects also reported greater success in their ongoing fundraising thanks to the non-financial support provided

## 5.1.3 KPI 6: Projects are supported through stages of Investment and Support System

Since April 2020:

### Viability Grants

- 86% (82 of 95) grants were awarded, completed and been moved to Project Development Stage – compared with a target of 60%



### **Development Grants**

- 34% (26 of 76) grants were awarded, completed and been moved to Capital Works Stage – compared with a target of 60%
- 64% (49 of 76) of grantees remain in Project Development Stage
- 1% (1 of 76) has stalled and is deemed unviable

### **Capital Grants**

- 43% (3 of 7) of grantees have moved forward from Capital Redevelopment to Operational Stage – compared with a target of 60%
- 62% of projects are ready to move on to the next lifecycle stage on completion of their grant

### **Endowment Loans**

- 0% moved forward from Capital Redevelopment to Operational Stage

### **HIF Loans**

- 0% moved forward from Capital Redevelopment to Operational Stage

Whilst the failure to hit all targets at this stage is disappointing, progress ought to be seen in the context of Covid-related restrictions and other impacts which will have slowed the pace at which many projects have been able to move forward.

## **5.1.4 KPI 7: Organisations completing grants and loan-funded works are financially resilient and sustainable**

Since 2020/21:

### **Viability Grants**

- 98% (93 of 95) grants awarded and completed reported sustainability

### **Development Grants**

- 100% (76 of 76) grants awarded and completed reported sustainability

### **Capital Grants**

- 100% (7 of 7) grants awarded and completed reported sustainability

### **Endowment Loans**

- 50% (8 of 16) loans awarded and completed reported sustainability

### **HIF Loans**

- 36% (4 of 11) loans awarded and completed reported sustainability

In addition, in respect of the 44 grants (totalling £1 million) awarded as part of the Culture Recovery, 65% of funded organisations said they would have faced temporary or permanent closure. Almost 95% of grantees now feel they are definitely or likely able to remain sustainable and resilient moving forwards.



### **5.1.5 KPI 8: Historic assets are appropriately repaired and adapted for reuse**

This KPI appears to relate simply to the number of grants and loans to be issued. The 2020/21 Impact Report cited 361 grants and 16 loans (8 Endowment and 8 HIF), with no mention of a target for the former but with a target of 16 for loans that was evidently achieved. Reportedly, this will have helped to save more than 150 historic buildings across the UK.

The types of uses reported to AHF in its 2019 Impact Survey were varied, with the most common uses “Arts/Culture”, and “Community Events”.

### **5.1.6 KPI 9: Community enterprises able to grow and use historic buildings for public benefit**

The 2020/21 Impact Report mentioned that AHF grants and loans were advancing projects that will provide homes for nearly 800 charities, community businesses and social enterprises within the next decade. The most advanced projects (31 applicants for capital grants and loans) reported that, on average, five charities or other community enterprises are expected to occupy or regularly use each completed building.

An extrapolation of findings from the Exit Survey (5.2.1) suggested that 1,151 charities, social enterprises or businesses were using the space created by funding recipients.

AHF grants were said to have enabled projects led by charities and social enterprises to develop detailed proposals and be included in Town Investment Plans and other local authority bids for major Government funding.

The pilot Heritage Development Trust (HDT) initiative aims to enable existing building preservation trusts or similar charities to boost their capacity and support their long-term sustainability. Four beneficiaries obtained funding for new staff, ranging from £90,000-150,000.

AHF has allocated £600,000 of funds through its Community Shares Booster programme, which invests equity to match community shares in community benefit societies that can demonstrate higher than average levels of community impact, innovation and engagement.



### 5.1.7 KPI 10: Vacant spaces effectively repurposed to support thriving places

AHF internal monitoring against KPI10, across the period April 2020-February 2022, recorded:

Indicator	Measurement	Grants			Loans		TARGETS
		Viability	Development	Capital	Endowment	HIF	
KPI10: Vacant spaces effectively repurposed to support thriving places	Floorspace (m2) expected to be brought back into use (projected at application)	134,427m2	113,406m2	13,205m2	1,495m2	8,903m2	

The 2020/21 Impact Report estimated that nearly 60,000m<sup>2</sup> of vacant space had been or was being repurposed (for projects funded across that annual period). An extrapolation of findings from AHF's Longitudinal Survey puts the floorspace delivered during the Strategy period from April 2020-March 2022 inclusive at 136,262m<sup>2</sup>, in a total of 1,020 units. This figure was calculated by AHF to estimate the floor space repurposed across all 226 projects awarded funding through the three phasing periods of the Longitudinal Survey<sup>1</sup>, and looked at estimated floor space achieved upon project completion.

The Survey also indicated that key community outcomes generated by projects were believed to be a better sense of pride in place, improved community cohesion and increased volunteering opportunities.



## 5.2 Participant Feedback

### 5.2.1 AHF collated feedback

According to AHF exit surveys:

- 95% of its clients found its advice and support helpful
- 100% of its clients completing grants were highly satisfied with advice received
- 68% of grant recipients completing exit surveys reported that TPtH funding had enabled capacity building in their organisation (rising to 76% of Project Viability grant recipients)
- 1,219 full time equivalent jobs had been created

The new AHF exit survey went live in April 2020. The purpose of the Exit Survey is to collect key data for KPIs and programme evaluation from grantees at the final payment stage. There were 19 responses to the Exit Survey conducted in April/May 2020 (8 for Project Viability Grants and 11 for Project Development Grants). Key findings were as follows:

- At final grant payment stage 75% of PVGs feel they are ready to move on to project development and 13% want to move straight to capital redevelopment.
- 73% of PDGs are continuing with project development and 27% are ready to begin capital redevelopment.
- 84% of grantees reported that their grant allowed for capacity building within their organisation.
- 100% of grantees responded that they are highly satisfied with the support from AHF.

A longitudinal study was conducted on projects at 5 and 10 years after the completion of grants, and 10 years after draw down of loans. This found that, typically 5 years after the funding, projects are still going and that by the 10 year stage the majority of projects have concluded. In all, 60% of projects awarded funding 10 years ago are now complete whilst 60% of projects awarded funding 5 years ago are still in development (project or capital stage). Out of all 97 respondents to the survey, 43 projects are currently completed and operational. However, it is important to note that AHF funding practices have evolved and current practice differs from that which was in place five and ten years ago.

An Impact Survey conducted in August 2019 provides more historical data of participant perceptions. Key themes include the majority of respondents (95%) reporting satisfaction with AHF support, and 84% agreeing that having received AHF support contributed positively to the credibility of their organisation (n=127).

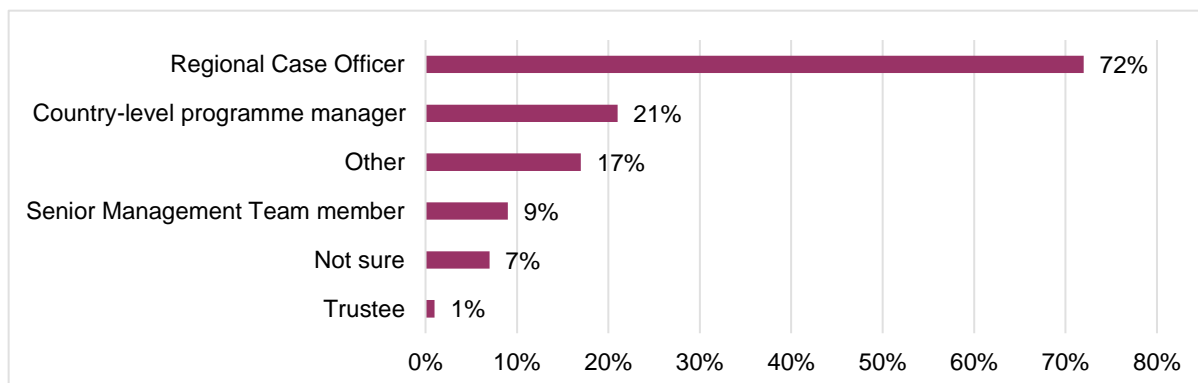
### 5.2.2 Survey responses

Here we explore the responses to the e-survey from recipients of AHF support (financial and non-financial), across the current strategic period.

In terms of the support received from AHF, in most cases this came from the Regional Case Officer



(n=246).

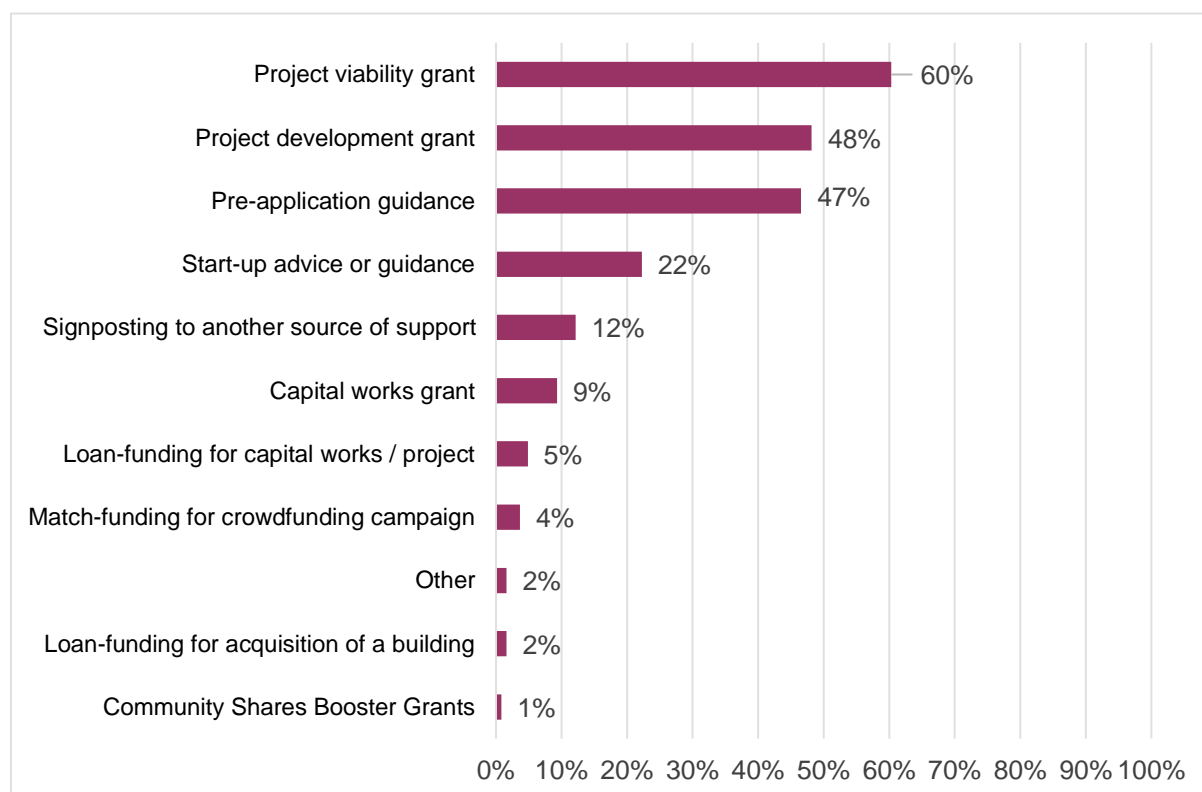


'Other' was primarily a Programme officer, Support officer or Consultant.

### Type of Support

The most popular reason that respondents approached AHF was for grant support (n=247). In addition, around half of respondents were also seeking pre-application guidance.

In a number of instances, the support initially being sought from AHF differed from the support participants ended up receiving. Five people were looking for 'Other' support, which was primarily support in respect of Cultural Recovery Grant and Project Feasibility Grant.



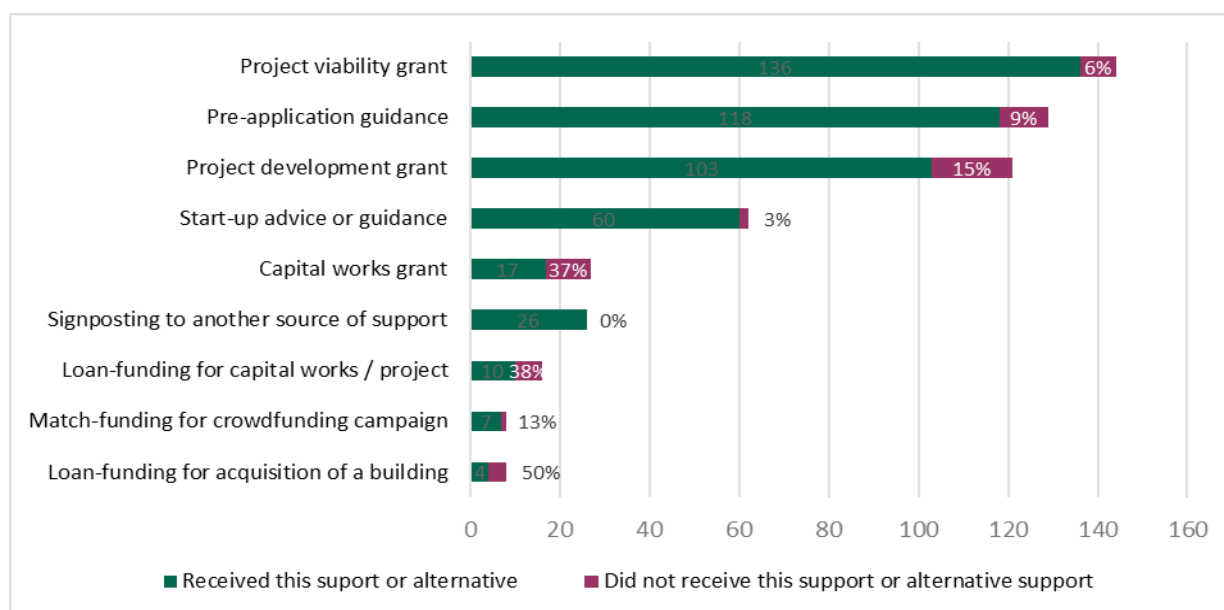
Respondents were asked to specify the support they were initially seeking from AHF, and the support they ended up receiving. Overall, 92% of people were able to describe the support they received from AHF through the available categories.

36 people (15%) reported receiving support in addition to the support they were already seeking. 57 people (23%) reported that there was at least one element of support that they were seeking that they did not end up receiving. Of these, 40 people reported getting neither the support that they were



seeking or other additional types of support. This could be due to a range of factors including eligibility or understanding of the support. Interestingly, this group did not have significantly lower satisfaction ratings that then the rest of the population.

The chart below shows the distribution of people who reported neither receiving the support that they were seeking or other types of support, by the type of support they were seeking. Capital works grants and Loan funding had by the highest instances of support not being met.



### Support satisfaction

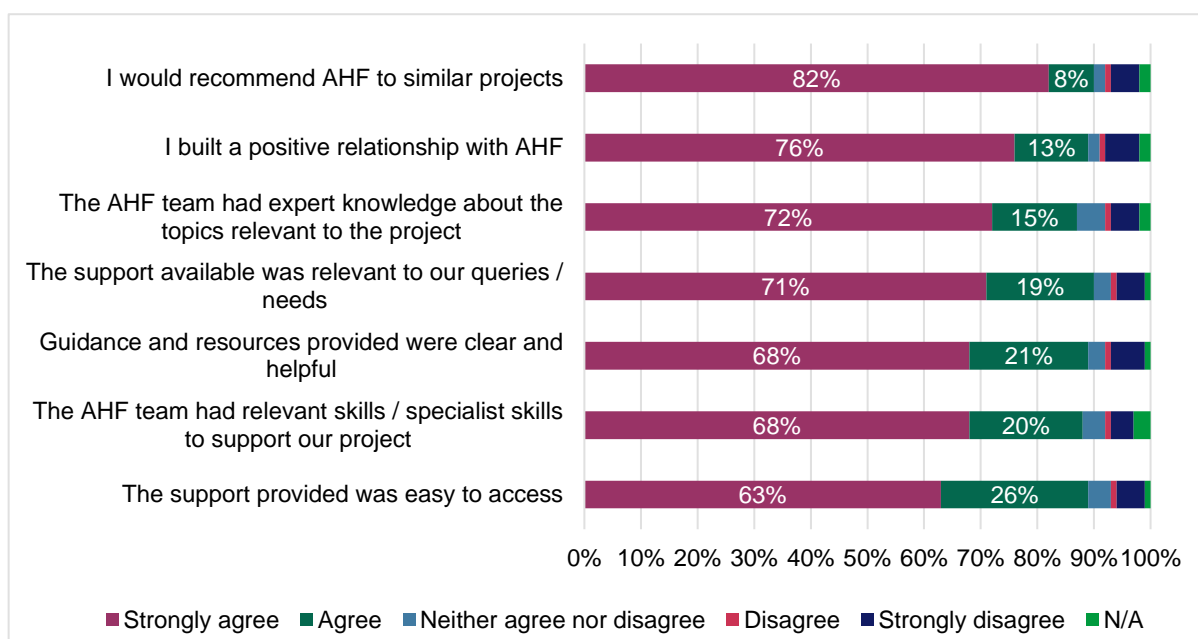
Participants were asked to rate the support from AHF on a scale of 0 to 100 per cent (n=241). The average score was **92 per cent**.

The factors that influenced such a positive rating were as follows:

- Good communications, with specific reference to the clear, helpful and friendly advice on offer.
- The tailored/flexible nature of the offer provided by AHF.
- Straightforward administration.



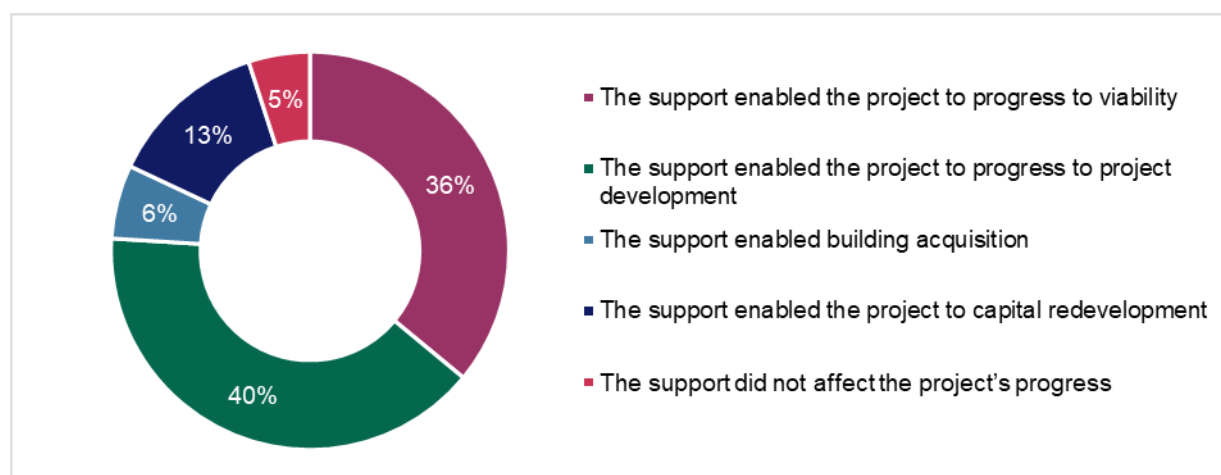
There was very strong endorsement of AHF amongst organisations in receipt of support, with nine out of 10 saying they would recommend AHF support to similar projects (n=246).



### Impact and project progress

Respondents were asked which stage their project was at when they initially received support / funding. In most cases (62 per cent), projects were just getting up and running/exploring viability when they first contacted AHF. A further 28 per cent were developing their plans, gaining permissions, and raising funding. Only six per cent were ready to work on the building or had the project up and running.

95 per cent of respondents said that the support helped their project to progress. The biggest impacts of support were in enabling projects to progress to project development (40 per cent) followed by viability stage (26 per cent) (n=245).

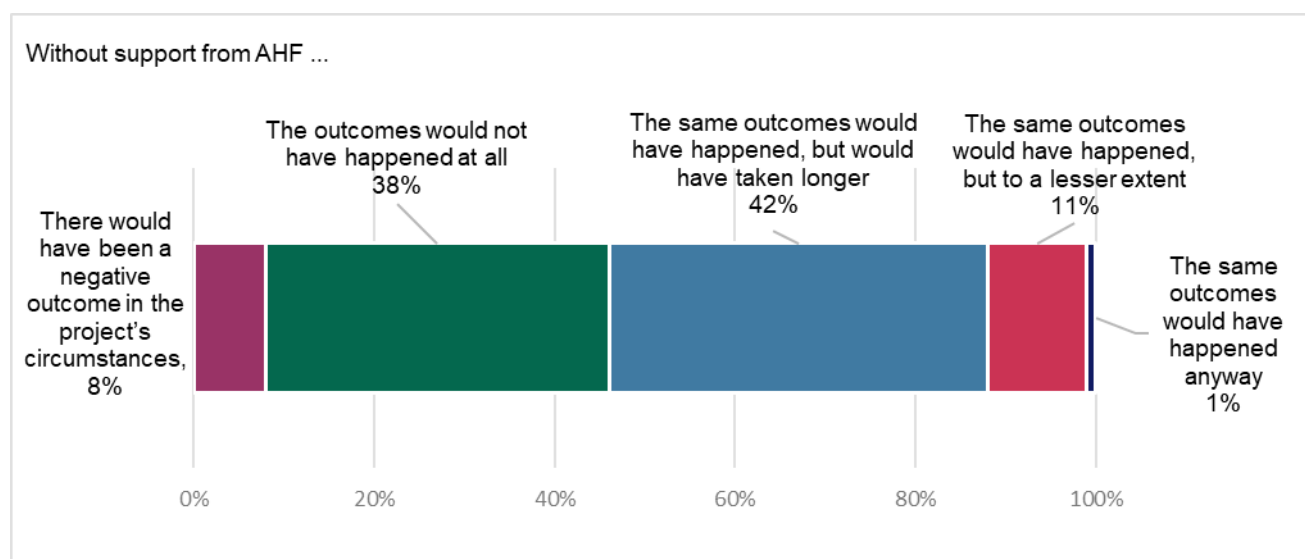


Respondents very strongly recognised the impact of AHF support. When asked about what would have happened if they had not received the support, only one per cent said the same outcomes would have





happened anyway, and 46 per cent said that there would have been no outcome or a negative outcome without AHF (n= 240).



#### AHF and other funders.

At the time of receiving support from AHF, 61 per cent of organisations also received support, guidance, or funding from another organisation (n=240). Most commonly this was via local authorities, closely followed by National Lottery Heritage Fund (NLHF). Other common sources of support included Historic England, the Scottish Land Trust, Historic Environment Scotland, Pilgrim Trust, Highlands and Islands Enterprise, National Lottery Community Foundation and Arts Council England.

As projects progressed, it was clearly usual for applications to be working with a range of funders. There was a strong theme from respondents about AHF having a distinct role amongst funders. Recipients felt that they were “more supported by AHF” than other funders, who were more “light touch”.

*“The support we have received from others is very welcome, but not as personal and enabling as that from AHF” E-survey respondent*

AHF were described as “involved with the nitty gritty”, with a high level of understanding of respondent’s “particular needs and circumstances which other funders would not have understood”. Crucial to this was the team’s expertise in heritage issues which “most third sector organizations do not have the expertise or support to manage”.

*“We spoke to [another funder] but support did not have the flexibility of AHF and their team lacked the knowledge of heritage and its potential for social benefits.” E-survey respondent*

*“[The best thing was] the opportunity to talk with an advisor who is so experienced in a field where we are novices, combined with the funding of the process we needed to take.” E-survey respondent*

Some of the value of the flexibility and knowledge was ascribed to the one-to-one working relationship AHF provide with its advisors.

*“AHF’s open door ethos is something that we’ve not come across with other grant givers. It creates a sense of working together which is enabling and additive.” E-survey respondent*



*“Relationship. We can't really overstate it!! Getting to know projects and supporting them, working with HTN to connect us together, and being a 'supportive funder', this has made such a phenomenal difference to us and our ability to keep going with our mammoth project as a small organisation. And we know that's not just us!” E-survey respondent*

However, positivity about the relationships was not just down to the structure of the support, but also the characteristics of the adviser, who were variously described as “friendly”, “knowledgeable”, “helpful” and “patient”, providing dedicated and “easy support and communication”.

*“The availability of funding ... was very much appreciated ... but the knowledge of your staff is equally as valuable. Please keep doing what you do! Your support has been amazing thank you.”*

It was clear that some recipients had long term relationships with the funder and their advisors, which when combined with the perceived flexibility have been crucial in helping sustain projects over the longer term.

*“AHF have primed the pump at crucial stages during the project's history” E-survey respondent*

*“[The most valued aspect is] early [support], followed by sustained support at key stages - continuing to invest in a challenging project over an extended period of years and responding to changing needs.” E-survey respondent*

The early-stage support through advice and the viability grants were most commonly valued as unique and important. Many described how AHF was their first funder at viability stage. The advice and support helped projects get off the ground and “made our project more solid”, for example through improving business planning, involving architects, and funding early work stages. One said, “It kick starts the process in a very effective way.” This early financial support, combined with advice was crucial in bringing other funders in and to help “build credibility”.

*“Financial support at the earliest stage and the requirement for co-funding provides a platform for organisations to attract matching funding. AHF funding acts as a 'heritage incentive', drawing in other funds,” E-survey respondent*

Loans for capital works were also identified as unique in the sector.

*“The AHF support to purchase the building filled a gap that literally no other funder at the time would or could.” E-survey respondent*

Participants were asked whether it felt likely that they could have accessed similar support from elsewhere across the same timeframe, estimating likelihood as 0% where they could not, and 100% where they could (n=230). The average score was 24 percent. 62 recipients rated it as less likely than 10 per cent, and only 6 people (2.6 per cent) rated it as over 70 per cent.

The most valuable aspects of AHF’s support were considered to be as follows (n=210):

- Personal/genuine advice/guidance e.g., from support/case officer.
- Early-stage funding for viability / project development, including support/plan/grant/specifics e.g. planning permission and listed building consent.
- Understanding of specific (local) challenges/specialised knowledge.
- Accessibility/communication of the team.
- Flexibility/responsive to changing to needs/tailored support.



- Benefits for project's reputation / credibility (e.g. with other funders)
- Quick/simple (application) process / speed of accessing support

*"Risk-taking. Nobody else in the sector understands the value of the historic environment so well and is willing to support difficult projects at an early stage." E-survey respondent*

*"The personable way in which AHF operate is perhaps its most valuable strand. It means it is a learning organisation, which learns from its funding recipients in a way larger, less agile funders do not." E-survey respondent*

*"The combination of expert, practical knowledge of the heritage sector, built up over time, with the ability to target funding where needed has enabled AHF to punch above its weight and to empower local organisations to take responsibility for their own heritage. Long may this continue." E-survey respondent*

### 5.3 Stakeholder perceptions of AHF's role

Broadly, the themes within stakeholder responses chime with many themes present within recipient responses detailed above.

Firstly, stakeholders were prompted to offer their perspective around AHF's role in repairing, adapting, and repurposing historic assets. For a number of consultees, this strand of activity was considered to be "at the heart" of what AHF is aiming to support, demonstrating that this aspect of AHF's work is well understood. Broadly, stakeholders were aware that AHF offers targeted, early-stage investment, as well as "**expert**" advice to support projects bringing historic buildings into reuse.

The visibility of AHF's advisory offer, and the benefits of this for those undertaking redevelopment of historic buildings, was considered a less **visible** component of their offer. Stakeholders agreed that AHF has specialist and expert knowledge, but considered that this strand is not at the forefront of the organisation's messaging. One stakeholder in a devolved nation was "surprised" by the contribution of a regional Project Officer, and their capacity to contribute helpful advice, tools, and support in relation to specific asset types, equipping projects with the know-how to undertake effective redevelopment. This stakeholder wondered whether AHF could take a more thematic approach to highlighting what works and what doesn't work in future. For example, the consultee related how their organisation receives a large volume of enquiries in relation to community pubs, which could form one theme alongside case studies, they suggested.

With regard to investment, one stakeholder mentioned that AHF covers a much "**smaller**" type of project than other sector funders might typically support. The early-stage funding, repayable finance, and intervention in the project viability phase offered by the organisation was seen as particularly valuable in this respect since, largely, this is not the primary focus of other sector funders. This was considered especially effective as it is accompanied by subsequent opportunities to apply for social investment funding. It was considered that this aided in "**closing that loop**" and the potential gap between getting capital projects ready to pursue the next phase of development and having viable funding options to progress.

It was widely recognised that opportunities for early-stage investment are limited across the sector, and that the quantity of support AHF is able to offer is therefore considered valuable.

That particular strands of support are offered UK-wide, across England and the devolved nations, was seen as a positive too; for example the Heritage Impact Fund, and the RePlan initiative.

Stakeholders felt less able to offer perceptions around the **outcomes and impact** of AHF's offer to historic buildings projects. One stakeholder wondered whether AHF followed up with projects to



understand the impacts of such interventions in the longer-term. However, there was an overall perception that projects are well-supported by AHF, and that the investment has positive effects.

*“Yes, I’m definitely aware of that – it’s the bread and butter. I follow (AHF) on social media and see the projects. (AHF are) Really good at it - particularly good at repurposing assets. They ask, can we think creatively about what can happen here? They’re making good things happen to buildings.” – stakeholder consultee*

Further, one stakeholder was keen to emphasise potential learning for other funders, in relation to the way AHF supports and builds relationships with projects, thinking about what is needed “beyond funding”. AHF’s expertise was one factor which was considered to have stood them in good stead with regards to this, enabling them to understand the projects and to deal with multiple cases and the challenges typical of capital projects. Another stakeholder agreed that AHF builds constructive relationships with recipients of support, via offering advice on tackling issues which arise as well as providing capacity-building. This complement of support was felt by one stakeholder to aid organisations to further develop and build resilience.

*“All investors should think about getting the organisation to a point where you can begin to talk about the organisation as a social enterprise with sound governance and resilient structures, and should explore different investment options.” -stakeholder consultee.*

One **constraining** factor in terms of what AHF is able to offer was considered to be the eligibility criteria, which limits the type and location of historic buildings the organisation is able to support. However, in some regards the eligibility criteria is considered to be a strength. For example, in Scotland, AHF is able to provide funding to support non-listed buildings and emergency repairs which would not be eligible within other available schemes. This criterion was considered important to ensure that historic assets of greatest significance to **communities** could be prioritised and safeguarded. One stakeholder suggested that AHF -who has transmitted this message to them as a donor - might carry this message to other funders and donors operating in the heritage space, in order to draw down more support for that type of work – which may typically sit outside of fund’s eligibility criteria.

*“It’s the concept of what heritage is important to a community. It won’t always be the listed buildings.” – stakeholder consultee.*

A couple of stakeholders suggested that where AHF’s work in repurposing assets has greatest effect is when a more “place-based” approach is implemented i.e., concentrating investment within a particular locality, over time, in order to see cumulative and reinforcing effects. Anecdotally, this was felt to have been observed, to some extent, in relation to AHF investments in Great Yarmouth, and in Coventry - in connection to co-occurring investment from a range of funders; for example, investment overlapping with the Heritage Action Zone initiative. The stakeholder was of the view that this investment strategy yielded greater benefits as opposed to a more “piecemeal” approach, and isolated investments into a particular locality or building.

*It’s very asset by asset though... One of the things I see as working quite well is their work around the Heritage Development Trusts, which is a much more area-based approach. Support on a place-level is certainly a direction for us >as an organisation<. Strategic alignment around supporting a more area-based approach would be a good direction of travel.” - stakeholder consultee*



## 6 Progress Against Strategic Aim Three

### 6.1 Overview

This Chapter sets out progress against Strategic Aim Three, which aims to:

**Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in.**

Over recent years, AHF has undertaken various activities in order to monitor and measure the impact and effectiveness of its activities and funds. The timeline below summarises the key actions undertaken and the evolution of AHF's approach over time.

- 2010-2020 Longitudinal Survey for all AHF funded grants (five and ten years)
- 2016-2020 launched Growing Community Enterprise through Heritage programme
- July 2019 launched Transforming Places Through Heritage programme
- April 2020 release of the 2020–2023 strategy with four new aims and seven values
- April 2020 collected data from applications, exit surveys, and quarterly reviews
- December 2020 release of the Environmental Policy.
- February 2021, release of the Transforming Places through Heritage programme Interim Report — Year 1. An evaluation report reviewing performance of the programme, and lessons learnt.
- 2020-2021 impact report released. As part of the new strategy, it was decided that an annual data driven impact report would be published. It detailed what was awarded in 2020/21, direct impacts and wider impacts of the fund.
- Annual review 2020/2021 published. The review looks at the year's work, progress against the 4 aims, and includes financials and case studies.
- December 2021, release of the Transforming Places Through Heritage interim Report – year 2. An evaluation report looking at performance, and critical success factors, it also provides case studies.
- 2021-2022 impact report released. The report detailed what was awarded in 2021/22, it evaluated the progress towards the four strategic objectives, and looked at longer-term impacts.
- 2020 release of the evaluation strategy, setting out how the delivery of the new strategic aims will be measured, including a logic chain, evaluation framework, logic model
- April 2022, pledged commitment to working towards more inclusive social investment as an organisation, and signing up to the Diversity Forum's Manifesto 2.0.



## 6.2 Meeting the Aim

The publication of the above offers a number of insights into the extent to which Aim Three is being met, specifically:

- AHF's overarching Evaluation Strategy sets out how it will: monitor impact at organisational and programme levels; undertake longitudinal evaluation to understand its impact on the lifecycle of projects it funds; and its internal evaluation to scrutinise and improve AHF support processes.
- AHF is now setting goals in order to improve effectiveness and impact.
- AHF is working to add value by evaluating and learning from grantees/projects/output data.
- AHF is now able to properly track progress, which will improve its credibility amongst and accountability to stakeholders.
- AHF is adding value for funders/wider stakeholders in showing understanding of and prioritising environmental issues (becoming part of the Fit for the Future partnership) and minimising the harmful impacts of climate change.
- AHF is investing in diverse projects related to historic buildings in towns, including community centres/cultural venues/attractions – all of which encourages use, boosts local economies and adds social value.
- RePlan is providing support to charities in receipt of loans as it supports them to increase the effectiveness and impacts of their projects, thus adding value and creating bigger/wider reach of impacts.
- AHF is adding value by looking at assessing overall impacts and considering longer term (10 year) projections.
- AHF is adding value for funders/other stakeholders by highlighting issues in the heritage sector, showing understanding and prioritising Equality, Diversity and Inclusion (EDI) within their organisation and for projects/communities.
- AHF has signed the Institute of Voluntary Action Research's eight 'flexible funder' commitments, which set out how it will work to simplify its funding requirements and ease the administrative burden faced by charities and social enterprises applying for funding.

According to AHF's Impact Report (2020/21):

- Grantee feedback suggests that early stage funding was vital to long term success
- Local partnerships are essential to success (AHFs Heritage Development Trust model supports the development of a national network of specialists in adapting historic buildings, providing the key missing partner to unlocking local regeneration)
- By supporting projects which create more 'social infrastructure' through the repurposing of historic buildings, the TPtH programme is contributing to the creation of more sustainable high streets and town centres which are attractive to a diverse range of people.





An evaluation undertaken by Ruth Flood Associates (2018), found that for many projects led by charities and social enterprises, AHF is often the first point of contact when they are seeking to rescue and reuse historic buildings ‘at risk’. Further, through its lending activities it is also often the remaining funding body left in many projects, long after some of the initial capital grant funders have ceased active involvement.

AHF has clearly stated that it aspires to ensure that its funders and wider stakeholders have ready access to data that can help demonstrate the impact projects are having on communities and heritage. It also seeks to better understand the particular benefit of AHF’s participation, be that through the provision of grants or loans, or of advice and guidance.

## 6.3 Stakeholder Perceptions

Wider perceptions of AHF’s role and contribution can provide an indication of how well AHF is performing in relation to delivering value to the sector, and the organisations and communities within it. The insight into what AHF is perceived to be doing and notably, to be excelling at, can offer insight with regards to the organisation’s unique offer, which areas of work might require increased visibility, which areas are strengths to be built on or harnessed in future, and how it might seek to position its work to prospective funders, donors, and recipients of support.

It should be noted that the themes below represent the opinions of individuals with a particular view of AHF’s work, and cannot be extrapolated to the wider sector, or to the communities which may be seeking funding to deliver interventions.

### 6.3.1 Summing up AHF’s role

Stakeholders were asked to “sum-up” AHF’s **key role(s)** in the sector, whereby the “sector” was defined as heritage regeneration, and social investment as it pertains to heritage regeneration and its associated community benefits. This high-level question differs from the prompts, where stakeholders were asked to focus on a particular strand of AHF’s work. Instead, the themes presented below are stakeholders unprompted perspective on the core role AHF performs.

The most common themes, as well as individual points of interest, are highlighted below:

***AHF provides advice, funding and support to enable regeneration of heritage assets, enabling communities to enjoy and benefit from their heritage.*** AHF’s role as a funder is most readily recognised by consultees. With regards to the community component of this, the opinions of stakeholders varied as to whether they made a connection between AHF’s investment in heritage and the linked social and community objectives. For example, one stakeholder stated a core part of AHF’s role was to support “**communities to get best value out of their heritage**”, whilst another had “**not particularly picked that up**”.

*“I would describe AHF’s role as using finance and support to help communities use their heritage for future prosperity. AHF is an enabler of people and local places to use those assets and take them on for good and for the future.” – stakeholder consultee*

***AHF is a leading specialist in supporting historic buildings and making them sustainable enterprises.*** A number of stakeholders recognised and expressed AHF’s specialist skills, knowledge and expertise as forming a key component of their role, describing them as leading within the niche of heritage regeneration with sustainable community outcomes. This description was also more closely aligned with recognising AHF’s contribution to projects beyond the financial investment or loan, with stakeholders stating that this approach generated additional benefits for the recipient organisations.



For example, one stakeholder suggested that AHF provides a clear “routemap” to organisations seeking to restore historic buildings to use, facilitating the process and providing clarity. Relatedly, stakeholders recognised AHF’s role in building capacity via the specialist knowledge held within the organisation.

*“The other thing that is really important is that they offer a kind of routemap through, which starts with project development, and I think that’s really critical, and also capital funding once projects are off the ground. They make that link between a project and an asset – something that can be tested for viability, and then progressed.” -stakeholder consultee*

Contrasting this, other stakeholders saw AHF’s role as neatly (and necessarily) distinct and separate from those funders who operate more closely in the field of later-stage funding to projects, and saw less potential overlap by way of practices.

It was generally agreed that AHF’s relatively narrow focus was beneficial, although one stakeholder questioned whether there would be an “appetite” for AHF to play a larger role, particularly around repayable finance. This stakeholder was curious to learn more about the demand for such expansion of AHF’s loan services, and considered whether this could be a route to reliably generating organisational income through higher rates of repayments, where projects supported were commercially viable. The same consultee was keen to emphasise the link to **sustainable** reuse, rather than preservation for preservation’s sake.

**AHF is enabling (heritage regeneration) projects through thought-leadership.** A few responses characterised AHF as an innovative organisation, pushing new thinking and practices. As a smaller organisation – and potentially more agile as a result of this- AHF was considered to have a role in driving some larger funders to engage with new ideas or practices. AHF was considered as having offered opportunities to learn more about how the sector can “**scale things better, test approaches, and remove systemic barriers**”.

**AHF is a funder and connector.** Other responses emphasised AHF’s role in facilitating connections, alongside the core financing strands. A number of stakeholders considered AHF as active in brokering partnerships within the sector, and one consultee commented that -within the current strategic period- AHF has made gains in terms of its reputation and connectedness across the sector, including brokering relationships with and between stakeholders, as well as with communities.

**AHF is an enabler and a champion.** One stakeholder emphasised that AHF enables projects which may not otherwise have an opportunity to come to fruition through early-stage investment and advice. Linked to this, they described AHF as a “**champion**” due to its promotion of the Heritage Development Trust model, and the overarching approach to revitalising places and generating community wealth.

### 6.3.2 What does AHF do well?

After being asked to define AHF’s key role, stakeholders were asked to think about what AHF does well, particularly excels at, and/or areas in which the organisation can be considered to demonstrate best practice. The themes are summarised below, and broadly align with stakeholders’ assessment of AHF’s role within the sector.

- Considered to demonstrate best practice in loan finance in the heritage sector, and to possess a track record and evidence base to support this.
- AHF was considered to make targeted investments which add value. This targeting of resource is considered crucial given the small capacity of the organisation. AHF is considered to adhere to its core priorities, whilst also maintaining flexibility to respond to emerging needs





and opportunities. As part of this, leveraging partnerships has been one way for AHF to increase its impact and reach, and to offer the same for collaborators, for example.

- The Heritage Development Trusts model deployed was considered to be leading.
- The combination of community-based development and early-phase support was considered to be the organisation's USP. One funder consultee suggested that their organisation does not provide similar early-phase support as AHF have that "covered".
- Another stakeholder cites AHF's USP as the combination of grants alongside specialist and expert advice.
- Leading the way in bringing historic buildings back into use, with expertise and specialist skills connected to supporting reuse and regeneration.
- Capacity-building, through a flexible array of support to recipient organisations. Capacity-building was emphasised as an important aspect of AHF's role, as well as a need across the sector, i.e., specifically, capacity in relation to organisations' skills to deliver a successful capital programme, and to develop a sustainable business model – not only capacity in terms of people or financial resources

*"One of best things about AHF is that they can do that initial grounding with communities and projects to support viability and help them with start-up." -stakeholder consultee*

*"We've seen with some capital programmes in the last 5-10 years, that as Local Authority capacity has declined, (organisations) are seeking that specialist knowledge." – stakeholder consultee*

### 6.3.3 Strategic alignment

Another aspect explored through the stakeholder interviews, was whether AHF's offer provides synergy with or duplicates other avenues of support across the sector. This aids in understanding strategic alignment and complementarity with what other organisations are offering, as well as whether AHF fulfils a clear rationale or "gap" for a particular format of support.

One theme was connected to the fact that a number of funders or donors, may, in fact, end-up funding the same projects simultaneously, and/or may fund a project supported by AHF at a later stage, once the project is more progressed in its journey. This was not considered to be duplication, rather, a useful ecosystem whereby AHF -and others who provide early stage or match funding- could work together to progress projects to the next phase of development, as well as enabling projects to reach a phase where they become eligible and credible candidates for later stage support from a wider range of heritage sector funders. It can also be considered that jointly-funding projects spreads some of the risk between funders, however, it could conversely be argued that the early-stage funders take on a greater proportion of that risk to the benefit of the wider sector. A number of stakeholder consultees mentioned that applicants approached them having previously benefitted from AHF support, and that this -in some cases- aided their credibility in securing further funding from the initiative in question.

Although this can be considered a positive, one stakeholder described that there can tend to be **overlap** or **underlap** across the sector more broadly, and suggested that the sector could better work together to decipher and delineate where each funder adds value, aligning strategies so that available funds can be focussed towards where the benefits will be greatest.

Another stakeholder suggested that AHF is **filling a gap** with regards to early phase support, and that its offer is specific and targeted enough that this avoids duplication with what other funders are offering.



AHF was also considered to possess sufficient expert knowledge to signpost project organisations to other sources of support as well as outlining protocols, ensuring that organisations were more likely to receive the type of support most relevant to their needs and project phase.

With regards to the wider funding ecosystem, it was broadly agreed by consultees that the larger heritage sector funders tend to focus on development phase support, often requiring longer-term financing to be in place already prior to awarding support. Other funders, in the cultural sector, tended to fund activity within communities and buildings, without the accompanying capital offer. Taken together then, AHF's unique offer is considered to be early-stage funding for heritage regeneration projects, combined with community-based objectives for the building use, and complemented by wraparound expert support and advice in relation to heritage reuse. In terms of this distinct combination, consultees could not suggest another organisation with the same type of offer.

Indeed, one consultee outlined that AHF is “distinctly different”, particularly in relation to offering loan funding within the heritage space, to the types of organisations and projects it does.

#### **6.3.4 Role as provider of advice and support to the sector**

Stakeholders were asked to speak about their impressions around AHF's offer of advice and support to the sector. It was agreed that AHF fulfils this role, particularly through its skilled and knowledgeable staff. What was considered more of a challenge, was linking that expertise to communities on the ground, since those working on projects may only reach out to AHF if they have the pre-existing awareness of the organisation, and knowledge of where to seek support. AHF staff “on the ground” across particular regions were seen to support this awareness to an extent, though it was stakeholders' impression that staff primarily supported existing projects rather than being focussed on awareness-raising or outreach.

Where stakeholders had had contact with regional officers, the individuals were highly praised in terms of their skills and knowledge, enthusiasm, and commitment to helping people succeed.

In some cases, where initiatives are co-funded or co-delivered, advice and guidance is administered to recipients jointly by partner organisations. One such representative commented that this strand of work has evolved and developed positively through the course of this collaboration.



### 6.3.5 Value to funders

The following section draws upon stakeholder responses to explore the ways in which AHF is viewed to add value to funders. Some examples are summarised below:

- AHF has attracted match-funding to initiatives it has partnered on with other funding organisations.
- Partners have developed grant schemes with the input of AHF's expertise.
- AHF has acted as a grant distributor for funders / donors / philanthropic organisation's investments. In the examples cited, consultees described how this added value as AHF were able -through both their expertise as well as their reach – to deliver a service which the financing organisation would not have been able to deliver in their absence to the same extent. (Equally, AHF required the benefit of the funder in order to reach an area they were aware there was an existing need for support.) One consultee described that the arrangement meant they were able to engage organisations they would have otherwise been unlikely to engage with. Working together, learning has been two-way, and has informed the focus, scope, and size of particular investments.

*“AHF described to us gaps in terms of needs and where they weren't able to meet those. We developed a partnership arrangement of us delivering a tailored support fund, small grants up to £10,000 for a range of projects and circumstances. This was initiated in 2018, and we chose to reinstate in 2020.” -stakeholder consultee*

*“Reach and coverage – we wouldn't have achieved that without the partnership. Something about how the funding is being used – because of the higher level of engagement AHF has with the projects and AHF as an early stage funder, they're able to identify the leverage points in projects to appreciate where 10k might unlock greater impact or prevent deterioration later, or set a group or project on the right path. Those intervention points where a small bit of money can make a difference. Known as early stage funder, known as a good place to go with an early project idea or question. Means the value of our funding and the leverage effect has been greater than if it was us trying to do that alone. If, as a funder, you have an ambition to make your funding work as hard as possible, working with AHF is helping to bring that multiplier effect into what we're doing.” -stakeholder consultee*

- The AHF team add value to other funders and donors through acting as an informed source and advice and expertise to draw upon, able to share experience and lessons from their work across the UK.
- AHF builds capacity of project organisations, which equips them to undertake subsequent grant-funded projects. This adds value to other, later stage funders, as -where an applicant has previously delivered a successful AHF funded project- it provides confidence and credibility that the applicant is likely to be in a strong position to undertake further work.

*“AHF's role as a funder is a leading role as it's quite niche, and I think to some extent their involvement in early-stage projects provides confidence to other funders further down the line.” -stakeholder consultee*



# 7 Progress Against Strategic Aim Four

## 7.1 Overview

This Chapter sets out progress against Strategic Aim Four, which aims to:

**Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to Government, communities and funders.**

Some activities AHF has undertaken in order to promote its activities were listed in the previous section. In addition, it has done the following:

- Spring 2021 - hosted an online conference with a range of partners and the Financial Times journalist, Martin Sandbu.
- Created 10 new project case studies, increasing to 27 the number of individual case studies of projects now on the AHF website.
- The target to increase Twitter followers to 6500 has been achieved (actual 6806) and the target to increase Instagram followers to 1500 has made good progress (actual 1142).
- AHF has been actively engaging with heritage sector partners, including: Historic England, Historic Environment Scotland, Cadw and the Historic Environment Division of the Department for Communities, Village Catalyst (Northern Ireland), and Replan.
- AHF has been promoting Heritage Regeneration in the media and on social media. e.g. <https://www.theguardian.com/business/2021/dec/01/doors-open-for-uk-community-projects-as-retail-chains-fold> and <https://www.theguardian.com/business/2021/sep/24/with-tourism-booming-great-yarmouth-dreams-of-turning-the-tide>
- AHF has supported capacity-building through Open High Street events. In all, 13 events were attended by more than 800 people. Feedback from the events was positive, with attendees finding benefit in the information provided and the opportunities to network.

## 7.2 Meeting the Aim

- AHF's new strategy enables it to work towards widely promoting the value of its activities and AHF as an organisation.
- The publication of evidence to promote the impact of AHF funding and other support is helping to advocate for greater use of community-based heritage projects as a means of regeneration.
- The annual review is well publicised and is designed to raise profile, share progress and achievements amongst a variety of audiences.

In addition, it is apparent from the AHF website and news stories that the organisation is quoting the strategy, promoting its activities and highlighting its achievements.



## 7.2.1 Stakeholder perceptions

As mentioned previously, AHF is considered to be well-connected within relevant sectors, for example via forums, roundtables, events and so on. AHF is considered to have a good network of contacts ranging from other funding bodies, sector organisations, policy-makers and Government Ministers.

One stakeholder suggested that AHF isn't hugely well-known as an advisory service, rather more as a project funder. The consultee felt that AHF's relationship-building within relevant sector networks -for example, Heritage Trusts Network – provided a valuable opportunity to contribute knowledge and to raise its visibility.

AHF's reputation and visibility across the sector and will relevant stakeholders was also thought to have grown and developed over the recent strategic period.

*“Even in the (short) time we've worked together, AHF has developed a higher profile and better connectedness. It seems open and ambitious around its growth and development.” -stakeholder consultee*

## 7.2.2 Partnership working

Partnership-working is one potential route to adding value, maximising impact, and achieving collective impact and influence. Those stakeholder consultees who have previously collaborated with AHF, or are doing so currently, were asked to comment on their experience and their perceptions of AHF's approach to partnership-working.

Feedback was positive from stakeholders. Communication was felt to be good, AHF expertise was acknowledged, and representatives of the organisation are seen as professional and pragmatic. One stakeholder suggested that collaboration is in AHF's "DNA" and saw this as a core part of the organisation's ethos and how they operate.

Most often the core driver for successful collaboration was shared aims and objectives, and a proactive approach from AHF.

*“We have had a positive experience collaborating with AHF. For example, they share papers for comment in advance of panel meetings and consult us before making any significant changes in their approach.” – stakeholder consultee*

Importantly, partnerships were seen to be two-way and mutually beneficial. One stakeholder commented that in their experience as a funder, at times approached by other funders wishing to draw-down contributions to deliver across related sectors, partnerships had, on occasion, been one-directional. Contrasting with this, they enjoyed the consideration AHF gave to what their "offer" to each potential partner may be in order to deliver clear benefits.

Relatedly, consultees broadly agreed that AHF proactively prioritises collaboration and partnership-working, pursuing mutually beneficial solutions. As one example of this, a consultee detailed an occasion where AHF had approached them with knowledge that the funds of the organisation were looking tight across a particular period. AHF proposed that to lessen this pressure, they would cover both sides of the costs during the financial year, with the consultee organisation covering both sides of the costs the next. This was given as an example of where AHF was actively considering partners' needs and offering solutions.



As well, one stakeholder recognised AHF's efforts to align asks to potential partners' own strategic aims, yet also felt the organisation could do a little more in this regard, in order to place themselves in the best possible position to secure funding. To further support this brokering of partnerships, it was also recommended that AHF seek to identify the "right" individuals within organisations could aid this; a common route currently was seen to be approaching the Chair or CEO, whereas it may be beneficial to link with those in delivery-focussed roles.

Another consultee, involved with AHF through delivery of revenue-funding, highlighted that the shared priorities of the two organisations had facilitated collaboration. As well, it is clear that AHF has developed trust in administering funds on behalf of this consultee, with the upfront annual budget awarded to AHF increasing over time.

*"It isn't about just finding a proposition, but a partnership, and aligning the strategic aims." – stakeholder consultee*

In terms of shared aims, overall priorities generally aligned, though one consultee did point out that AHF has a narrower definition of eligible "heritage" compared with some other heritage sector funders who define this more broadly. However, the focus on architectural / built heritage is broadly felt to be clear and well-understood.

Another difference is considered to be AHF ability to take on an advocacy / lobbyist role, which not all funders are in a position to undertake.

Some partnerships formed by AHF with other organisations have been primarily operational, centred on distribution of finance, either in the form of grants or loans, delivery of joint-funding for individual projects, and/or with clear, contractual obligations. One important partnership was considered to be AHF's role in managing the Heritage Impact Fund, and the accompanying support offer, RePlan. One stakeholder considered this to be an important step for the organisation in terms of the scale and scope of the fund, as well as potential for successful delivery of the initiative to unlock future relationships with other investors.

Another type of indirect interaction is where AHF funds a project which is then subsequently funded by another organisation within the heritage sector. For funders and donors providing larger sums, that grantees have previously completed a successful viability phase or early-stage development via AHF offers a particular reassurance and a level of credibility to the project. It was recognised by multiple consultees that it is not uncommon to see a project, over the course of its life, be in receipt of funding from multiple heritage sector funders at different – or sometimes concurrent – points in its lifecycle. Understanding and mapping this journey was felt to be important in distinguishing at which points in that journey or "**pipeline**" of support particular funders could add most value, in order to focus resources towards where they are most needed and most beneficial.

This interaction was seen to be possible to an extent due to: aligned objectives around regeneration, heritage, and communities and/or enterprise; as well as the distinct foci of funders, intervening at varying and particular points in the project lifecycle, rather than concentrating at one single point. This interaction of funders was seen as broadly positive for the recipient, as they can access support tailored to the project stage; however, recipients themselves might have different perspectives on contending with differing timelines of funding, objectives they must align with to secure awards, and differing eligibility criteria and processes, for example.





*“The (heritage) sector needs to be able to provide that valuable mix of investment options. There is not enough grant money to go around, so the more we can provide the opportunity for the right type of investment, linked to the right type of achievement (the better).” -stakeholder consultee*

*“Commonly, AHF would be part of the journey of project on its way to >our organisation<, and that reassures us that there is a bit of rigour as part of the project they’re bringing to us (...) AHF provides the early stage support before the project crystallises the bigger initiative or scheme they want us to support” -stakeholder consultee*

One consultee saw partnership-working as integral to providing value to projects, and recommended that increased partnership working may further be beneficial in terms of supporting organisations to secure grants from the right place at the right time along their project journey.

When prompted to consider areas for collaboration in the future and where AHF might add value, consultees proposed exploring the possibility for more shared funding programmes, if strategic ambitions continued to align. One consultee was keen to explore “what AHF can do that we are less equipped to do and vice versa”. The same consultee went on to consider what greater alignment between organisations might look like, suggesting joint skills-development, and potential for interchanging of staff or co-location.

Although the majority of stakeholders were rooted in the “heritage” sector, some consultees were situated in the “cultural” sector (recognising the overlap here). There were also considered to be shared objectives between AHF and the cultural sector organisations consulted, namely an interest in contributing to place-making. There were felt to be potential opportunities for closer working in the future.

One stakeholder is interested to see what emerges from AHF’s current EDI work, and whether that may open up further opportunities for collaboration. One example of where this was seen to align with upcoming priorities was in relation to Welsh Government policies around anti-racism, for example.

Another suggestion was that AHF could build on its **strategic and advisory role** within the sector, looking to increase the proportion of “expertise” shared as opposed to “money”. This particular stakeholder suggested this could generate income for AHF; for example, through delivery of workshops or webinars and suchlike.

*Like to think that we all understand where our role comes into play at the right stage. Not always clear enough to outside world or to customers or the sector.” – stakeholder consultee*

### 7.2.3 Informing and influencing in the sector

Stakeholders were asked whether, from their perspective, AHF had influenced:

- The policy or practice within their own organisation; and/or,
- Had wider influence across the heritage sector.

It was broadly agreed that AHF is considered to be a “credible”, “expert”, and “trusted” organisation, which places them in a positive position from which to share learning and advocate for particular solutions or practices. As well, the organisation’s track record with the places it has worked was considered a positive.

In terms of awareness-raising or influencing activities undertaken, stakeholders were aware that AHF operates at a national level, and the organisation is considered to have a “seat at the table” as a part of relevant bodies and networks.



Stakeholders shared a range of ways AHF has influenced their organisation (and/or their organisation's activities in a broader sense) to date, where applicable. These are summarised below:

- One consultee described that the AHF's approach to (early-phase) development has influenced the types of applications their organisation now receives through their own funding programme, resulting in more community-led projects.
- As well, a consultee described that their organisation's investment strategy was designed around the fact that AHF provides development funding for building projects. This particular funder, responding to this, designated that their new open programme would only provide development funding for the types of projects not eligible for AHF funding (for example, monument repairs).
- AHF has reportedly been influential in terms of demonstrating the value of the community-led approach. The stakeholder outlining this related that AHF had increased their awareness of the types of outcomes and skills this approach can result in.
- A stakeholder commented that AHF's involvement in provision of repayable finance has challenged them to think about funding models other than grants, and potential opportunities to implement these within their organisation.
- One consultee shared that AHF had informed their development of a particular grant programme.
- Another consultee stated that AHF has influenced thinking on their organisation's use of social investment in long-term regeneration of place, particularly through examples of projects in Great Yarmouth.
- Knowledge-exchange between teams has influenced practice within organisations.
- The AHF Regional Officer in a particular geography has reportedly made an impact through "making people think differently" and influencing projects.

Although AHF was considered to be well-networked and active in decision-making and advocacy spaces relevant to heritage (for example, holding membership within relevant networks, roundtables and so on, and getting their messages heard in the "right" places), the outcomes of this were less well-known to stakeholders.

Stakeholders were further asked to offer their perspective on AHF's role in ***instigating and developing partnerships, networks, and/or communities of practice***. This is another area in which AHF is considered to be active, and to be developing and refining their approach.

*"AHF is quite active in that space – I do find them proactive if they think there is an opportunity to work together. They are quite well-networked, and AHF do come to us with ideas whereas other organisations don't do that." - stakeholder consultee*

Some stakeholders were unaware of AHF activity in this area. Where stakeholders felt in a position to comment, example themes and responses are highlighted below:

- AHF is seen to be promoting and demonstrating the benefits of the Heritage Development Trusts model. This is considered a particularly beneficial approach as it is customer-focussed.
- AHF is good at connecting within the heritage world, and is able to share and draw in lessons from across all of the geographies where it works, providing valuable insights to the sector.





- AHF was seen by one stakeholder as “present” for crucial sector conversations, albeit primarily “involved” rather than “instigating”.
- AHF was viewed by one stakeholder as an effective “partnership-builder”.

The strengths of AHF’s advocacy are illustrated in the below quote.

*“(AHF is) visible and vocal as champions of the value of heritage, and making the case for the various ways heritage can be used for social impact (...) Through partnership, reach, and visibility they play that role and that’s important. They do seem to be ‘around the table’ and present at different forums and events and so on.” - stakeholder consultee*

In terms of challenges or barriers to achieving or maximising influence, one stakeholder felt that the advocacy work performed by the organisation at times came at the expense of being able to maximise opportunities to apply their technical expertise. Another suggested that influence is easier to achieve through local caseworkers, and that it was difficult at times to connect head office’s influencing work, which takes place more often at a strategic-level, to the local picture on the ground.

*“I think – and this is not necessarily unique to AHF - that they have a level of technical and specialist expertise that they tend not to make much of a ‘thing’ of. There is, within the organisation and the way they work, a level of understanding on assets and how to bring them back to life which they tend to underplay while they’re trying to walk on that big stage as well. Their advocacy work on why heritage regeneration is important is great but at the expense of that technical aspect on bringing assets back into use – the balance there could be looked at.” - stakeholder consultee*

#### **7.2.4 AHF’s visibility**

Stakeholders were asked to consider AHF’s visibility as an organisation, at a range of different levels. The themes are summarised below:

##### ***How visible is AHF within your own organisation?***

In most cases, AHF was considered well-known within consultees’ own organisations, or at least, within relevant departments. Often, staff are aware to signpost projects to AHF where support is relevant; for example, where an applicant cannot be considered “ready” to receive larger scale funding for their initiative. One stakeholder pointed out that this awareness needs to be refreshed regularly, as there can be high rates of staff turnover across the heritage sector and those working within grant-making do not always come from a heritage background.

*“Within the organisation, AHF is very well known. Most of our work is on the investment side, and it is not uncommon for AHF to be part of projects that come to us. We have a strong awareness of AHF and the areas where their investment aligns with ours, to support our decision-making and analysis.” - stakeholder consultee*

##### ***How visible is AHF amongst communities and localities?***

AHF was considered to have reasonable levels of visibility amongst communities, with a reputation for being approachable and helpful. There was a suggestion that AHF has less of a profile and “brand recognition” amongst communities (i.e., potential applicants), as well as heritage sector practitioners - compared to some larger sector funders such as National Lottery Heritage Fund, for example. Having said this, it was recognised that for projects starting out on their journey, awareness of options and funders was likely to be relatively low across the board.



However, considering a particular level of visibility amongst sector stakeholders, it was considered that applicants were likely to be signposted to AHF early on. One stakeholder was keen to emphasise that reaching out to communities can also include those in a position to inform and connect with those in localities, such as grant-distributors and local authorities. Another potential barrier for stakeholders signposting projects to AHF was the eligibility criteria, and understanding the type of projects AHF funds.

*“I’m not entirely sure when a project comes to us whether it is something AHF can support or not. On other side, AHF is very responsive in answering questions and queries.” – stakeholder consultee*

With regard to branding, one stakeholder mentioned that the terminology “architectural” is an interesting word in terms of what perceptions that may evoke amongst communities and potential applicants, in the sense that this foregrounds the built heritage aspect and expertise as opposed to the community element. The stakeholder was clear that they were not suggesting a rebrand; however, considering how the organisation name resonates (or doesn’t) could be useful when planning promotion, awareness-raising and other such activities.

### **How visible is AHF across the wider sector?**

In considering AHF’s visibility, connections, and messaging across the wider sector, AHF is broadly considered “well-known” across the heritage sector, as well as the social investment and community business development space. In the heritage sector specifically, their visibility is, as might be expected, considered stronger amongst those connected primarily with built heritage as opposed to natural, intangible, or other forms of heritage, considering AHF’s specific focus.

This visibility was seen by one stakeholder to be particularly strong within the Welsh heritage sector and with Welsh Government, due to good representation and presence of AHF within the relevant forums that exist in Wales’ heritage sector. This includes, for example, forums such as the Historic Environment Group, the advisory body for Welsh Ministers, as well as working groups beneath that umbrella.

*“AHF are the natural organisation you would turn to for that (knowledge around) local heritage or community heritage. I don’t know how far down that visibility goes, but they have good strategic visibility.” - stakeholder consultee*

It was suggested that awareness of AHF amongst the cultural sector was slightly lower, but that this was increasing as the heritage and cultural sector have begun to enjoy increasing overlap, linkages, and collaboration.

*“Out there in the sectors my sense is there’s quite a good understanding of the different programmes they deliver.” - stakeholder consultee*

### **7.2.5 AHF’s reputation**

*“AHF has a reputation for intellectual rigour. Their people seem to be very good and they’re very expert. Not expert in a stuffy way – they’re interested in trying to drive things forwards. They’re even a bit think-tanky. They punch above their weight.” - stakeholder consultee*

There was a consensus amongst stakeholders that AHF holds a positive reputation across the sector. This reputation was considered to stem from AHF’s expert knowledge, professional, collaborative approach, unique offer, and track record.

A number of stakeholders also suggested that AHF was innovative or risk-taking in its approach to funding, which was viewed as a positive.



*“I think their funding is important and fairly unique offer. It’s particularly important as they generally are a risk-taker. Those early stage grants will involve a high degree of risk. A feasibility study might uncover a project is not worth considering further, or that emergency repairs are not enough to save a building. We need that risky funding to back the winners as well as the occasional losers. Loans are risky as well, and AHF take a patient approach to help those organisations get through a difficult patch. I do think they’re accessible, responsive, offering flexibility, advice and support, and going out to projects for a chat. I think that’s excellent.” -stakeholder consultee*

### 7.2.6 AHF as a leader

Stakeholders were asked to consider which organisations demonstrated a leading role within the heritage regeneration and social investment sectors. The question was first posed to glean which organisations stakeholders mentioned unprompted, to get a sense of which organisations first came to mind. Consultees were then prompted to consider, if they had not mentioned AHF already, the ways in which AHF could be considered to be leading.

Many stakeholders mentioned AHF to be one of the leading organisations within the sector, prior to being prompted.

*“I would name AHF as a lead organisation within Wales. AHF would come first to mind – there are many occasions where I’ve been asked for advice and pointed people in their direction. It’s more of an approach – a kind of organisation project that they would be able to support, bringing together two aspects of heritage: the asset itself, and the people who work with it. AHF is market leader in that area.” – stakeholder consultee*

The reasons AHF were considered to be leading broadly line up with earlier discussion around what the organisation is seen to excel at, and what their USP is considered to be. To reiterate the core themes, this largely related to offering expert advice to early-stage heritage regeneration projects, and “bridging a gap” in terms of offering an array of support to projects. As well, AHF’s understanding of the wider connection between investment and place-making was praised.

Particularly considering the organisation’s smaller size, and availability of resources, AHF was considered to be forward-thinking and innovative, which was seen by some consultees to be closely linked to demonstrating “leadership”. In particular, comments centred on AHF’s understanding of community use of spaces **combined** with the heritage regeneration knowledge, “innovative” forms of loan finance, and the development of models such as the Heritage Development Trusts as being leading. As well, focussing on both the project as well as the project organisation was considered an effective approach, thought to lead to increased resilience.

The size of the organisation was mentioned in a range of different ways in relation to the question around leadership. AHF was considered to be of the size that it is “punching above its weight”, but also remaining agile enough to be able to offer a bespoke kind of support, developing meaningful relationships with their client. Another benefit of the size and scope of the organisation was considered to be its ability to respond more flexibly, quickly, and dynamically in their financing, compared to some other funders across the sector, where processes might at times be described, suggested one stakeholder, as unwieldy.

*“In my experience, you get that bespoke kind of support. AHF is still small enough and organised in such a way that they can develop those relationships with their client. The small size allows small clients to take those steps without feeling stressed or inundated, and that relationship building is probably the thing which stands them out in the sector.” - stakeholder consultee*

Again, there was mention that the specialist expertise the organisation is capable of offering could be brought to the forefront as part of their messaging, if desired. Their role as a funder and enabler of projects is considered more visibly “leading”.



Other stakeholders were keen to emphasise that other funders operated similar models and were / are engaged in using mixed funding models effectively. Other funders were seen to operate similar models, using mixed methods to deploy the right finance at the right stage to the right organisation. Speaking about overlap between other leading organisations and AHF, one stakeholder described them as being in the “middle of the Venn diagram” between heritage regeneration and social investment.

Other organisations mentioned to be leading, when stakeholders were asked unprompted, were National Lottery Heritage Fund, Historic England, Historic Environment Scotland, Cadw, Heritage Alliance, and Buildings Preservation Trusts, for example. Importantly, some of these organisations currently provide funding to AHF, or are currently operating in partnership with them on particular initiatives.

Importantly, one stakeholder emphasised the importance of collaboration and collective leadership rather than any single organisation performing a leading role, prioritising the connectivity between the various agencies.



## 8 AHF's Future Role

### 8.1 Overview

Stakeholder interviewees were asked to look ahead towards the future, and to provide suggestions of areas where AHF may seek to develop its forthcoming strategy.

One headline is that stakeholders appeared better able to collaborate where aims and objectives were shared, overlapping, or complementary. There was therefore a call, from some consultees, that organisations within the sector seek to better align their strategies. On the other hand, one stakeholder was keen to point out that any strategy should function as an internal document to drive the direction of the organisation. Often, stakeholders mentioned being aware of others' strategic documentation without knowing it in great detail, signifying the strategy itself is not necessarily the greatest driver in this regard. As well, it was acknowledged that strategies may shift often, to respond to and align with various Government priorities and initiatives in order to successfully draw down funding; however, it was also recognised that a longer-term organisational strategy can be helpful to maintain momentum of progress and avoid shifting goalposts.

Importantly, the current strategic aims were broadly considered to make sense. In terms of items most commonly suggested as an addition, this involved a greater focus on EDI. This activity and increased focus is already underway within AHF, and this is considered a key area to focus on by the organisation themselves. As well, stakeholders posited that this is a need across the heritage sector as a whole.

### 8.2 Key Opportunities and Gaps

Stakeholders were asked to think ahead to the key opportunities which may present themselves to AHF and those in the wider heritage sector across the forthcoming strategic period.

One trend noted was an increase in area-based funding compared with previous years. This linked with place-based regeneration, and was an area in which there was a perception AHF could add value going forwards, owing to their current expertise. One stakeholder suggested a broader shift to this type of approach across the sector, as opposed to a single-asset approach. In turn, this may signify a shift away from sole-funders to a collaborative funding model or models.

Relatedly, when considered alternative modes of developing assets, one stakeholder suggested that building relationships with private developers may, in some cases, be appropriate, as well as guiding charities and social enterprises through that process.

Another key theme was linked with challenges around rising costs and inflation within the historic property market, construction markets and supply chains, as well as energy prices. There was a suggestion that AHF may be well-placed to support projects / the sector to overcome this. It was noted by one stakeholder that it is "an expensive business managing a historic building", and that associated costs are increasing. It was therefore put forward that AHF's experience in offering enterprise support, as well as advice and guidance, might be key and might even be expanded in the coming years. It was suggested that this type of support need not necessarily be associated with provision of funding, however, another stakeholder posited that demand for loans may well increase over the coming period, due to the challenges outlined above.

*"Gallop cost inflation in the construction industry reduces what can be done with any amount (of funding). Hopefully in the short to medium term the costs are changing the whole equation. Have AHF stress-tested sufficiently in terms of the circumstances which haven't existed previously?" - stakeholder consultee*



The effects and after-effects of COVID-19 were mentioned also, with recognition that this has led to extensions for recipients of support in terms of loan repayments or grant project durations. In responding to this and potential future risks in a constructive way, one stakeholder proposed that greater collaboration between funders could lead to a sharing and pooling of risk. On the other hand, the same stakeholder mused on whether this might lead funders to carve out their own niche and not stray beyond that.

The Levelling Up agenda was also considered something important for AHF to link with and contribute to, particularly around ensuring this levelling-up occurs in a way that is “meaningful and impactful for local areas”.

Other themes mentioned included community asset transfer, and retrofitting of buildings, linked with climate change and transition to more eco-efficient operation / decarbonisation. With regards to the latter, this was something a stakeholder considered AHF might wish to “get ahead of”. This is another area in which other funders are focussing; for example, the National Lottery Heritage Fund’s review of [Green Finance](#).

In terms of opportunities within particular regions, one stakeholder suggested that the Development Trust movement is quite strong, and that there may therefore be opportunities from that in terms of investment and community anchor organisations, particularly in cold spot areas where less activity is taking place currently.

In terms of gaps and what is required within the sector, capacity-building for those administering projects was seen as a continuing/growing need. This was considered to align well with AHF’s organisational strengths and expertise. Linked to this, one of the challenges perceived to be facing the charity sector is a lack of funding focussed towards core infrastructure, as opposed to delivering projects. The decreased availability of infrastructure and capacity provided by local authorities over past years is seen to have increased the importance of infrastructure organisations working in those fields, as well as a need for longer-term funding to support this. Linking back to the Levelling Up agenda, one stakeholder noted that levelling-up requires capacity. Suggestions of how to achieve this practically included learning and development activity, such as delivery of webinars, for example.

### **8.3 What should AHF keep doing, do more of, or do differently?**

Stakeholders were asked a series of prompts around what, in future, AHF might consider doing more of, should keep doing, or should do differently, in case this raised any additional insights of use.

A current area of focus which is considered likely to be a continuing need was around high streets and town centre regeneration. In this regard, one stakeholder hoped that AHF would “keep doing what they’re doing”.

In terms of something the organisation might do differently, another stakeholder mentioned that AHF’s Trustees – as far as they were aware- were exclusively from a heritage / property background. This stakeholder recommended that the social investment perspective might be better represented. Other suggestions included targeted funding to support Heritage & Place schemes.

The core themes in relation to what AHF might seek to do more of, were around: EDI; climate change and adaptation with respect to historic buildings; and potentially health and wellbeing of communities also. Loans were another area where a proposed expansion was suggested.

Other suggestions would alter the scope and focus of AHF, such as broadening out to look at wither redundant or active places of worship, or to rural communities. It should be noted that the latter could -





in some circumstances – represent a slight contradiction with the desire AHF focus on townscapes and high streets.

In terms of uncertainty about what the most effective approach might be, one stakeholder raised a question as to whether it is more effective to fund fewer, larger value projects, as opposed to more, lower value projects.

### 8.3.1 Strategic aims

#### **Strategic Aim 1: Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings**

The emphasis when thinking about continuation of progress towards aim one, was the need for “realism”, and acknowledgment of a shifting context. One stakeholder suggested that **increased** investment may be challenging to **continually** achieve, especially given a range of economic and contextual factors considered to be on the horizon. It was considered that loans may offer more potential as a growth area.

#### **Strategic Aim 2: Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings**

Commentary on aim two and the future specifically was limited, and the only comment was around the wording of the aim. One stakeholder considered that, of the components of the aim (owned, used in new way, resilient and sustainable) were all distinct, requiring different approaches to bring about and also to measure. This individual felt that the resilience of the organisations was the most important factor, and that support to attain resilient business models was considered crucial.

#### **Strategic Aim 3: Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in**

Again, there was limited commentary on aim three in terms of future direction. “Effectiveness” and “impact” were considered distinct, and to involve different customers. When thinking about how to measure impact, one stakeholder suggested a useful measure would be the resilience of organisations after intervention, and attribution to AHF.

#### **Strategic Aim 4: Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to Government, communities and funders**

The fourth aim was considered important by consultees, in order to convey the benefits of a community-led approach. It was agreed that collecting and sharing evidence with policy-makers is important. One stakeholder suggested they would like to see AHF “do more” around capturing and communicating the impact of community-led regeneration projects, perhaps drawing out thematic evidence of what works.

One stakeholder examined the wording of strategic aim four, and questioned whether “promote” was the right word. The consultee wondered whether AHF are instead seeking to *influence*, and if so, suggested defining specific goals for policy influence, investors, and so on.

Another stakeholder perceived that, from what they were aware, work connected with this aim appeared to take place predominantly in England. They suggested greater activity within the devolved nations.



## 9 Conclusions and recommendations

### 9.1 Conclusions

It is evident that AHF has made excellent progress towards the achievement of its strategic aims and is well placed to continue to play a positive role in the sector. It is delivering on its targets (either having achieved them or making good progress towards them) and, crucially, is very highly regarded by the organisations it has supported, its partners, and wider stakeholders. This credibility provides a strong base from which to continue its work and take on new challenges.

One immediate but potentially significant challenge relates to the continuing impacts of the COVID-19 pandemic which are now being compounded by the cost of living crisis. Projects face the prospect of a squeeze on income and costs, as user numbers may be below those that were forecast (reducing levels of anticipated income) and build and operating costs may turn out to be much higher than budgeted. As a result, AHF (and other) grants and loans that were set to cover a certain percentage of building costs might now only cover a significantly smaller percentage of those costs, with inflation in the construction sector even higher than headline inflation indicators. Similarly, loan repayments that were predicated on certain levels of income may be more difficult to maintain where income levels are lower than anticipated, requiring repayment scheduled to be re-visited. Were a significant number of projects forced to unravel (through no fault of their own), this would have a significant impact on AHF's ability to achieve all of its strategic aims.

AHF has recognised that as its operations and relationships have evolved, that capturing and measuring the impact of its work will be crucial in attracting future funding into the sector and supporting the case for the activities it wishes to undertake. Positive feedback from grateful recipients of funding is all well and good, but the 'so what?' question in relation to the use of that funding and the benefits it has generated will need to be answered.





## 9.2 Recommendations

We have split the recommendations into those that AHF should keep doing or do more or do differently.

### A.1.1 Elements to continue, protect or develop further.

#### Advice and support

- AHF's advice and support mechanism and staffing are highly valued and seem to be exceeding any support from other funders in the sector. The one-to-one relationship model should be protected, and retention of staff with specialist knowledge in this field should be a priority.

#### Early-stage support

- AHF have carved a niche in providing support and assuming risk in early-stage funding, allowing quality projects to proceed. This is important, successful and valued and should be continued.
- AHF's early project development grants enable organisations to explore feasibility and sustainability and then, where appropriate, use this information to make a case to funders. This is valued and important in the sector. Often, AHF may not be involved at later stages, but AHF's role in project development ought to be given due credit.
- AHF plays a crucial role in organisational capacity building, which can lead to future projects being developed and resourced by a variety of means. The catalytic role of AHF that enabled organisations to develop such projects ought to be recognised and continued.

#### Loans

- AHF's loan offer is considered to be highly successful, innovative, uniquely sustainable (due to provision of repayable loan funding as opposed to a sole focus on grant-giving), and unusual in the sector. This approach should be continued.

#### Monitoring

- There is a clear need to continue with the Exit Survey and to continue to monitor projects beyond the periods in which loans are made and repaid, and in which grants are spent. Many outcomes and impacts can take time to come to fruition, but this does not diminish the importance of capturing them and attributing them to / noting the contribution of an AHF intervention.

#### Collaboration with other funders

- Strategically, AHF are not operating alone. Aligning strategies with other funders has been successful and is increasingly necessary when considering sector-wide issues like equality and diversity. For its size, AHF is influential and well thought of. It should continue collaborating strategically and influencing in the sector.
- Joint work with other funders has allowed AHF to play a part in large scale, multi-building projects with other funders with shared aims. Feedback and analysis indicate that this works best when each funder has a specific role. AHF should continue this work, building on their strengths of advice and guidance, early-stage support, and flexibility and relative ease with risk.



## A.1.2 Do differently

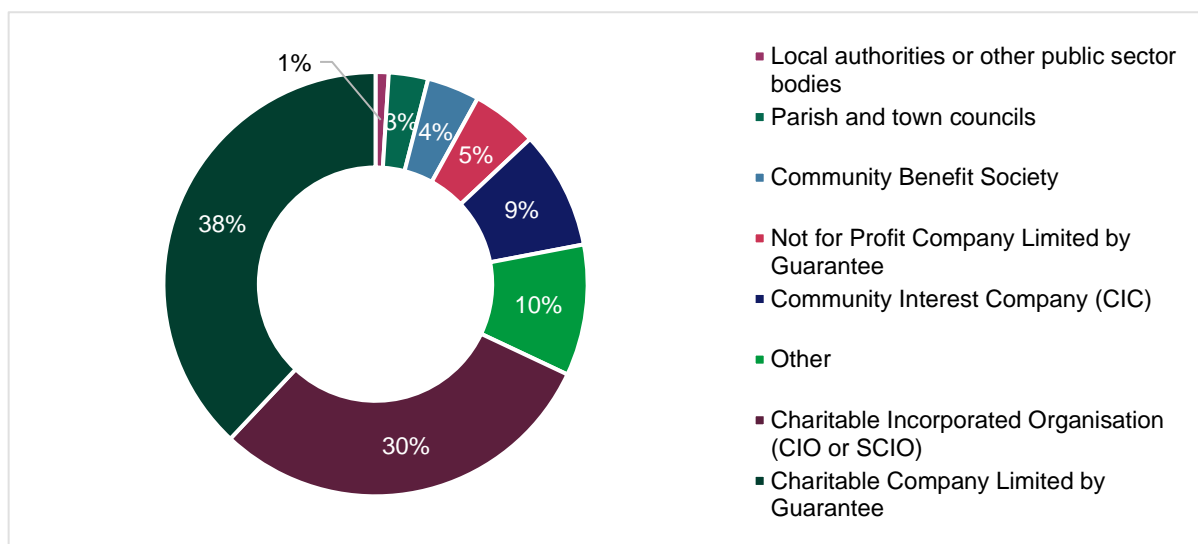
### Cost pressures and sustainability

- The pressing issues of ongoing Covid-related impacts and the cost of living crisis suggest that there is merit in AHF revisiting their approach in terms of undertaking “health checks” across existing grant-funded projects, similar to work that is underway for the loan portfolio, to determine cases where viability/sustainability may be under threat. It is recognised that existing mechanisms to monitor loans, such as reports and quarterly RAG ratings completed by AHF, are resource intensive and not practical for the large volume of grants awarded. As a resource-efficient solution, a self-assessment survey or similar mechanism could be considered to provide more “real-time” information in relation to grant recipients’ projects, at key intervals.
- A forecasting exercise to look more closely at escalating costs could be beneficial. This would aid in understanding the implications this may have for delivery and scale/scope/structure of AHF’s future portfolio, as well as the ultimate outcomes projects may achieve when adjusting for the “opportunity cost” of rising prices (i.e., where might projects opt to recoup costs and what effect would this have on the scale and nature of outcomes).
- Taken together, the above may lead AHF to initiate a strategic conversation around a potential need to fund a larger percentage of total project costs but for fewer projects, compared with the current portfolio. This takes into account that grant-funding overall is decreasing, alongside financial risk (for AHF and projects) going up.
- Building on strengths highlighted throughout the report, AHF might further consider specific place-based approaches to development, alongside or parallel to the national offer. For example, this could be achieved through dedicated programmes, and/or could build on the successful approach of the Heritage Development Trusts.
- In order to support the above, AHF should re-double its efforts to secure more finance (from a variety of sources) to enable it to continue its grant programmes and prospectively be able to lend larger sums and over longer periods.
- AHF needs to carefully consider how its resources are deployed in future, informed by evidence of impacts to date. Whatever the level of resources or the means of deployment (grants or loans), some thought should be given to the types of projects it wishes to support and, more particularly, the communities/communities of interest that such projects are likely to benefit.
- In this context, more needs to be done to understand who AHF is reaching as well as considering who it wants to reach. If there is a mismatch between the two, thought needs to be given as to how it can better engage under-represented audiences. This would most effectively be done through honest and open debate with all stakeholders.



## Appendix – Survey respondents

Please select what form of organisation / entity you represented at the time of receiving support from AHF (n=252)



Other (n=24):

- Charity – those who specified mentioned ‘unincorporated charities’, ‘Community Development Charity’, ‘Charitable Community Group’ (n=12)
  - Community Benefit Society (can be a charity but not always! Not specified by respondents) (n=3)
  - Constituted Community Group / Unincorporated association (can be a charity but not always! Not specified by respondents) (n=3)
- Trust (n=3)
- Cathedral (n=1)
- Further education college (n=1)
- Multiple forms of org already mentioned above (CIC and CIO) (n=1)

Did you receive a loan or grant? (n=250)

- Yes = 97 per cent
- No = 3 per cent