



Department  
for Culture  
Media & Sport

# English Heritage New Model

Consultation

December 2013



# Contents

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<b>Foreword from Ed Vaizey: Minister for Culture, Communications and Creative Industries</b>	<b>4</b>
<b>Chapter 1: Executive Summary</b>	<b>5</b>
<b>Chapter 2: Heritage Today – A vision for the future and an overview of the changes proposed</b>	<b>7</b>
<b>Chapter 3: The Charity</b>	<b>11</b>
<b>Chapter 4: Historic England</b>	<b>17</b>
<b>Chapter 5: The Transition to the New Model and Governance for the Charity</b>	<b>20</b>
<b>Chapter 6: What will be the Impact of these Changes?</b>	<b>23</b>
<b>Chapter 7: Consultation Questions and how to respond</b>	<b>25</b>
<b>Annex 1: Definition of Terms</b>	<b>31</b>
<b>Annex 2: More detail on the Charity</b>	<b>33</b>
<b>Annex 3: More Detail on the Services which will become Historic England</b>	<b>35</b>

# Foreword from Ed Vaizey

Minister for Culture, Communications and Creative Industries

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**Our rich and varied heritage is rightly an important source of national pride. It makes the UK distinctive and is the main reason why many overseas visitors chose to come here. It delivers real economic benefits.**

This is an exciting time for English Heritage. In August 2013 English Heritage welcomed more than a million visitors to its sites, the highest number of visitors in a given month on record. And in December, the new Visitors Centre for Stonehenge will open, presenting this iconic site afresh for a new generation.

It is vital that we continue to look for innovative ways to manage, protect and promote our historic environment. That is why the Government is consulting on an eight year vision to 2023 to establish a new model for the management of the National Heritage Collection which contains some of our most important historic sites including Stonehenge, parts of Hadrian's Wall and Dover Castle.

The Government is supporting English Heritage's proposal that the National Heritage Collection is managed and maintained by a new charity, which will keep the name "English Heritage". Supported by Government investment of £80m the charity will embark on an ambitious eight year programme to enhance and improve the Collection, which will continue in public ownership. This will enable the charity to continue to grow its income and be a more resilient organisation, in control of its finances, able to plan more effectively for the long term, and free to develop its business in the best way it sees fit. By the end of the eight years the management of the National Heritage Collection will be completely self-financing. The ambition is to allow the management of the Collection to benefit from a new level of autonomy while maintaining the appropriate safeguarding of the National Heritage Collection.

The new model and Government investment will create jobs and opportunities across England. Businesses will be able to develop and enhance skills that can be transferred to the wider historic environment.

This proposal is not just about the Collection. It is also an opportunity to develop English Heritage's work in conserving the best of our historic environment and promoting its position at the heart of sustainable growth.

So this consultation also includes the future priorities and opportunities for "Historic England", the proposed new name for the part of English Heritage that will continue to deliver planning and conservation services and advice. The consultation outlines how Historic England will look to get the heritage protection system to work better for owners, developers and infrastructure providers, reduce unnecessary bureaucracy and red tape and support growth without reducing protection for heritage.

One hundred years on from the 1913 Ancients Monuments Act, what we are proposing will ensure future generations will be able to enjoy and benefit from our wonderful heritage.

**Ed Vaizey MP**

*Minister for Culture, Communications and the Creative Industries*

# Chapter 1: Executive Summary

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1. **This consultation document sets out the Government and the Historic Buildings and Monuments Commission for England’s vision for an eight year new model for looking after the National Heritage Collection and promoting the public’s enjoyment of it. It also sets out our thinking on how the services provided by the rest of English Heritage should develop under its continued management.**
- 1.1 The Historic Buildings and Monuments Commission (the ‘Commission’) is proposing to split its organisation into two.
- 1.2 One part will become a charity whose purposes will be the conservation and public enjoyment of the National Heritage Collection (the ‘Collection’). The charity will take on full responsibility for delivering the eight year programme and running the Collection until 2022/23. The charity will retain the name “English Heritage.” The eight year new model will offer a bright future for the National Heritage Collection and savings to the taxpayer, while keeping the properties themselves in public ownership. Managing the properties under a licence from Commission will ensure their historic integrity is preserved.
- 1.3 The charity will use £80 million investment from the Government, plus over £83 million to be raised from third parties, to undertake an ambitious programme to remedy conservation defects, create new exhibitions, renew existing ones and continue to improve the visitor experience through investment in presentation of the properties and visitor facilities. The charity will continue to receive resource Grant-in-Aid from the Government on a declining basis from 2015/16 to the end of 2022/23 when the Grant-in-Aid will cease and the charity will become self-sufficient. The £80m and the declining Grant-in-Aid will enable it to continue to grow its income, and by the end of the eight years the management of the National Heritage Collection will be completely self-financing. The ambition is to allow the management of the Collection to benefit from a new level of autonomy.
- 1.4 The target of financial self-sufficiency builds on years of commercial growth in the National Heritage Collection, but the charity will also have more freedom to generate commercial and philanthropic income. The business plan for the charity assumes an average year on year growth in admissions and membership income of 5% pa. This compares with actual growth over the last nine years of 7% pa.
- 1.5 There will be no change to the Commission’s duties and responsibilities for preserving England’s wider historic environment. Those services will be delivered under the new name of “Historic England”. But the split does provide an opportunity to reassess priorities and to look at ways of improving how these vital heritage services are managed and delivered.
- 1.6 Historic England will aim to make the heritage protection system work better for owners, developers and infrastructure providers, reducing unnecessary bureaucracy and red tape without reducing protection for heritage. It will look to develop a stronger public-facing role. It will continue to develop its constructive approach to conservation demonstrating that heritage supports sustainable economic growth and job creation.
- 1.7 This consultation seeks views on the principles of these changes and invites consultees to respond to the questions in Chapter 7.
- 1.8 **The consultation will be open for nine weeks, closing at midnight on 7 February 2014.**

- 1.9 There will be a stakeholder event on Wednesday 8 January 16.00-17.00 at the Department for Culture, Media and Sport (DCMS) offices in London where DCMS and English Heritage officials will be available to respond to questions in regards to the consultation. Please email [heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk) if you would like to attend or phone Ben Douglass on 020 7211 2053.
- 1.10 Respondents are encouraged to use the online survey to respond to the consultation questions.  
[https://dcms.eu.qualtrics.com/SE/?SID=SV\\_6EDrDemmRX6lzVz](https://dcms.eu.qualtrics.com/SE/?SID=SV_6EDrDemmRX6lzVz)
- 1.11 Or alternatively responses can be emailed to:  
[heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk)
- Or send by post to:
- English Heritage New Model Project Team  
Department for Culture, Media and Sport  
4th Floor  
100 Parliament Street  
London  
SW1A 2BQ
- 1.12 If you have any questions in regards to this consultation, please contact:  
[heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk)
- Or:
- Ben Douglass  
Department for Culture, Media and Sport  
Telephone: 020 7211 2053

## Chapter 2: Heritage Today – A vision for the future and an overview of the changes proposed

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2. **The National Heritage Collection contains more than 400 sites in England ranging from prehistoric stone circles to a 1960s bunker and includes Stonehenge and parts of Hadrian's Wall. These physical remains of our nation's history are a rich resource. They enable those who live here to appreciate the physical connections with England's story and give overseas visitors a tangible sense of the variety and significance of the buildings and monuments which define England and its heritage. In order to secure a sustainable future for the Collection, we need to think innovatively about their care and management. The Commission believes the right approach is to make the management and maintenance of the National Heritage Collection self-financing through upfront investment and greater commercial freedom. The Government agrees.**

### Where are we now?

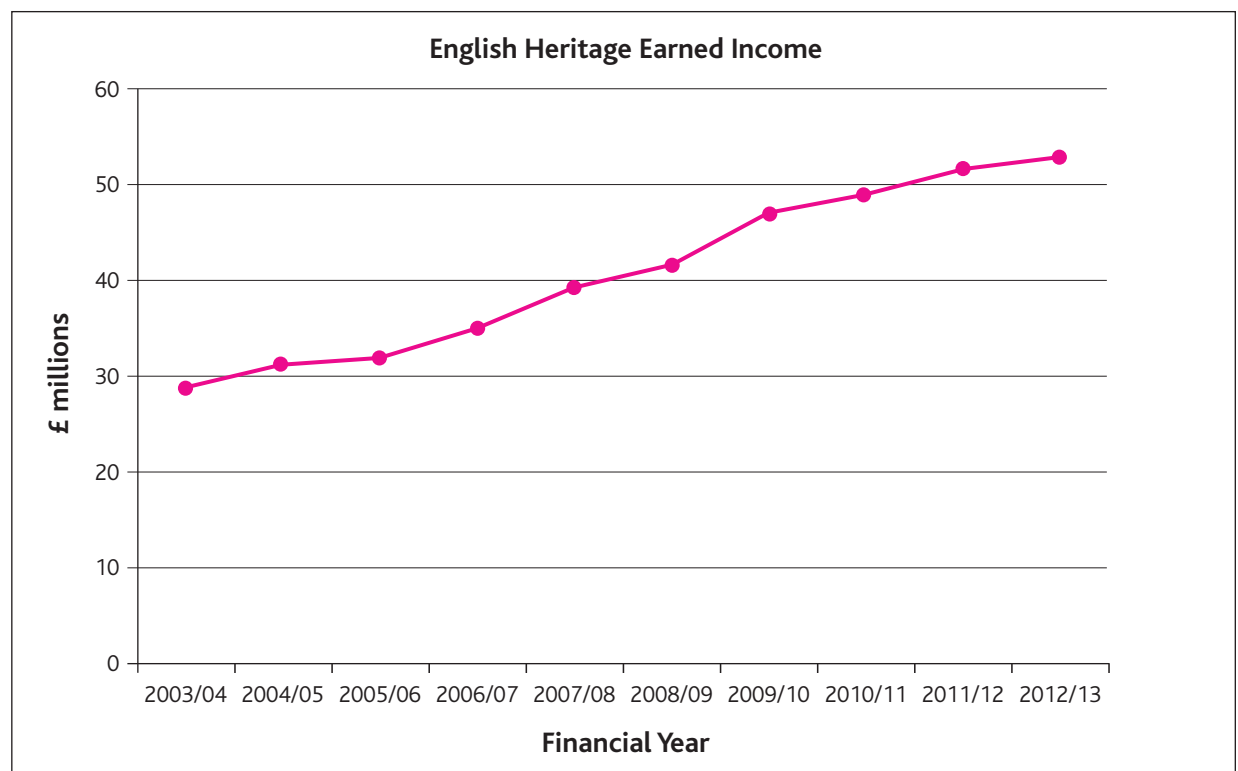
- 2.1 2013 marks the centenary of the 1913 Ancient Monuments Act, the measure that heralded the modern system of heritage protection in Britain. This gave the Government, for the first time, powers to take historic buildings and sites into public ownership and open them up to the public. Since 1913, the acquisition of hundreds of historic sites and monuments has led to the creation of an outdoor museum of national history – the National Heritage Collection. In England, much of the work of protecting the Collection and opening it up for the enjoyment of the public lies in the hands of English Heritage, the brand name for the Historic Buildings and Monuments Commission.
- 2.2 Over the same period, successive governments developed a statutory basis for protection of the wider historic environment. English Heritage is the Government's statutory adviser on the historic environment in England. Its role is to help people understand, value, care for and enjoy England's rich historic environment. Created by the National Heritage Act 1983, its responsibilities as set out in legislation are:
- To secure the preservation of ancient monuments and historic buildings, including maritime heritage.
  - To promote the preservation and enhancement of the character and appearance of conservation areas.
  - To promote the public's enjoyment of and advance their knowledge of ancient monuments and buildings.
- 2.3 English Heritage currently fulfils all its responsibilities by delivering a number of services within one body. These services are:
- a. Caring for and opening to the public the National Heritage Collection.
  - b. Coordinating development of the National Heritage Protection Plan and implementing the English Heritage Action Plan.
  - c. Evidence gathering and research to increase understanding of the historic environment and its enjoyment by the public.
  - d. Designation, to identify the special historic, architectural or archaeological interest in places and recommend them to the Secretary of State for statutory protection.
  - e. Development Management, to add value to the decision-making process in the historic environment through technical expertise, national perspective and strategic engagement. English Heritage provides advice to owners, developers, local authorities and the Secretary of State when changes to designated places are proposed, in order to promote sustainable development and growth.

- f. Running the Heritage at Risk programme, to lead and facilitate projects that reduce risks to significant heritage assets and bring them back into use through effective targeting of English Heritage resources including a £12.5m grant programme. The 'Heritage at Risk Register' identifies important designated heritage buildings, sites and areas that are in immediate danger.
- g. Working with local communities on historic places to get the best out of heritage assets, to enhance local areas and to develop advisory capacity and expertise outside English Heritage at a local level.
- h. Advising Government on its heritage protection policies and on the impact of other policies on heritage.
- i. Creating and curating national heritage data and archives, to provide up to date information for those involved in managing and researching England's historic environment.

### The next hundred years?

- 2.4 Looking forward, English Heritage, like many public bodies, has been considering how to respond to economic, social and regulatory change. It operates in a fundamentally different environment from the one in which it was born in 1983. The expectations of visitors and those who seek its expert advice have changed, and the dynamics of the visitor market are different.
- 2.5 English Heritage's recent performance in managing the National Heritage Collection has shown that there is potential for the organisation to increase its level of earned income and for the Collection to become independently self-financing, funding not only its operations but also its investment in conservation and capital projects. Driven by a programme of capital investments, earned income has grown since 2003/04 by an average of 7% a year, from £29m to £53m in 2012/13. In addition, since the 2010 Spending Review, reducing the opening hours of the National Heritage Collection during winter has cut costs. This means that whereas seven years ago each visit to a site in the National Heritage Collection was subsidised by £1.43 (excluding the costs not directly incurred as a consequence of opening the sites for trading such as conservation and maintenance), today that subsidy has become a positive contribution of £0.73 towards the running of the Collection in 2012/13 and is forecast to be £1.32 in 2013/14.

**Chart 1: Earned growth year on year from the National Heritage Collection Group in English Heritage**





- 2.6 This is a positive achievement, and one on which English Heritage wants to build. The National Heritage Collection is now an £84 million visitor business. To safeguard its value to the public it needs to attract investment and plan long term. The restrictions imposed by dependence on public subsidy are hindering the development of such long-term self-sustaining arrangements. In particular, English Heritage wants to:
- Address a significant conservation backlog which has developed over the last 10 years. This is putting at risk both the nation's built history and the visitor income on which English Heritage relies in its existing business model. This needs to be addressed for the business to become self-sufficient.
  - Be able to plan capital investment over periods longer than three years (the length of current government funding cycles) and remove dependence on public subsidy.
  - Clarify the status of the Collection. People are confused by the current dual role of English Heritage as both a grant giver and a grant recipient. To continue to expand its circle of supporters, the risk of conflict of interest between the Collection and English Heritage's statutory duties needs to be eliminated.
  - Do even more to make connections with members, volunteers and visitors, to encourage people to care for and enjoy the National Heritage Collection and to engage new communities and new generations with their history.
  - Provide longer term resilience and stability for the National Heritage Collection through capital investment to grow earned income.
- 2.7 The Commission therefore proposes an eight year programme of reform beginning with splitting the management of its different types of services into two from January 2015, in order to deliver them better.
- 2.8 A new charity will fulfil the role of caring for and opening to the public the National Heritage Collection. In June 2013, the Chancellor of the Exchequer announced that he proposed to invest £80m in this new charity, subject to public consultation and to the approval by the Treasury of a full and final business case. The upfront commitment to this £80m allows the charity to plan its procurement, grant applications and fundraising activities over eight years on the basis of a known amount of core capital funding. This extra investment will allow the charity to grow their income into an independent and self-sustaining source of funding.
- 2.9 The charity will retain the name 'English Heritage'. However, for the purposes of clarity in this consultation document, references to 'English Heritage' should be taken to refer to the existing, unified organisation. The new body will be referred to as 'the charity'. More details on the charity are in **Chapter 3**. The remaining services provided by English Heritage will remain as an Executive Non-Departmental Public Body, and will be referred to in this document by its proposed new name 'Historic England'. See **Chapter 4** for more details.

### What will not change under these proposals?

- 2.10 The following will not change during this eight year programme:
- The powers and duties of the Commission will remain as in the 1983 Heritage Act.
  - The Commission will continue to provide directly all its other services.
  - The National Heritage Collection will remain in public ownership and available for public access and enjoyment.

### What would happen if we did nothing?

- 2.11 Without the new model and the additional funding, the National Heritage Collection would not be able to plan long term for the future nor effectively address the conservation defects backlog. The backlog of conservation defects would continue to increase resulting in an accelerated loss of historic fabric in public ownership. This would also have a negative effect on perception of the brand and make attendance and membership hard to sustain and impossible to grow.

- 2.12 Without charitable status and the freedoms associated with a separation from English Heritage's heritage protection and planning responsibilities, fundraising for the capital programme would continue to be more challenging and the Collection would remain heavily reliant on Grant-in-Aid for capital projects. Lack of significant investment in the properties would compound the problem of the deteriorating condition of the Collection with a damaging impact on attendances and income.
- 2.13 Without the new model, reasonable projections of the public funding subsidy the National Heritage Collection might require show an increase from £23m in 2014/15 to nearly £36m in 2026/27. There is of course no guarantee that such a level of subsidy could be funded.

### Alternative options

- 2.14 Other proposals have been considered that would enable the National Heritage Collection to plan effectively for the future and continue its long term growth. One would be to transfer it, or portions of it, to other keepers. Whilst profitable sites could be transferred easily into local or other management, it is very unlikely that any other body would take on the majority of loss-making free sites that are currently subsidised by the profitable ones. Transferring only the economically viable sites merely increases the reliance on government for the rest. In addition research shows that the current membership offer works by providing access to the whole portfolio – reducing its size, variety and interest would undermine membership income which is the single largest source of revenue.

### Preferred option

- 2.15 An eight-year programme, beginning with dividing English Heritage into two, a publicly funded national heritage protection service (new name: 'Historic England') and a self-funding charity running the National Heritage Collection, is the one option which has survived discussions within Government and with third parties. It is this New Model option which this consultation document proposes as the way forward.

## Chapter 3: The Charity

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3. This chapter explains the plans for the charity to grow its income over the next eight years as it works towards becoming self-financing by the end of 2022/23. The ambition is to allow the management of the Collection to benefit from a new level of autonomy whilst maintaining the appropriate safeguarding of the National Heritage Collection. It explains plans for how the £80 million additional funding the Government plans to provide will be used to invest in the conservation of the Collection and in capital investment projects and to support the growth of the business as it safeguards and presents the National Heritage Collection to the public.

### Investing in conservation – addressing the condition of the National Heritage Collection

- 3.1 Of the £80m additional funding being provided, we anticipate that around £52m will be used to improve significantly the condition of the National Heritage Collection. This will:
- Clear the highest priority conservation backlog. The remaining conservation works can be carried out as part of the regular four year cyclical programme. This will ensure the Collection's existence for the public and future generations.
  - Provide a sound basis for the charity to become financially self-sufficient by removing the liability of the major conservation defects.
  - Improve and widen the charity visitor and member offer thus helping to secure self-sufficiency for the charity.
  - Protect the quality of the respected brand.
- 3.2 The budget for investment in conservation and maintenance for the Collection has been frozen for a number of years. This has meant that, as at January 2013, the amount of investment needed to address the top three categories of conservation defects in historic fabric identified in English Heritage's Asset Management Plan was £52m. More about the Asset Management Plan and how the £52m was arrived at can be found in **Annex 1**.
- 3.3 This backlog of conservation work has led to serious loss of historic fabric. Some sites are becoming less attractive to visitors, for example as potentially dangerous areas are fenced off. If this backlog is not addressed and investment in conservation and maintenance remains at current levels, the backlog is estimated to grow to £79m by the end of 2015/16 and then to over £100m by 2022/23. The additional capital investment will address the top three categories of conservation defects.
- 3.4 Once the historical backlog of conservation defects is addressed, an annual £16m conservation maintenance budget should maintain the historic estate in a steady state and enable the charity to fulfil its obligations to conserve the Collection to an appropriate standard.

### Investing in new projects – Building on commercial success

- 3.5 Of the £80m additional funding being provided, it is currently planned that £28m will be used to help fund capital investment in new and renewed visitor exhibitions and other projects. Together with £83.4 million of third party funding to 2022/23, the charity should have a total capital investment programme

of over £100 million – see paragraphs 3.12 to 3.14 below for more on how the third party funding will be raised. This capital investment programme will enable it to:

- Continue and build on English Heritage’s proven success to increase annual revenue from the National Heritage Collection through capital investment which makes properties more attractive to members and visitors – see paragraphs 3.6 to 3.11 below. Since 2003/04 English Heritage has completed major projects such as those at Dover Castle, together with smaller interpretative schemes and improved visitor services, shops and cafes. Between 2003/04 and 2011/12, those properties where English Heritage invested saw a 12.8% increase in attendances<sup>1</sup>. More examples are in **Annex 2**.
- Increase profitability through a continued increased in annual income to the point at which public subsidy will no longer be necessary.
- By the end of the period, self-fund all its conservation and capital investment requirements, building up reserves and re-investing surpluses as a commercial business. This will provide greater opportunity for forward planning resilience and financial stability than is possible within the annuality of government funding mechanisms.

### Increasing membership

3.6 The number of people with English Heritage individual or family membership was 0.7 million in 2012/13. The business plan projects that this figure will grow to 1.3 million (86% increase) by 2026/27.

3.7 The assumptions behind this projection are:

- First that the investment in conservation and new projects will enable the charity to increase members by improving the quality of the sites and monuments that people visit.
- Second, that the change to charitable status will help support an offsite membership campaign that will be launched in 2015/16.

### Increasing visitors

3.8 The current base for number of visits is 5.2 million per annum. The business plan projects that this figure will increase to 6.4 million by 2022/23 and to 6.8 million by 2026/27 (31% increase).

3.9 The assumptions behind this projection are:

- First, that there will be an increase of 11% in visits to Stonehenge between 13/14 and 15/16 as a result of the investments there which will be complete in spring 2014, and that the 15/16 visit figures will be maintained on an on-going basis.
- Second that the rolling programme of future major projects which the Government’s investment and third party funding will finance will lead to increased attendances at other Collection properties.
- Third, that member visits increase from 1.3 million in 2012/13 to 2.6 million in 2026/27 – an increase of just over 100%.

3.10 Other factors, whilst not taken into account in quantifying a realistic growth target, provide a favourable market context. In the period to 2026/27 England’s population is predicted to increase by 12%<sup>2</sup>, thus increasing the market of potential visitors. VisitBritain is also projecting growth in the amount of inward tourism, thus increasing potential customers, particularly as many inward visitors are attracted to this country because of heritage<sup>3</sup>. Over 50% of holiday visitors who come to the UK visit built heritage<sup>4</sup>.

<sup>1</sup> English Heritage Spending Review Supporting Evidence (April 2013)

<sup>2</sup> UK Population Projections (26 October 2011, Office for National Statistics)

<sup>3</sup> Foresight Issue 100 (February 2012, VisitBritain)

<sup>4</sup> International Passenger Survey 2006

- 3.11 Experience suggests that the business plan is resilient enough to cope with bad years such as 2012/13. The visitor figures so far for 2013/14 suggest that visitor numbers will exceed the budget of 5.2m, demonstrating that last year was a rogue year due to the exceptionally bad weather.

### Increasing fundraising

- 3.12 English Heritage has significantly increased income from fundraising. Since 2010 English Heritage has raised almost £16.7 million in grants and donations for Stonehenge and £5 million for Kenwood House. This is in addition to the £1.5 million raised in unrestricted income each year through legacies and corporate fundraising.
- 3.13 Income from fundraising is projected to increase from the current average of £5.6 million per year to £7.6 million per year, in line with the requirements of the Capital Investment Programme. This includes the costs of fundraising, projected at around 10% in line with industry average. This target includes receipts from legacies which should increase due to the move to charitable status. Sponsorship is forecast to increase from £0.1m per annum to £1m by 2026/27 as sponsorship can be sought from a wider range of companies once the management of the Collection is no longer part of a statutory body.
- 3.14 Income from retail, catering, hospitality, licensing, holiday cottages, car parking and rents is expected to increase broadly in line with inflation, though in some areas such as licensing the new freedoms will allow growth beyond that figure.

### Increasing volunteering

- 3.15 The number of people regularly volunteering with English Heritage rose to 1,026 in 2012/13, a 24% increase on the previous year. Volunteers are, for example, constructing the replica Neolithic houses that will form an exciting part of the visitor experience at Stonehenge. Other volunteers work in property gardens or as room stewards. The charity will be looking to increase further its volunteers. Volunteers provide an essential link to the local community and also offer opportunities to develop skills and competences.

### Other funding

- 3.16 In addition to the £80 million funding and its self-generated income, the charity will need less Grant-in-Aid from the Government as its income increases. DCMS will also look to provide the Commission with sufficient resources during this period so that it can deliver this major organisational change and continue to provide high quality and essential heritage protection services through Historic England. The Government recognises that the Commission will not be able to confirm the future level of funding for the charity until its own funding position is confirmed in future funding settlements.
- 3.17 At present, Departmental budgets have only been agreed until 2015/16. Table 1 shows the likely first two years Grant-in-Aid funding for the charity and Historic England. On current projections and assumptions we would expect the charity to have broadly flat funding requirements from 15/16 to 18/19, declining thereafter per annum until the final payment in 2022/23. This profile is provisional until the Full Business Case and all assumptions have been fully assessed. Funding decisions are expected to be taken in the normal way during future Spending Rounds.

**Table 1: Grant-In-Aid for the Historic Buildings and Monuments Commission for England 2014/15 to 2015/16**

	2014/15 £m	2015/16 £m
GIA total	90.7	82.6
Historic England share	69.3	69.3
Charity share	21.4	13.3
	<b>90.7</b>	<b>82.6</b>

### What sort of body will the charity be?

- 3.18 As well as a charity, registered with the Charity Commission, the new body will be a subsidiary of the Commission and registered at Companies House as a company limited by guarantee. More details on the charity's status are in **Annex 2**.
- 3.19 The charitable purposes of the charity, which will be set out in its constitution, need to clearly demonstrate that they are for public benefit. The Commission and the Government believe that these key charitable purposes need to focus on the conservation and public enjoyment of the National Heritage Collection. Those charitable purposes can be expressed as follows:
- The stewardship of the National Heritage Collection for the public benefit will include:
    - Securing the conservation of the National Heritage Collection.
    - Advancing the public's knowledge and enjoyment of the National Heritage Collection.
    - Providing educational facilities and services, instruction and information to the public in relation to the National Heritage Collection.
- 3.20 To fulfil those purposes the trustees will have to work towards long-term financial sustainability and a greater level of autonomy from Government, whereby the charity is able to meet all obligations associated with the perpetual maintenance and care of the Collection as they arise.

### Funding agreement

- 3.21 The business plan anticipates that the charity will become fully self-financing after eight years, and it is the projected date of self-sufficiency that is driving the length of the funding agreement. In the meantime, it will receive resource Grant-in-Aid from the Government (probably via the Commission) which will reduce throughout the eight year term. This will be managed through a funding agreement.
- 3.22 The funding agreement will include funding schedules, financial reporting and termination issues. It will also include targets for addressing all urgent conservation defects work.

### Property licence

- 3.23 The Commission and the charity will agree a property licence through which the Commission will grant the charity the rights to manage the Collection. This will last for eight years until 2023. The property licence will include obligations to carry out condition surveys, maintenance, conservation and a capital development programme. There will also be obligations to open to the public on a set number of days, offer free educational visits and to ensure adequate standards for health and safety and security. The licence will provide for regular monitoring of the charity's performance.

- 3.24 The terms of the property licence will also lay out the terms and conditions under which the charity will take on management of any properties which the Commission has bought as owner of last resort, has put into good order through its grant programme and other grants, but cannot find another operator prepared to take on its long-term management. This means that nationally important sites such as J W Evans in Birmingham and Harmondsworth Barn in Middlesex will continue to be saved for the future and opened to the public.
- 3.25 The property licence will be co-terminus with the funding agreement. The property licence will be the main source of accountability as the controls associated with grants from the Commission to the charity are reduced or eliminated. The Commission will retain the right to terminate the agreement if obligations are not met. In that event, the Collection would revert back to the management of the Commission.
- 3.26 The Commission will ensure through the property licence that the investment and activities of the charity enhance the Collection and put it on a more resilient footing for the longer term and not only for the eight years that the funding agreement is in place.
- 3.27 These contractual arrangements will be reviewed in good time before the end of the eight year period so that decisions can be made about arrangements for the longer term when the management of the National Heritage Collection will be completely financially independent. This review will also cover the controls exercised by the Commission in order to provide for greater autonomy from Government by the end of the eight year term.

### Benefits over the status quo

- 3.28 The following benefits are anticipated as a result of these proposed changes:
- The decline in the condition of the Collection will be reversed. The additional money from the Government will eliminate the priority defects and the charity's increased income will ensure that by the time the funding agreement ends, the charity will have the financial ability to maintain the Collection properly. Without the additional investment, the level of conservation defects would continue to rise and some properties would deteriorate beyond repair.
  - Clearer separation from the other responsibilities of the Commission and greater independence from Government will make it easier for the charity to access sources of funding from third parties, helping to increase the financial resilience of the management of the Collection.
  - Visitor and member figures will grow substantially above a status quo baseline, attracted primarily by the new exhibitions but also by the improved basic offer. This means that more people – including more young people – will be able to engage with the history of England.
  - Greater autonomy from Government means the charity will be able to plan more effectively for the longer term as it will not be as constrained by Government spending controls and cycles as English Heritage is at present. It will be able to carry forward surplus at year end. Greater freedom will enable the charity to enjoy a more flexible and strategic approach to managing the properties and generating income.
  - The charity will not be constrained by Government restrictions on marketing and promotion as English Heritage is now, allowing for more effective business development.
  - The charity will contribute to economic growth by enhancing England's attractiveness to domestic and foreign tourists.

## Success criteria

- 3.29 Given that these are the benefits the new model is intended to achieve, the success criteria against which the new model will be judged are as follows. These will be reflected as appropriate in the funding agreement and property licence.
- Removal of the need for taxpayer subsidy of the management of the Collection after 2022/23 because of growth in income.
  - Added value to the National Heritage Collection by reversing the decline in its condition and investing in new projects, measured by the Asset Management Plan.
  - Increased visitor numbers, including from overseas, and increased visitor satisfaction as a result of the improved state and presentation of the Collection.



## Chapter 4: Historic England

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4. **The proposed changes to the management of the National Heritage Collection do not require any direct changes to the rest of the services that English Heritage currently provides (see Chapter 2, paragraph 2.3, points (b) to (f)). These other services and roles will remain within an Executive Non-Departmental Public Body of the Department for Culture, Media and Sport. It will be re-branded as Historic England.**
- 4.1 There will be no change to the duties and responsibilities of the Commission which relate to England's wider heritage. The split into two organisations does however provide an opportunity to reassess priorities and to look at ways of improving the way heritage protection services are managed and delivered. In particular, these services will be delivered by a distinct organisation with a clear, dedicated purpose, able to strengthen its expert advice and provide an even better service.
- 4.2 This work supports sustainable development and economic growth at the national and local levels. Heritage is a key driver of international tourism to the UK and encourages tourists to visit rural areas as well as urban centres. Overseas visitors are attracted by the landscape of historic towns and places as well as iconic individual sites. Investing in the historic environment creates distinctive, attractive places with a mix of the old and the new where people want to live, work and visit. Historic places are especially attractive to small and medium sized independent businesses and creative industries, which, alongside tourism, are growth areas of the economy. Repairing and maintaining historic buildings is a vital part of our construction industry generating employment in local economies.
- 4.3 Details of recent changes to heritage protection services, and of their current funding, are at **Annex 3**.

### Future opportunities and priorities

- 4.4 Below are Historic England's proposed future opportunities and priorities. These broad proposals are about delivering English Heritage's existing powers and duties in a different way, not about new regulations.
- 4.5 Prior to making any relevant changes English Heritage will follow the 'Accountability for Regulator Impact Guidance' published by the Department of Business and Innovation. This means ensuring that regulators focus their resources where they are most needed while ensuring greater clarity and fairness for businesses. Where appropriate, English Heritage will undertake further consultation with businesses and organisations potentially affected by these proposals and publish the result of these assessments. As stated in paragraph 4.7 this is likely to be through the National Heritage Protection Plan consultation.

### A broad vision

- 4.6 Government and the Commission want Historic England to continue to be a confident independent organisation to help sustain our national quality of life and to secure economic benefits. It is vital that its advice remains expert and impartial and that it is constructive, visionary and proactive, able publicly to champion and celebrate all of England's historic environment and the many people who look after it.

- 4.7 Historic England will continue to work with others to develop the National Heritage Protection Plan (NHPP) as the framework for protecting England's heritage. During 2014 there will be extensive consultation on the NHPP which will guide the future priorities of Historic England as well as providing a means to support the work of other organisations.
- 4.8 With the National Heritage Collection managed by the charity, there is an opportunity for Historic England to develop a stronger public-facing role. Using the nation's archive of 12 million photographs of historic buildings and places, the National Heritage List for England and the expertise and enthusiasm of its staff, Historic England will work in partnership with others to deepen people's desire and ability to care for England's heritage.

### **Constructive conservation**

- 4.9 History shows that our heritage adapts to meet the environmental, social and economic needs of the day. Often the best way of getting the investment needed to secure a future for historic places is through sensitive commercial development. Historic England will continue to develop its constructive and realistic approach to conservation, demonstrating that heritage supports sustainable growth and recognising that economic development is necessary to generate the resources to invest in heritage.

### **Better services**

- 4.10 Historic England will aim to make the heritage protection system work better for owners, developers and infrastructure providers, for example through the introduction of Heritage Partnership Agreements and Listed Building Consent Orders. It will continue to work with Government to improve the system, reducing unnecessary bureaucracy and red tape without reducing protection for heritage. It will focus resources on areas facing greatest change.
- 4.11 Historic England and the services it provides will continue to be funded largely from taxation via government Grant-in-Aid.

### **Saving heritage at risk**

- 4.12 Saving heritage that is at risk will remain an essential role for Historic England. It will do this in a variety of ways including advice, grants, working with owners and local authorities and as a last resort taking into ownership the most important vulnerable sites for which there is no other solution. In those cases Historic England will take on responsibility for putting the property into good order, funded through its grant programme. It will then seek an owner prepared to take on its long-term management. If none can be found the charity will be obliged under the terms of the licence, subject to certain terms and conditions, to take on management of the property which will become part of the National Heritage Collection

### **Looking to the long term**

- 4.13 The provision of heritage services has changed significantly over time. The introduction of Planning Policy Guidance 16 in 1990 led to the growth of an active private sector in archaeology. More recently, there have been reductions in local authority services of over 25% since 2006<sup>5</sup>. In some places there have been creative responses, for example the sharing of services. Government and the Commission believe there is a role for Historic England, working in partnership with others, to review the landscape for heritage services and to develop recommendations to ensure that in the future we make the best possible use of the resources available so that England's heritage can continue to make such an important contribution to our quality of life.

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<sup>5</sup> Heritage Counts 2012 [www.heritagecounts.org.uk](http://www.heritagecounts.org.uk) accessed 1 November 2013

## Benefits

- 4.14 The following benefits are anticipated as a result of these proposed changes
- Historic England will have a clear focus and purpose making a much more transparent distinction between the Commission's remit for the National Heritage Collection and the nation's heritage at large.
  - Owners and developers will get a more responsive service.
  - The resources and expertise of Historic England will be more visible and accessible to the public.
  - Heritage at risk will continue to be brought back into economic re-use.
  - Once the charity becomes financially independent, it will no longer have a call on the resources of the Commission.

## Success criteria

- 4.15 Given that these are the benefits the refocusing of Historic England is intended to achieve, the proposed success criteria against which the impact of the changes will be judged are below. These will be reflected as appropriate in the Management Agreement between DCMS and the Commission.
- Improved perception of the services provided by Historic England as measured by customer satisfaction surveys.
  - More up front work with developers, greater use of Heritage Partnership Agreements and more proactive designation to encourage sustainable development.
  - Increased numbers of NHPP Action Plans produced by organisations with heritage responsibilities.
  - Heritage assets continue to be removed from the at risk register for positive reasons.
  - Public access to the resources and expertise of Historic England, and an increase in resources and expertise.

# Chapter 5: The Transition to the New Model and Governance for the Charity

5. **The transition to the new model will mark a new beginning and identity for the National Collection as a charity and for Historic England. One of the benefits of the proposal as outlined is the measured transition process. With direct staff moving across and existing support arrangements continuing for an extended period, the prohibitive cost and highly disruptive impact of a faster move to separation are avoided.**
- 5.1 The timetable for the transition to two organisations is below.

**Table 2: Timetable for the launch of the new model**

<b>January 2014</b>	Consultation closes
<b>Spring 2014</b>	Response to consultation issued Business Case approved by Treasury Establishment of charity
<b>Autumn 2014</b>	Property Licence and Funding Agreement agreed between Commission and charity
<b>Autumn Statement 2014</b>	Public funding confirmed
<b>January 2015</b>	Charity launched Historic England launched £80m transferred for use on the National Heritage Collection
<b>2019/20</b>	Review future contractual arrangements to inform future arrangements for when the Collection becomes financially independent and more autonomous from Government
<b>2022/23</b>	Charity becomes financially self-sufficient which provides a new level of autonomy from Government. No further funding from Government will be provided.

## Names of the organisations

- 5.2 The name English Heritage has high levels of public awareness. It is mostly associated in the public mind with the National Heritage Collection. The Commission is therefore planning to keep the name English Heritage for the charity. The organisation which will continue to provide services for England's wider heritage will be known as Historic England.

## Management and governance structure

- 5.3 Governance is about the structure and processes of the governing body, how the members of that governing body are chosen and held accountable and the functions that senior and other managers perform to support it. In the public sector, accountability is ultimately to Ministers and Parliament, and the Commission and Historic England will remain fully accountable in this way.
- 5.4 For the charity to be successful it needs the right governance structure and trustees with the correct mix of skills and capabilities so that the whole organisation, paid and volunteer, can work together to achieve the charity's goals.

## Trustee appointments for the charity

- 5.5 The Board of Trustees will be the governing body of the charity. The trustees are ultimately legally responsible for directing the affairs of the charity, and ensuring that it is solvent, well run and delivering its charitable purposes. The trustees will appoint the management, set policy and strategy, and approve business plans. We do not expect trustees to be paid, but reasonable expenses will be refunded.
- 5.6 The Commission will appoint the trustees to the charity. A minority of trustees will also be commissioners on the Historic Building and Monuments Commission. The rest of the trustees will not be commissioners, and their posts will be advertised and appointments made purely on the basis of merit. This is to ensure that the charity is able to attract the highest calibre of individuals with the broadest range of skills, experience and expertise. All trustees will be obliged to pursue the charitable aims of the organisation independent of any duties they may owe to the Commission. By the end of the eight year term, once financial independence is reached, it is likely that the trustees will be appointed by the charity itself.

## Appointments to the Commission and to Historic England

- 5.7 Appointments to the Commission remain unchanged. Commissioners, and the Chair of the Commission, will continue to be appointed by the Secretary of State for Culture, Media and Sport in accordance with normal rules governing public appointments. The chief officer of the Commission, who is appointed by the Commission with the approval of the Secretary of State, will be the chief executive of Historic England. The chief executive of Historic England, as chief officer of the Commission, will be the accounting officer to Parliament for both Historic England, and for the charity in respect of the £80m investment and the resource Grant-in-Aid received from the Government.

## Executive Boards

- 5.8 Subject to any TUPE arrangements, a management team, including a chief executive, will be established to run the charity on a day to day basis. Future appointments will be made by the trustees of the charity.

## Trading activity

- 5.9 Trading activity will be delivered via the charity's own trading subsidiary with profits given to the charity with the benefit of gift aid.

## Existing English Heritage staff and functions

- 5.10 English Heritage has a committed workforce of around 1,850 full time equivalents with a very broad range of skills, expertise, and knowledge, playing an important role in what will be the two new organisations.

- 5.11 English Heritage staff directly working on the National Heritage Collection will transfer under the TUPE legislation to the charity on the same terms and conditions. Staff transferring over will retain access to the Principal Civil Service Pension Scheme under the arrangements provided by the Public Services Pensions Act 2013. English Heritage staff providing services for England's wider heritage will remain employees of Commission.
- 5.12 Staff in corporate services functions such as HR, IT and finance will also remain employees of Commission but will also provide services to the charity under a shared service agreement. The charity will be charged by Commission for these services.

# Chapter 6: What will be the Impact of these Changes?

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6. This chapter considers the headline impact of these changes on particular groups and other key policy areas.

## Impact on visitors

- 6.1 The number of sites opened to the public will remain the same, with approximately 300 open to the public free of charge. The charity, like its competitors, will occasionally raise its prices, as would have happened under the old model.

## Impact on members

- 6.2 Both members and visitors will benefit from an improved offer, and life-long membership will be honoured by the charity. The capital investment programme will offer an improved and more varied visitor experience and work on conservation defects will ensure that the Collection remains open and accessible to the public. The charity, like its competitors, will occasionally raise the cost of membership, as would have happened under the old model.

## Impact on other occupiers on sites

- 6.3 There will be no direct impact on other occupiers on sites as a result of the changes proposed. Occupiers on some sites may be affected during conservation or capital improvement works, as they are at the moment, and normal consultation and notice procedures will continue to apply.

## Impact on volunteers and local communities

- 6.4 The charity will continue to work with local communities and volunteers and build on the volunteering programme English Heritage has developed in recent years. Charitable status should make it easier to engage volunteers and it is expected that the number and diversity of volunteers will increase.

## Impact on businesses

- 6.5 The proposed establishment of the charity and associated funding will provide opportunities for businesses that provide historic environment and visitor services. The new model itself will not impose new regulatory burdens on business or civil society. The future priorities for Historic England will be subject to further consultation in 2014.

### Impact on equality

- 6.6 Both the charity and Historic England will be expected to continue to work with and develop English Heritage's current equality policies. In particular, both will aim to increase the number and diversity of people who actively engage with, and support, the historic environment and continually look for new ways to promote the past in a way that is inclusive to all and that celebrates the cultural diversity of England's heritage. The provision of free educational visits for young people will continue. The £80m Government investment will enable the charity to meet all its obligations under the Disability Discrimination Act.

### Impact on other local heritage attractions

- 6.7 English Heritage already seeks to work in cooperation with other local heritage bodies, working with them to promote each other's properties. It will look to deepen these relationships where it is in the interests of all parties.

### Impact on other heritage organisations

- 6.8 Many heritage projects are delivered in partnership between heritage organisations. The charity will continue the practice of the National Heritage Collection of working closely with partners such as the National Trust and members of the Historic Houses Association (e.g. respectively at Stonehenge or in shared regional marketing of heritage properties) where opportunities for partnership can yield greater shared benefits. There is a wide recognition amongst organisations promoting the heritage sector that it is in their collective interests to promote widespread public enthusiasm for history and associated visitor attractions.
- 6.9 It is part of the Government's overall plan to increase philanthropy and sponsorship. Because of its strong brand and regional presence, the charity will be able to help both support this increase and also ensure that regional heritage, and heritage in general get a greater share of philanthropy than they do at present. Promoting this awareness of the value of heritage should help increase the amount of funds available to the whole sector, not just the National Heritage Collection.

### Impact on national growth

- 6.10 It is estimated that delivering this business plan will generate increased economic activity equivalent to 740 job years and £35.9m of Gross Value Added (GVA).

### Impact on environment

- 6.11 Both organisations will continue to produce sustainability reports as part of their annual reports and accounts. Historic England will subscribe to the Memorandum of Understanding between English Heritage and Defra signed in 2012/13 that describes roles and ways of working, including their shared priorities, to protect and enhance the natural and historic environment of England.



# Chapter 7: Consultation Questions and how to respond

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7. **This chapter outlines the consultation questions regarding the new model. They cover the parts of the new model where Government and English Heritage are particularly interested in the views of stakeholders.**
- 7.1. The consultation will end at midnight on Friday 7 February 2014.
- 7.2. There will be a stakeholder event on Wednesday 8 January 16.00-17.00 at the Department for Culture, Media and Sport (DCMS) offices in London where DCMS and English Heritage officials will be available to respond to questions in regards to the consultation. Please email [heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk) if you would like to attend or phone Ben Douglass on 0207 211 2053.
- 7.3. Respondents are encouraged to use the online survey to respond to the consultation questions.  
[https://dcms.eu.qualtrics.com/SE/?SID=SV\\_6EDrDemmRX6lzVz](https://dcms.eu.qualtrics.com/SE/?SID=SV_6EDrDemmRX6lzVz)
- 7.4. Or alternatively responses to the consultation questions can be emailed to:  
[heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk) or sent to  
English Heritage New Model Project Team  
Department for Culture, Media and Sport  
4th Floor  
100 Parliament Street  
London  
SW1A 2BQ
- 7.5. If you have any questions in regards to this consultation, please contact:  
[heritagecons@culture.gsi.gov.uk](mailto:heritagecons@culture.gsi.gov.uk)  
Or:  
Ben Douglass  
English Heritage New Model Project Team  
Telephone: 020 7211 2053
- 7.6. We do not intend to enter into correspondence with individual respondents, but do commit to reading and considering all responses. We may make your responses available on request, unless you indicate that you wish your response to be kept confidential.
- 7.7. We will analyse the results during February and March, and will post a summary and our response to the consultation in late Spring on the [www.gov.uk](http://www.gov.uk).

## Consultation Questions

### Chapter 3: The Charity

1. The consultation outlines the benefits of the new model for the National Heritage Collection. Do you (please tick the appropriate box):

- Strongly agree with the proposed benefits
- Somewhat agree with the proposed benefits
- Somewhat disagree with the proposed benefits
- Strongly disagree with the proposed benefits
- Neither agree or disagree
- Don't know

2. If you either strongly or somewhat disagree with the proposed benefits why is this?

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3. Are there any further benefits that could be delivered by this model?

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4. Are there any other key opportunities for the charity to increase earned income in addition to those outlined in the consultation? (please tick the appropriate box)

- Yes
- No
- Don't know

5. If yes what are they?

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6. What aspects of the current service provided to the public by English Heritage in relation to the National Heritage Collection is it important that the charity maintains?

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7. What are the opportunities to further enhance the services that will be offered by the charity?

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8. Do you agree that the suggested charitable objectives are broadly the right ones?  
(please tick the appropriate box)

Yes

No

Don't know

9. If no, what changes to them do you think should be made?

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10. Are the proposed success criteria to measure the performance of the charity and to ensure that the benefits are realised the right ones? (please tick the relevant box)

Yes

No

Don't know

11. If not what else should be included in the success criteria?

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#### Chapter 4: Historic England

12. We are interested in the views of respondents to the proposed future opportunities and priorities for Historic England. Are these the right priorities and opportunities? Is there anything missing?

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13. Are the proposed success criteria to measure the performance of Historic England the right ones? (please tick the appropriate box)

- Yes
- No
- Don't know

14. If not what else should be included in the success criteria?

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15. Should the National Heritage Protection Plan form the basis of the business plan for Historic England? (please tick the appropriate box)

- Yes
- No
- Don't know

16. If no – why not?

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17. Are there any further points you would like to add in relation to the consultation?

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**About you section**

18. Are you responding as an individual or on behalf of an organisation?  
(please tick the appropriate box)
- Individual
- Part of an organisation
19. If you are responding on behalf of an organisation what best describes the type of organisation?  
(please tick the appropriate box)
- Organisation representing visitor attractions/tourism
- Organisation representing owners of historic assets
- Organisation representing heritage professionals or other heritage groups
- Organisation involved in regulatory and statutory work related to the historic environment
- Organisation which provides grants to the historic environment sector
- Organisation which represents volunteers/communities
- Owner of heritage assets
- Visitor attraction – heritage
- Visitor attraction – other
- University or other research organisation
- Local Authority
- Developer
- Civic society
- Other (please specify)
- 
- 
- 
- 
20. If you are responding as an individual are you an existing English Heritage member and/or volunteer?
- Yes
- No
- Don't know
21. Are you an owner of a listed building?
- Yes
- No
- Don't know

Name \_\_\_\_\_

Job title (if applicable) \_\_\_\_\_

Organisation (if applicable) \_\_\_\_\_

Telephone number \_\_\_\_\_

Email address \_\_\_\_\_

Postal address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please tick this box if you **DO NOT** want your responses to be made publicly available.

I would like to be kept in contact on the English Heritage new model programme. Communication will be through either DCMS or English Heritage. Your data will not be used for any further purposes. (please tick the appropriate box)

Yes

No

# Annex 1: Definition of Terms

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## Historic Buildings and Monuments Commission

The Historic Buildings and Monuments Commission is the official name of English Heritage and its governing board. Its role is to establish the overall strategic direction of English Heritage within the policy and resources framework agreed with Government. There are up to 17 Commissioners, appointed by the Secretary of State for the Department for Culture, Media and Sport. They are chosen for their experience, skills or professional standing.

## National Heritage Collection

The National Heritage Collection includes:

- 59 Prehistoric sites, of which the best known is Stonehenge in Wiltshire
- 56 Roman sites, including large parts of Hadrian's Wall
- 116 Castles and forts, including Bolsover in Derbyshire, Carisbrooke on the Isle of Wight, Dartmouth in Devon, Dover in Kent and Kenilworth in Warwickshire
- 32 Houses and gardens, including Eltham Palace and Kenwood House in London
- 90 Ecclesiastical sites including Furness in Cumbria and Whitby in Yorkshire
- Industrial Heritage, including JW Evans silver factory in Birmingham
- 58 statues and monuments including the Cenotaph
- 34 Domestic medieval buildings
- Historic bridges, great barns, deer houses and cold war bunkers

Each year there are more than 5 million visits to the Collection.

## National Heritage Collection Asset Management Plan

Between 2006/7 and 2009/10, English Heritage produced condition surveys for all of its 420 properties. Each survey identified the nature and urgency of the work needed and the costs involved, against five categories. These are:

Category 0 – Urgent

Category 1 – Immediate (within 12 months)

Category 2 – Necessary within 2 years

Category 3 – Necessary within 4 years

Category 4 – Necessary within 8 years

Every property has its condition surveyed in a quadrennial survey programme. The surveys together comprise the Collection's Asset Management Plan, which gives English Heritage a clear picture of the conditions and liabilities of the properties in its care and the works needed on them. It provides an objective basis for budgeting.

## National Heritage Protection Plan

The National Heritage Protection Plan (NHPP) sets out how English Heritage together with partners in the heritage sector, will prioritise and deliver heritage protection from 2011 to 2015. Its objective is to make best use of resources so that England's vulnerable historic environment is safeguarded in the most cost-effective way at a time of social, environmental, economic and technological change.

At the heart of the Plan is a clear set of priorities about what matters and what is in danger of being lost. These priorities were identified following a widespread public consultation, which is repeated every year to ensure the Plan remains up-to-date and relevant to changing circumstances. The Plan aims to ensure that, while helping to deliver positive and sustainable economic growth, England's heritage:

- is not needlessly at risk of damage, erosion or loss
- is experienced, understood and enjoyed by visitors and local communities
- continues to provide memorable places where people live and work.

The Plan, together with six-monthly reports on progress, is hosted on the English Heritage web site and can be seen by following this link [www.english-heritage.org.uk/nhpp](http://www.english-heritage.org.uk/nhpp).



## Annex 2: More detail on the Charity

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### How does investment in the properties support income growth?

The examples below show how investment in properties can significantly increase income levels.

Down House, located in the village of Downe in the London Borough of Bromley, has seen significant regenerative investment. The project spanned two phases, with an initial 1996/98 investment of £2.8 million, and another 2006/09 programme totalling £0.9 million. The site has seen an increase in visitor numbers from an average of 27k between 1998/99 to an average of 52k between 2008/09 to 2012/13, up 25k, while earned income has increased from £286k in 2008/09 to £445k in 2012/13.

Kenilworth Castle, located in the historic town of Kenilworth in Warwickshire, is one of English Heritage's flagship sites. It has seen a substantial regenerative programme of £5.2m, completed in 2009. The site has seen a significant increase in net profit. Whilst operating costs rose from 2008/09 to 2009/10 by 28% as a result of increased staffing demand, internal catering and increased running costs, earned income has increased by 68%. The site has also seen increased profits from their catering operations. This profitability comes from a huge increase in visitor numbers, from 88,000 in 2008/09 to 140,000 in 2009/10. In addition to this, the number of visitors choosing to join English Heritage as a result of a visit to Kenilworth has also increased.

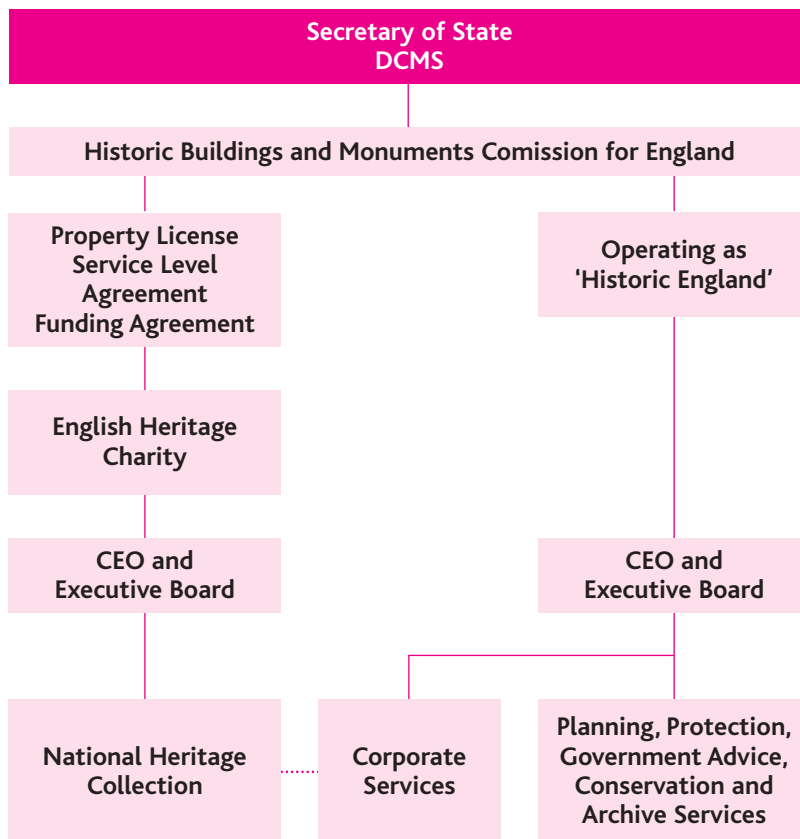
### Status of the charity

The Commission and the Government believe that being a charity offers the right balance of freedoms and accountabilities for the most effective management of the National Heritage Collection. Charitable status provides for certain public accountability requirements. For example, charities have to produce an annual report and accounts, through which the trustees report on their stewardship of their charity and show public accountability. The English Heritage charity will continue to be subject to Freedom of Information legislation.

Under charity law, trustees are required to develop their policies, direct activities and manage resources so to further their organisation's charitable purposes. Charities are overseen for their compliance with charity law by the independent regulator, the Charity Commission for England and Wales. The purposes are usually set out in the charity's constitution and trustees are answerable to the Charity Commission and the courts if they act in breach of their constitution or outside their charitable purposes.

The Commission and Government anticipate that the charity will initially be classified as a public corporation. This reflects the nature of the controls that the Commission will exercise through the property and funding licence but also recognises that the management of the National Heritage Collection already funds more than half its operational expenditure. The aim of the project is for the charity to fully fund by eight years. Towards the end of the programme term, when the charity has reached financial sustainability, appropriate controls and arrangements beyond the eight year period will be considered, in order to enable the properties to be managed with greater autonomy from Government.

Chart 2: How the relationship with the Commission will work during the eight year period



# Annex 3: More Detail on the Services which will become Historic England

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## Recent changes to services

English Heritage has recently made a number of improvements to the services which will be delivered by Historic England. These are highlighted below.

## National Heritage Protection Plan (NHPP)

English Heritage published the first National Heritage Protection Plan in 2011. It set out a clear set of priorities about what matters and what is in danger of being lost. These priorities were identified following widespread public consultation. The NHPP provides a framework for all those involved in understanding, caring for and enjoying our heritage to identify common priorities and work together to tackle them. English Heritage's Action Plan sets out the contributions it is making. Through this Action Plan English Heritage's programme of work is more transparent and accountable to the public than ever before.

## Strategic designation

Anyone is able to ask for a historic building to be listed and English Heritage has to provide advice to the Secretary of State on a case by case basis. This creates a level of uncertainty among parties looking to develop historic buildings. In order to reduce this uncertainty, in recent years English Heritage has aimed to take a more strategic approach to designation by considering all assets of a similar type together and recommending what should and should not be designated. By looking proactively at types of buildings facing changes as a result of economic development (eg post-war office buildings or redundant government sites) or modernisation of infrastructure (signal boxes), English Heritage is providing developers with greater certainty at an earlier stage, before they invest in sites and development plans. It also means that once English Heritage has assessed a particular type of building, interested parties can be more certain that specific examples will not be listed at a later date. In 2003 English Heritage stopped its strategic designation programme to work on the draft Heritage Protection Bill. The strategic programme has only recently restarted. Last year 36% of English Heritage's designation work was strategic. English Heritage's target is to increase this to 75% by April 2015, fundamentally shifting the balance between reactive and strategic designation.

## Online access

As a result of additional Government funding, English Heritage now provides online access to a constantly updated list of all nationally designated heritage assets through the National Heritage List for England (NHLE). This makes information on why buildings are listed or monuments are scheduled easily accessible to those wanting to make changes. The NHLE is supported by a programme to update list descriptions where they are out of date in order to provide more useful information. This work is targeted on those places facing changes and provides a better basis for making decisions.

## Constructive conservation

English Heritage's modernisation programme, which began in 2002, made a clearer distinction between the business of looking after and opening to the public the 400 plus sites in the National Heritage Collection and English Heritage's work in protecting England's wider heritage. A key objective was to shift perceptions of English Heritage from an organisation that restricts the opportunities of owners to use their historic assets to one having a more constructive approach to conservation, working with owners and developers to achieve development and growth without damaging the significance of historic places. Over the past six years English Heritage has more than doubled the number of pre-application discussions.

Since 2003 English Heritage has transformed its performance in the planning system. In 1999 73% of cases were dealt with within 28 days. By 2011/12 95% were dealt with within the tougher target of 21 days, rising further to 96% in 2012/13.

Following the 2010 Spending Review, English Heritage's nine local planning and conservation teams were restructured to improve services. The local teams now focus their resources and expertise on development proposals that have the widest impact on the historic environment and the greatest opportunities for economic growth.

## Better heritage protection

Through the Enterprise and Regulatory Reform Act 2013 English Heritage has worked to make the heritage protection system work better for owners while not reducing levels of protection. Reforms, which will all be in force by spring 2014, include:

- Making it easier to adapt listed buildings while preserving those aspects of greatest significance.
- Enabling Certificates of Immunity (COIs) from listing to be applied for at any time so that an owner can clarify the status of a building at the earliest stage in planning for redevelopment (previously this could only be done alongside an application for planning permission). Currently there are around 10-15 COIs each year and English Heritage estimates this could rise to 30.
- Heritage Partnership Agreements which reduce bureaucracy by enabling an owner and the local planning authority to agree in advance which works require listed building consent and to agree these can be done without the need for separate applications. These will be subject to demand, where an owner can see a positive benefit, but there are indications that some owners and developers will be interested.
- Replacing the requirement to apply for conservation area consent for demolition of an unlisted building in a conservation area with planning permission, thereby reducing duplication of applications.
- Listed Building Consent Orders at national and local levels which will enable the Secretary of State or local authorities to set aside the need for listed building consent for defined classes of work affecting a defined area or group of heritage assets (eg canal networks or other infrastructure). This will eliminate the need for listed building consent applications which do not involve a harmful or significant impact on heritage assets that are well understood.
- Certificates of lawfulness of works to listed buildings will allow owners to receive a written assurance from the local authority that listed building consent is not required, avoiding the need for a full application in order to clarify this.

The table opposite sets out the heritage protection services currently provided by English Heritage. Corporate services and office costs have been apportioned to individual services.

**Table 3: Existing English Heritage services**

Service	Activities	Cost in 2013/14
Heritage Protection: assessing threats; understanding significance; designation	<p><b>National Heritage Protection Plan</b></p> <ul style="list-style-type: none"> <li>• Development of the National Heritage Protection Plan (NHPP).</li> <li>• Evidence gathering and research to identify threats and priorities and promote public understanding.</li> <li>• Training and guidance to build capacity within other organisations promoting a constructive approach to conservation and sustainable development. English Heritage trains over 1000 professionals face to face each year and over half a million people access online guidance.</li> </ul> <p><b>Designation (statutory) – reactive</b></p> <ul style="list-style-type: none"> <li>• Advice to the Secretary of State in response to applications for listing – 1050 cases dealt with last year.</li> </ul> <p><b>Designation – proactive</b></p> <ul style="list-style-type: none"> <li>• Update old list descriptions to better inform how places can be changed without affecting what is important.</li> <li>• Strategic designation programme focusing on types of assets facing change – 590 cases dealt with last year.</li> <li>• Create and curate national heritage data and archives to provide up to date information for those managing England’s historic environment.</li> </ul>	£24.4m
Supporting Sustainable Development and Addressing Risk	<p><b>Development Management (statutory)</b></p> <ul style="list-style-type: none"> <li>• Advice to local authorities and owners on 14,000 cases relating to planning and listed building consent applications per year contributing technical expertise and a national perspective. 96% of cases are dealt with within 21 days.</li> <li>• Pre-application advice for owners. This includes almost 900 formal pre-application discussions (91% are dealt with within the deadline) as well as advice in advance which is of particular use in larger and more complex schemes where early discussion can make clear what changes will enable economic re-use of a historic place without damaging its significance.</li> </ul> <p><b>Historic Places</b></p> <ul style="list-style-type: none"> <li>• Work with local authorities and local communities to maximise the value and economic contribution of heritage assets by influencing local plans and strategies, strengthening local resources and supporting large scale redevelopment proposals.</li> </ul> <p><b>Heritage at Risk</b></p> <ul style="list-style-type: none"> <li>• Compile annual Heritage at Risk register. Reduce risks to significant heritage assets.</li> </ul> <p><b>Advice to Government</b></p> <ul style="list-style-type: none"> <li>• Statutory advice to Government on heritage policy and the impact of other policies on the historic environment.</li> </ul>	£29.4m

Service	Activities	Cost in 2013/14
Archives	Care for and make available to the public over 12 million items. There are around 110,000 visits each month to online sites using material from the English Heritage Archives	£2.5m
Grants	<p>Fund emergency works to ensure heritage at risk is not lost and to get it into a condition for economic re-use. 95% of grant recipients said that the grants halted the decline in historic fabric and prevented irreversible damage. 47% said that the grant enabled the building to become more commercially viable.</p> <p>Support skills and capacity in local and national third sector organisations.</p> <p>Encourage local authorities to undertake enforcement action on heritage at risk by underwriting the costs.</p>	£13m
<b>Total</b>		<b>£69.3m</b>

We can also provide documents to meet the specific requirements for people with disabilities. Please email [enquiries@culture.gsi.gov.uk](mailto:enquiries@culture.gsi.gov.uk)

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