

This Research Note summarises research that was commissioned to evaluate the economic and environmental impacts of the LHI. It also highlights good practice.

The Local Heritage Initiative (LHI) is a national grant scheme that helps local communities to investigate, explain and care for their local landscape, landmarks, traditions and culture. It gives communities funds, advice and support to do this.

www.lhi.org.uk

Research on the economic and environmental impacts of the Local Heritage Initiative (LHI) found that the scheme has had real impact, achieving benefits that go well beyond the scheme's original remit, particularly in rural areas. The way in which the grant scheme is structured and managed is an integral part of its success.

Key findings

- The LHI brings measurable economic and environmental benefits to local areas and communities.
- Around 75 per cent of the LHI grant is spent in the local area (within 10km).
- The high level of support that is available to groups throughout the life of a project plays a part in bringing about economic and environmental 'spin-offs'.
- The LHI provides a good model for community-based environmental projects.

The research

The consultants used a number of qualitative evaluation tools, such as semi-structured interviews, interviews with LHI staff, a desk review and detailed studies of three LHI projects.

To assess the **economic impacts** of LHI, interviewees were asked the following key questions:

- Has the project created direct business for local companies, services or the wider community?
- Which items and services have you purchased locally (within 10km) or from further afield?
- Has the LHI process and funding helped you to attract more grants/private money into the area?
- What in-kind contributions have been made to the project?
- Has your project directly resulted in more visitors?
- Are the visitors local? How long do they stay?
- Have there been more visitors in general?
- What do you expect the long-term economic benefits of this project to be?



To assess the **environmental impacts** of LHI, interviewees were asked the following key questions:

- What environmental impact has the project had, e.g. raising environmental awareness or direct environmental improvements (such as restored features, trees, wildflowers or hedgerows planted, local biodiversity action plans, environmental impact assessments produced)?
- Have any negative impacts resulted from this project?
- What do you expect the long-term environmental benefits of this project to be?

LHI grant recipients were also asked about the use they had made of support that is available to them through Project Support Workers¹ and Expert Advisers².

Defining economic impact

The economic impacts of LHI projects were classified into three types:

- direct economic impacts – those that are a direct result of expenditure on local goods or services;
- indirect – those that occur as a result of the project, such as increased spending in local businesses (for example shops or pubs) or entry fees for a project event;
- contributory – those resulting from general improvements to the area where the LHI project forms one of a number of attractions or activities.

The direct economic impacts of LHI

The direct economic impacts that result from project expenditure can be significant.

- LHI grants are typically between £3,000 and £25,000. However, the available budget is often larger because an LHI grant attracts additional funding, for example from parish councils, local councils or other small grants schemes, or the community itself.
- Expenditure on an individual LHI project typically ranges from £5,000 to £50,000, significant figures in a rural environment or deprived urban ward.
- LHI awards now total more than £16 million.
- Around three-quarters of an LHI grant is spent in the local economy. This provides an important source of income for rural craftsmen and artisans, professionals such as architects, ecologists and archaeologists, and service providers such as designers and printers. It also helps to ensure the viability of professional services that are located in rural areas.

- Professionals and service providers typically work on one or more small grant programmes a year, receiving between £2,000 and £10,000 in income from these sources. This can represent a significant proportion of the annual income of a consultant or small or medium sized enterprise.

The indirect economic impacts of LHI

- Of the 36 projects examined, 14 identified clear indirect economic benefits, although some were small and difficult to quantify. For nine projects respondents were unsure of the benefits and for the remainder there were no identifiable indirect economic benefits.
- The impacts for local pubs and cafes can be substantial, particularly for rural projects. While LHI projects do not keep these businesses running, traders appreciate the boost in sales.
- In some cases there were considerable economic benefits, with projects attracting large numbers of visitors, including some from outside the area. Although individual visitors may not always spend a great deal, the cumulative economic impact from higher visitor numbers was often felt to be important.
- LHI projects are widely seen as professional and well managed. An LHI project gains authority which is important in attracting further funding and support from parish councils, local councils and other grant giving bodies.



¹ Project Support Workers offer technical expert advice to groups to help raise the quality of the projects themselves and of the information that appears on the LHI website.

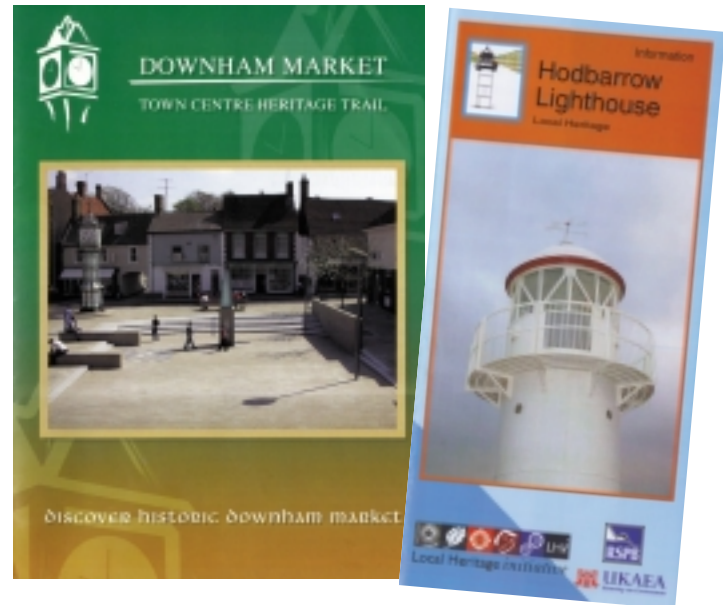
² Expert Advisers offer general or specialist support for LHI Advisers or to project groups. They include, for example, natural historians, archaeologists and community development workers.

The contributory economic impacts of LHI

LHI projects contribute to economic development by bringing about general improvements in the local area, including improvements to heritage, environmental, recreational and tourist attractions. Examples of contributory benefits include:

- publicising a particular heritage aspect of a village, town or community, so raising the overall profile;
- providing minor attractions and/or events that support larger existing attractions; and
- improving part of a Conservation Area.

A number of attractions situated close together may make up a full day's activities, or present a range of activities that are suitable for parents and children.



The LHI is considered to be important in building capacity, community development and local engagement. LHI projects often act as 'bridges' between wider development programmes and local communities, greatly strengthening relationships. Through their work on LHI projects, individuals learn a wide range of skills, and develop greater confidence in managing projects and accessing funding.



Environmental impacts

As natural heritage is a key LHI theme, many projects are inevitably community environmental projects. Important environmental benefits were identified in two-thirds of the projects evaluated.

Four main types of environmental impact are associated with the LHI:

- direct improvements to the environment through habitat management;
- improved access to environmental features;
- greater awareness of the environment; and
- the re-establishment of traditional environmental management practices.

Many LHI projects give secondary environmental benefits. Walking guides may provide information about habitat, flora or fauna; other projects have improved access to environmentally important areas, or provided interpretation of them.

LHI projects have had real impacts on the environment, achieving far more than might have been anticipated by the grant awarded. Much of this is because of the enthusiasm of local people; contributing many thousands of volunteer hours to good effect. Keen project management teams also provide their services free or at cost.

Elements of success

A number of factors contribute to the effectiveness of the LHI:

- The link between heritage, community awareness and the environment is strong in many projects. In addition, LHI projects appear to be remarkably influential in raising overall awareness of the environment.
- Where they sit within larger agency-managed programmes, LHI projects act as important bridges between local communities and larger programmes.
- As the ideas for LHI projects come from the community, their wider appeal prevents them from being 'specialist interest' projects only. Instead, they involve, for example, school children, artists and interpreters.
- LHI staff are effective communicators and capacity builders, ensuring that community ownership and sustainability are central to the projects. They provide high levels of flexible, realistic and practical support to community groups during the pre-application and application stages and through to implementation.
- The work that LHI staff carry out in the early stages with applicant community groups in structuring and improving proposals enhances projects and helps to ensure success: 97 per cent of the projects evaluated have delivered, or are delivering, their expected outputs.
- LHI staff positively encourage groups to spend grant money locally.
- Grant money is paid in advance rather than on receipt of invoices; this simplifies cash-flow and is very helpful for small groups.

Satisfaction among grant recipients is high. The LHI is particularly valued as a scheme because it provides a means of funding for projects that might fall outside other small grant schemes. Its broad remit – encompassing cultural, archaeological, built, industrial and natural heritage – encourages projects that are innovative and exciting. LHI grants tend to fit the needs of the community, rather than a community's needs being defined by the grant. This high level of satisfaction undoubtedly contributes to the LHI's economic and environmental impacts.

Features of good practice

The flexibility of the approach to integrating community aspirations, the relatively straightforward funding mechanisms and the overall goodwill generated throughout the LHI provides an excellent model for developing and sustaining community-based, environmental and heritage projects.

- The advisory nature of the LHI approach is of key importance. Although applying for the LHI is a competitive process, the underlying ethos is to encourage and build capacity.
- The support provided by LHI staff is rewarded by highly motivated groups whose projects attract additional funding and volunteer support.
- It is important that small grants schemes that support particular heritage, cultural or environmental objectives do not require economic outputs to be demonstrated. However, there is scope to develop further the notion of adding value to such schemes by trying to maximise, and measure, any economic benefits.
- Wider economic benefits are achieved when a number of projects and activities take place in an area. This allows, for example, joint promotion and marketing.
- The confidence and experience of LHI staff allows them to assess and minimise project risks, and to support innovative, perhaps more 'risky' projects that less experienced advisers might reject. This is appreciated by project groups, who work with added enthusiasm to ensure that their project comes to fruition.

A full copy of the report and details of all LHI projects can be found on the LHI website www.lhi.org.uk