



Department for
Digital, Culture,
Media & Sport

TAILORED REVIEW OF HISTORIC ENGLAND

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Contents

1. Executive summary	6
Historic England & the English Heritage Trust	7
Key recommendations to deliver a sustainable operational model	8
HE's role as a sector leader	9
HE's delivery of its core functions	9
2. Background and context	11
Purpose and scope of the Review	11
Methodology and evidence gathering	11
Background to Historic England & the English Heritage Trust	12
HE's statutory purpose	13
HE as a Non-Departmental Public Body	15
3. Management of the National Heritage Collection	17
The New Model	17
English Heritage Trust financial performance	18
Financial trajectory	18
Capital investment	20
Financial risks	21
Risk mitigation actions	23
Governance relationship between HE and EHT	24
Renewal of the licence to manage the National Heritage Collection	27
Apsley House	28
4. Leadership & Strategy	31
Sector leadership	31
Conclusions on HE leadership	41
Strategy: preservation of the historic environment	41
Monitoring the state of the historic environment – <i>Heritage Counts</i>	42
The Heritage at Risk Register	43
Owner of last resort	44
HE engagement on protection of the historic environment	45
HE corporate strategy	45
5. HE's delivery of its core activities	48

Advice to DCMS on the designation of heritage assets	48	
Designation of Listed Buildings		49
Designation of Scheduled Monuments		49
Designation of Historic Wreck Sites		50
Registration of Battlefields		50
Registration of Historic Parks and Gardens		51
Management of the National Heritage List for England.....	51	
Planning advice to local authorities, owners and developers		52
Effectiveness of advice		53
Local authority heritage capacity and capability		55
HE grants and grant-giving process	56	
Historic England and the National Lottery Heritage Fund		57
Place and place making grants		59
Heritage Action Zones & Historic High Streets		59
HE research	60	
Effectiveness of HE research		61
Access to HE research		61
Research strategy		61
HE public engagement.....	62	
Campaigns		62
Digital engagement		63
Exhibitions and events		63
Heritage schools		63
The HE archive	64	
Other functions or activities.....	65	
6. Effectiveness, efficiency and governance		67
Efficiency.....	67	
HE income generation	68	
Enhanced advisory services (EAS)		68
Philanthropy		70
Shared services		71
Digital	71	
Digital infrastructure and systems		72
Web presence and digital offer		72
Future-proofing and the digital agenda		73
Governance.....	73	
HE commission		74
Internal governance		75
Relationship with DCMS		75
Performance measures		76
Annex A - Tailored Review of Historic England, Terms of Reference		77
Annex B - The Review challenge panel		79
Annex C - Stakeholders, contributors and consultees		80

Interview subjects	80
Roundtable events	81

Annex D - List of Review recommendations

83

The New Model	83
Governance relationship between HE and EHT	83
Renewal of the licence to manage the National Heritage Collection	84
Apsley House	84
Facilitating collaboration	84
Diversity and inclusion	84
Impact	85
Strategy: preservation of the historic environment	85
Advice to DCMS on the designation of heritage assets	85
Management of the National Heritage List for England.....	85
HE grants and grant-giving process	86
Income generation	86
Digital	86
Governance.....	86

Foreword by Rt. Hon. Oliver Dowden CBE, MP, Secretary of State.



This Tailored Review has provided a valuable opportunity to examine and consult widely on Historic England's role in protecting and promoting England's heritage. I am pleased to see such positive feedback from so many heritage stakeholders, and the report's recommendations will help Historic England strengthen its performance as a significant leader in the heritage sector.

Publication of this report has been delayed by the government's overwhelming priority to deal with the global COVID 19 emergency. This necessarily involved the wide-scale closure of many of our magnificent heritage sites, which had a massive negative impact on the income on which many heritage organisations depend for their survival. Closure also impacted the thousands of volunteers who dedicate their own time to keeping the doors open, the steam engines rolling, and open spaces in good order for our collective benefit and enjoyment.

The valuable work of the COVID 19 Ministerial Heritage Working Group was fed back to me by the Ministerial chair, Nigel Huddleston. Through Nigel, I had the opportunity to hear about the diverse contributions and innovative ideas from across the heritage sector about how sites can get back on their feet once they are able to reopen safely.

As those sites return to life once again, this report and its recommendations remain as valid as ever. For example, it remains a priority government ambition for the English Heritage Trust to get back on its feet and operate effectively and inclusively without government funding.

Historic England played a significant sector leadership role during the COVID 19 crisis and the report recommends how it can continue in this vein - including by addressing the lack of diversity in the heritage sector. Diversity in heritage in its broadest sense - whether in staffing, in funding or in deciding how heritage should be celebrated - remains a challenge. Historic England can build on its current leadership role and help develop a truly diverse sector that boosts public engagement.

The report also comes at a time when our shared values are under close scrutiny, with the role of heritage at the forefront of this debate. Embracing the ambition for a more representative and inclusive sector must include reinforcing the primary role of heritage: preserving our history in its place and presenting it properly and accurately in its time and context. Rather than seeking to destroy,

Department for Digital, Culture, Media and Sport
Tailored Review of Historic England

we should be enhancing and promoting our shared history so that its complexity can be fully understood. Historic England has a central role in delivering this for us all.

In addition to its own intrinsic value, heritage provides enormous value for the UK through boosting economic growth and social wellbeing, contributing to place-making and encouraging international and domestic tourism. Historic England has a significant role to

play in all these areas as part of its role in preserving and championing our unique heritage.

I would like to offer my thanks to all those who provided evidence to the review team; to the members of the Challenge Panel who provided assurance that review was comprehensive and robust; and to Laurie Magnus, Duncan Wilson and all of the staff at Historic England who engaged so positively with this review.

A handwritten signature in blue ink, appearing to read 'Oliver Dowden', is positioned above the typed name.

Rt Hon. Oliver Dowden CBE MP (Secretary of State for Digital, Culture, Media and Sport).

1. Executive summary

- 1.1 Tailored Reviews (TRs) provide assurance to Ministers and departmental Principal Accounting Officers of the on-going need for the functions of its Non Departmental Public Bodies, (NDPBs) also known as Arm's Length Bodies (ALBs) and provide an opportunity for ALBs themselves to reflect on their work and how they operate.
- 1.2 This review was undertaken before the coronavirus pandemic which has had a significant impact on public health, social and economic life. The findings of the review, as with much of everyday life at the moment, must now be viewed in the context of the current health emergency.
- 1.3 That said, many of the review's recommendations remain valid; though some, such as the risks highlighted in the review's assessment of the English Heritage Trust (EHT)'s financial resilience have been brought into sharper focus since the coronavirus outbreak by the need for EHT to close its sites, resulting in the loss of much of its income generating activity and the need for government emergency funding to be provided.
- 1.4 Historic England (HE) is an ALB of the Department for Digital, Culture Media and Sport (DCMS), established under the National Heritage Act 1983 with a broad scope summarised in its aim 'to protect, champion and save the places that define who we are and where we have come from as a nation. In delivering this aim, HE undertakes a range of statutory, advisory, financial and academic functions including management of the National Heritage List for England and provision of planning advice to English local authorities, property owners and developers.
- 1.5 HE is also accountable to the government for the EHT's stewardship of the National Heritage Collection, which comprises more than 400 historic sites and monuments in the nation's ownership or protection.
- 1.6 In researching this Review, the Review team interviewed and consulted a wide range of stakeholders and ran a public consultation from 28 March 2019 to 9 May 2019, generating 950 responses. It also received a significant volume of written evidence from interested parties (see Annex C.) The Review Team was supported by a Challenge Panel, which provided expert and independent challenge to the process and recommendations (see Annex B).
- 1.7 Overall, stakeholder responses were positive in support of HE and its functions. HE is regarded as one of the leaders in the heritage sector, providing high quality expert advice in England and undertaking world

leading conservation research. Given its reduction in resources over a number of years, some stakeholders also expressed concerns about whether the quality and scope of HE expertise is sustainable in the longer term.

- 1.8 The Review concluded that HE operates well with appropriate statutory purposes and functions that should be retained, and also that it should remain classified as a Non Departmental Public Body (NDPB) of DCMS.
- 1.9 HE functions well and has effective relations with its stakeholder groups and DCMS. However, the Review concluded there are two significant areas in which HE can do more. Firstly, in order for it to ensure first class, long-term management of the National Heritage Collection, HE must improve its oversight of EHT's performance (recommendations 1-8) and secondly that there is an opportunity for HE to strengthen its leadership role within the wider heritage sector (recommendations 9-18). The Review also identifies a series of more detailed recommendations to improve its effectiveness in delivering its core functions (recommendations 19-29.) Working with DCMS and stakeholders, HE will produce a plan with agreed implementation priorities and timescales within the context of wider government priorities and resource needs.
- 1.10 The Review recommendations are at Annex D.

Historic England & the English Heritage Trust

- 1.11 The HE/EHT relationship is an example of the government and the sector working together to deliver improved services and facilities in a new and exciting way that benefits everyone interested in heritage.
- 1.12 The relationship is examined in detail in section 3. Whilst this is not a review of EHT, HE is accountable to government for EHT's stewardship of the National Heritage Collection. As such the Review considers the relationship and governance arrangements of the two organisations and EHT's funding model to assess its long-term sustainability.
- 1.13 EHT is growing its commercial and membership income whilst controlling its expenditure. However, EHT's ability to achieve its financial targets and become self-funding by 2023 will become increasingly sensitive to fluctuations in visitor numbers, membership and fundraising over time due to the tapering rate of subsidy from DCMS.
- 1.14 The likelihood that EHT will become financially self-sufficient before 31 March 2023, the end of the current licence period, has been thrown into significant doubt following the need for EHT to close all its visitor attractions. The financial impact of the closure was completed in June 2020 and government has agreed to release up to £19.7 million in emergency grant funding to EHT through the Culture Sector Survival

Fund. Despite this short-term emergency funding its future business model will need to be re-written. The central recommendation is that there needs to be closer management and review of EHT by HE and DCMS to ensure that financial risks are understood, managed and escalated when appropriate. This is even more important now the emergency funding has been determined and a way forward needs to be agreed.

- 1.15 There are also opportunities to improve the governance and performance management framework practised by HE as regards EHT. Recommendations 1-8 will assist the delivery of a successful new operational model.

Key recommendations to deliver a sustainable operational model

- 1.16 The Review recommends that EHT's funding model continues for the period of the current licence, within the context of the impact of the coronavirus pandemic on its finances and the emergency support package provided by government. To support its oversight, it is recommended that HE embed a regular schedule of robust assessments of EHT's financial forecasting, reporting to DCMS on its performance and financial risks taking into account the recommendations 2-8.
- 1.17 EHT and HE need to review whether EHT's current target level of free

reserves is adequate and should consider moving towards a 'risk-based' reserves policy, providing DCMS with the rationale applied in determining an adequate level.

- 1.18 To better anticipate and mitigate financial risks as EHT approaches self-funded status, HE needs to:
- a. adapt its financial modelling methodology to be more agile and better able to stress test its key assumptions as part of the long-term forecasting process; and
 - b. undertake a detailed review of fundraising income assumptions with a suitable risk margin applied to future long-term financial projections.
- 1.19 HE is also financially dependent on the procurement of Shared Services by EHT (see p.70 para 6.19). Decisions in this area need to be mutually agreed.
- 1.20 The Government Internal Audit Agency (GIAA) enquiry and this Review agree that HE must work with EHT to develop a more transparent and formal monitoring arrangement including:
- c. appropriate, evidence based KPIs;
 - d. mechanisms to ensure EHT is taking a proportionate, risk-based commercial approach to increasing self-generated income;

- e. a requirement for HE to report to DCMS on EHT performance as part of regular engagement; and
- f. requirement for an annual review and appraisal of the EHT Board, including a post licence skills audit.
- j. Supporting others in the sector to lead the development and delivery of specific initiatives, where appropriate and in the context of HE's role as champion of all of England's historic environment.

HE's role as a sector leader

1.21 HE's leadership role is explored in detail in section 4. HE should build on its existing leadership role within the heritage sector. The Heritage sector needs a healthy leadership 'ecosystem', and HE can support this by empowering organisations to develop their own capacity and leading specific initiatives which feed into a wider strategic vision, which HE should maintain ownership of.

1.22 HE should develop its role with four key strategic aims:

- g. Facilitating greater collaboration across the sector;
- h. Improving the diversity of those working in heritage and engaging with England's historic environment;
- i. Developing improved impact measurement mechanisms and sharing this with the sector; and

1.23 The Review encourages this leadership role and recommendations 9-18 are to help it improve and take a more strategic and explicit approach to this responsibility.

HE's delivery of its core functions

1.24 HE's delivery of its core functions is examined in section 5. The Review concludes that the current structure and classification as a DCMS ALB is appropriate to enable HE to deliver its functions. Section 5 examines how it actually delivers them. Overall, the review found HE to be a well-run organisation with a committed and highly motivated workforce widely acknowledged to be among the 'best in class' on heritage-related matters. The recommendations to improve HE's delivery of its core functions are set out in the full list of recommendations at Annex D.



Lindisfarne Priory, Holy Island, which is part of the National Heritage Collection

2. Background and context

Purpose and scope of the Review

- 2.1 The Public Bodies Transformation Programme guidance 2016-20 requires government departments to review their Arm's Length Bodies (ALBs¹) at least once during the lifetime of each Parliament.
- 2.2 Tailored Reviews are undertaken in line with Cabinet Office guidance². The Terms of Reference for the Historic England (HE) Review are included at Annex A.
- 2.3 The Review team was independent of the DCMS Heritage policy team and of Historic England.
- 2.4 The Review Challenge Panel brought a wide range of experience to the role and gave an independent perspective on the content, methodology and recommendations of the Review, ensuring it was robust and evidence-based.

Methodology and evidence gathering

- 2.5 The Review developed a wide-ranging stakeholder consultation map. Over 40 stakeholders from the UK heritage sector, charities, umbrella organisations, community groups, local authorities and the planning and property industries were interviewed. Four stakeholder roundtable meetings were held including with HE staff, the commercial and construction sector, heritage and planning groups.
- 2.6 The online 'call for evidence' was 'live' on GOV.UK from 28 March 2019 to 9 May 2019 and received 950 full or partial responses. A list of evidence received is available in Annex C.
- 2.7 The Review team would like to express thanks to all those who gave their time to contribute, including the Challenge Panel.

¹ The terms 'public body' and 'ALB' are often used interchangeably, both describe organisations undertaking public functions, often on behalf of the government and usually with public funds. For consistency, the term "ALB" will be used throughout the review.

² *Tailored Reviews: guidance on the reviews of public bodies*; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-_May-2019.pdf

Background to Historic England & the English Heritage Trust

- 2.8 HE is an ALB of DCMS. Its aim is ‘to protect, champion and save the places that define who we are and where we have come from as a nation’³.
- 2.9 HE’s functions are wide ranging and include:
- a. managing the National Heritage List for England providing legal protections for a wide variety of buildings and sites;
 - b. providing advice to DCMS on the Designation process, which gives legal protection to sites;
 - c. providing advice on planning applications and heritage policy to government departments and local authorities;
 - d. conducting and sharing expert conservation research;
 - e. promoting public enjoyment and understanding of the historic environment;
 - f. managing an archive of documents and photographs related to the historic environment;
 - g. distributing grants to support the protection of the historic environment; and
 - h. providing funding and advice on place-making and the ‘place’ agenda.
- 2.10 HE was established as the Historic Buildings and Monuments Commission for England on 1 April 1984 by the National Heritage Act 1983. From 1984 to 2015, in addition to the functions at para 2.9, HE had responsibility for managing the National Heritage Collection (NHC) of more than 400 historic sites and monuments in the nation’s ownership or protection, including sites such as Dover Castle, Stonehenge and a range of sites along Hadrian’s Wall). At this time HE was commonly known as ‘English Heritage’.
- 2.11 The ‘New Model’ was introduced in April 2015, following a 2014 DCMS review of HE’s functions and operations. This resulted in HE continuing to exist as a DCMS ALB, undertaking the functions set out in paragraph 2.9, and responsibility for managing the NHC being transferred to a new charity called The English Heritage Trust (EHT), branded as English Heritage.
- 2.12 HE is accountable to government and Parliament for EHT’s

³ <https://historicengland.org.uk/about/what-we-do/>

stewardship of the NHC through a Licence agreement. HE is the sole legal member of EHT, appointing its Board members. The Licence agreement expires in 2023. In addition to managing the NHC, EHT operates the London Blue Plaque scheme⁴.

HE's statutory purpose

2.13 HE's statutory purpose, its duties and functions are defined by the National Heritage Act 1983 as amended by the National Heritage Act 2002.

In summary, they are:

- a. to secure the preservation of ancient monuments and historic buildings in England (including UK territorial waters adjacent to England);
- b. to promote the preservation and enhancement of the character and appearance of conservation areas situated in England; and
- c. to promote the public's enjoyment, and advance their knowledge of ancient monuments and historic buildings in England (including UK territorial

waters adjacent to England).

2.14 HE's mission is to protect, conserve and promote heritage because of the intrinsic value it holds for people, helping us to understand where we have come from as a nation and guide us on our way forward⁵.

2.15 In addition to its intangible value, investment in heritage brings economic benefits, for example heritage-based tourism contributed £16.9 billion to the UK's GDP in 2018⁶, and social benefits with research⁷ demonstrating the positive effects heritage engagement has on health and wellbeing.

2.16 Historic areas also attract investment as desirable places to live and work, with numerous examples across England of regenerated sites acting as catalysts for social and economic development, particularly involving creative industries.

2.17 Responses to the public consultation provided overwhelming support for HE's remit and statutory purpose, with between 90-93% of respondents agreeing that each function is required (see figure 1 overleaf).

⁴ <https://www.english-heritage.org.uk/visit/blue-plaques/about-blue-plaques/>

⁵ <https://historicengland.org.uk/about/what-we-do/>

⁶ *Historic England, Heritage and the Economy 2018*, p. 2:
<https://historicengland.org.uk/content/heritage-counts/pub/2018/heritage-and-the-economy-2018/>

⁷ For example, HE own wellbeing strategy sets out some of the current thinking regarding heritage and wellbeing:
<https://historicengland.org.uk/whats-new/research/back-issues/wellbeing-and-the-historic-environment/>

2.18 Nearly 100% of interviewees responded that HE purpose and mission remain valid and important with several heritage sector stakeholders noting that no other part of government supported heritage in this way. An interviewee from the property development sector argued that “these roles are more relevant now than ever.” The overwhelming support for HE’s purpose and mission was qualified by numerous stakeholders interviewed who felt HE reduced resource posed a threat to the longer term sustainability of the breadth and quality of its work.

instead of ‘preservation’ and that HE should have duties to advocate for the heritage sector. Others argued HE purposes should be clearer by defining what is meant by ‘heritage’ and ‘preservation’. However, it was accepted that these suggestions were less significant than the overall importance of the current statutory purpose.

2.20 The Review concluded that the HE statutory purposes remain suitable, fit for purpose and flexible enough for it to innovate, change and reprioritise. This flexibility allowed for HE’s recent overhaul of its priorities and Corporate Plan to place a greater emphasis on public engagement,

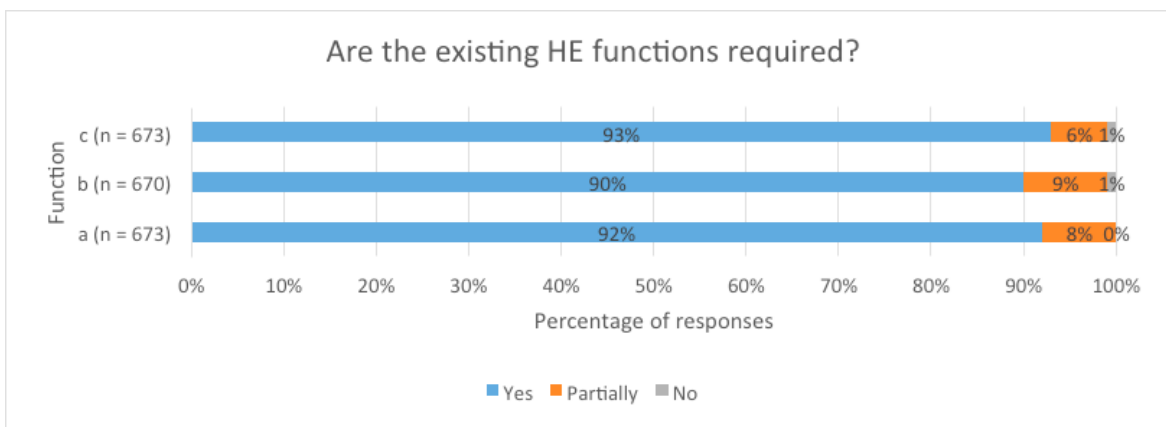


Figure 1 - Graph showing responses to: Do you agree that the following functions are required (as set out in the National Heritage Act of 1983 and amended in 2002)?

2.19 While most evidence collected during the review supported HE’s current purpose and mission, some respondents suggested they could be improved or updated. A small number of interviewees suggested ‘conservation’ should be used

and working more directly with government on the ‘place’ agenda. This ability to interpret the statutory purposes allows HE to respond to the interests of government and the nation more easily and the Corporate Plan is welcomed by the Review.

Conclusion

2.21 There is a continuing need for HE and its statutory purpose. HE undertakes a wide range of specific functions in support of the statutory purpose, each of which is considered in this report. The totality of specific functions in one organisation is complementary, adds real value and improves HE's effectiveness and efficiency. For example, HE's research directly supports the provision and professional nature of its expert advice on designation and planning.

HE as a Non-Departmental Public Body

2.22 HE is officially classified by the Office for National Statistics as an Executive Non-Departmental Public Body (NDPB). An NDPB is broadly defined as a "body which has a role in the process of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from ministers"⁸. This classification ensures HE's independence in how it delivers its functions, provides advice and makes decisions, while remaining accountable to ministers.

2.23 Cabinet Office Guidance⁹ sets out "Three Tests" for Tailored Reviews to consider in deciding whether a public body should continue to be classified as an NDPB. A public body should meet at least one of these requirements to be classified as an NDPB. The Review considered HE activities against these tests and concluded that it meets all three;

Test 1 – it performs a technical function which needs external expertise to deliver:

- HE meets this criterion. Expertise is required to protect and preserve the historic environment, demonstrated in its delivery of its different specialist functions, such as leading expert research on conservation and delivering technical planning advice.

Test 2 – its activities require political impartiality:

- HE meets this criterion. The designation process and provision of planning advice can be subjective and subject to local interests and pressures. Both functions require objective assessments free from influence to enable impartial decision-making.

Test 3 – it needs to act independently to establish facts or figures:

⁸ Tailored Reviews: Guidance on Reviews of Public Bodies:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/519571/Classification-of-Public-Bodies-Guidance-for-Departments.pdf

⁹ Tailored Reviews: Guidance on Reviews of Public Bodies:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-_May-2019.pdf

- HE meets this criterion. HE undertakes detailed research and evidence gathering to support their designation and planning advice, for example confirming the history of a specific site. HE also provides an impartial assessment of the state of the historic environment.

2.24 Stakeholder feedback and consultation responses were also overwhelmingly in favour of HE remaining an NDPB with most respondents arguing that this status helps that ensure HE provides its essential advice in a way which is nationally consistent, independent and impartial; the review endorses these views.



Middleport Pottery, removed from the Heritage at Risk Register in 2014 after 16 years

3. Management of the National Heritage Collection

The New Model

3.1 On 1 April 2015, the work of the Historic Buildings and Monuments Commission for England was split between Historic England (HE), an Arm's Length Body (ALB) charged with protecting England's heritage, and the English Heritage Trust (EHT), a charity to manage, promote and maintain the National Heritage Collection (NHC). This split and the creation of two separate organisations is referred to as the 'New Model' and was a unique opportunity for each to focus on its areas of expertise whilst maximising the potential from on-going co-dependency and, where appropriate, joint working.

3.2 This Tailored Review is the first opportunity to examine the rationale of the new model and assess its long-term sustainability.

3.3 The New Model rationale was to achieve long-term financial sustainability for the management of the NHC, with EHT managing it free from government funding. DCMS and HM Treasury agreed a detailed business case¹⁰ anticipating benefits for HE and

EHT, with the former delivering the functions set out from Section 5.

3.4 Government agreed to provide tapered transitional funding to EHT to supplement its commercial and fundraising income over the course of an 8-year Licence enabling EHT to break even in each year of the Licence with the funding tapering to zero in the final year.

3.5 An additional £80 million of capital funding was provided by the government for urgent conservation and maintenance works (£52 million), and site improvements and upgrades (£28 million). It is anticipated that the £80m grant will have been fully used by EHT before the end of the Licence period.

3.6 The coronavirus pandemic has had a serious impact on EHT self-generated income streams; all sites and attractions were closed on 23 March. A number of sites will begin to reopen over the course of summer 2020 with more limited capacity and without the full return of international tourism. The loss of this income stream will almost certainly jeopardise the overall aim of EHT

¹⁰ *New Model Proposal: Summary Business Case:*
<https://assets.publishing.service.gov.uk/govern>

ment/uploads/system/uploads/attachment_data/file/363589/EH_New_Model_Summary_Business_Case.pdf

becoming financially self-sufficient by 2023 and a review of the business case for long term self-sufficiency will need to be undertaken. To address the immediate loss of self-generated income, the government has agreed to provide a grant of up to £19.7million to EHT from the Culture Sector Survival Fund.

3.7 HE remains accountable to government and Parliament for its stewardship of the NHC, now managed through the Licence with EHT. HE provides support, guidance and expertise to EHT to aid its conservation work and is responsible for formally monitoring its performance delivering the Licence undertakings.

English Heritage Trust financial performance

3.8 As part of this Review, DCMS undertook a detailed analysis of EHT's financial performance to date and has considered its financial forecasts for the remaining four years of the Licence and its full financial trajectory to 2027-28.

Financial trajectory

3.9 EHT has made good progress in growing commercial and membership income and appears to be on track to achieving financial self-sufficiency by the end of the current Licence. EHT's long-term financial trajectory model is based on a detailed forecasting last updated in February 2019.

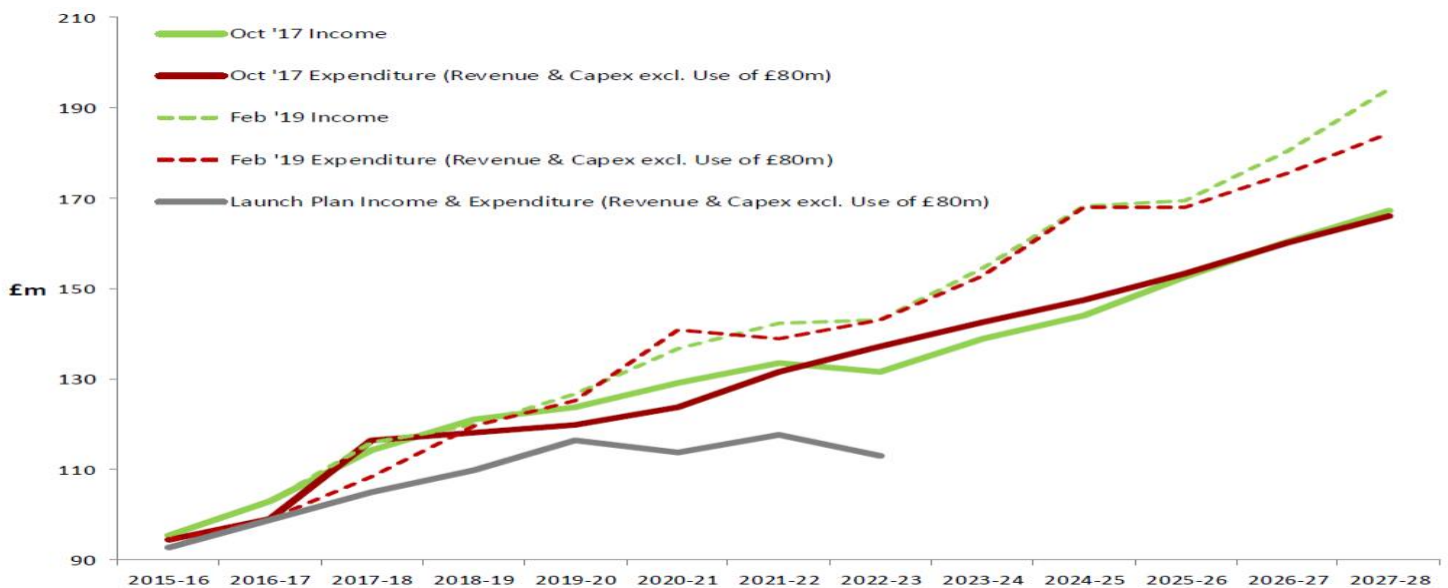


Figure 2 - English Heritage Financial Trajectory to 2027-28¹¹ (updated February 2019)

3.10 At February 2019 EHT's income and expenditure assumptions appeared reasonable and broadly in line with what has been achieved since the commencement of the New Model.

3.11 The last pre-coronavirus long-term forecast, (figure 2) projected cumulative surpluses being generated and financial sustainability being achieved in the long term, though an overall surplus had not been anticipated until 2025. The graph compares the financial assumptions from the original launch plan (break-even assumption), with updated long-term forecasts (October 2017 and February 2019). It is important to note that these will have now changed in light of the impact of the coronavirus pandemic. But they do indicate that pre-coronavirus the Trust had been on course for financial self-sufficiency within the target period. The February 2019 update assumed a higher level of income and expenditure in line with EHT's higher than anticipated growth over the prior 18 months.

3.12 The higher than anticipated level of growth has been largely driven by the effects of a significant boost in capital investment and marketing over the first few years of the New Model. This has proved to be successful in generating higher than expected

visitor numbers, membership and commercial income.

3.13 This income growth has been offset by expenditure higher than anticipated in the 2014 projections, on frontline costs, conservation and maintenance of the National Heritage Collection (which continues after the £52m grant is used up), visitor facilities and on corporate events relating to business growth. The increased expenditure has driven an improvement in the quality of the visitor experience, leading to higher visitor numbers and

¹¹ Securing our Future Financial Trajectory, English Heritage (February 2019)

membership and targeted price increases.

membership base, but also the extent to which such investment helps deliver EHT's charitable objectives.

Capital investment

3.14 EHT has demonstrated a strategic, commercial approach to investment in site enhancement and conservation, yielding substantial benefits. EHT Capital Investment Programme (CIP) priorities are based largely on financial drivers, such as levels of domestic and inbound tourism, population density, and its

3.15 The CIP uses a balanced scorecard, which includes key financial metrics such as: Net Present Value, Internal rate of return and the estimated payback period. Projects are also assessed for the impact on public engagement and for conservation benefits; however, financial metrics currently dominate the

Year of Launch	Property	Total Cost (£,000)	Actual / Forecast Contribution in first full year (£,000)	Current Estimated Payback Year
2015	Eltham Palace Visitor Improvement Project	1,930	267	7
	Tintagel Castle Phase 1 (Visitor Centre and Café)	532	87	6
	Walmer Castle - Waterloo 200	674	79	9
	Apsley House & Wellington Arch - Waterloo 200	490	121	4
2016	Tintagel Castle Phase 2 (External Interpretation and link bridge)	780	90	9
	Stonehenge SVEP Phase 1	1,543	231	7
	Battle Abbey Gatehouse and Play Area	919	80	11
	Rievaulx Visitor Centre and Museum	1,939	157	12
	Fulford Store	537	129	4
	Misc Small Commercial Projects	633	138	5
2017	Framlingham Visitor Improvement Project	1,083	136	8
	Stonehenge SVEP Phase 2	1,357	385	4
	Battle Abbey Gatehouse Phase 2	509	58	9
	Pendennis Catering	400	68	6
	Deal Visitor Improvement Project	234	28	8
	Osborne Pavillion Cottage Refurbishment	138	28	5
2018	Mini CIP	119	58	2
	Birdoswald Roman Fort Improvement Project	972	130	7
	Corbridge Roman Town Re-display	177	30	6
	Pendennis Interpretation & Hospitality	600	90	7
	Mount Grace Priory Garden & Café	413	50	8
2019	Mini-CIP	357	207	2
	Tintagel Castle Bridge	5,185	773	9
	Walmer Castle	589	96	7
	Whitby Abbey Development	1,609	225	8
	Kenwood Stable Development	1,024	159	7
	Mini-CIP*	100	20	5
	Total	24,843	3,920	6

Figure 3 – Commercial Performance of EHT CIP Projects Launching 2015-19¹²

¹² Capital Investment Programme - updated September 2018, English Heritage (internal document)

scorecard with a weighting of 60%.

- 3.16 In financial terms, the CIP projects to date have been very successful in increasing visitor income and have an average payback period of 6 years. Maintaining a strong performance in respect of future capital investment is key to EHT growing visitor income and financial self-sufficiency for the NHC over the longer-term.

Financial risks

- 3.17 Whilst good progress has been made, there are risks inherent in EHT's operating model in addition to the substantial complexities involved in balancing conservation priorities with commercial imperatives. These risks will require careful management, and regular re-examination of EHT's longer-term planning, corporate and financial assumptions.

- 3.18 Two significant risks were identified during the Review. Both risks have been significantly heightened by the coronavirus pandemic.

a. **Income growth assumptions** -

A significant risk relates to whether projected levels of income growth are sustainable, particularly given the relatively low number of profitable sites within the NHC, and the sensitivity of visitor numbers to external factors such as tourism

trends and the broader economic climate. Fundraising income growth performance has also failed to achieve the targets set out in the New Model business case, but this shortfall has been offset by better than projected trading income. Income from grants, trusts, philanthropy and other corporate income will need to grow faster than any other category in the longer-term. Whilst this income stream comprises a relatively low proportion of total income, achieving these targets will be essential in assisting EHT to mitigate against future pressures and risks to the larger income streams. Given these variables, the evidence was inconclusive as to whether the original EHT fundraising income targets are achievable. However, it was pointed out that fundraising targets are now set as part of the annual budget process and their preparation is subject to greater scrutiny, where projects funded mainly by successful fundraising will not be committed until that fundraising has been delivered against target or there is a viable business case.

- b. **Level of free reserves** - Free Reserves are the funds held by a charity to be freely spent on any of its charitable purposes and often held as a financial buffer to short term instances of income not covering expenditure. EHT is forecasting

to achieve its target of £5 million of free reserves before the end of the current Licence agreement when the government funding declines to zero. The £5m target is equivalent to less than one month's operating expenditure, which is considerably lower than similar organisations with more stable and well-established

3.19 Scenario analysis demonstrates that the forecast level of free reserves is highly sensitive to relatively minor fluctuations in assumed income growth rates (see Figure 4). A failure to achieve income growth targets or contain expenditure growth is likely to impact significantly on EHT free reserves and may compromise the ability to manage

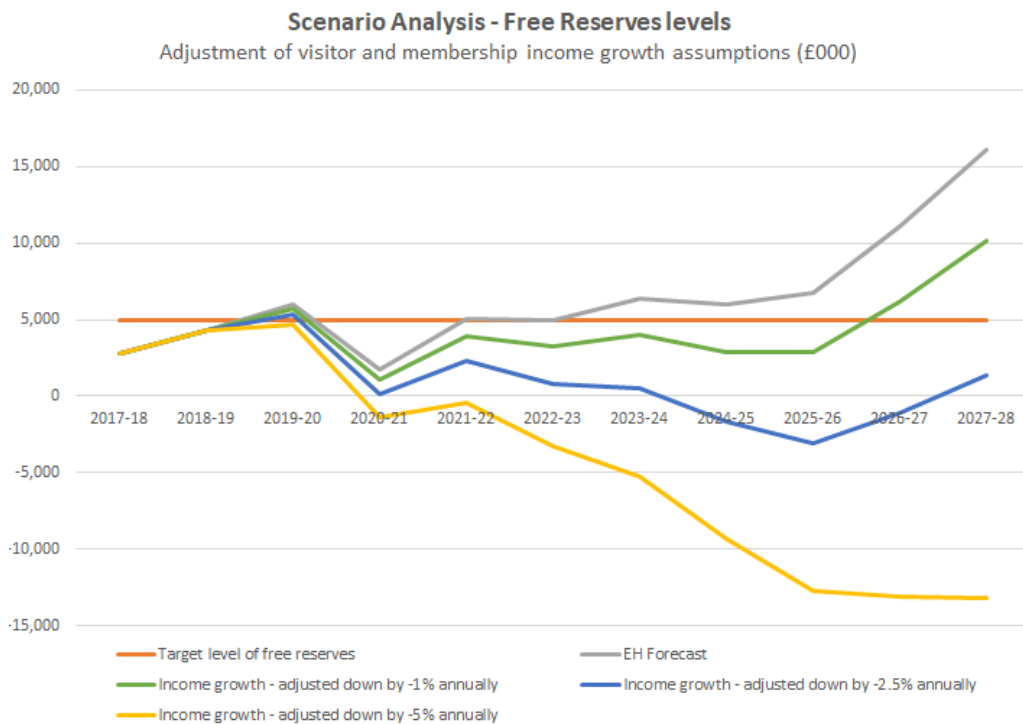


Figure 4 – Scenario Analysis – modelling the impact of reductions in assumed income growth on EHT free reserves levels¹³

income streams.¹³

and absorb the financial impact of

¹³ Capital Investment Programme - updated September 2018, English Heritage (internal document)

unexpected events were they to materialise.

Risk mitigation actions

3.20 Given that this is an important period for EHT's move towards financial independence, the Review recommends that HE and EHT should move towards a more 'risk-based' reserves policy based on an assessment of short and medium-term financial risks, rather than holding a fixed level of reserves.

3.21 The risks associated with the EHT operating model were understood at the time the original business case was developed. Whilst good progress has been made, more robust monitoring will help support EHT as the financial buffer declines and both EHT and ultimately government are exposed to greater financial risk. HE has a key role providing this oversight and greater assurance to the government and parliament of EHT performance and risks.

3.22 Due to its strong financial performance over the first half of the operating Licence, EHT's resilience and capacity to manage financial risks have not been comprehensively tested. However, EHT has re-profiled its expenditure to ensure financial targets are met. The organisation design review in 2017 examined how resources were allocated across the organisation with funding and workforce

adjustments made to continue delivering EHT's strategic objectives. HE and DCMS need to ensure EHT has sufficient capacity to manage financial risk; this assurance is now urgent given the impact on EHT income and its financial situation following the Coronavirus lockdown.

3.23 The Review has made recommendations for HE, EHT and DCMS as all have a role to play in successfully delivering a New Model.

Recommendations

1. *The review recommends EHT's funding model continues for the period of the current Licence. HE must, however, embed a regular schedule of robust assessments of EHT financial forecasts, reporting to DCMS on its performance and financial risks taking into account recommendations 2 - 8.*
2. *EHT and HE need to review whether the current target level of free reserves is adequate and consider moving towards a 'risk-based' reserves policy, providing DCMS with the rationale applied in determining an adequate level.*
3. *To better anticipate and mitigate financial risks as EHT approaches self-funded status, HE needs to:*
 - a. *adapt its financial modelling methodology to be more agile and better able to stress test its key assumptions as part of the*

*long-term forecasting process;
and*

- b. undertake a detailed review of fundraising income assumptions with a suitable risk margin applied to future long-term financial projections.*

Governance relationship between HE and EHT

3.24 The relationship between the two organisations is complex; whilst HE is the legal sole member of EHT, a key premise of the New Model Business Case was that EHT should operate with maximum independence from the government. While HE is accountable for EHT performance, and appoints its Board, it currently has limited formal leverage over EHT delivery and decision-making. Although EHT's independence enables it to operate more commercially, this approach contains inherent risk for HE and government. Whilst some oversight arrangements are in place (e.g. Financial and Management Information is reported to the HE Board) there is scope for increased control mechanisms to be implemented. A balance needs to be struck that provides EHT with the

independence it needs to operate as a successful charitable body, but which also gives HE sufficient oversight of the long-term conservation of the NHC and provide assurance to government that the taxpayer investment is well managed and delivers the anticipated public benefits.

3.25 Feedback on the relationship between HE and EHT was generally positive and seen as mutually beneficial. Most heritage sector interviewees considered that the model is fit for purpose but also acknowledged a lack of understanding of the relationship in practice. Most public consultation respondents (72%) agreed that the governance relationship between HE and EHT was effective, and 69% agreed that HE should remain as the sole member of the English Heritage Trust. A small number of respondents voiced specific concerns about the relationship and whether HE's accountability role distracts it from its core functions.

3.26 Aside from a brief entry on HE's website¹⁴ and references within HE's¹⁵ and EHT's¹⁶ Annual Reports and Accounts, the Review could not find a public facing document setting out clearly and in detail the mutual

¹⁴ <https://historicengland.org.uk/about/what-we-do/historic-england-and-english-heritage/>

¹⁵ <https://historicengland.org.uk/images-books/publications/he-ann-rep-accounts-18-19/he-ann-rep-accounts-2018-19/>, p. 5

¹⁶ https://www.english-heritage.org.uk/siteassets/home/about-us/eh-annual-report-2018_19_full.pdf, p. 19

roles and responsibilities of HE and EHT.

3.27 There is no clear position held by stakeholders or the public on the HE/EHT relationship. Specific stakeholder conversations confirmed the impression that the formal accountability relationship between HE and EHT was complicated, not transparent, nor well understood by many within the sector; however, the generic survey consultation concluded that HE oversight of EHT activities was felt to be a suitable arrangement.

3.28 Improved transparency and broader understanding of the relationship, its governance and oversight mechanisms, should be

in place so both organisations are more publicly accountable, and more accountable to DCMS, for the performance of their respective roles. The Review recommends that HE and EHT develop a publicly accessible “statement of accountability” document to clarify the relationship.

3.29 The oversight and accountability arrangements between the two organisations were the subject of Government Internal Audit Agency (GIAA) reports in 2016 and in 2019 focusing on the arrangements for monitoring the EH conservation of the NHC. The Review fully endorses the recommendations from the GIAA 2019 report set out below.

GIAA report recommendations ¹⁷

- The current monitoring framework requires review and revision. The revised framework should document both the formal monitoring arrangements (to include minuted and regular meetings) and the more informal meetings and collaborative working which contribute to the overall assurance framework.
- A review of the scope and remit of the Historic Estate Conservation Committee (HECC) should be undertaken and the Terms of Reference for that Committee revised. Thereafter, the Terms of Reference should be regularly reviewed and revised as necessary.
- A risk based methodology for selection of sites to be visited by HECC should be prepared and evidence of application of the methodology retained on an annual basis

¹⁷ A table of recommendations from the 2019 GIAA report: *Monitoring of English Heritage Trust against the Property Licence (Unpublished)*

- Further consideration is required as to how HE can gain assurance over compliance with the Property Licence conditions in respect of curatorial and security standards in respect of historic chattels included in the National Collection.
- The ability of the Audit and Risk Assurance Committee (ARAC) to review assurance arrangements should be referenced in a revised EHT monitoring framework.
- HE should review what information it requires to effectively and proportionately monitor compliance with all conditions of the Property and Operating Licence and achievement of the general objectives of the New Model Business case. KPIs and targets should then be set which are SMART and subject to an agreed validation process.
- Any information presented to the Commission and ARAC, which has been provided by EHT, should be accompanied by commentary prepared by relevant management within HE which sets the performance information in context and provides some commentary on EHT progress on conservation and on achieving financial sustainability by the end of the current Licence period.
- HE should establish the level of assurance it requires over the Trust's arrangements for the management of risk and reference this within a revised monitoring framework.
- A formalised protocol for reporting potential or actual fraud / serious incidents should be developed to offer clarity on each party's responsibilities for escalation and reporting. This protocol should be developed with reference to the Charity Commission guidance on 'How to report a serious incident in your charity' and require early reporting to HE to allow for consultation on reports to be made to the Charity Commission.
- The EHT Executive Team should be asked to provide statements of compliance with the terms and conditions of the Property Licence on an annual basis and this requirement should be referenced in a revised monitoring framework.
- Consideration should be given to the development of a protocol/guidance for future appointments of Commissioner Trustees so that there is a common understanding of roles and responsibilities when acting as a HE Commissioner and as a Trustee on the Board of EHT. Consideration should also be given to developing a person specification for the role to assist in the future selection of Commissioners to act as EHT Trustees.

3.30 An internal Monitoring Framework document from 2015 set out the formal arrangement and was a useful tool for HE holding EHT to account. The 2019 GIAA report recommended that it be renewed and strengthened. This review endorsed that recommendation especially, given the susceptibility of EHT funding model to risk. A revised Monitoring Framework and reporting regime has now been developed including 26 key performance indicators (KPIs) across three categories: (i) financial sustainability, (ii) keeping the National Collection in good condition, and (iii) other general performance measures. HE needs to assure itself that EHT internal governance and the skills of the Board are appropriate to deliver the revised performance measures.

3.31 The Review recognises the balance required by HE in monitoring and seeking assurance from EHT, while allowing it to retain its independence and pursue its own corporate objectives in line with the principles of the New Model. The new Monitoring Framework will be of mutual benefit, enabling leaders to engage in open and frank discussions on a commonly understood set of targets, and providing detailed evidence to support the Licence renewal process. Further detail on the Licence renewal is provided below.

Recommendations

4. *The Government Internal Audit Agency (GIAA) enquiry and this Review agree that HE must work with EHT to develop a more transparent and formal monitoring arrangement including:*
 - a. *appropriate, evidence based KPIs;*
 - b. *mechanisms to ensure EHT is taking a proportionate, risk-based commercial approach to increasing self-generated income;*
 - c. *a requirement for HE to report to DCMS on EHT performance as part of regular engagement; and*
 - d. *requirement for an annual review and appraisal of the EHT Board, including a post licence skills audit.*

Renewal of the licence to manage the National Heritage Collection

3.32 The Licence between HE and EHT to manage the National Heritage Collection expires in 2023. It is essential that HE, EHT and DCMS begin to plan for the expiry of the current Licence immediately to ensure an effective future arrangement is developed and reduce the uncertainty by running the process to the wire. Planning for the end of the current licence is now urgent given the impact of the Coronavirus on EHT income and finances. A short- term extension to the current licence is one option

which should be examined, to allow EHT to re-establish its path to self-sufficiency pending a longer-term renewal process.

3.33 A core consideration in determining the future Licence arrangement is whether EHT will be financially independent from the government and has fulfilled its role in respect of conservation and maintenance of the NHC. Planning for the new arrangement should include a full review of EHT performance and financial position by December 2020, alongside a review of the adequacy of governance and reporting arrangements between HE and EHT, and a cost-benefit assessment of maintaining the new model operating Licence in light of the imminent cessation of government funds. If needed, a new proportionate business case, including revised benefits and targets for EHT should be developed. DCMS will have a key role to play in supporting the development of a new licence to support the management of the NHC.

3.34 The new Licence needs to incorporate the Review's recommendations regarding the HE and EHT governance arrangements, monitoring and reporting, and management of Apsley House.

Recommendations

5. *HE, EHT and DCMS must accelerate planning now for the expiry of the Licence to manage the National Heritage Collection in 2023. A clear process and timeframe need to be agreed at the earliest possible date, including scenario planning around the long term success of the arrangement to ensure the new licence is appropriate for monitoring the EHT performance. The plan for licence renewal must be agreed by April 2021.*
6. *Linked to recommendation five, EHT's funding position must be considered and a cost benefit analysis of the current licence undertaken to help decide whether a new business case is required.*

Apsley House

3.35 Apsley House, also known as '1 London', is managed by EHT and houses the Wellington Collection. It is managed on behalf of the State by EHT and has unique governance and management arrangements.

3.36 The Wellington Museum Act (1947)¹⁸ gifted Apsley House to the nation. The Act requires the government to maintain the House's exterior and those parts

¹⁸ <http://www.legislation.gov.uk/ukpga/Geo6/10-11/46/contents>

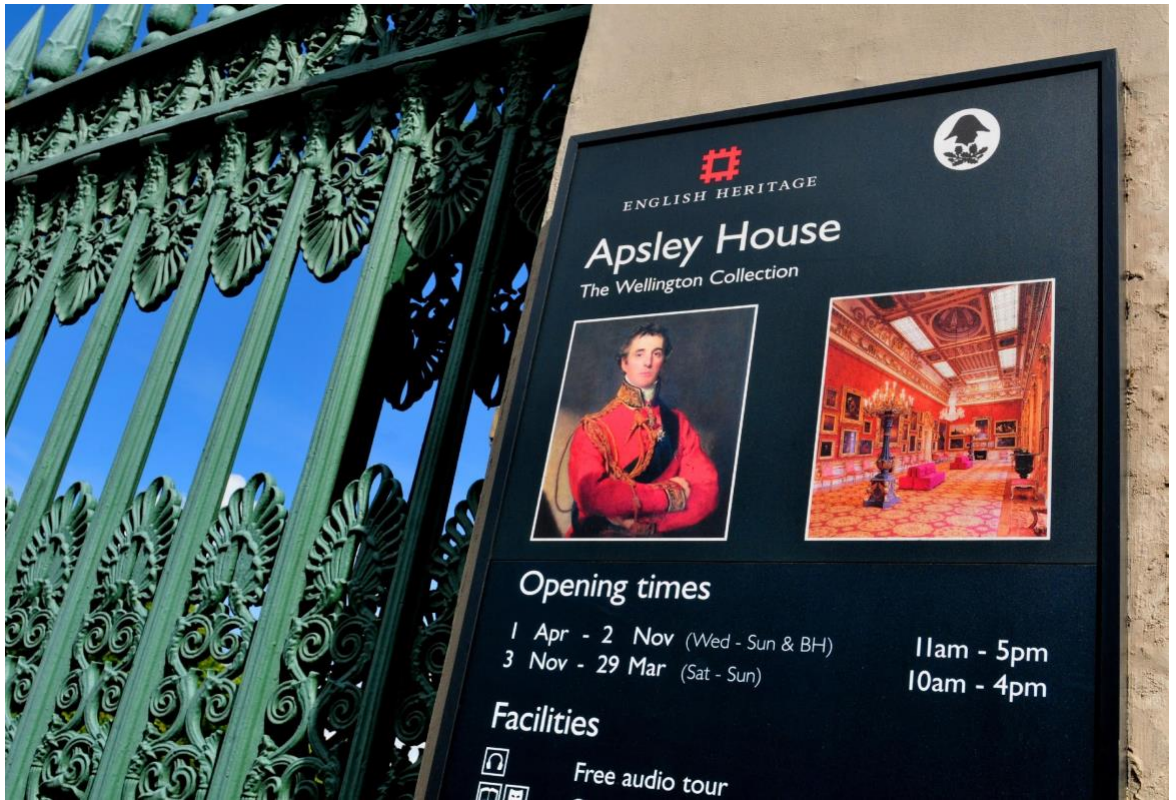
housing the collection as a museum. The Act also allows the Duke of Wellington and his family to maintain a residence in a portion of the property not used as a museum. The Act states that the property can also be used for other public purposes, not inconsistent with its continued use as a museum, but always requiring the agreement of the Duke of Wellington. In 2004, responsibility for maintaining Apsley House was transferred to the then English Heritage. As part of the creation of the New Model in 2015, EHT took on responsibility for maintaining Apsley House.

Recommendations

7. *English Heritage Trust and the Wellington Collection Management Committee must review and update the Memorandum of Understanding (MoU) and publish it on their websites.*
8. *As part of the licence renewal process a longer-term solution to the management of Apsley House that accords with the terms of the Wellington Museum Act needs to be agreed to the satisfaction of interested parties.*

3.37 There is a Memorandum of Understanding (MoU) between the Wellington Collection Management Committee and Historic England (then English Heritage) from 2008, detailing the governance arrangements for the House and how decisions are made on the management of the property. The MoU needs reviewing as government funding of the NHC ceases and as EHT will be under increased pressure to ensure that maintenance of Apsley House is sustainable.

3.38 The current governance arrangements limit EHT's ability to take decisions over the management of the House, which is at odds with the Board's charitable oversight responsibilities. The MoU needs to be considered alongside assurances to the Wellington Collection Management Committee that EHT proposals are appropriate for Apsley House and its Collection. This arrangement should be made transparent to the public by being published on the websites of both parties and a new MoU must be in place before the end of the current Licence period in 2023.



Apsley House, London

4. Leadership & Strategy

Sector leadership

- 4.1 Almost all heritage sector stakeholders interviewed recognise HE as a sector leader in a number of ways including:
- a. Expertise - HE provides technical expertise, produces high-quality research, sets best practice standards and authoritative guidance on conservation matters;
 - b. Building capability and skills - HE provides training opportunities, grants and skills-building programmes;
 - c. “Thought leadership” – HE is informed by its research programmes and data gathering, it identifies sector priorities and develops innovative programmes of work;
 - d. International Engagement – HE also plays a key role in promoting England’s heritage internationally and supporting the UK on the global stage through soft diplomacy;
 - e. Grants - Heritage sector organisations and heritage owners benefit from grants schemes which enable them to protect and promote heritage on the ground; and
 - f. Convening - HE brings together groups from across the sector to collaborate on wider strategic issues.
- 4.2 HE has the opportunity to develop its sector leadership role, both through direct leadership and collaboratively by supporting the heritage sector eco system to lead delivery in other areas. This collaborative role enables HE to deliver its functions more effectively and create a ‘virtuous circle’, as its leadership empowers others in the sector to develop complementary leadership capability within the context of HE’s role to champion and protect all of England’s historic environment.
- 4.3 The Review concluded that the sector would value further HE leadership focused on the following areas:
- a. **Facilitating collaboration** - enhancing its important convening role with the heritage sector, including the National Lottery Heritage Fund with more joined up approaches to sector-wide issues and more alignment of strategies.
 - b. **Broadening Diversity and Inclusivity** – building on its

work to improve the inclusivity of its projects and workforce diversity into the wider sector.

- c. **Measuring Impact** – further developing its impact measurement by working with the sector to agree measures for social and economic impact and benefit derived from public engagement with heritage.

a. Facilitating collaboration

4.4 HE's remit means it often operates across sectors on:

- a. conservation and archaeology;
- b. research and academia;
- c. planning and development;
- d. culture and heritage.

4.5 In functioning effectively and fulfilling its duties, HE works with a large number of stakeholders. How and with whom HE collaborates is a key measure of its effectiveness. HE's remit and resources were viewed as assets by stakeholders, but the scale of operations also generated an impression that it was sometimes more competitive than collaborative.

4.6 Broader stakeholder evidence and feedback pointed to HE generally being an open and collaborative organisation enabling other

organisations to deliver. Over 89% of consultation responses considered that HE partners "well" or "extremely well". A number of different sector stakeholders commented that not only is HE able to partner effectively, but frequently plays the role of a 'critical friend', helping to challenge and improve projects and programmes.

4.7 HE runs, supports or attends a number of specialist committees¹⁹ and groups bringing together expertise from across the heritage sector, helping to develop collaborative approaches and common strategies. HE's publication, *Heritage Counts*, an annual audit of the historic environment, is produced in collaboration with organisations from across the heritage sector.

4.8 HE's collaboration with the National Lottery Heritage Fund (NLHF), the largest heritage funder in the UK, which has distributed £8bn of lottery funds to more than 44,000 projects since 1994, was mentioned by numerous stakeholders as a key sector partner for HE. Feedback from the sector was that the relationship between HE and the NLHF is broadly positive and productive, with each organisation having a clear role in supporting the heritage sector.

¹⁹ Such as HE attendance at the Historic Environment Forum and the Joint Committee of the National Amenities Societies.

4.9 However, both organisations recognise that they could work more effectively and closely together. The relationship between HE and the NLHF was considered in the latter's TR which recommended that they improve their partnership. This Review supports those original findings and further recommends that the two organisations agree and publish a 'public partnership' document setting out how and in what circumstances they will collaborate and clarifying relevant responsibilities, roles and strategic priorities. As sponsor department, DCMS must play a key role in driving the better alignment of these two significant heritage organisations (both DCMS ALBs) within the context of their specific roles and functions to deliver recommendation 9.

4.10 Feedback from the wider heritage sector was that HE should engage more, especially building partnerships with smaller, regionally focused organisations. HE regional offices should work with and collaborate more with local organisations on their projects, rather than, as was perceived, a predominant top-down approach.

Working collaboratively with the Home Nations

4.11 Statutory responsibilities for heritage are delegated by Parliament to the devolved institutions such as the Scottish Parliament, the Assemblies of Wales and the Northern Ireland

Executive. Similar powers, functions and activities to those undertaken by HE in England are delivered in the home nations by Historic Environment Scotland (HES), Cadw in Wales and the Department for Communities in the Northern Ireland Executive. Each organisation operates within different political contexts, are bound by varying statutes and undertake different operational functions.

4.12 Each heritage organisation in the relevant devolved nation reported a positive strategic relationship with HE and with each other. Senior leaders from each organisation meet biannually to discuss strategic themes and common issues, such as the impact of climate change on heritage. This meeting facilitates collaboration and sharing of best practice across the four organisations, drawing on each other's strengths, expertise and experiences.

4.13 HES, Cadw and the Department for Communities in the Northern Irish Executive still directly manage heritage properties and they argued for the benefits of involving EHT in their regular strategic discussions.

4.14 At a working level, each organisation felt that staff had positive and collaborative relationships with HE, citing examples on shared issues, pooling resources and expertise on drafting specific technical conservation guidance. Cadw also

provided positive feedback on working with HE to ensure the protection of a complex cross-border heritage site, Offa's Dyke²⁰.

- 4.15 There was recognition of HE's expertise in specific technical and scientific areas and openness to sharing expertise and knowledge with other bodies on an *ad hoc* basis when requested. The main gap identified in the relationship was the lack of regular and formal process to facilitate the sharing of expertise and best practice between all parties, such as HES' well-regarded work on climate change and its effects on heritage sites.
- 4.16 There was no consensus on whether this *ad hoc* sharing of expertise was the best approach or whether a more regular formal forum should be established.
- 4.17 A side issue raised by the devolved organisations was that HE's relationship with DCMS seemed to create the unintended consequence of government viewing HE as *the* heritage organisation for the whole UK.

Collaboration outside of the heritage sector

- 4.18 HE has built positive relationships and collaborated effectively with organisations outside of the immediate heritage sector, such as Network Rail on a programme of

listing rail-adjacent structures, the Imperial War Museum on exhibitions and the Higher Education sector through its membership of Doctoral Training Consortia. HE's relationship with the planning sector is explored in more detail on pages 51-55.

Collaboration on Public Engagement

- 4.19 HE has a statutory duty to 'promote the public's enjoyment of, and advance their knowledge of, ancient monuments and historic buildings in England (including UK territorial waters adjacent to England)'. To fulfil this role HE has worked with others to put on exhibitions and events and run thematic public engagement campaigns.
- 4.20 Stakeholders were keen to see HE show more leadership by being open to more collaboration in its engagement with the public. This type of leadership would help prevent duplication of effort, ensure sharing of best practise, maximise the reach of individual campaigns, and widen the appeal of heritage for the public. It would also allow HE to make the best use of the sector's engagement channels and audiences to promote key campaigns that support the government heritage priorities. HE should also support other organisations to lead

²⁰ Offa's Dyke is a large linear earthwork dating from the 8th Century that roughly follows the current border between England and Wales.

engagement campaigns where they may be able to deliver the greatest impact. The report examines HE's wider public engagement function on page 61.

Recommendations

9. *HE needs to work more closely and collaboratively with the National Lottery Heritage Fund and DCMS to support the development of a public partnership document detailing how this collaboration will operate.*
10. *DCMS, HE and EHT should develop their working relationship with HES, Cadw and the Northern Irish Executive to:
 - a. *Explore the potential benefits of more formal collaboration between the Home Nations heritage organisations;*
 - b. *Consider how to derive best value from the skills and expertise in the Home Nations heritage organisations.**
11. *HE should draw on the strengths and expertise of the heritage sector to enable other organisations to lead the development and delivery of new campaigns and initiatives, where appropriate.*

4.21 HE has a wide range of strategies and programmes in place aiming to promote diversity. HE aims to improve diversity in two main ways:

- a. Improving the diversity of HE and heritage sector workforce; and
- b. Improving the diversity of HE and wider heritage audiences.

Diversity of HE's workforce

4.22 A majority of stakeholders viewed HE as insufficiently diverse to represent the public it serves. Many interviewed also acknowledged anecdotally that a lack of diversity in the Heritage sector is not an issue unique to HE.

4.23 Data on the diversity of HE staff can be found in Figure 5.

b. Diversity and Inclusion

Department for Digital, Culture, Media and Sport
Tailored Review of Historic England

		Headcount total	Headcount %
Gender:	Male	371	41.8%
	Female	516	58.2%
Declared Ethnicity:	White	816	92.0%
	BAME	44	5.0%
	Not known / undeclared	27	3.0%
Disability:	Yes	35	3.9%
	No	841	94.8%
	Not known / undeclared	11	1.2%

Figure 5 – Table of data showing the diversity of HE workforce, as at May 2019

4.24 HE Chief Executive Duncan Wilson states in his HE blog²¹, “[Having a more representative workforce] is a challenge for an organisation with high levels of staff retention which draws on academic disciplines that do not themselves recruit from a diverse student body”.

4.25 HE recruits significant numbers of its expert staff from academic fields such as archaeology. Archaeology courses currently attract lower levels of ethnic diversity, with the latest Chartered Institute for Archaeologists research²² (conducted in 2013) indicating that less than 1% of the

²¹ *The Importance of Bringing Greater Diversity to Historic England:*
<https://historicengland.org.uk/whats-new/debate/recent/why-is-a-diverse-and-inclusive-workplace-essential/importance-of-diversity-to-historic-england/>

²² *Archaeology Labour Market Intelligence: Profiling the Profession 2012-13:*
<https://landward.eu/wp-content/uploads/2013/10/Archaeology-Labour-Market-Intelligence-Profiling-the-Profession-2012-13.pdf>

- profession is from a non-white background.
- 4.26 HE has a diversity strategy²³ in place to encourage more diverse applicants and create a more inclusive workplace, which includes work placements for Black, Asian and Minority Ethnic (BAME) young people, establishing staff networks, reviewing its HR policies and running specific projects e.g. Heritage Schools²⁴ to stimulate interest in heritage and promote it as a potential field of study.
- 4.27 HE has more to do to become a more diverse and inclusive workplace and should review its existing strategy to assess whether it is making a difference. HE should also consider:
- a. more proactive engagement to deliver more diverse candidates for vacancies, including paid internships;
 - b. introducing formalised progression programmes for under-represented staff;
 - c. celebrating diverse role models both internally and externally.
- 4.28 The lack of diversity in the heritage sector was a concern highlighted by stakeholders. However, stakeholders gave positive feedback on HE's current efforts to improve diversity, such as its apprenticeship programme, which was valued by the wider sector. HE has the opportunity to work with the sector to lead a wider strategy to improve the diversity of the heritage sector workforce as a whole.
- 4.29 The most recent survey of diversity in the heritage sector was 6 years ago in 2013 by HE (then operating as English Heritage) and Creative and Cultural Skills; a fresh assessment needs to be undertaken. In its leadership role, HE should work with partners, including Universities and funding bodies, to undertake an assessment of diversity in the sector. In particular it should consider how to overcome barriers for a greater range of students opting to study a relevant heritage sector qualification, such as Archaeology, Conservation and Architecture and examine alternative routes into these fields.
- Diversity of HE audiences*
- 4.30 HE works with a range of organisations and communities to deliver more diverse and inclusive heritage, including the history of women, ethnic minorities, disabled people and members of the LGBT+ community. Pride of Place, Human Stories: Another England and Disability in Time and Place²⁵

²³ Details of HE plans to promote diversity and equality can be found: <https://historicengland.org.uk/about/who-we-are/heritage-belongs-to-everyone/>

²⁴ <https://historicengland.org.uk/services-skills/education/heritage-schools/>

²⁵ Details on these projects can be found on HE website at:

projects were all broadly well received by the wider sector and feedback was that HE should continue delivering similar projects to make heritage relevant.

- 4.31 Evidence from the public consultation found 84% of respondents agreeing that HE promotes diversity in their programmes. Negative responses were along the lines that HE 'tries, but could do better' in this area.
- 4.32 DCMS's 'Taking Part' national survey²⁶ provides data on the public's engagement with heritage, arts and other cultural activities, including detailed evidence on the levels of engagement across different groups. This data shows that rates of engagement with heritage are lower for BAME audiences, disabled audiences and those in the lower socio-economic group than in the arts. While there may not be an exact equivalence between heritage and the arts, a lower level of participation illustrates that there is room to improve the diversity of the audiences engaged with heritage.
- 4.33 HE has led successful individual diversity projects which appear to be in isolation from its wider engagement strategies. There is a need for HE to take a more considered approach to building on these successes and developing a clearer strategic vision for

representing diverse heritages, and embedding inclusivity into all of its projects and communications. HE should seek to make use of the Public Engagement Managers appointed in each regional office to ensure they engage the public in local heritage in an inclusive way.

- 4.34 Many consultation respondents and interviewees who felt that HE could do more to present a diverse range of histories in its projects also noted a lack of diversity as a sector-wide issue. HE has a leadership role in helping develop a sector-wide strategy for increasing the diversity of the heritage narrative and of the public who are engaging with heritage, with each of these objectives furthering the other.

Recommendations

12. *HE should develop a well-evidenced strategy to improve the diversity of its workforce, ensuring an inclusive working environment for staff from all backgrounds.*
13. *In collaboration with the sector, HE must take a stronger leadership role to improve the diversity of the heritage sector workforce and the audiences engaging with and enjoying the historic environment.*

C. Impact

<https://historicengland.org.uk/research/inclusive-heritage/>

²⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/

832874/Taking_Part_Survey_Adult_Report_2018_19.pdf

- 4.35 Measuring the impact of HE's work is a key indicator of its overall effectiveness and value, enabling it to allocate resources to the projects and programmes with the greatest effect on the wider historic environment. It also helps HE to evidence the importance of its work and the outcomes to government and the public.
- 4.36 The majority of respondents to the public consultation felt that HE measured their impact well, with 88% agreeing they measured their impact on 'Championing the Historic Environment' moderately or extremely well. Only 12% of respondents felt that they measured their impact 'not well at all'.
- 4.37 Heritage sector stakeholders broadly agreed that HE measured the impact of its work reasonably well, but did not have detailed insight of HE's impact measurement processes. *Heritage Counts* and the *Heritage at Risk Register* (see page 40 and 41 for further detail on these programmes) were quoted as positive examples of HE measuring its impact on the historic environment.
- 4.38 HE undertakes impact assessments and measurements of its grants programmes, research strategies and other programmes and projects. Additionally, HE has embraced the work of Sir Michael Barber's Public Value Review²⁷ to deliver maximum public value, and has shared its approach with other government departments and agencies to help them develop their own. HE has started to place greater emphasis on using the principles set out in its Public Value Framework²⁸ when designing and commissioning new projects and programmes to ensure that they align with HE's own strategies and maximise public value.
- 4.39 Some HE grant recipients reported that they had received requests for detailed information including impact analysis, but were often unsure how, or even whether, it was used. Many HE stakeholders saw the benefits of measuring impact more strategically and consistently, and of HE articulating how it measures its impact, and sharing this learning with the wider sector.
- 4.40 Measuring the impact of HE work protecting, promoting and preserving the historic environment is a complex challenge, often involving numerous organisations operating at any one site. It is therefore difficult to assess and attribute what actual impact or effect has been delivered by HE and what has been delivered by

²⁷ <https://www.gov.uk/government/news/sir-michael-barber-report-into-improving-value-in-public-spending-published>

²⁸ Details of their public value framework and how HE will use this moving forward are contained

within their Corporate Plan:
<https://historicengland.org.uk/images-books/publications/he-corp-plan-2019-22/historic-england-corp-plan-2019-22/>

the wider sector. HE's impact measurement mechanisms should try to unpick this knotty problem by attempting to measure the outcomes of its funding and wider work in a more granular way in the following areas:

- a. the work HE's undertakes directly;
- b. the impact of HE's grants; and
- c. the impact of the work led and delivered by those in the wider sector.

4.41 Developing more granular impact measures will show leadership by HE using its expertise to the benefit of the sector and sharing best practice to help improve the capability and effectiveness of other, often smaller heritage bodies; all work aligned with HE's statutory purpose. DCMS and HE should also begin assessment of the impact of HE's current high profile grants for Heritage Action Zones and Historic High Streets.

Cultural Heritage Capital Measure

4.42 HE is leading an investigation into the overall benefit and public good derived from heritage, including non-financial benefits such as wellbeing and public health.

4.43 This work is an opportunity for HE to show wider sector leadership by developing a definitive and accepted measure of heritage benefits. HE should examine the recently developed Natural Capital Measure, a measure of the benefits of the natural environment, recently added to HM Treasury's Green Book²⁹, and explore the potential for a heritage equivalent. If successful, the approach has the potential to deliver benefits for the heritage sector, such as assisting in fundraising and grant applications, by more clearly articulating the wider benefits in funding heritage projects, supporting public engagement strategies and increasing public interest in the historic environment.

Recommendations

14. *HE develop its current impact measurement mechanisms to identify;*
 - a. *the impact of HE's direct work;*
 - b. *the impact of its grants; and*
 - c. *the impact of the work of the wider heritage sector.*
15. *HE continue its work with DCMS and the sector to develop an agreed measurement of how heritage and the historic environment benefits the public.*

²⁹ *The Green Book: appraisal and evaluation in central government:*

Conclusions on HE leadership

- 4.44 HE works effectively in partnerships, provides support to the heritage sector and works alongside a wider range of stakeholders from other sectors. It has a legitimate role in championing the whole of England's historic environment and is open about this with others in the sector. However, feedback from some stakeholders suggested that HE could do better; a finding of the review was that on occasion HE can be more competitive than collaborative, which is a potential blocker to better sector working and could limit HE's ability and credibility in delivering through others.
- 4.45 HE has at times developed strategies or programmes in isolation, potentially duplicating the efforts of others or missing opportunities to effectively join up efforts and resources.
- 4.46 HE should show greater leadership by facilitating others in the sector to lead the development and delivery of specific initiatives where appropriate and not to default to directly leading sector wide initiatives in which others had similar or more expertise.
- 4.47 There is a big opportunity for HE to show leadership in the two key

areas the review identified requiring its focus and attention; improving the diversity and measuring the impact of heritage. No other heritage organisation has the skills expertise and remit to lead this work, doing it collaboratively.

Strategy: preservation of the historic environment

- 4.48 HE has a broad remit to protect the historic environment, the approach to which is set out in its Corporate Plan³⁰ and strategy document detailing how it delivers the core functions and its approach to wider thematic priorities, such as heritage crime and placemaking³¹.
- 4.49 A relatively low proportion of heritage assets in the UK are owned or directly managed by HE. Most are in private hands, or managed by charities or local authorities. The government's National Planning Policy Framework defines 'historic environment' as a very broad concept: "All aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora."³² However, within the heritage sector views differ as

³⁰ <https://historicengland.org.uk/about/what-we-do/corporate-strategy/>

³¹ <https://historicengland.org.uk/content/docs/planning/he-places-strategy-2019/>

³² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf, p. 67

to which aspect of the historic environment should be prioritised.

- 4.50 Not owning or directly managing the historic environment, however defined, means HE often works in partnership with owners, a diverse group including large organisations such as the National Trust and Network Rail, and smaller charities and individuals. Given the breadth of this stakeholder group, HE must adopt a varied and context-driven approach to its engagement with them to ensure appropriate relationships and suitable protections are put in place.
- 4.51 This section of the report examines HE's role in monitoring the historic environment and working strategically with partners on its preservation. Section 5 provides detailed analysis on HE's specific functions and activities that support the preservation of the historic environment, such as designation and planning advice.

Monitoring the state of the historic environment – *Heritage Counts*

- 4.52 Working on behalf of the Historic Environment Forum³³, HE publishes a multi volume annual review of the state of the historic

environment in England called *Heritage Counts*³⁴. This annual snapshot of the state of the historic environment is used to identify important issues and trends to the sector and brings heritage to the attention of the wider public.

- 4.53 *Heritage Counts* was viewed positively in heritage sector interviews, with some stakeholders commenting that it provided an essential strategic overview of the historic environment. HE also received positive feedback from interviewees for their collaborative approach and how they draw on the skills and experience of the wider sector to produce *Heritage Counts*.
- 4.54 Some felt that the themes and evidence presented in *Heritage Counts* should be better shared and communicated beyond the heritage sector and in wider public engagement activities. Each volume of *Heritage Counts* reports on topics such as heritage and the economy, heritage and wellbeing, and the historic environment in specific regions. These reports benefit the sector and heritage experts, though the detail may make it difficult to navigate for non-experts and members of the public. HE should consider producing a more concise, 'plain English'

³³ The Historic Environment Forum is a committee that brings together Chief Executives and senior Officials from a wide range of public and non-governmental heritage bodies. More information can be found at: <https://www.theheritagealliance.org.uk/historic-environment-forum/>

³⁴ Further information and previous reports can be found at: <https://historicengland.org.uk/research/heritage-counts/>

summary aimed at the general public to support its public engagement strategies. *Heritage Counts* does not include an overarching measure that summarises the state of the historic environment. If developed, this would aid public understanding of heritage issues and demonstrate HE performance. HE should also consider how to make use of the data, information and research needed to produce *Heritage Counts* as a public engagement tool.

- 4.55 *Heritage Counts* is a key measure of the state of the historic environment. HE's collaborative approach to the research and drafting of the report is positively received so should discuss with the Historic Environment Forum and others on how it could be improved and utilised to benefit the sector.

The Heritage at Risk Register

- 4.56 A key measure of the state of the historic environment is the *Heritage at Risk Register*. Established in 1999, it identifies and collates heritage assets at the greatest risk of loss through neglect, decay or development. Inclusion on the list raises the profile of individual sites, helping HE and the wider sector prioritise them for further action and funding.

- 4.57 HE updates the register annually by assessing applications for sites to be added and removed. Sites are removed by HE once their future has been secured or when the site is lost. At present the register includes the following:

- a. Grade I;
- b. Grade II*;
- c. Grade II listed places of worship across England;
- d. Grade II listed buildings in London; and
- e. Designated Parks and Gardens, Battlefields and Wreck sites.

- 4.58 Many of the sites on the list have complex conservation issues often requiring significant time and resources to resolve. HE provides grants (e.g. emergency repair grants) to support sites' removal from the Register, and shares conservation and planning expertise to help find new uses for them. HE's website provides examples of sites removed from the register due to its intervention and support³⁵. HE works in partnership with other grant funders, (e.g. the National Lottery Heritage Fund and Local Authorities), organisations managing historic buildings and monuments and other investment

³⁵ <https://historicengland.org.uk/advice/heritage-at-risk/20-years/>

- bodies to support a large number of the registered sites.
- 4.59 HE reports the number of sites added and removed each year and the reasons for removal from the list. This data tells a positive story, with c63% of sites from the original 1999 register having been removed because their futures had been secured, and 317 sites being removed from the list in 2018 for similar positive reasons.
- 4.60 Feedback from the heritage sector and local authorities agreed the register is a useful measure of the state of the historic environment and has directly helped to save specific sites.
- 4.61 In addition to the published case studies, examples of potential benefits of being on the register includes Snodhill Castle, a rare 12th century Norman castle in Herefordshire which has benefited from HE's conservation advice and project support, as well as direct funding through the emergency repairs grant, enabling it to open to the public.
- 4.62 Heritage and local authority interviewees raised concerns that the current approach could lead to inconsistencies across regions. They also suggested that there is potential for some groups to "game" the system by campaigning for sites at less risk to be added to the register, allowing them to attract grant funding or support for properties, to the detriment of more at risk sites.
- 4.63 Other interviewees asked for the criteria for inclusion on the register to be reviewed arguing that the need for sites to meet a specific designation type was arbitrary and inconsistent with Grade II sites outside of London not eligible for inclusion whilst those in London are.
- 4.64 The Heritage at Risk Register adds value by highlighting some of England's most at risk historic sites. HE should review the criteria for the Register.

Owner of last resort

- 4.65 HE has the authority to take ownership as a 'last resort' of historic heritage assets when survival is at immediate risk, where loss would seriously diminish the nation's historic environment and where no alternatives owners are available to ensure the site's future. HE takes ownership of a site with support and funding from the government to enable restoration and passing it to private, charitable or community ownership.
- 4.66 The most prominent recent example of this is HE taking ownership of the Shrewsbury Flaxmill Maltings.
- 4.67 77% of respondents the public consultation agreed that the HE last resort role is appropriate, with nearly all heritage sector interviewees considering it essential to ensure the protection of some of the most complex and

at risk historic sites in England. There was concern expressed about the availability of funding to take on sites in the future.

- 4.68 The 'last resort' role is important as it enables HE to intervene directly in a small number of historically important sites in England. Following HE's intervention, Shrewsbury Flaxmill Maltings is a well-managed heritage asset bringing benefit to the local community.

HE engagement on protection of the historic environment

- 4.69 HE's activities help protect the historic environment directly, through designation or grants, and indirectly, through its conservation research. However, the breadth of this work and how it coheres is not clearly and simply articulated.
- 4.70 HE should articulate clearly how its various functions cohere to support the protection of the historic environment. Developing a public narrative on its roles and how it delivers them will complement its current public engagement profile.

HE corporate strategy

- 4.71 In its 2018/19 change programme, HE reassessed its strategic priorities and restructured the organisation to deliver them. The outcome of this programme was

incorporated into its new Corporate Plan, published on 20th June 2019³⁶.

- 4.72 The new Corporate Plan resets HE priorities, vision and values and aligns its budgets with them to 2022. The plan places a bigger emphasis on its public engagement role and will embed the Public Value Framework (an assessment of whether/ how a project or activity contributes to HE strategic objectives and delivers public goods) into its future planning.
- 4.73 'Public engagement' supports HE statutory purpose; promoting the enjoyment of the historic environment. The new Corporate Plan anticipates increased public engagement will lead to greater protection of the historic environment with a better informed, more motivated public, equipped to fight for and look after the historic environment.
- 4.74 HE's organisational restructure moved from separate specialist functional teams (such as Listings Officers and Archaeologists) working across regions to integrated multi-functional regional teams. The new structure is still bedding in.
- 4.75 The rationale for the Change Programme, new Corporate Plan and restructure, is sound and taken together should deliver

³⁶ HE Published Corporate Strategy:
<https://historicengland.org.uk/about/what-we-do/corporate-strategy/>

positive change within HE. However, these changes have only recently been implemented and their impact and success cannot be fully assessed at this time.

4.76 During discussions on HE's communications and engagement, planning sector stakeholders expressed concern about how effectively its different parts communicate with each other regardless of structure. The planning stakeholders highlighted inefficiency and potential delays to developments if Planning and Designation teams did not communicate well, leading to disjointed approaches and advice. HE should monitor its cross functional communications and advice as part of its success criteria following the roll out of its new Corporate Plan.

4.77 Significant organisational change inevitably impacts staff morale, engagement and delivery in the short term. However, change is necessary to reflect evolving political, financial, social and economic realities. Heritage sector interviewees felt that during the

change programme transition, there was some negative impact on their engagement with HE staff. HE is in the process of evaluating the impact of the Change Programme and should take account of the findings in any future restructure programme.

Recommendations

- 16. HE must improve the public accessibility and understanding of Heritage Counts.*
- 17. HE must review the criteria (including the potential inclusion of Grade II sites) and measures of success of its Heritage at Risk Register.*
- 18. HE needs to develop a strong, clear public engagement strategy that clarifies how the breadth of its work coheres to help protect the historic environment and how this benefits the nation.*



The wreck of the Amsterdam - a 260-year-old Dutch East India Company cargo ship at Bulverhythe beach.

5. HE's delivery of its core activities

5.1 This section of the report considers the range of specific functions that support its statutory purpose and assesses whether they are required and, if so, how effectively they are delivered.

Advice to DCMS on the designation of heritage assets

5.2 'Designation' is the process of giving heritage assets a formal status under law³⁷ to protect the Historic Environment and includes listing of buildings, scheduling of monuments, protection of wrecks, designation of parks and gardens, and registration of battlefields. The Secretary of State is advised by HE on the designation of Listed Buildings, Scheduled Monuments and Protected Wreck Sites, with responsibility for registering parks and gardens, and battlefields to published criteria.

5.3 There are two streams of designation activity: the public is able to nominate buildings, monuments, sites and landscapes for designation, which exists alongside HE

strategic designation projects, such as the recent listing of First World War memorials to coincide with the centenary in 2018³⁸. HE also hosts the National Heritage List for England (NHLE) on behalf of the Secretary of State, which is a publicly accessible online register of all designated heritage assets in England, but excludes conservation areas and other non-national designations (e.g. Local Lists) which are determined by Local Authorities. Additionally, HE advises DCMS on Consent decisions for Scheduled Monuments and Protected Wreck sites.

5.4 Designation ensures that owners, planners and developers consider heritage impact before starting any works at specific sites and buildings. Designated assets can also be 'de-designated' by application, for instance when new evidence successfully challenges a site's architectural or historic interest or as a result of a material change to a site, including the loss or damage of important physical elements.

5.5 The Review received overwhelming support for HE's

³⁷ The designation process utilises different statutory regimes depending on the type of designation. A summary of this can be found at: <https://historicengland.org.uk/listing/what-is-designation/>

³⁸ <https://historicengland.org.uk/listing/apply-for-listing/listing-priorities/war-memorials-listing-project/>

role in the designation process from heritage, local authority, and planning sector interviewees with some concerns raised about individual types of designation, which are discussed below.

Designation of Listed Buildings

5.6 Stakeholder interviews identified the listing of buildings as the most common and best known form of designation. 96% of respondents to the consultation considered that advice to Ministers on listing is still required. However, only 62% of respondents thought HE delivered this advice effectively and efficiently. In written feedback, respondents felt the decision-making process, especially on how the final decision to list a building site is made by Ministers, needed to be more transparent and required reform.

5.7 HE advice on listing follows detailed research and usually includes input from members of the public, developers and local authorities. However, some evidence submitted through the review consultation process demonstrated a degree of frustration with HE recommendations and its subsequent communications on ministerial decisions. The review received similar feedback in regards to HE's planning advice role. Whilst no in-depth analysis of the feedback was undertaken, the views expressed may well

have been based on the ultimate decision and not the process. HE could investigate the basis of the frustration expressed by its stakeholders.

5.8 In addition to specific buildings, HE undertakes thematic listing exercises to increase the diversity of the designated Historic Environment and promote a more inclusive understanding of England's past. For example HE has undertaken research to identify and list a more diverse range of important religious buildings, such as Quaker Meeting Houses and Mosques. These campaigns received positive feedback from heritage stakeholders. The Review considers that this work effectively contributes to promoting a more inclusive understanding and enjoyment of heritage.

Designation of Scheduled Monuments

5.9 The Review received broadly positive feedback on the scheduling process from both the consultation and interviews. However, a small number of heritage sector interviewees felt that HE was inconsistent in its assessment of sites scheduled as monuments in comparison to those eligible for listing. Listing is better understood than scheduling, and it was argued that this perception could lead to particular sites, for example archaeological sites which are

partially or completely underground, being neglected in comparison to others which are eligible for listing.

Designation of Historic Wreck Sites

5.10 HE advises Ministers on the designation of restricted areas protecting Wreck Sites, through secondary legislation and makes recommendations on the scheduling of underwater heritage assets as 'Monuments'. There are 54 Protected Wreck Sites in UK Territorial Waters, and designation creates a restricted area preventing uncontrolled interference. HE is obliged to provide advice on cases within UK Territorial Waters (i.e. up to 12 nautical miles from shore), and has powers to respond to cases in the wider UK Marine Area.

5.11 Feedback on Maritime Heritage from interviews and the consultation was that HE was not 'doing enough' to protect wreck sites. Whilst respondents emphasised HE had done some excellent work, for example in the introduction of Virtual Dive Trails on its website, they also noted that the protection of Underwater Cultural Heritage (UCH) could be better achieved by:

- a. Increased Prioritisation - several interviewees commented on HE's 'sea-blindness' when setting

priorities due to the relative inaccessibility of sites.

- b. Greater clarity about HE remit - respondents felt HE remit was unclear, especially its responsibility for Maritime Heritage Assets outside of the UK's Territorial Waters. It was also felt that HE should clarify its policy for responding to assets in the UK Marine Area, and UK assets in International Waters.
- c. Increased advocacy for UCH - interviewees felt a lack of representation on maritime interests in HE leadership following its decision in 2015 to dissolve its specific advisory panels (including the Maritime Committee) and create a multi-specialist Expert Advisory Group instead (see 5.14 below).

Registration of Battlefields

5.12 The Register of Historic Battlefields identifies 46 battlefield sites in England. To be considered for registration, a battle has to have been an engagement of national significance, and capable of precise geographic definition.

5.13 The National Planning Policy Framework³⁹ (NPPF) recognises that Registered Battlefields are designated assets. The Register can be updated, but the passage of time since the last battle on England's shores (c. 300 years) and the tight definition of a 'battlefield' required for designated means updates are rare.

Recommendations

19. *HE reviews the transparency of its decision making, prioritisation and allocation of resources across its full portfolio of activities, such as the scheduling of monuments and the designation of wrecks and other maritime sites.*

5.14 HE dissolved its Battlefield Panel (an advisory panel of experts) in 2015, replacing it with an Expert Advisory Group (a broader pool of external expertise available to Historic England on request). A passionate minority of responses to the Public Consultation argued that since the panel's dissolution HE had made poor or badly advised decisions; Towton and Bosworth Battlefields were provided as examples. This same feedback also suggested that HE does not always enforce the protection of Battlefields, arguing that Local Authorities can often 'chip away' at them with cumulatively significant

detrimental impact on sites. It is recognised that the nature of Battlefields makes oversight of them challenging, and that planning decisions in this area are difficult and can attract passionate criticism. Increased clarity from HE around the reasons and processes behind decisions being made would support the development of better relationships with public stakeholders.

Registration of Historic Parks and Gardens

5.15 HE maintains a register of around 1,600 parks and gardens in England of historic significance. Feedback from the heritage sector was positive about HE's role in the protection of the Parks and Gardens: neither consultation respondents nor interviewees noted any significant concerns with HE maintenance of the Register.

Management of the National Heritage List for England

5.16 HE manages the National Heritage List for England (NHLE) on behalf of the Secretary of State for Digital, Culture, Media and Sport

5.17 The NHLE is the official record of all listed buildings, scheduled

framework within which locally-prepared plans for housing and other development can be produced.

³⁹ The National Planning Policy Framework sets out the government's planning policies for England and how these should be applied. It provides a

monuments, Registered Parks and Gardens, Registered Battlefields and Protected Wrecks, and UNESCO World Heritage Sites. The NHLE is accessible online, with a search function to designated assets connected to a map of England⁴⁰ and contains over 400,000 entries.

5.18 96% of respondents to the Public Consultation felt that HE's Management of the NHLE was still required and 94% felt that it related to HE's statutory purpose. 66% of respondents felt that HE delivered this work effectively and efficiently. Some heritage and planning sector stakeholders suggested the NHLE is out-dated and inaccurate citing inaccuracies resulting from the length of time an entry has been listed and not recording incremental changes at sites over time. The sheer number of Listings is also a barrier to it being kept up to date. Inaccuracies in the list bring potential consequences for the planning application process and reduces the value and credibility of its data.

5.19 HE has processes in place to ensure new entries are accurate but updating older entries is more challenging as amending NHLE entries for listed buildings, scheduled monuments and protected wreck sites requires ministerial approval and significant HE resource. HE is

currently trialling an innovative way to resolve List accuracy.

5.20 HE's *Enriching the List* project started in 2016, enables members of the public to contribute to NHLE entries (subject to approval by HE), including photographs and details about the current state or context of designated assets. This is an innovative and cost-effective way of HE engaging with the public as well as ensuring that NHLE entries are updated. However, significant amendments to the Statutory List Entry can only be approved by DCMS as advised by Historic England.

5.21 HE offers a Listing Enhancement Service - a paid-for service to have a site's entry considered in depth and updated. HE's fee for this service is based on cost recovery only. This service provides certainty and accuracy about sites to owners and developers when considering a development. HE has independently commissioned a review of designation, and, as this is a statutory process, will work with DCMS on how to take forward any recommendations.

Planning advice to local authorities, owners and developers

5.22 HE is a statutory consultee in the planning process. It is required to

⁴⁰ <https://historicengland.org.uk/listing/the-list/>

provide advice to Local Authorities, developers and owners in various types of planning applications, from listed building consent⁴¹ to marine licences⁴². In most cases Local Authorities are responsible for deciding the outcomes of planning applications. This local authority advice role is one of HE's most extensive⁴³ and intensive areas of work, directly impacting the historic environment. HE's regional teams manage planning application advice, supported by national guidance.

5.23 Consultation respondents gave overwhelming support for the continued provision of planning advice, with 95% agreeing it was still required and 65% stating that there was no alternative delivery mechanism. Stakeholders interviewed gave near universal support for this function to be delivered by HE. In particular, property developers argued that it was essential to have an expert third party providing planning advice. Stakeholders from the planning sector recognised the benefits derived from HE's national perspective and impartiality, which ensures the advice is removed from political or local influence.

5.24 The Review concluded that this advisory role complements HE's other functions, directly supports HE's statutory purpose and makes best use of HE expertise in heritage conservation.

Effectiveness of advice

5.25 There was widespread recognition from interviewees that the quality of HE's advice was good and a practical use of its expertise, adding real value to the overall planning process. The quality of HE's advice was compared positively to that provided by other statutory consultees in the planning process, and HE was recognised as *the* heritage planning expert by heritage and planning sector stakeholders.

5.26 In contrast to positive interviewee feedback, gleaned primarily from Heritage sector professionals working closely with HE, only just over half (51%) of the public consultation respondents agreed that the actual delivery of the planning advice is effective and efficient. In qualitative responses to the survey, many respondents cited individual decisions such as Bosworth Field or Goodwin Sands as examples of HE not providing effective advice. Public consultation

⁴¹ Listed building consent is required for all works of demolition, alteration or extension to a listed building that affect its character as a building of special architectural or historic interest

⁴² Marine licences are required in many circumstances in order to undertake a project

directed at an archaeological or historic site in England in the marine and coastal area.

⁴³ In 2018/2019 HE managed over 20,000 total planning cases

feedback may well be skewed by a particular decision rather than indicative of the effectiveness of HE advice.

5.27 HE could do more to promote greater understanding of its role in the planning process by clarifying what it can and cannot achieve and by being more transparent about the rationale of its advice, which has to be detailed and technical in order to provide clear advice to developers and Local Authorities. However, the technical nature of the advice can seem obscure to members of the public. In cases with public stakeholders or considerations, HE should consider producing 'plain English' communications to complement its formal planning advice, to ensure that the process is inclusive to all stakeholders, rather than being perceived as inscrutable.

5.28 Local Authority and planning stakeholders agreed that an essential benefit of having HE play a role in the planning system is its facilitation of clear and open channels of communication between parties at the early stages of planning applications. This focus on early engagement brings parties together to discuss and agree constructive solutions to individual projects early on, helping to reduce the chances of later challenges to applications. Stakeholders encouraged HE to continue this approach wherever possible.

5.29 HE provides some free advice to developers and owners before a formal application is submitted. In addition, HE has developed an enhanced Pre-Application Service for developers as part of its Enhanced Advisory Services (see section 6), providing additional support for a fee. Interviewees and respondents to the consultation voiced concerns that the enhanced Pre-Application Service may act as a barrier to HE's provision of a neutral and accessible service to everyone with planning-related needs. HE needs to be clearer about the level of free pre-application support available and ensure that the fee paying Enhanced Service does not, for some, deter early engagement with HE.

5.30 Whilst bearing in mind potential barriers (outlined in paragraph 5.29), HE and DCMS could examine whether a more sustainable cost recovery model could be put in place for activities such as HE's free masterplanning and design review services. This could boost HE's self generated income streams and reduce its call on the public purse.

5.31 Some stakeholders raised concerns over the consistency of HE's planning advice, suggesting differences in regional offices and even individual caseworkers. Anecdotal examples were provided by planning sector stakeholders detailing where a planning case had moved

between HE caseworkers and a lack of a consistent interpretation caused delay and additional expense for developers and owners.

5.32 HE planning casework is, to some extent, subjective and so some variation between staff and different offices is to be expected. However, HE needs to examine this feedback and assess whether it needs to do more to minimise this variation especially where it may have a meaningful impact on the eventual decision reached, and whether it could do more to ensure that national guidance is applied appropriately to individual cases. Feedback from the roundtable events with HE staff highlighted that a greater emphasis on internal staff networks of specialists, to share best practice and improve technical learning across teams and regions would help reduce variation.

5.33 HE's exact role in the planning system is determined by various statutes and in the National Planning Policy Framework⁴⁴. HE has recently considered the types of planning cases that it prioritises and responds to, to ensure its work has the greatest impact on protecting the historic environment. The outcome of HE consideration was some minor amendments to internal processes and overall approach,

but no radical refocusing of its activities.

5.34 A number of heritage sector stakeholders raised concerns about the perception of HE's "No Comment" letters, when advice on a specific application falls outside its remit. Feedback to the review suggested that planners may view these letters as stating that the site in question has no historic or heritage considerations. To remedy this perception, HE should improve its communications and guidance around their use of "No Comment", to avoid any misleading intent or ambiguity.

Local authority heritage capacity and capability

5.35 Individual Local Authorities are key partners in HE's role in the provision of planning advice, and usually the decision makers on individual planning applications. There has been a 35% reduction in the numbers of historic environment specialists working in Local Authorities since 2006⁴⁵ according to HE's Tenth report on Local Authority Staff Resources. This was a major concern for many stakeholders consulted as part of the Review. The main concern was that this reduction in specialists has had a negative impact on the in-house heritage and planning capability of Local

⁴⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁴⁵<https://historicengland.org.uk/images-books/publications/tenth-report-la-staff-resources/>

Authorities. Respondents suggested that HE must have a key role to play supporting individual Local Authority expertise and capability.

5.36 HE currently provides training and grants to Local Authorities, helping planning decision-making and boosting capability. This work was well received by stakeholders and Local Authorities. HE's training and grants are important in enabling Local Authorities to make informed planning decisions to better protect heritage assets and enable developments.

5.37 Some Local Authorities have removed their in-house heritage expertise and where it is still in place HE needs to be alert to the potential of duplicating effort so should tailor its support accordingly. Local Authorities fed back that there is an opportunity for HE to develop more bespoke engagement strategies tailored to individual Authorities, helping build relationships between them and promote early strategic discussions for larger scale projects.

5.38 More generally, the Ministry of Housing, Communities and local government is exploring the issue of Local Authority capability and HE should continue feeding into this work and to any plans being developed.

Recommendations

20. HE must improve communications with the general public and stakeholders on its role in providing planning advice, and give "plain English" rationale for its decisions.

21. HE should ensure consistency of advice and guidance across different teams and regional offices to ensure planners, developers, heritage organisations and the public are clear about their responsibilities, have confidence in the advice and avoid additional costs.

HE grants and grant-giving process

5.39 HE manage a number of grant funding streams, including:

- a. **Local and national capacity-building grants** - to support third sector organisations to protect heritage through building skills, capability and expertise (around £2.5 million was awarded in 2017/18);
- b. **Repair grants** - to fund expert advice and emergency repairs to ensure that heritage at risk is not lost (around £11.2m was awarded in 2017/18 to 260 projects);

- c. **Place making grants** - as part of wider government strategies relating to “Place”, HE provides a variety of grants to partners helping to renovate and regenerate areas of historic interest. HE’s role in placemaking is discussed in more detailed on page 58;
- d. **Research grants** - grants to support external research aims, in alignment with HE’s overall aims and research strategy.

seen in specific sites being removed from the Heritage at Risk register following emergency repair grants, increased listings diversity following research into religious buildings (see case study), and capacity grants enabling smaller organisations to deliver more through volunteers. Interview feedback suggested HE grants often provided a catalyst for other funding, such as the National Lottery Heritage Fund.

Historic England and the National Lottery Heritage Fund

- 5.40 85-92% of consultation responses agreed that these grants are required by the sector and should continue. Sector stakeholders argued that HE grants were fundamental to the resilience of the heritage sector as a whole.
- 5.41 Stakeholders agreed that HE grant schemes aligned with HE’s overall purpose and wider strategies. For example, HE repair grants ensure the timely protection of vulnerable heritage assets, and HE capacity building grants help to fund smaller groups within the sector (such as the National Amenity Societies) to support and help deliver HE’s statutory purpose.
- 5.42 Stakeholders suggested that HE grants were broadly effective in achieving their aims and in delivering value for money. Further evidence for the effectiveness of HE grants can be

- 5.43 The National Lottery Heritage Fund (NLHF) is the largest heritage grant provider in the UK. The Review considered potential duplication of effort between the HE and NLHF.
- 5.44 The NLHF and HE grants appear to have distinct criteria and purposes. For example, the NLHF is in the main only able to support individual projects, rather than provide cross-cutting funding for the sector. HE is able to fill this gap by providing essential longer-term support to organisations such as the National Amenity Societies through its programme of capacity building grants. This HE grant enables wider groups to function and contribute towards the protection of the wider historic environment. Heritage stakeholders described how HE’s and the NLHF’s grants often

complement each other and effectively support the historic environment. HE's repair grants are used to undertake rapid emergency repairs on sites at risk to secure a site in the short term, enabling more substantial grant application to the NLHF to secure the site's long-term future and use. The Review concludes that there is little duplication between the NLHF and HE grants, and that they broadly work well together.

5.45 The Review received very limited support for the grants being delivered by another party in the sector and no single alternative body was suggested. HE's grants process makes use of its in-house expertise, aligns with its statutory purpose to protect the historic environment and complement many of HE's activities, such as the *Heritage at Risk Register*.

5.46 Feedback on HE grant application process was positive. The consultation provided positive feedback (albeit from a limited number of respondents) on the process with 80% of respondents agreeing that the process was proportionate to the grant being requested. 64% of respondents considered that HE provided the correct level of support and guidance for applicants. Heritage stakeholders and grant recipients generally viewed the process for research and capability grants as being positive but had concerns about

some others, in particular the repair grants.

5.47 More detailed feedback was provided in interviews by stakeholders who had received grants. The application and monitoring process for repair grants was singled out by some stakeholders as being disproportionate to the value of the grant requested. The criteria for spending the grant was described as stringent and lessening the value and impact of the award, for example by requiring that even simple repairs be undertaken by highly qualified, generally more expensive tradespeople. Stakeholders suggested a scalable and proportionate application process would enable greater value from the grant. There were also suggestions that HE should consider alternative financing models, such as low interest or no-interest loans for specific projects. As part of future planning, HE should consider these ideas in more detail.

5.48 Some heritage and Local Authority stakeholders are unclear on HE's overall strategic approach and rationale to its grants. They often felt unsure about criteria, process and levels of funds available under each scheme. It was argued that greater certainty and understanding would enable potential applicants to align their own plans with HE strategies, enabling better collaboration and

efficient use of funding. HE its improve transparency around their grants processes and promote greater understanding and awareness of its grants strategies.

Recommendations

22. HE must simplify its grant application processes to ensure they are proportionate to the value of the grant provided.

Place and placemaking grants

5.49 HE contributes to the government’s “Place” and local regeneration agenda through its Heritage Action Zone (HAZ) and Heritage High Streets programmes.

Heritage Action Zones & Historic High Streets

5.50 The HAZ initiative is a series of 20 projects working with English local authorities and other partners to regenerate areas of historic interest. HE provides funding to support specific sites and projects, offers expertise and advice on conservation, manages specific research and listing campaigns, and provides detailed advice on the reuse of historic buildings. These projects contribute towards a sustainable future for areas of interest and

thus help to protect the historic environment.

5.51 Early assessment by HE suggests that they have had varied but overall positive benefits, e.g. increasing tourism and thereby helping the local economy in Appleby⁴⁶. HE anticipates that benefits from HAZ projects include, attracting match-funding of the HE initial investment, improved commercial use of floor space and the restoration of heritage assets.

5.52 The government recently announced an additional £95m of funding (of which £3m is provided by the NLHF) to support 69 new High Street HAZ projects, providing further evidence of the benefits to these programmes and a key part of government’s focus on local high streets and town centres⁴⁷.

5.53 Stakeholders generally supported HE’s role and work in placemaking. Planning stakeholders felt the funds delivered positive outputs, that HE expertise supported those involved and added value to the projects. There was recognition that this is a relatively new role for HE and that more time was required to assess its long-term effectiveness and impact of these schemes.

⁴⁶ <https://historicengland.org.uk/services-skills/heritage-action-zones/appleby/>

⁴⁷ <https://www.gov.uk/government/news/95-million-to-revive-historic-high-streets>

5.54 Heritage stakeholders expressed some concern that the HE focus on place as defined by the projects it funds, may mean it diverting resources and attention away from other sites of historic importance or where there is a high risk to existing heritage assets. They would welcome clearer communications from HE on its role in the place agenda and how it aligns with its strategies and statutory purposes. While HE has published a strategy detailing its approach to the “place” agenda⁴⁸, this was unfamiliar to some stakeholders.

- d. Understanding risks, change and opportunities;
- e. Caring for England’s most important heritage;
- f. Improving and developing heritage information management;
- g. Supporting and improving the heritage sector;
- h. Inspiring others with our research; and
- i. Developing technology and tools.

HE research

5.55 HE undertakes in-house research and funds external programmes on the historic environment often in collaboration with universities and third sector organisations. HE has published a detailed Research Strategy⁴⁹ for use by the sector, to align HE and wider heritage research with the following priorities:

- a. Understanding the value of heritage to society;
- b. Discovering and understanding our heritage and assessing its significance;
- c. Celebrating the cultural diversity of England;

5.56 HE is a Public Sector Research Establishment (PSRE), meaning its research focuses on: policy and regulation, science, and innovation. In addition, HE research has also been recognised by UK Research and Innovation, which awarded it Independent Research Organisation (IRO) status. This enables HE to access significant Research Council funding for its projects.

5.57 An overwhelming (94%) of respondents to the consultation confirmed that HE’s research function is required. Stakeholders interviewed also noted that HE’s research grants usefully support wider academic research. Whilst stakeholders thought academia or think tanks could also deliver HE’s research function, they felt

⁴⁸ <https://historicengland.org.uk/content/docs/planni ng/he-places-strategy-2019/>

⁴⁹ <https://historicengland.org.uk/images-books/publications/research-strategy/>

there remained benefits to having a public body leading this research complementing HE's wider aims and programmes.

Effectiveness of HE research

5.58 HE's research is very highly regarded by the sector with particularly positive feedback on how it helps set and improve standards of practice in conservation, with a direct positive impact on the protection of heritage assets. Some heritage and academic stakeholders felt that any reduction in HE's research capacity could lead to reduced conservation capability in practice. The Review recognises that HE being classified by government as a PSRE and awarded IRO status provides strong evidence that HE research is of high quality and respected by experts in the research community.

5.59 HE collaborates well in its research and contributes to the wider sector, funding 21 PhDs in the last five years, commissioning external research projects and has long-term arrangements in place with universities, public sector and private sector research groups⁵⁰. Stakeholder feedback agreed that HE's research function worked effectively with academia and other research institutes. Specific

examples from the feedback illustrated how HE has made use of external expertise when it lacked it in house and focused on strategically important topics and not funding research that only reflect HE own existing priorities.

Access to HE research

5.60 HE publishes its research on its online Research Reports Series. HE recorded 382,000 research report downloads in 2018-19, a substantial increase from 2017-18 (195,000), and an overall slight increase in page views of the research section of its generic website. While these increases are welcome, stakeholders felt that HE research should be more accessible to academics, researchers and conservationists. A number of stakeholders interviewed felt that HE's research web pages should be easier to navigate, and that HE should make better use of its research work as part of a planned engagement strategy.

Research strategy

5.61 HE publishes a Research Agenda⁵¹, supporting its Research Strategy and detailing its priorities. It is important that HE research strategy and priorities remain relevant, aligned with and supporting its new

⁵⁰ A recent example includes seeking proposals from universities to co-supervise one of HE current PhD students:

⁵¹ <https://historicengland.org.uk/research/support-and-collaboration/researchopportunities/>
<https://historicengland.org.uk/images-books/publications/he-research-agenda/>

Corporate Plan. As an accredited IRO, HE is able to access dedicated research grant funding. To date HE has not developed a formal strategy for applying for funding under this scheme. HE should make the most of its IRO accreditation and prioritise the development of a research funding strategy to optimise additional funding opportunities.

HE public engagement

5.62 HE undertakes a number of different public engagement activities to promote interest in, and understanding of England's historic environment. 89% of respondents to the consultation thought that this public engagement activity was still relevant to the public and government. However, only 48% of respondents felt that HE did it effectively and efficiently (a further 13% responded that HE delivered it partially effectively and efficiently). Only 28% of respondents felt that this public engagement could not be delivered by another organisation, with a small minority suggesting that the work could be delivered more effectively by other organisations.

5.63 HE's engagement activities are considered below.

Campaigns

5.64 HE undertakes thematic public engagement campaigns to generate interest and grow public understanding of the historic environment. For example, its *100 Places*⁵² initiative invited public nominations for places that have most shaped England's history. *HerStories*⁵³ looked to uncover and celebrate the places and people who shaped the journey to women's suffrage and gender equality. HE has also run campaigns around particular historic sites, such as the *#Rooswijk1740* campaign⁵⁴ to raise public awareness of the excavation of a unique Dutch wreck in UK territorial waters through digital and physical engagement. Many HE campaigns focus on the diversity of England's heritage and aim to increase the range of those actually engaging with the historic environment. HE's public engagement campaigns often coincide with anniversaries of key historical events, such as the centenary of women's suffrage.

5.65 These campaigns appear to generate public and media interest and the Heritage sector stakeholders viewed them a HE engagement success.

⁵² <https://historicengland.org.uk/get-involved/100-places/>

⁵³ <https://historicengland.org.uk/get-involved/help-write-history/herstories/>

⁵⁴ <https://historicengland.org.uk/whats-new/research/rooswijk-shipwreck-excavation-the-post-excavation-phase/>

Digital engagement

5.66 HE has an active presence across social media platforms including Facebook, Instagram and Twitter, where users follow different facets of its work, for example @HE_Maritime and @HE_Archaeology. Feedback from the heritage sector interviewees was positive about HE's social media presence. Internal data demonstrates that HE's social media 'reach' has grown significantly in the past few years; its main Twitter page has around 225,000 followers. HE has also explored other digital methods of engaging with the public including *Enriching the List* (discussed on page 51), *Virtual Dive Trails* (an online exploration of wreck sites) and *Pride of Place* encouraging contributors to pin places of significance to LGBTQ+ heritage onto an interactive map.

5.67 This type of digital engagement encourages greater interest in England's historic environment encouraging the public to take a more active interest in heritage.

Exhibitions and events

5.68 HE has no major exhibition space but works in partnership with others to deliver exhibitions, including recent collaborations with the Imperial War Museum, Central St. Martin's and the V&A, amongst others. Feedback suggests that HE works well in partnership, making good use of the many resources in its Archive

to add value to the projects. Interviewees were supportive of further HE partnership events in the future.

5.69 Generally, these campaigns, exhibitions and events have successfully engaged the public, celebrated a more diverse range of perspectives and made heritage more accessible and relevant to the public. While other heritage organisations engage with the public, there is a clear rationale to HE undertaking this activity as it complements its other functions and helps it fulfil its statutory purpose. However, HE's outreach projects, while successfully delivered and popular with audiences, often appear to be considered and designed in isolation as and when partnership opportunities or historical anniversaries arise, rather than in response to a concerted engagement strategy. By developing a clearer and longer-term engagement strategy, HE can develop its reputation in the heritage sector as a partner and provider of high-quality public engagement work, leading to further partnerships and greater public access to its assets and expertise.

Heritage schools

5.70 Since 2012 Historic England has run Heritage Schools, an education programme funded by the Department for Education. The programme trains 3,500 teachers annually and supports

them to embed local heritage in their curriculum. Annual external evaluation based on feedback from teachers demonstrates that the programme is very highly regarded with 97% of teachers reporting a greater understanding of the value of using local heritage in their practise. For pupils, evaluation shows that the programme is effective at increasing local pride and sense of place. Since 2012 the programme has reached more than 700,000 children in schools in areas of high deprivation and with least social mobility across England.

The HE archive

5.71 The HE Archive, based in Swindon, is one of the largest publicly accessible archives in the UK, holding over 12 million items in its collection including photographs, drawings, reports and publications from the 1850s to the present day, over a million of which can be searched online. The Archive is a 'Place of Deposit', appointed by the authority of the Secretary of State under Section 4 (1) of the Public Records Act (1958). This means that it can hold specific classes of record, including Public Records.

5.72 The Archive is well-regarded by the public: 95% of consultation respondents felt that the Archive is required, and 94% responded that maintenance of the archive is linked to HE statutory purpose. In the written responses, consultees

described the Archive as a 'vital resource'.

5.73 However, only 66% of respondents noted that the archive was efficiently and effectively run by HE, suggesting room for improvement in two key areas:

- a. increased archival expertise/ resource, for example by seeking support from organisations such as The National Archives, academic institutions or local authorities.
- b. improving the user experience by making access to its records easier e.g. (by digitising more of the collection).

5.74 Some respondents raised anecdotal concerns that the cost of accessing records in the Archive should be closely monitored to ensure that it does not deter usage.

5.75 The Archive has recently received confirmation of its Archive Service Accreditation (ASA). As part of this process, the Archive received development actions, regarding the preservation policy for 'born-digital' materials and the development of a more automated preservation process for digital material. Overall, ASA was positive about the Archive's current policies and practices.

What is Archive Service Accreditation?

Archive Service Accreditation defines good practice and agreed standards for archive services across the UK. It offers both a benchmark against which all archives can measure their practice and an on-going development framework for archive service organisations and professionals.

Accreditation is either fully or provisionally awarded, or not awarded. It is considered based on three particular areas: Organisational Health (and the status an Archive has in a wider organisation, if relevant), Collections, and Stakeholders and their experiences.

As part of the assessment process, Archives are given Required Actions and Development Actions, which support them to improve their policies, plans and procedures with support from the assessor body.

Archive Service Accreditation status is a consideration in the renewal of approval to be a Place of Deposit.

5.76 The Review asked whether HE should be given additional functions; 33% of respondents provided views on this topic and, of those, 50% said 'Yes'.

5.77 A large number of consultation respondents wanted HE to have additional powers to enforce planning decisions and to take stronger action to protect heritage sites. A number of respondents suggested that HE should work more closely with Local Authorities to support its delivery. A minority want HE to have greater powers to provide interim protection to buildings.

5.78 Stakeholder interviews did not identify many additional functions or activities for HE but it was suggested that the heritage sector would benefit from a version of the National Portfolio Organisation structure used to manage grants as in the Arts sector.

5.79 There are no obvious additional functions HE should be undertaking at this time.

Other functions or activities



Three Grade II listed structures: Cornish Place, Ball Street Bridge and Samuel Beckett & Sons Brooklyn Works at Kelham Island, Sheffield, Yorkshire, UK

6. Effectiveness, efficiency and governance

Efficiency

- 6.1 The Review has assessed HE's efficiency by examining the measures it has undertaken over the past decade, the level of HE baseline funding, and analysis of back-office administration costs.
- 6.2 Since the 2010 Spending Review, budgets in most government departments have been reduced in real terms. At the same time a significant reduction to HE funding was agreed and necessitated a series of significant organisational reforms; substantially improving HE's overall efficiency. This

reduction in HE operating costs is shown in fig 6.

- 6.3 The major changes to HE's cost base relate to:
- Staffing levels:** HE has gone through several rounds of redundancies. Over the period 2010-11 to 2018-19, the number of full-time equivalent staff (FTE) decreased from 998 to 842, with the Planning and Research functions most significantly impacted.⁵⁵
 - Grants payments:** Grants expenditure excluding one-

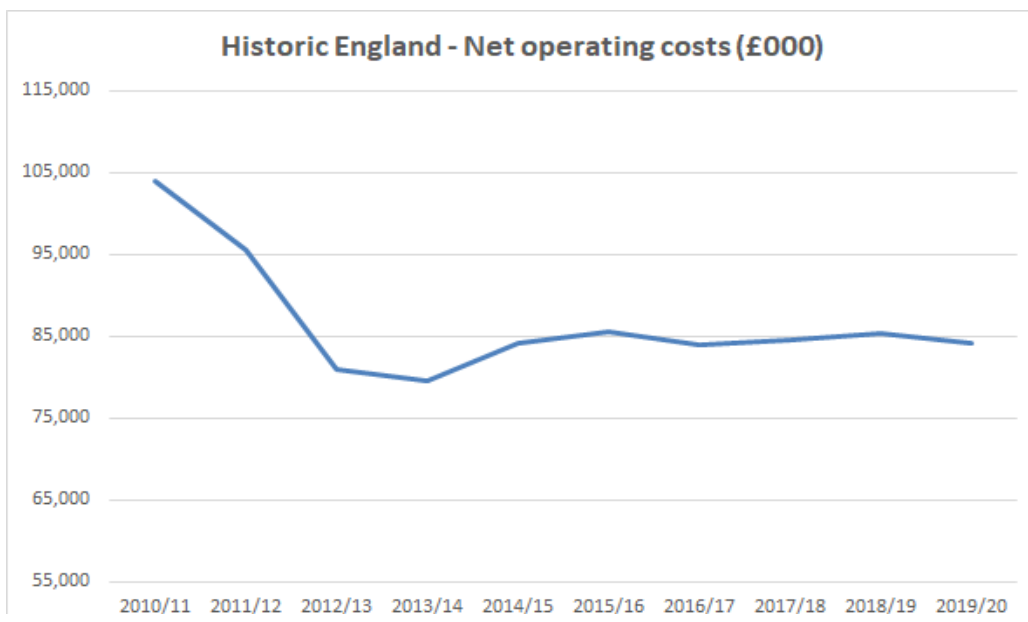


Figure 6 – Nominal reduction in HE net operating costs since 2010-11⁵⁵

⁵⁵ Based on Historic England financial data provided to the Review

off projects has reduced from £35 million in 2010-11 to £16 million in 2018-19.

- c. **Back office administrative costs:** Corporate Services changes have reduced administration costs from £23.7m to £12.2m. Reductions in the cost base include significant accommodation and IT efficiencies that have been offset to some extent through increases in earned income by providing shared corporate services.

6.4 HE is a lean organisation and the Review makes no recommendations on areas for improved efficiency. DCMS will continue to monitor HE's overall efficiency as part of its routine sponsor relationship. Future funding of HE is subject to the outcome of future Spending Reviews.

HE income generation

Enhanced advisory services (EAS)

6.5 Alongside existing free planning and designation services, HE introduced four enhanced services in October 2015. These aim to give greater certainty to

complex or time-sensitive development projects in return for charging a fee to recover the cost of providing this additional advice.

6.6 The four main services are:

- a. **Fast-track listing** - where HE makes a listing or Certificate of Immunity⁵⁶ (COI) recommendations to government in half the usual time;
- b. **Listing enhancement** - where HE recommends updating a List entry to provide clarity and better definitions of those parts of sites with special architectural or historic interest;
- c. **Extended pre-application advice** - where HE provides early constructive advice over an extended period, to help ensure heritage can be considered early in the development of a planning application; and
- d. **Screening for Potential Listing** – where HE provides a report to give its assessment of the likelihood of any above-ground heritage assets meriting further consideration for listing.

⁵⁶ A COI is a document that guarantees that a building will not be statutorily listed within a five-

year period. This provides certainty to developers.

- 6.7 HE also offers a major projects service, providing a tailor-made package of the above services into an agreed Service Level Agreement. This service tends to be used for large and complex infrastructure projects and major developments, such as High Speed Rail Two (HS2) and the Heathrow expansion project.
- 6.8 HE recovers the costs of delivering these additional services through charging fees. The fees must be based on full cost recovery only and so aim to ensure that HE core work is unaffected. HE raised £770,394 from the EAS in 2018/19.
- 6.9 Consultation responses were broadly complimentary towards HE EAS, with c70% agreeing they are effective, value for money, appropriately priced and in line with HE objectives. Interview evidence suggested that property developers are broadly in favour of HE EAS. Feedback suggested them to be good value for money, beneficial to the development process and appropriately priced.
- 6.10 However, heritage sector representatives expressed some caution about EAS. They raised concerns that there is a perception risk that HE advice and recommendations may be compromised due to receiving income from a developer. There was no suggestion of impropriety, but heritage stakeholders stressed the perception risk this could pose for HE.
- 6.11 Local Authority representatives expressed some concern that smaller developers may be put off by HE fees for the EAS, which may cause them to not engage with HE before making a planning application. Page 53 goes into more detail about why HE early engagement in the process is essential, and discusses the potential reasons for a recent decline in uptake of HE's free pre-application advice. HE needs to ensure that EAS do not deter free early engagement and that there are no unintended consequences in the scheme for small developers, which may be unable to pay up front fees.
- 6.12 Local Authority evidence set out concerns regarding the impact of extended pre-application services. They argued that in some instances HE and developers engaged on cases in siloes, without Local Authority representatives in the design and development of plans. This siloed working could cause difficulties later on in the process and drive a wedge between the three parties working together effectively. HE needs to investigate this further and provide guidance on productive collaboration between the three parties.
- 6.13 HE is prevented from charging more than cost recovery for these services, limiting its ability to generate additional income to offset other areas of their business. There were suggestions from a small number

of stakeholders that the rules should be changed to enable HE to generate a greater level of income for these services. This would provide HE with greater security in its future funding and subsidise HE's other functions.

- 6.14 The Review concluded that an operational change of this type is not without risk, needing to carefully balance the interests of smaller developers and whether fees would act as a deterrent for heritage developments. The perception risk of HE advice being compromised would also need careful management. The Review notes that the current fee levels were discussed in detail and agreed by HE, DCMS, MHCLG and Treasury officials before the launch of these services.
- 6.15 Views from the heritage sector and some developers would welcome greater transparency over the EAS process and the costs involved. Transparency could potentially increase uptake, as developers would have a clearer understanding of the costs and potential outcomes up front. Additionally, it would help mitigate the perception risk from others in the sector that HE were compromised through the delivery of EAS, by for example clearly explaining that HE does not give priority to "fast-track" EAS applications over non-EAS applications.

6.16 HE has started to develop a philanthropy strategy to generate income and has recruited a dedicated philanthropy team to support this. In 2018/19 HE generated £388k for heritage projects, in addition to securing £744k in pledged income for Shrewsbury Flax Mill Maltings Programme in two years (2017/18 and 2018/19).

6.17 Heritage stakeholders had some concerns about HE's new drive to increase income from philanthropy and grants. They questioned the appropriateness of HE as a public body in receipt of Grant in Aid from government, with a board appointed by ministers, applying for grants intended for charities, and others in the third sector. HE could be competing with less well-resourced organisations within the sector for philanthropic income, harming positive relationships and damaging their sector leadership role.

6.18 HE also created a charity in 2017, the Historic England Foundation (the "Foundation"), to support further philanthropy and fundraising. The purpose of the Foundation is: to promote the conservation, protect and improve heritage assets, and to advance education, knowledge, and further the public's enjoyment of heritage assets. These are closely aligned to the HE own statutory purposes. The Foundation's trustees plan to

Philanthropy

maximise income from donations, legacies, Gift Aid and grants. Their income totalled £450k in 2018/19.

Shared services

6.19 HE provides a “shared services” service to a number of customers, providing back office HR and finance systems. This generated an income of £8.5m for HE in 2018/19. HE provides Information Management Technology, Human Resources and Finance Services to EHT, and transactional financial services to DCMS as well.

6.20 EHT has started to deliver some specific back office functions in-house and so buys less of the HE shared services offered by HE, although this has been partially off- set by some roles and costs transferring from HE to EHT. The Review notes that while this may deliver efficiencies for EHT, it will also have a negative impact on HE’s income generation, future financial position and the resilience of the new model itself. HE and EHT should engage openly and work together effectively to ensure any future change is well managed by both organisations.

Recommendations

23. In order to deliver their Enhanced Advisory Services more effectively, HE needs to:

- a. Investigate whether Pre-Application services are a barrier to early engagement between HE, developers and Local Authorities; and*
- b. Improve transparency and understanding of EAS process.*

24. HE and EHT should engage openly and work together effectively to ensure any future change is well managed by both organisations.

Digital

6.21 HE has a wide range of corporate, commercial and statutory functions that are conducted through digital channels. This includes corporate functions such as finance and HR, statutory functions like the management of the National Heritage List for England, and other activities like the administration of its grant-giving systems. As with most contemporary organisations, HE’s digital infrastructure comprises hardware, a number of different software-based systems and a

range of web-based operations and websites⁵⁷.

Digital infrastructure and systems

6.22 The range of different HE functions requires the use and maintenance of numerous, sometimes incompatible IT systems. The current HE digital strategy places a focus on finding common platforms for common tasks and should be pursued vigorously.

6.23 Feedback from internal stakeholders suggest that HE's IT systems are old and often out of date. Staff felt that the digital infrastructure is a barrier to effective working and investment in it should be a priority. Feedback from heritage sector stakeholders echoed this frustration with HE IT. For example, grant recipients noted the annual reporting process involved them filling in a paper form and posting it to HE, increasing costs through inefficient working.

6.24 It is important that HE digital strategy prioritises system compatibility to deliver maximum efficiency and that it seeks to update archaic hardware and systems. The Review considers

that if HE continues to use its current IT infrastructures, it will create further inefficiencies over time and risk HE ability to change and adapt and even deliver its core functions. However, it is recognised that this would require access to additional resources to invest in IT infrastructure and that HE needs to develop a robust case for additional funding to be assessed by the government alongside other competing priorities.

Web presence and digital offer

6.25 As mentioned in the Public Engagement section, HE has developed a digital offer which seeks to make its data, processes and research more accessible to the public. It has also sought to use its website as a portal for its core functions, including publication of research and guidelines.

6.26 HE has had some success from its web-based offer. However, feedback from the sector was clear that users felt HE website remains difficult to navigate and search effectively due to the convoluted architecture of the site. Further, numerous stakeholders commented that the website did not provide clarity on

⁵⁷ HE has two main websites:
historicengland.org.uk and
archive.historicengland.org.uk

HE, its functions, activities and priorities and needs tidying up.

- 6.27 HE's core messages to the public seem to be getting lost if they rely on communications via its website. HE should simplify and clarify its website architecture, with a view to ensuring that its overall aims and core functions are clear to the public, and to supporting an enhanced digital offer which builds strategically on existing successes.

Future-proofing and the digital agenda

- 6.28 The report from Archive Service Accreditation's assessment of the HE Archive highlights the changing nature of archival material being collated by HE. Increasingly material is 'born digital', meaning that it originates in a digital form, such as digital photographs or documents published online.
- 6.29 The classification of what constitutes 'heritage' constantly changes. HE must ensure that it is open to new and emerging understandings of what constitutes heritage, including that which is intangible.
- 6.30 This should be reflected in Historic England's approach to supporting the preservation of information relating to the historic environment, in whatever form it comes. This includes the development of strategies for the preservation and understanding

of both digital and born digital material (i.e. material which has been digitised, and material which has always been digital), as well as strategies that will increase the accessibility of HE work and assets to the public.

Recommendations

- 25. HE must develop a more detailed digital strategy, which includes plans for more detailed digital engagement, better use of existing content (including research and data), ensuring that key information can be more easily accessed by others and that more of HE processes are digitised.*
- 26. HE must make its research more easily available and accessible on its website.*
- 27. HE needs to develop a robust business case to the government to access future funds to design plans to update its IT infrastructure to either ensure compatibility and data sharing between existing legacy systems or plans for migration of data to a new system.*

Governance

- 6.31 Good corporate governance is central to the effective operation of all public bodies. HE was asked to complete a self-assessment against the Principles of Good Corporate

Governance as set out in the Cabinet Office guidance on Tailored Reviews⁵⁸. It was asked to identify any areas of non-compliance with the principles and explain why an alternative approach has been adopted and how this approach contributed to good corporate governance. This is known as the 'comply or explain' approach, and is the standard approach to governance in the UK. The full self-assessment is at Annex E.

6.32 There are currently two areas of non-compliance related to the Public Records Acts (1958 and 1967) and reporting of expenses. Annex E sets out the actions HE has put in place to rectify its non-compliance and the Review is content with the approach.

HE commission

6.33 The HE Commission is the governing board of HE. The Commission's purpose and role is clearly set out in the detailed terms of reference, hosted on its website. In short, its role is to establish the overall strategic direction of the organisation, within the policy and resources framework agreed with the government, and to ensure that Historic England complies with any statutory or administrative

requirements for the use of public funds.

6.34 There are up to 17 Commissioners, who are appointed by the Secretary of State for Digital, Culture, Media and Sport in accordance with the Cabinet Office's Governance Code on Public Appointments. Role specifications for new Commissioners are agreed with government and reflect relevant legislation⁵⁹. The National Heritage Act specifically mentions the desirability for Commissioners to have experience of a number of different specialisms, including archaeology, architecture, local government, and town planning, among others.

6.35 When deciding Commissioner role specifications, HE ensures that specific areas of expertise mentioned within the Heritage Act are considered. While specific expertise has clear benefits, it can limit the pool of potential applicants and may reduce the benefits derived from Commissioners having wider experience outside of the heritage or planning sectors. HE is required to undertake an annual board skills and performance audit to ensure an appropriate balance of skills.

6.36 There is room for improved diversity of the Commission, to

⁵⁸ Tailored reviews: guidance on reviews of public bodies;

<https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance>

⁵⁹ The National Heritage Act (1983)

ensure it better reflects the public that it serves. HE should continue to work proactively to encourage a more diverse pool of applicants for upcoming opportunities to join the HE Commission, and should regularly review its approach, ensuring that it is making the most of all opportunities to engage on this issue.

Internal governance

6.37 HE has three advisory committees to provide expert advice to support its core functions in contentious or novel cases plus a further advisory committee to monitor the condition of the NHC (Historic Estate Conservation Committee). In addition, HE has three additional committees to help manage internal business, such as finance and remuneration⁶⁰. The membership and terms of reference for each committee is available on the HE website.

6.38 HE appoints a number of external subject matter experts to be members of the four advisory committees, to enable HE to draw on wider expertise from the sector when considering complex or contentious issues and matters of wider heritage policy. For example the Designation Review Committee advises HE on complex, contentious and high profile designation review cases.

This approach draws on sector expertise to strengthen HE's expertise and supports HE's engagement with the heritage sector.

6.39 HE has reduced the number of single focus advisory panels it convenes, such as the Battlefields Panel, and has enrolled panel members into a single HE Expert Advisory Group to provide staff access to external expertise. This approach seems sensible and helps simplify governance and advisory arrangements. However, HE needs to ensure that the panels and advisory meetings maintain the correct expertise from across the different heritage specialisms.

Relationship with DCMS

6.40 DCMS Ministers are ultimately accountable for HE to Parliament and to the public. There is a good working relationship between DCMS and HE, with regular and productive engagement at both official and ministerial levels. The relationship and accountability arrangements between HE and DCMS is set out in a document called the Management Agreement, which is available on HE's website⁶¹. The Management Agreement is due to be reviewed and updated in 2020, which will help ensure good governance

⁶⁰ <https://historicengland.org.uk/about/who-we-are/committees-and-panels/>

⁶¹ <https://historicengland.org.uk/content/docs/about/historic-england-management-agreement-2016-2020-pdf/>

between HE and DCMS, and which will incorporate the major recommendations from this TR.

Performance measures

6.41 HE's current performance measures are set out in its annual report, and are informed by the Management Agreement with DCMS. Feedback from stakeholders suggested that these measures could be improved to be more robust, objective and measurable. The Review agrees and recommends these performance measures are updated, especially in light of the publication of HE's new Corporate Plan. Performance measures should be robust and measurable, clearly linked to their new strategies, and reflective of the impact of their programmes and initiatives on the historic environment.

6.42 The Review understands that as part of the Change Programme and publication of the new HE Corporate Plan, HE is reconsidering its KPIs and performance measures. HE should continue this work and engage with DCMS policy sponsors to develop and agree new measures.

Recommendations

28. *In line with Cabinet Office best practice, HE should ensure compliance with the Public Records Acts 1958 and 1967, and publish information on expenses claimed by senior staff and Commission members.*
29. *HE must undertake an evaluation of the Commission's skills and experience, and consider a broader interpretation of the relevant statute when designing the criteria for upcoming Commissioner appointments.*
30. *DCMS needs to work with HE to develop new KPIs, which are more robust, objective, measurable, and linked more clearly to HE's front line activities and the impact it has on the historic environment.*
31. *DCMS and HE (EHT as appropriate) must agree and publish a Review Implementation programme to ensure the recommendations are delivered and the benefits realised.*

Annex A - Tailored Review of Historic England, Terms of Reference

Historic England, (HE) an Executive Non-Departmental Public Body (NDPB) of the Department for Digital, Culture, Media and Sport (DCMS), was established on 1 April 1984 by the National Heritage Act 1983 and protects, champions and saves the places that define who we are and where we've come from as a nation. HE is the sole member of a charity - The English Heritage Trust, trading as English Heritage (EH). EH manages the National Heritage Collection of more than 400 historic sites and monuments under the nation's ownership or protection, under a licence from HE that runs to 2023, and cares for these places and opens them to the public.

The Tailored Review (TR) of HE will provide robust challenge to and assurance on the continuing need for the organisation and, where appropriate, make recommendations for improvement.

Objectives The review of HE will be carried out in two stages. Part 1 will focus on the on-going need for the functions performed by HE, and will assess the current model and relationship with EH to ensure it remains fit for purpose. This will include assessing the robustness and long-term sustainability of the current financial and governance arrangements following the split from EH, and will fulfil the commitments set out in the New Model Funding Agreement 25 March 2015⁶².

Part 2 of the review will assess HE's efficiency, effectiveness, and the robustness of its governance arrangements and performance in meeting its own and the government agreed strategic priorities.

Stage 1

To provide a robust challenge to the continuing need for the functions performed by HE. This stage will include:

- A thorough examination of HE's current remit and whether the new model and relationship with EH remains fit for purpose;
- An assessment of the robustness and long-term sustainability of the current financial and governance arrangements between EH and HE;

⁶² Review of the Revenue Deficit Funding: During the Charity's third year of operation, in the light of the Charity's financial performance to that date, Commission, the Charity and the DCMS shall review the Charity's need for revenue deficit funding from financial year 18/19 to 21/22 inclusive. The Review shall be for the purpose of assessing whether the indicative Revenue Deficit Funding payments set out in clause 5.1 for financial years 18/19 to 22/23 are appropriate to support the Charity in its pursuit of the General Objectives and the objective in clause 7.1.

- Consideration of the process around the renewal of the EH operating licence; and
- In light of the above, consider whether HE's functions should continue to be delivered by a NDPB.

Stage 2 If it is agreed that the form and functions of the HE should remain, the review will then consider the control and governance arrangements in place to ensure that the organisation is complying with the recognised principles of good corporate governance and delivering effectively. Stage 2 will therefore consider:

- HE's current set of functions and responsibilities, and whether there is a continuing need for all of HE's functions and services from stakeholders, most notably the public;
- How HE sets its priorities, and how these priorities contribute to the UK government's policies (including driving economic growth, promoting Britain to the world and ensuring the opportunities of heritage are available to everyone and not just the privileged few);
- How successful HE is at promoting the preservation of ancient monuments, historic buildings and conservation areas, how it assesses the success and impact of its investments;
- How HE engages with the public and how successful they are in their aims of promoting public understanding and enjoyment of the historic environment; and
- The efficiency of the HE, including:
 - How HE works with other organisations to reduce costs;
 - How HE assesses the conservation of the properties in the National Heritage Collection by EH;
 - How the HE uses digital services;
 - Whether HE governance and management arrangements are sufficiently robust and transparent;
 - Whether the HE Board is effective, and how this is assessed;
 - How HE embraces innovation and change, including how it plans for the future;
 - Whether HE's Governance controls follow established Cabinet Office "good practice";
 - The effectiveness of HE's current strategy, the role of the HE Commission in setting and monitoring progress against the strategy, and how well HE has delivered on its priorities; and
 - The effectiveness and proportionality of DCMS' oversight arrangements for HE.

Annex B - The Review challenge panel

- **Fields Wicker-Miurin OBE** (Challenge Panel Chair), Non-Executive Board Member and Chair of the Audit and Risk Committee of DCMS. Non-Executive main board member of BNP Paribas (Paris), Scor se and Prudential plc.
- **Professor May Cassar**, Director of the UCL institute for Sustainable Heritage and director of the EPSRC Centre for Doctoral Training in Science and Engineering in Arts, Heritage and Archaeology.
- **Francesca Conlon** and **Kuljit Dhillon**, Deputy Director (job share) of Public Body Reform in the Cabinet Office.
- **Alan Law**, Deputy Chief Executive of Natural England.
- **Matthew McKeague**, CEO The Architectural Heritage Fund, a registered charity which works to promote the conservation and sustainable re-use of historic buildings for the benefit of communities across the UK.
- **Dame Fiona Reynolds** DBE, Master of Emmanuel College Cambridge following 11 years as Director-General at the National Trust.
- **Robert Wigley**, Chairman of UK Finance, Secure Broadcast Ltd, Vesta Global Holdings Limited, Bink Ltd and Accloud Ltd.

Annex C - Stakeholders, contributors and consultees

Interview subjects

- Anthony Firth, Director of Fjordr
- The Architectural Heritage Fund
- The Bath Preservation Trust
- The Battlefields Trust
- The British Property Federation
- Cadw
- The Campaign to Protect Rural England
- The Chartered Institute for Archaeologists
- Complex Development Projects
- The Country Land and Business Association
- The English Heritage Trust
- Sir Hayden Phillips, Chair of the Wellington Collection Management Committee
- The Heritage Alliance
- Professor Heather Viles, University of Oxford
- Historic Environment Division, Department for Communities (Northern Ireland)
- Historic Environment Scotland
- Historic Houses
- The Home Builders Federation
- The Imperial War Museum
- Professor Julian D Richards, University of York
- The Landmark Trust
- Legacy West Midlands
- The Leigh Spinners Trust
- The Listed Property Owners Club
- London Borough of Sutton
- London Festival of Architecture
- Professor Martin Bell, University of Reading
- Professor Matija Strlic, University College London
- The National Archives
- The National Lottery Heritage Fund
- The National Trust
- Network Rail
- Planning Officers Society
- Robert Yorke, Chairman of the Joint Nautical Archaeology Policy Committee
- Royal Institute of British Architects
- Royal Town Planning Institute
- Save Britain's Heritage

- Shaded Saleem, University of Westminster
- The Snodhill Castle Preservation Trust
- The Theatres Trust
- The Trinity Centre, Bristol
- The War Memorials Trust

Roundtable events

Local Authority & Developers Roundtable in York – representatives from:

- Bradford Metropolitan District Council
- Durham County Council
- Gateshead Borough Council
- Leeds City Council
- Lichfields Planning and Development Consultancy
- Newcastle City Council
- Nottingham City Council
- South Yorkshire Archaeology Service

Religious Buildings Roundtable Event – representatives from:

- The Catholic Bishops' Conference of England and Wales
- The Church of England
- The Churches Conservation Trust
- The Historic Religious Buildings Alliance
- The National Churches Trust

Property Developers Roundtable Event – representatives from:

- British Land
- The Cadogan Estate
- Chelsfield
- The Crown Estate
- Derwent London
- Great Portland Estates
- Howard de Walden Estate
- Land Securities
- Legal & General
- Lipton Rogers Developments
- Nuveen Global
- Sellar Property Group
- Stanhope

Department for Digital, Culture, Media and Sport
Tailored Review of Historic England

The Joint Committee of the National Amenities Society Roundtable – representatives from:

- The Ancient Monuments Society
- Council for British Archaeology
- The Georgian Group
- The Society for the Protection of Ancient Buildings
- 20th Century Society
- The Victorian Society

HE Staff Roundtable Events – two events took place in York and London attended by staff from a range of teams and grades

Written submissions received from:

- Cornwall Council
- The Church of England
- The Diocese of Southwark
- Ecclesiastical Insurance
- Goodwin Sands SoS
- Garsedh Kernow
- The Heritage Alliance
- Historic Houses
- The Honor Frost Foundation
- The Joint Nautical Archaeology Policy Committee
- Judith Martin
- The National Lottery Heritage Fund
- National Parks England
- Sidney Syson
- Society of Antiquaries of London
- Steve Trow

Responses were also received from over 40 Civil Societies.

Annex D - List of Review recommendations

The New Model

1. The review recommends EHT's funding model continues for the period of the current licence. HE must, however, embed a regular schedule of robust assessments of EHT financial forecasts, reporting to DCMS on its performance and financial risks taking into account recommendations 2 - 8.
2. EHT and HE need to review whether the current target level of free reserves is adequate and consider moving towards a 'risk-based' reserves policy, providing DCMS with the rationale applied in determining an adequate level.
3. To better anticipate and mitigate financial risks as EHT approaches self-funded status HE needs to:
 - a. adapt its financial modelling methodology to be more agile and better able to stress test its key assumptions as part of the long-term forecasting process; and
 - b. undertake a detailed review of fundraising income assumptions with a suitable risk margin applied to future long-term financial projections.

Governance relationship between HE and EHT

4. The Government Internal Audit Agency (GIAA) enquiry and this Review agree that HE must work with EHT to develop a more transparent and formal monitoring arrangement including:
 - a. appropriate, evidence based KPIs;
 - b. mechanisms to ensure EHT is taking a proportionate, risk-based commercial approach to increasing self-generated income;
 - c. a requirement for HE to report to DCMS on EHT performance as part of regular engagement; and
 - d. requirement for an annual review and appraisal of the EHT Board, including a post licence skills audit.

Renewal of the licence to manage the National Heritage Collection

5. HE, EHT and DCMS must accelerate planning now for the expiry of the Licence to manage the National Heritage Collection in 2023. A clear process and timeframe need to be agreed at the earliest possible date, including scenario planning around the long term success of the arrangement to ensure the new licence is appropriate for monitoring the EHT performance. The agreed plan for licence renewal must be agreed by April 2021.
6. Linked to recommendation five, EHT's funding position must be considered and a cost benefit analysis of the current licence undertaken to help decide whether a new business case is required.

Apsley House

7. English Heritage Trust and the Wellington Collection Management Committee must review and update the Memorandum of Understanding (MoU) and publish it on their websites.
8. As part of the licence renewal process a longer-term solution to the management of Apsley House needs to be agreed to the satisfaction of interested parties.

Facilitating collaboration

9. HE needs to work more closely and collaboratively with the National Lottery Heritage Fund and DCMS to support the development of a public partnership document detailing how this collaboration will operate.
10. DCMS, HE and EHT should develop their working relationship with the HES, Cadw and the Northern Irish Executive to:
 - a. Explore the potential benefits of more formal collaboration between the Home Nations heritage organisations;
 - b. Consider how to derive best value from the skills and expertise in the Home Nations heritage organisations.
11. HE should draw on the strengths and expertise of the heritage sector to enable other organisations to lead the development and delivery of new strategies and initiatives, where appropriate.

Diversity and inclusion

12. HE should develop a well-evidenced strategy to improve the diversity of its workforce, ensuring an inclusive working environment for staff from all backgrounds.
13. In collaboration with the sector, HE must take a stronger leadership role to improve the diversity of the heritage sector workforce and the audiences engaging with and enjoying the historic environment.

Impact

14. HE develop its current impact measurement mechanisms to identify;
 - a. The impact of HE's direct work;
 - b. The impact of its grants; and
 - c. The impact of the work of the wider heritage sector.
15. HE continues its work with DCMS and the sector to develop an agreed measurement of how heritage and the historic environment benefits the public.

Strategy: preservation of the historic environment

16. HE must improve the public accessibility and understanding of *Heritage Counts*.
17. HE must review the criteria (including the potential inclusion of Grade II sites) and measures of success of its *Heritage at Risk Register*.
18. HE needs to develop a strong, clear public engagement strategy that clarifies how the breadth of its work coheres to help protect the historic environment and how this benefits the nation.

Advice to DCMS on the designation of heritage assets

19. HE reviews the transparency of its decision making, prioritisation and allocation of resources across its full portfolio of activities, such as the scheduling of monuments and the designation of wrecks and other maritime sites.

Management of the National Heritage List for England

20. HE must improve communications with the general public and stakeholders on its role in providing planning advice, and give "plain English" rationale for its decisions.
21. HE should ensure consistency of advice and guidance across different teams and regional offices to ensure planners, developers, heritage organisations and the public

are clear about their responsibilities, have confidence in the advice and avoid additional costs.

HE grants and grant-giving process

22. HE must simplify its grant application processes to ensure they are proportionate to the value of the grant provided.

Income generation

23. In order to deliver their Enhanced Advisory Services more effectively, HE needs to:

- a. Investigate whether Pre-Application services are a barrier to early engagement between HE, developers and Local Authorities and
- b. Improve transparency and understanding of EAS process.

24. HE and EHT should engage openly and work together effectively to ensure any future change is well managed by both organisations.

25. HE must develop a more detailed digital strategy, which includes plans for more detailed digital engagement, better use of existing content (including research and data), ensuring that key information can be more easily accessed by others and that more of HE processes are digitised.

Digital

26. HE must make its research more easily available and accessible on its website.

27. HE needs to develop a robust business case to the government to access future funds to design plans to update its IT infrastructure to either ensure compatibility and data sharing between existing legacy systems or plans for migration of data to a new system.

Governance

28. In line with Cabinet Office best practice, HE should ensure compliance with the Public Records Acts 1958 and 1967, and publish information on expenses claimed by senior staff and Commission members.

29. HE must undertake an evaluation of the Commission's skills and experience, and consider a broader interpretation of the relevant statute when designing the criteria for upcoming Commissioner appointments.

Department for Digital, Culture, Media and Sport
Tailored Review of Historic England

30. DCMS needs to work with HE to develop new KPIs, which are more robust, objective, measurable, and linked more clearly to HE's front line activities and the impact they have on the historic environment.
31. DCMS and HE (EHT as appropriate) must agree and publish a Review implementation programme to ensure the recommendations are delivered and the benefits realised.