

AHF Transforming Heritage

Impact Report 2020-23



December 2023

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Photo on front cover: Above Adventure, Kilmarnock, Scotland. Credit - Gordon Barr

Executive Summary

This report considers the impacts that the Architectural Heritage Fund (AHF) had from April 2020-March 2023. Our principal activities throughout this period were the provision of **advice, grants and loans**, to charities and social enterprises seeking to take ownership of and develop sustainable new uses for historic buildings in their communities.



The Old Cathedral School, Derry, Northern Ireland. Credit - Lorcan Doherty

These activities were guided by a **Strategy** with four key aims, which were largely achieved despite significant external challenges.

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

- ✓ **Delivered: 645 grants and loans awarded**
- ✓ **Delivered: nearly £23 million in total new investment into heritage projects across the UK**

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.

- ✓ **Delivered: 513 individual projects supported**
- ✓ **Delivered: 59 organisations directly attributing AHF support to enabling ownership of project building**
- ✓ **Delivered: £15.5 million in match funding levered into project development through grants**

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.

- ✓ **Delivered: AHF support rated 92/100 on average by 241 projects anonymously surveyed by independent research**
- ✓ **Delivered: Independent analysis of high-streets programme predicted an impressive cost-benefit ratio of 3.38**

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

- ✓ **Delivered: 48 conference lectures and panels during 2023**
- ✓ **Delivered: Representation at 37 heritage and social impact committee meetings during 2023**

AHF's Impact 2020-2023

The AHF's former strategic period commenced in April 2020, just as the world was getting to grips with the first global phase of the Covid-19 pandemic. During these years, there have been numerous international crises that have led to spiking international oil, gas and food prices and prompted the cost-of-living crisis. Each of these events heralded complex new challenges for both our charity and the hundreds of heritage regeneration projects we sought to support. Of course, we knew none of these crises were on the immediate horizon when we developed the 2020-2023 Strategy, conceived in a pre-pandemic period of relative global stability and low interest rates.

There were, however, other concerns that were well established already in 2019 that we knew were threatening the long-term preservation of heritage and community access to it: the steady, inexorable decline of retail-driven high streets; the market failures that have led to significant vacancies and ongoing dereliction of historic buildings in deprived towns and neighbourhoods; and the hollowing out of social infrastructure after a decade of austerity. There were a number of opportunities to help address some of these challenges. The UK government had announced funding programmes to deliver the Levelling Up agenda and to promote community ownership, and the AHF was an early partner in this work through our £15 million DCMS-funded high-streets programme in England, Transforming Places through Heritage. Deepened partnerships with philanthropic funders enabled significant increases in grants to be awarded across Scotland, Wales, and Northern Ireland. Many heritage funders were also increasingly interested in the social impacts made possible by regeneration projects, and we were able to secure £7 million into a new UK-wide Heritage Impact Fund to drive more high social-value projects forward in historic buildings.



Beics Antur, Caernarfon, Wales. Credit - Antur Waunfawr



Harper Street, Stoke-upon-Trent, Staffordshire. Credit - Jenny Harper

To achieve our Strategic Aims in a period of so much more uncertainty than we planned for, our programmes and team had to be flexible and responsive to the changing needs of projects we support. This agile approach has since 2020 become a hallmark of the AHF – one of the attributes for which we are best known and most valued. By working in this manner and collaborating closely with our funders and other partner organisations, we achieved an immense amount, which is detailed over the following pages.

After the Strategic Aims are considered, we also provide a summative report on the first ten-year cycle of our Longitudinal Survey. As an organisation that specialises in early-stage funding and advice, most of the AHF's direct impacts and key performance indicators are associated with project support and progression, and with building the capacity of project teams to successfully develop and deliver complex conservation and adaptation projects. Many of the wider impacts of AHF support only come into effect some years later, when projects are complete. For this reason, we annually survey projects that completed their grant work five and ten years previously (for loans, ten years previously). This report details Longitudinal Survey responses from projects awarded AHF funding from 2009/10-2018/19.

Strategic Aim 1

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

As a funder, the most immediate impact the AHF has is to channel funding into heritage regeneration projects. We do this through grants to test ideas and develop project plans, and loans to enable purchase of buildings or shifts in business models, and to provide cashflow as projects launch their operation. During the period covered by this report, the AHF funded capital works on more than four dozen historic buildings. Between April 2020 and March 2023, the AHF awarded a significant increase in funding, including 615 individual grants totalling £14,333,554, as well as 30 new loan offers totalling £8,610,250.

Together, these awards directed **£22,943,804** of new investment into heritage regeneration projects across the UK. The figure of grants awarded was nearly doubled compared to the previous three-year period (£7,208,145 grants were awarded across 2017/18-2019/20). The largest amount of funding was awarded to projects in England, including grants funded through Transforming Places through Heritage and the Culture Recovery Fund and loans through the Heritage Impact Fund. In Wales and Northern Ireland, there were also exponential increases in funding provided compared to the previous three-year period.

Country	Number grants awarded	Value grants awarded	Number loans awarded	Value loans awarded	Total invested
England	338	£11,154,255	20	£5,863,750	£17,018,005
Scotland	154	£1,452,982	7	£2,146,500	£3,599,482
Wales	62	£1,054,562	1	£150,000	£1,204,562
Northern Ireland	61	£671,755	2	£450,000	£1,121,755

As well as the increased quantum of grant and loan funding available to disperse directly to projects on the ground, we were successful in raising funds to employ more staff to provide greater depth of advice and guidance than ever before. In total, the AHF benefitted from **£1,929,815 in external funding, enabling us to double our team of project-facing grants and loans officers**, from six project-facing roles in 2019 to 12 FTE roles in 2023. In a 2022 independent survey of AHF grant and loan holders, 93% reported receiving valuable support from a grant or loan officer. The funding also allowed us to commission specialist consultants to help projects focus closely on critical areas, including governance and business planning. This growth in our staff allowed us to dramatically expand the number of projects we could support while maintaining our trademark close relationship with grant holders and loan clients.

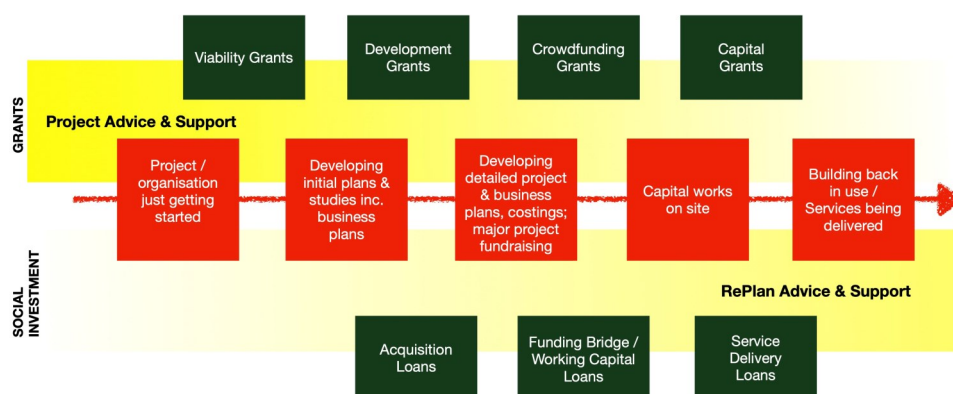
The AHF's grants and project-facing staff during this period were funded by the Department for Culture, Media and Sport, Historic England, Historic Environment Scotland, Cadw, the Department for Communities in Northern Ireland, The Pilgrim Trust, the Garfield Weston Foundation, and the William Grant Foundation. Our loans are split between those funded directly by our endowment, and those funded by a consortium including the National Lottery Heritage Fund, Historic England, Historic Environment Scotland, Cadw, and the Department for Communities in Northern Ireland through the Heritage Impact Fund.

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.

The scale of our activity grew very significantly across the strategic period, predominately due to the introduction of our English high streets programme, Transforming Places through Heritage, and the launch of our new lending fund, the Heritage Impact Fund. The number of grants, however, also increased across each nation. In Scotland, this was thanks to an enhanced commitment from Historic Environment Scotland and renewed support from the William Grant Foundation. In Wales, Cadw increased their annual commitment to the AHF more than ten-fold over the strategic period, thanks to an enhanced partnership. In Northern Ireland, the successful Village Catalyst pilot scheme was mainstreamed, pushing more than £150,000 in new grant funding out each year.

Thanks to these substantial increases in annual funding, the AHF was able to support **513 distinct heritage regeneration projects across the UK during** the three-year period. Of these, 59 reported that their AHF grant or loan directly resulted in taking ownership of a historic building. Our most recent Longitudinal Survey suggests that this is an area of increasingly significant impact: projects we funded five years previously (2018/19) reported twice as often (30%) that AHF funding was directly responsible for helping them take ownership of their historic building, compared with projects supported ten years previously (14%).



The AHF's Investment and Support System

The AHF is unique in providing funding and advice at every stage in a project's development, from early ideas generation through to an operational business. Our support is therefore structured to provide exactly what projects need at each stage. We monitor the additional funding levered in by our commitment: across the 491 projects that were supported with a grant during this period, **AHF funding helped to lever in £15,563,545 in additional funds for the same stage of the project we funded.** Much of this matching funding was related to the capital grants awarded during our Transforming Places through Heritage programme.

Grant progression

As of writing, 451 projects awarded an AHF grant between April 2020-March 2023 have completed the activity we funded, fully drawn down their grant, and answered questions about the present state of their project via our Grant Exit Survey. The table below shows the progression of completed Project Viability and Project Development Grants.

	Total number completed	Number progressed to later stage	Number remaining in same stage	Number stalled or closed
Project Viability Grant	210	180 (172 Project Development, 6 Capital Works, 2 Operational businesses)	0	30
Project Development Grant	207	58 (43 Capital Works, 15 Operational business)	143	6

As provided in the table above, 86% projects that have fully drawn down an AHF Project Viability Grant were able through that award to complete the works necessary to establish the fundamental viability of their project. These grants, which are often the very first funding a new project is awarded, are also among the hardest to find outside of the AHF – many funders will not support a project until after a feasibility study can be produced. These grants help projects most of all by encouraging teams to ask the right questions from the outset about their governance, business planning, fundraising potential, and the fundamental suitability of the proposed use to the historic building – **helping these 180 projects determine feasibility and become worthy of future investment is among the AHF’s most directly impactful work.** This is borne out by results of a 2022 survey of AHF-funded projects, in which our early-stage funding was noted among the most valuable aspects of our support.

We also consider funding well spent those instances where our support has also helped some projects realise their idea is not likely to be feasible. Time and money are in too short supply in the heritage regeneration sector for any wasted effort on projects that are unlikely ever to succeed.



Gracehill Post Office, Northern Ireland. Credit - GhOST

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.

As a project funder which also receives grants towards programmes from statutory bodies and foundations, the AHF sits as the middle partner between our grantees and our own funders. We recognise our responsibilities in both directions – to demonstrate clear added value and robust integrity to our funders and to deliver an effective and supportive service to projects we support.

In Summer 2022, we commissioned ERS Research & Consultancy to undertake anonymous research among key stakeholders in the UK heritage and social investment sectors, and from all the projects we had supported at that point in our strategic period (those funded April 2020-March 2022). The sections that follow summarise the results of this [report](#).

Stakeholders' perceptions of the AHF

The ERS report surveyed 16 senior stakeholders from across the AHF's funders and partner organisations, asking them how they perceived the AHF's delivery of its strategic aims. The stakeholders recognised the specialist skills, knowledge and expertise of the AHF team, describing our organisation as a leader in building sustainable outcomes for heritage projects. In particular, the AHF was noted as:

- Demonstrating **best practice in loan financing** within the heritage sector, with a strong track record and evidence base to back this up;
- Helping to **build capacity** among funded organisations;
- Delivering **innovative new models**, such as the Heritage Development Trust model of organisation; and
- Uniquely combining **community-based development and early-stage funding and advice** that projects need to start on the best footing.

Stakeholders perceived significant added value that AHF brings to their funding through providing not only grants and loans but also expert guidance, and the ability to share knowledge on what works from hundreds of projects across the UK. The AHF team were also described as innovators, with the following as a representative comment:

“They ask, can we think creatively about what can happen here? They're making good things happen to buildings.”

A separate independent, anonymous [report](#) into our Transforming Places through Heritage programme carried out by ERS Research & Consultancy found that, **over a ten-year period, the programme was expected to generate a Cost Benefit Ratio of 3.38**, once again indicating strong added value for the programme's funder of partnering with the AHF.

Feedback from grant and loan recipients

Anonymous responses from funding recipients (237 responses), Agreed or Strongly Agreed the following points:

- **93% felt supported by the AHF team** throughout the process from application to reporting;
- **90% felt eligibility criteria were clear**; and
- **86% felt the application process was straightforward.**

The two most common recommendations for approval were to simplify the application process (11%) and to introduce advance payments for grants (6%). During 2022-23, in direct response to these recommendations, we wholly revised our application system, moving to a two-stage application process with more accessible formatting and language, and also introduced our first policy enabling advance payments for grants.



Caledon Woolstore childcare facility, Northern Ireland. Credit - Mark Hackett

In recognition that the period was exceptionally uncertain for operational charities and social enterprises, we also adopted a proactively supportive and flexible position for our loan clients, and **83% of loan clients Agreed or Strongly Agreed that repayment schedules were manageable.**

Participants in the survey were asked to rate their overall satisfaction with the AHF on a scale of 0-100%; the 241 respondents to this question provided an average figure of **92% overall satisfaction with their AHF experience.** Particular factors that were highlighted as typical of receiving support from the AHF included:

- Good communications, with specific, clear, helpful and friendly advice;
- Bespoke advice and a flexible approach; and
- Straightforward administration.

The survey further discovered that 87% of project teams surveyed Agreed or Strongly Agreed that our team had expert knowledge relevant to their project. This figure strongly indicates we have succeeded in providing added value to our funders – **through AHF support, projects agree they are receiving much more than just funding**, an increasingly important aspect of our work given that around half of project teams the AHF supported during this strategic period were led by organisations that had never before undertaken the conservation and adaptation of a historic buildings. An indicative comment from an anonymous funded project was:

“[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.”

Strategic Aim 4

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

At the AHF, we know that communities feel deep pride in taking ownership of beloved historic buildings and using them to provide key services, including creating high-quality homes and workspaces, or assets which attract footfall back to town centres. We know this because we work at ground-level, directly supporting projects and building close and lasting relationships with teams. We are therefore exceptionally well placed to promote these multi-faceted benefits of heritage and community regeneration to other funders. The nearly 100% increase in grants we were able to award during this Strategic period has helped evidence this impact. This change has been evident in every country across the UK: for example, in Northern Ireland, the grants budget awarded was nearly six times greater during this period than the prior three years, thanks to funders' appreciation of the added value of partnering with the AHF. During this period, **our case for future investment was closely shaped by the outcomes demonstrated in a new series of Impact Reports**, of which this present report is a summation.

Our team of grants and loans officers, programme managers, and senior management leads are also active advocates across the heritage and social impact sectors throughout the UK. Although our team is small, this cohort of **15 members of staff delivers around 50 conference papers and panel talks each year** to audiences across the UK and represents the AHF on more than a dozen sector committees ranging from country-specific funders' and historic environment groups, to committees focused around promoting diversity or the adoption of environmental sustainability measures.

We also believe in promoting a flexible and empowered model of funding and were early signatories of both the Institute for Voluntary Action Research's **Flexible Funders** initiative and the Diversity Forum's **Diversity Manifesto**.

Finally, we are passionate about promoting the potential for historic buildings to be regenerated directly to communities, through our sponsorship of the annual Heritage Trust Network conference, through our **social media** channels, through drafting **articles** and **blog** posts, and through our work with traditional **media**, examples of which are hyperlinked.



BAME Mental Health Support visit to Penllergare Observatory, Wales. Credit - Jess Bennetts

Highlights from the Longitudinal Survey of AHF projects, 2009/10-2018/19

Since our funding is frequently directed at the earliest stages in a project's development, in early 2020 we developed a Longitudinal Survey to better understand the longer-term experiences and ultimate impacts of AHF-funded projects. We ran this survey in five annual phases, in each case seeking feedback from projects that had completed a grant five or ten years previously, or drawn down a loan ten years previously. The first phase gathered information on projects awarded funding in 2009/10 and 2014/15 financial years; the second, in 2010/11 and 2015/16, and onwards until the final phase that gathered information on projects awarded funding in 2013/14 and 2018/19. Projects that received multiple grants and/or loans across this period were only sent one Longitudinal Survey.

In total, surveys were sent to 539 project teams, and we had 171 responses, a 32% response rate.

Heritage regeneration project lifespan

One of the clearest results of this survey is data on the length of time required for projects to move from the early stages (where AHF funding is largely concentrated) to completion. The table below shows aggregated data from all five phases of the Longitudinal Survey:

Is this project still live?	Five years post-funding	Ten years post-funding	Combined average
Yes, the project has successfully completed and is operational.	31%	60%	45%
Yes, the project is still in development/capital works.	58%	22%	40%
No, the project has now closed unsuccessfully or is long-term stalled.	11%	17%	14%

The data reveals a marked distinction between projects that completed their funded work five years previously and those that completed it ten years previously. Five years after receiving AHF funding, nearly 60% of projects remain in development or capital phases, but **ten years after AHF funding, 60% of projects have completed successfully and become operational.**

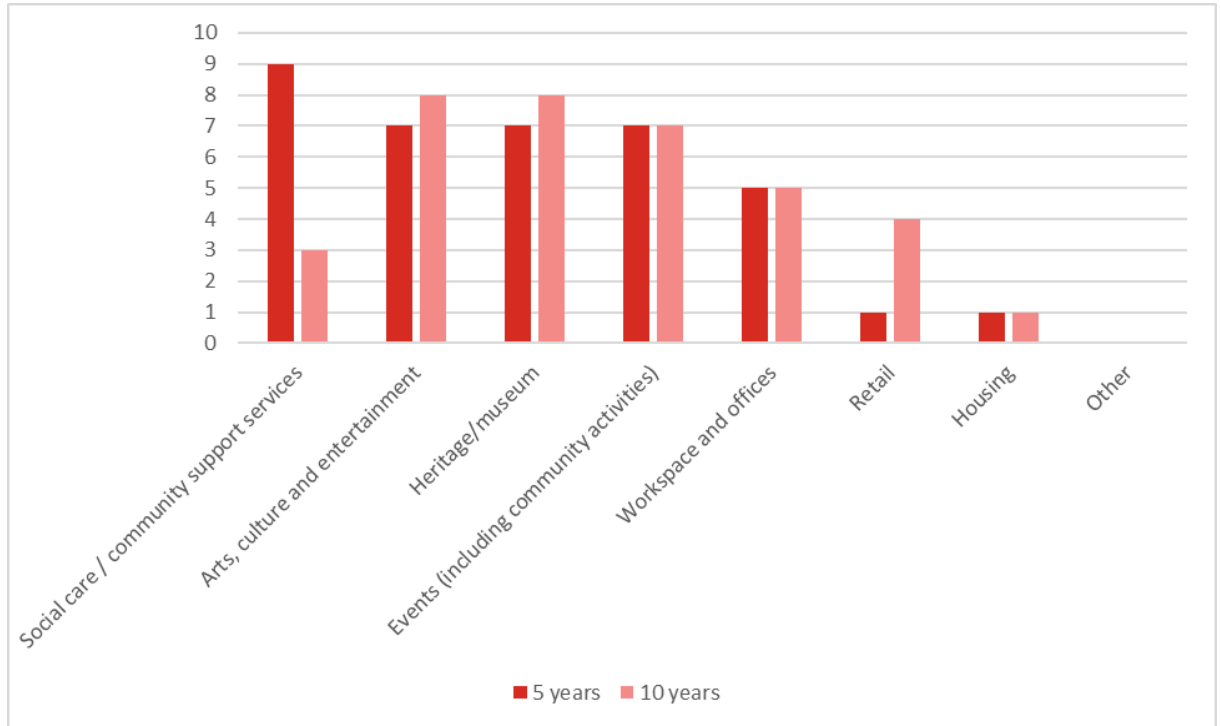
By ten years after AHF funding, less than one-quarter of projects will remain in development or capital stages, but by this point 17% on average will have closed or irrevocably stalled.

These figures, which have remained remarkably consistent across the five phases and throughout the years dominated by Covid-19 and the cost of energy crisis, underscores the time commitment involved in taking a heritage regeneration project from inception to operational phase - **AHF-funded projects take on average between five and ten years to complete.**

Finally, the data strongly suggests the need for a long-term perspective when evaluating the impact of investment into heritage regeneration projects and programmes.

Diverse uses of historic buildings

The Longitudinal Survey also provides information on the ultimate uses of historic buildings following conservation works, uses which have often not been finalised at the earlier stages of project development the AHF typically funds. The chart below gives the predominant end use of 73 survey respondents of Phase 5 of the survey:



The diversity of uses shown demonstrates the broad potential for disused historic buildings to become important community assets. The data also indicates a shift away from retail end uses towards social care and community support services for projects coming forward in the last five years. This is a trend that we anticipate will continue to strengthen in the years to come as use patterns continue to diversify away from retail.

Long-term resilience

The Longitudinal Survey also asked respondents to diagnose their own organisational resilience and indicate how sustainable they perceived their project to be. At five years after completing their AHF grant, 49% of respondents from Phase 5 reported that they were sustainable, but at this point many projects were still in the latter stages of development. By ten years after their grant, 69% of projects reported they were sustainable, and at this point the majority are operating. The figures indicate that **most projects tend to achieve and maintain sustainability over an extended timeframe**, and also suggest that strong early-stage support provides the right conditions for organisations to achieve this long-term sustainability and resilience.

These figures from Phase 5 are very consistent with earlier phases, indicating that heritage regeneration projects have been shielded from the worst potential impacts of the recent crises thanks to significant government investment in the Culture Recovery Fund and by the increased flexibility many funders practiced during this period.

Key Lessons and Next Steps

During the past three years, the AHF has faced enormous obstacles in delivering our strategic aims. However, our scale has also allowed us to be nimble in flexing our programmes, our processes, and the types of support we offer to meet the changing needs of heritage regeneration projects during this time. This **flexibility is core to our success**. We have taken seriously the commitments of the Flexible Funder initiative and are continuing to innovate and build responsive programmes.

Our ground-level insight into the challenges faced by projects has shaped our new programmes. Recognising the need for projects to adapt pre-Covid-era business plans prompted us to launch a business support service called RePlan, which has now helped 15 organisations to build more resilient futures. Greater awareness of the role high energy costs play in destabilising operational businesses, coupled with an increased commitment to help decarbonise our infrastructure, has led to us partnering with other social investors to pilot a new lending fund that will support charities and social enterprises operating out of historic buildings to invest in sustainable and renewable energy systems.

We have also recognised that the profile of organisations we support has changed. The AHF was established nearly 50 years ago to fund Building Preservation Trusts (BPTs), experienced heritage specialists that primarily focused on conserving historic buildings. The role of many modern BPTs is distinct, working in partnership with other charities and social enterprises to deliver new uses and often taking ownership of a portfolio of heritage assets. In many places, their role has only increased in importance, particularly in areas of economic deprivation. Therefore, **we have developed a new model for Heritage Development Trusts**, which focuses on supporting such organisations to develop local partnerships and grow their influence and asset base, working in collaboration with the public and private sectors. This model was piloted from 2020-2023 and thanks to the National Lottery Heritage Fund, we are inaugurating a UK-wide expansion of that programme.

However, another shift that has become apparent is that today more than half of projects we fund are not led by experienced heritage specialists but instead by teams undertaking a historic building project for the first - and possibly only - time. These project teams require much more guidance as they are starting down this process, and **the role that our team of regionally based Officers plays in advising projects has grown significantly in importance**.

Recognition of this final point has prompted us to revise our evaluation framework to better capture the distinct impacts of our funding and our advice; that new framework will be tied to our new five-year **Strategy**. Our evaluation programme will remain a work in progress, because we know that the impacts of the AHF's support on projects, and the impacts of those projects within their communities, will continue to shift over time as we encounter challenges as-yet unforeseen. We look forward to sharing more on our future evaluation in 2024.

Thank you to our team, our funders, and the hundreds of projects across the UK whose work is reported on here.



The Pilgrim Trust



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