

Historic England

Annual Report & Accounts
2019-2020

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Contents

Introduction	5
1 Performance Report	
Overview	9
Performance Analysis	23
2 Accountability Report	
Corporate Governance Report	65
Remuneration and Staff Report	93
Parliamentary Accountability	121
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	124
3 Financial Statements	
Statement of Comprehensive Net Expenditure	133
Statement of Financial Position	135
Statement of Cash Flows	138
Consolidated Statement of Changes in Taxpayers' Equity	140
Historic England Statement of Changes in Taxpayers' Equity	142
4 Notes to the Financial Statements	144
5 Our Supporters	229

Chairman's Introduction

This report has inevitably been overshadowed by the tragedy of the Covid-19 pandemic and the consequent lockdown imposed just before our reporting period closed.

Historic England has made significant progress during the period under review, but it has necessarily been obliged by the pandemic radically to alter its working procedures and to adjust its short-term priorities.

Our core purpose, to improve people's lives by protecting and championing England's historic environment, has even more resonance at a time of national crisis. It is clear that our built historic fabric has a central and dynamic role within the 'ecosystem' of the cultural heritage sector. It underpins a sense of local and national identity, drives soft power and tourism, generates £ billions for the economy, employs thousands, engages millions and is a strong foundation for the regeneration and levelling up of our towns and cities.

I am delighted that Historic England has been able to reorganise its ways of working during the lockdown to respond to the challenges faced by so many across the heritage sector, providing advice and emergency grant relief, whilst also continuing our key role in planning, listing advice and research. Our regional teams have gathered extensive data concerning the impact of the lockdown

to support the wider relief measures being taken by Government. Our staff have faced the difficulties of working from home with great resilience, ingenuity and good will. My fellow Commissioners and I thank them for their passion and commitment.

The English Heritage Trust, which manages the National Heritage Collection under a licence from Historic England, was making convincing progress towards its financial goal of becoming a self-sufficient charity by March 2023. The impact of the Covid-19 lockdown, requiring the closure of all of its ticketed sites at the very start of the main visiting season, has materially upset this trajectory. We are working with the staff and Trustees of English Heritage to monitor the position and to secure a viable way forward

- Our High Street Heritage Action Zones programme is the biggest single investment by Government in a Historic England grant scheme to date. £95 million is being awarded to 68 high streets across the country to catalyse their regeneration. We are working in partnership with the relevant local authorities and also with Arts Council England and the National Lottery Heritage Fund. We believe that this programme (and our ongoing Heritage Action Zone programme) has even greater relevance in delivering the Government's recovery plans post Covid-19.
- Our physical and digital public programming work, designed to celebrate and broaden understanding of our historic national legacy, included Where

Lights Falls, which involved stunning projections on the facades of Coventry Cathedral and St Paul's Cathedral, and What Remains, our exhibition at The Imperial War Museum London, focused on heritage destruction in times of war.

- Our management of the complex restoration of Shrewsbury Flaxmill Maltings, the world's first iron-framed industrial building, continues to deliver within budget, although we have had to re-programme work due to the lockdown. Work on the main mill building is nearing completion, although much remains to be done to bring the whole project to fruition. We continue to support the charity responsible for the rescue of Wentworth Woodhouse, and our Heritage at Risk grants have contributed to saving many important historic structures for posterity.
- Our extensive research and scientific activities, which provide important support for the sector, have included completion of the Strategic Stone Study, a 12-year study of traditional building stones and quarry sources in 35 English counties, and specialist research on the heritage of minority faiths.
- Our statutory and advisory teams handled over 20,000 cases in listing and planning, working often to tight timetables to ensure that nationally important heritage is safeguarded.

- We are working with sector partners, under the leadership of DCMS, to develop Cultural Heritage Capital as a recognised framework for measuring the social and economic impact of our nation's cultural and heritage assets. Cultural Heritage Capital needs to command the same authority in socio-economic discourse as the well-recognised framework of Natural Capital.
- Our efforts to embrace diversity and greater inclusion, both in the celebration of heritage and in employment across the sector, have continued, particularly through apprenticeship initiatives and our Heritage Schools programme.

I am delighted to have welcomed four new Commissioners this year: Sandie Dawe, Ben Derbyshire, Professor Helena Hamerow and Sue Wilkinson, who all join for terms of four years. Unfortunately, we said farewell to Professor Mike Fulford and Neil Mendoza, whose Commissioner terms ended in 2019. I am most grateful to Mike and Neil, who chaired the Historic England Advisory Committee and the Business and Finance Committee respectively, for their considerable contributions during their terms and for their continued support.

Sir Laurie Magnus

Chairman, Historic England

SECTION 1

Performance Report

This section sets out our organisational objectives and challenges and summarises how we have performed against them during the year.

It comprises an overview that explains our core purpose and activities, an analysis of our financial and non-financial performance against targets and highlights a selection of our achievements from the year in review.

Overview

Our Core Purpose and Activities

Historic England – or, as we are called formally, the Historic Buildings and Monuments Commission for England – was established on 1 April 1984 by the National Heritage Act 1983. We are an arm's length body and executive non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS).

We are the public body that helps people care for, enjoy and celebrate England's spectacular historic environment.

Our core purpose is to improve people's lives by protecting and championing the historic environment. Our vision is for everyone to benefit from our heritage, and for it to be widely valued and celebrated. We want people to connect with their heritage and feel it belongs to them, and we want to pass on our heritage in better condition.

We Champion Historic Places

By standing up for historic places, everyone, from individuals and communities to Government and major landowners, can look after and care for heritage. We make sure people understand and appreciate the benefits England's heritage brings and why it should be respected, cherished and enhanced. We open up heritage for everyone using digital resources, media campaigns, our deep technical advisory expertise, our unsurpassed archive, public information and exhibitions.

We Identify and Protect our Heritage

Protecting historic places through the designation system is at the heart of what we do, as expert advisor to the Government. Using our knowledge and understanding we celebrate what's special and make sure that England's history is recognised, respected and enjoyed. We manage the National Heritage List for England: from its origins in 1882, it has grown to include over 400,000 items ranging from prehistoric monuments to office blocks, battlefields and parks. They all benefit from legal protection. The list is available to everyone through our website.

We Support Change

We want people to use and enjoy historic places in ways that reveal and reinforce their significance and safeguard their setting in a wider landscape. Each year we give advice on more than 20,000 applications for planning permission or listed building consent. We help make sure that threats to our heritage are understood, so policies, effort and investment can be targeted effectively. We find approaches to protect heritage at risk and tackle it as a priority. Each year we provide £millions in grants to reduce the amount of heritage at risk.

We Understand Historic Places

We share our understanding of the significance of England's places. Using cutting-edge science, research and information, and by working with others, we help people manage historic places, both physically and economically. We share our knowledge – both in person and via digital channels – through training and guidance, conservation advice, and access to resources including the Historic England Archive, which is the biggest national collection of records about the historic environment.

We Deliver National Expertise at a Local Level

Our local offices are the principal point of contact for many customers. Our staff specialise in assessment, processing grants, giving advice to owners, developers and local authorities, as well as designation, heritage

data, Government policy and communications. Our people work with partners across each region to raise the profile of the historic environment and make sure that it makes the fullest possible contribution across the country.

We Support the English Heritage Trust in its Care of the National Heritage Collection

We are responsible to Government for the care and operation of the National Heritage Collection, which includes over 400 historic sites and monuments under the nation's ownership or protection. Since 2015, a charity called the English Heritage Trust has cared for these places and opens them to the public under a licence from us, which runs to 2023. We support English Heritage in its operation of the estate and in its plan to achieve financial self-sufficiency.

We Run our Organisation in a way that Maximises Diversity, Resilience, Efficiency and Accountability

We direct our resources to where we can have the most impact, and we are developing better ways to measure our performance to demonstrate the public benefits of our work. We are building our fundraising capability and developing ways of recovering the cost of some of our services. We are working hard to embrace diversity in the composition of our own workforce and our decision-

making bodies, to ensure that we remain relevant to all the communities that make up modern England.

Chief Executive's Overview of 2019-20

2019-20 has been a challenging and rewarding year. Historic England has performed well in delivering its statutory functions and corporate objectives, as set out in our Corporate Plan.

The closing months of the year in review were, understandably, dominated by the Covid-19 **global health emergency**, which has impacted on all our lives professionally, personally and socially. As an organisation we responded at pace: first, to ensure, as far as possible, that our 900 staff across our six regions were safe and equipped and supported to work away from our offices; thereafter, attention turned quickly to our role in supporting the wider heritage sector:

- We have established a steering group with other sector organisations to act as an interface between the Historic Environment Forum and DCMS, as well as help to ensure effective collaboration on Covid-19 information sharing and development of recovery plans.
- We have set up an 'intelligence desk' to act as a central point for receiving and analysing information across the sector, and to help ensure that advice to Government properly reflects the diversity of the sector, including the vitally important supply chains that support the repair and maintenance of heritage.

- We have diverted resources and established temporary workstreams that complement the DCMS-led recovery and renewal programmes, supporting the Government's Cultural Renewal taskforce.
- We have delivered critical communications around our immediate organisational response and developed a new communications framework to focus our messaging for staff, the public and our sector.
- We have re-purposed our sector training programmes to offer advice and guidance to organisations significantly affected by Covid-19. These are being delivered via webinars, screencasts and online discussions.
- We have launched two emergency response funds to assist heritage organisations that require additional short-term emergency financial support for projects and activities responding to the current crisis; and vulnerable historic sites in need of specialist and urgent repair and maintenance work. The business generated will help heritage specialists whose livelihoods have been severely affected.

After an initial immediate drop in our planning and listing casework activity, levels are moving back toward what we would expect them to be, albeit with site visits still somewhat restricted. Other major workstreams, including research, strategy, public engagement, education and outreach, are adapting to strike the appropriate balance between maintaining important business functions whilst supporting the sector's more immediate needs. Corporate

services, including finance, human resources, IMT, estates, facilities management and legal services have played a fundamental part in ensuring business continuity, resilience and delivery, including the shared services we provide to the English Heritage Trust.

Reflecting on 2019-20 more broadly, it was the first full year of operation under our reconfigured Group structure. We began a significant piece of work to **redesign our corporate planning processes**, developing individual Group Plans to link more explicitly to the priorities, activities and the public value focused outcomes set out in our Corporate Plan. Our all-staff conference in September 2019, themed *Building the future; connecting people and historic places*, was an important opportunity to embed the organisational and cultural changes we had made over the previous 18 months, as well as remind ourselves of – and celebrate – Historic England’s work.

We were delighted to receive confirmation from the Department for Digital, Culture, Media and Sport (DCMS) of the £95million funding for our **High Street Heritage Action Zone (HAZ) programme**, launched in May 2019. Sixty-eight areas across the country will receive funding and support to help reinvigorate their high streets and use their heritage as a catalyst for the regeneration and levelling up of our towns and cities. Covid-19 will have implications for the delivery of the programme, with the majority of high street businesses closed for several months and potentially facing an uncertain future, and local authorities focused on other essential services. We are working closely with the successful applicants

and partners to assess how delivery plans will need to be adjusted. The aims, objectives and cross-disciplinary approach of this work now feel more vital than ever and have even greater relevance in contributing to recovery.

The High Street HAZ programme is not only an endorsement of the potential of our place-based approach to working, it is an important opportunity to **work in partnership** with others, including the National Lottery Heritage Fund, Arts Council England and the private sector. This approach will maximise impact and help **bridge the gap between heritage and culture** and demonstrate the positive value that both can have on communities and well-being. The High Street Cultural Programme will facilitate community use of these newly improved spaces and support community cohesion by giving people a reason to spend more time on their high street, coming together and celebrating what is special about their place with others in their community.

Our heritage and our built environment should be a source of knowledge and understanding for everyone, and we have continued to make progress in sharing what we do with a **wider and more diverse audience**. Improvements to our own webpages to aid engagement and readability; greater use of digital platforms and media including video, imagery and social media channels; and a greater focus on collaboration and public participation, are all having a positive impact. Visits to the Historic England website increased significantly this year with 7.7 million visits, a 17% increase from 2018-19, and our social media channels have grown, for example we have seen an

incredible increase of 30,000 Instagram followers since last year.

Nevertheless, recent events have brought into sharp focus the need for Historic England to better reflect the public we serve, both in terms of the work we do and how it is carried out, and also in the diversity of our own workforce and decision-making bodies. We are committed to inclusion, diversity and equality of opportunity in all of our work, but we know that we, and the heritage sector, have a long way to go. Our forthcoming **Strategy for Diversity, Inclusion and Equality** sets out our ambition and the measurable targets that we will hold ourselves to, and builds on the positive progress we have made in recent years, including our work placement and apprenticeship programmes; campaigns, activities and resources that represent and celebrate the full diversity of the country; our partnerships with external organisations and advocacy groups; and our own policies and recruitment practices.

A positive to come out of the Covid-19 lockdown, was our **Picturing Lockdown** crowdsourcing campaign, a unique project in which we asked the public to submit photos to document their experiences of one week in lockdown during the Covid-19 pandemic. We received almost 3,000 public submissions from across England, capturing a rich picture of our collective experience in an extraordinary time. We have selected the 100 most evocative, informative and inspiring images, plus 50 newly commissioned works and 50 more from Historic England's photography team, to create a final collection that has been added to the Historic England Archive.

A personal highlight of 2019-20 was a two-day tour in September 2019 with Commissioners to various historic places in and around Wigan and Halifax to look at two key aspects of our work – the High Streets HAZ programme and our campaign encouraging the re-use of **historic textile mills**. The visit included the King Street High Street HAZ area in Wigan, Dean Clough Mills, one of the finest examples of a converted Northern textile mill, and the Grade-I listed Piece Hall, all striking illustrations of how clusters of cultural activity and heritage can act as institutional anchors and drive footfall and economic growth in town centres. The message is clear: our heritage needs to be saved, and investing in heritage pays. It helps to transform the places where we live and work, and which we visit, creating successful and distinctive places for us and for future generations to enjoy. But we know there is more work to do.

Key Issues and Risks for Historic England

Covid-19 has affected all organisations across the sector and their viability has inevitably been put at risk. Unfortunately, some heritage businesses, charities and community groups will fail. There is an urgent need to strengthen capacity and resilience and develop new business models in the sector to avert an impending crisis and to make the sector sustainable in the longer term. The Government's support package, announced in summer 2020, will be essential for retaining the

sector's skilled workforce and sustaining our fragile and irreplaceable heritage.

We have a particular responsibility in supporting the English Heritage Trust in its care of the **National Heritage Collection**. Covid-19 had a considerable and immediate impact on the Trust's operations, but the longer-term effect of the pandemic on the domestic and international tourism industry, which is the Trust's major income stream, is likely to be profound. We are working with the Trust to re-establish a path to self-sufficiency.

Our **ability to deliver key work programmes** to original plans, including the High Street HAZ programme and the redevelopment of the Shrewsbury Flaxmill Maltings site, is also likely to be affected, particularly where the success of the programme depends on other delivery partners that have been impacted by the pandemic in different ways.

Beyond the immediate threats arising from Covid-19, as a public body largely funded by grant in aid, there are risks and uncertainties relating to the **Spending Review 2020**. We have made a strong case for the important role that the heritage sector – and Historic England in particular – has in helping the Government deliver its priorities. This is underpinned by the feedback we received during our Tailored Review, carried out by DCMS during 2019-20. The final report was published in November 2020.

A continuing risk area is the **legislative context** in which we operate. Changes to the National Planning Policy Framework, and planning policy more generally, could pose risks to our effectiveness in protecting heritage.

Local Authority capacity is a related risk, and we are developing a strategic framework to help us prioritise our own limited resources more effectively to help local authorities build capacity and deliver heritage protection on the front line.

More detail about how we monitor and manage our risks is set out in the Governance Statement that starts on page 71.

Duncan Wilson

Chief Executive, Historic England

Total Income

2019-2020	£89.5m Grant Aid	£17.2m Other Income	£106.7m
2018-2019	£91.6m Grant Aid	£14.3m Other Income	£105.9m

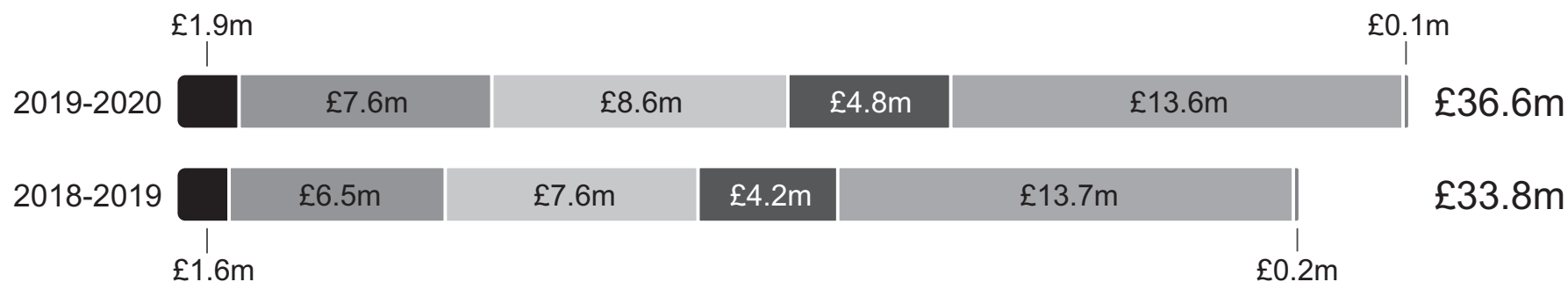
Total Expenditure

2019-2020	£11.6m	£23.9m	£20.2m	£14.8m	£13.6m	£22.6m	£106.7m
2018-2019	£11.6m	£23.2m	£19.1m	£14.4m	£13.9m	£24.3m	£106.5m

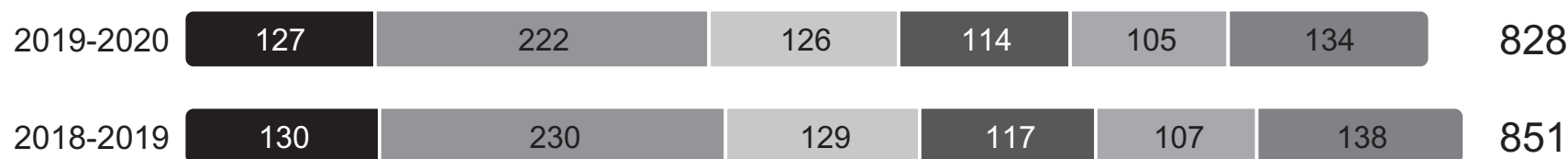
Expenditure excluding Grants and EHT Subsidy (breakdown by corporate aim)

2019-2020	£9.7m	£16.3m	£11.6m	£10.0m	£22.5m	£70.1m
2018-2019	£10.0m	£16.8m	£11.5m	£10.2m	£24.2m	£72.7m

Expenditure of Grants and EHT Subsidy (breakdown by corporate aim)



Staff FTE



Corporate Aims

- Championing
- Protecting Through the Listing and Planning System
- Match Funding and Financial Incentives to Protect Places and Heritage at Risk
- Strengthening National Capacity and Resilience of Heritage Sector
- Oversight of the National Heritage Collection cared for by EH Trust
- Improving Financial and Organisational Resilience and Accountability

Performance Analysis

This section describes how we have performed against our suite of key performance indicators and the priorities that our sponsor department, the Department for Digital, Culture, Media and Sport (DCMS), has set for us. It also highlights some of our main work programmes and achievements in 2019-20.

Performance against our Performance Indicators in 2019-20

Measure	2019-20	2018-19	2017-18
Changes to the National Heritage List for England (additions, amendments or deletions) ¹	8,700	11,000	10,200
Historic sites added to Historic Environment Records ²	2,084	7,300	6,000
Pre-application proposals advised on	2,285	2,500	2,700
Planning casework advised on	17,423	17,900	21,000
Total value of grants given	£23.45m	£20.2m	£20.1m
Number of Heritage at Risk sites removed from the Register for positive reasons	310	318	387
Teachers and other educators attending Heritage Schools training	3,256	3,503	3,123
Training opportunities delivered ³	2,411	3,000	3,200
Advice and guidance public downloads ⁴	124,100	112,000	138,000
Research publications public downloads	305,500	367,500	196,000
Views of our digital Archive	5.1m	6.3m	7.8m

Online views of the National Heritage List for England	9.0m	8.1m	7.5m
Visits to our website	7.76m	6.55m	5.53m
Media coverage ⁵	12,958	4,923	3,335
Social media followers	348,375	314,800	252,250
Newsletter subscribers	26,859	26,000	81,000
RepTrak™ (reputation benchmarking) survey score	79.2%	78.6%	77.3%
Of the sample of adults surveyed for DCMS's latest <i>Taking Part</i> survey that had participated in the historic environment:			
■ Of the adults surveyed for <i>Taking Part</i> that were BAME:	72.4%	72.8%	74.2%
■ Of the adults surveyed for <i>Taking Part</i> that were from a lower socio-economic group:	54.8%	54.2%	58.1%
■ Of the adults surveyed for <i>Taking Part</i> that had a limiting illness or long-term disability:	61%	61%	61.7%
	69.6%	68.5%	70%

¹ Significant changes (eg, additions) to the NHLE in 2019-20 were in line with previous years; the decrease reflects a reduction in the number of minor amendments made during the early months of 2019-20. The overall figure (additions, amendments and deletions) is expected to increase back to usual levels for 2020-21.

² Planned upgrades made to the monument recording system during the year resulted in significant system downtime. As a result, the number of records that could be added in 19-20 is lower than the average figure for the preceding years (c.5,000).

³ Totals reflect training delivered by Historic England directly; the number of delegates reached through our contributions to other organisations' training was over 4,000, more than double that for 2018-19. The figure also reflects a shift in focus toward more blended and online learning.

⁴ Figures for all years caveated due to potential inaccuracies in the way the number of actual downloads is recorded.

⁵ A switch in media coverage monitoring provider midway through 2019-20 has resulted in more extensive and precise monitoring

DCMS Management Agreement – 2019-20

Progress Report

Priorities for DCMS	Performance Summary
Protect statutory services to the Government, the sector and the public	<ul style="list-style-type: none"> ■ We maintain our substantial engagement in the listing and planning system. Headline figures for 2019-20 year-end include: <ul style="list-style-type: none"> – 8,700 additions, amendments or deletions to the NHLE (<i>18-19: 11,000</i>) – 1,273 designation recommendations to the Secretary of State (<i>18-19: 1,841</i>) – Consulted on over 19,600 planning cases, 99.4% of which were responded to within the agreed deadline. (<i>18-19: 20,000, 99.7%</i>)
Protect, as far as possible, grants for emergency repairs	<ul style="list-style-type: none"> ■ 2019-20 grant spend⁶ on historic buildings and assets on the Heritage at Risk Register was c.£8.5m. (<i>18-19: £11.6m</i>) ■ 2019-20 Heritage Protection Commissions grants spend was £3.6m, disbursed via 122 new grants and 220 ongoing project stages. ■ In response to Covid-19, we developed two new Emergency Response Fund programmes aimed at: <ul style="list-style-type: none"> – heritage organisations requiring additional short-term emergency financial support, projects and activities responding to the current crisis; and – vulnerable historic sites in need of specialist urgent minor repairs and crucial maintenance works.
Funding and working relationships with the amenity societies	<ul style="list-style-type: none"> ■ 2019-20 National Capacity Building (NCB) grants (offered to activities and projects that build capacity and strengthen the ability of the sector to reduce risk to the historic environment) was £1.05m. (<i>18-19: £1.0m</i>) ■ The 2020-21 programme (totalling £1.08) will support 26 projects including statutory casework for the amenity societies and projects.

⁶ Excluding Shrewsbury Flaxmill Maltings.

Priorities for DCMS	Performance Summary
<p>Work to diversify revenue streams</p>	<ul style="list-style-type: none"> ■ Earned income was £236,000 above budget. Fundraising was £542,000 better than budget. ■ Our Philanthropy Team continues to support a number of major projects in close collaboration with funders, including: <ul style="list-style-type: none"> – the Allchurches Heritage Apprenticeships Programme; – the <i>Breaking New Ground</i> project, funded by the John Laing Charitable Trust; and – work with Highways England, the Andrew Lloyd Webber Foundation and the Shrewsbury Flaxmill Maltings (SFM) crowd-funding campaign. ■ The National Lottery Heritage Fund is the main funder of the c.£28m major Shrewsbury Flaxmill Maltings (SFM) restoration programme. To date, we have raised £888,000 against our own £1m target. ■ The High Streets HAZ programme sees us working with the National Lottery Heritage Fund and the Arts Council England on a £2m cultural programme.
<p>Work to engage internationally, especially with high priority countries</p>	<ul style="list-style-type: none"> ■ We have continued to grow our international reputation and strengthen relationships with other heritage bodies, including the Getty Institute for Conservation, UN agencies including UNESCO, and ICCROM. ■ In 2019-20, we engaged with over 40 different overseas countries including India, Saudi Arabia and Brazil. We are developing a collaborative support programme for British Overseas Territories. ■ We provided intelligence to DCMS on the sector measures adopted internationally in response to the Covid-19 pandemic, and specific advice on the impact of Covid-19 on UK World Heritage Sites (WHS). ■ We continue to support the Government’s ambition of setting a global standard in the management of World Heritage Sites (WHS).

Priorities for DCMS	Performance Summary
Give high priority to Cultural White Paper outcomes	<ul style="list-style-type: none"> ■ As of 2019-20, there are 20 Heritage Action Zones (HAZ) across the country, using the historic environment as a catalyst for regeneration and economic growth. ■ The High Street HAZ programme, launched on 1 April 2020, sees us working with partners to find new ways to champion and revive historic high streets. ■ We lead an apprenticeship Trailblazer group and have developed six new heritage apprenticeship standards and have launched our own heritage apprenticeship scheme (Historic Environment Advice Assistant) ■ In 2019-20 we recruited six new apprentices from communities local to our regional offices, using a positive action recruitment campaign, thanks to a £471,000 grant from Allchurches Trust.
Protect the English Heritage New Model	<ul style="list-style-type: none"> ■ We continued to support the English Heritage Trust in its fifth year of operation and we monitor its performance in line with the operating licence and grant conditions. ■ The current Shared Services arrangement has been operating since April 2018. Customer satisfaction for core shared services is 93%. Shared Service income for 2019-20 was £7.6m. (28-19: £8.1m) ■ In respect of the implications of Covid-19, there will need to be a fundamental reassessment of the New Model and the ongoing need for subsidy to maintain the National Collection. ■ As above, the future of Shared Services will need to be reassessed when current agreements cease.
Continue to bear down on administration costs	<ul style="list-style-type: none"> ■ As part of our Accommodation Strategy, we continue to reduce accommodation costs by sub-letting space, consolidating teams, relocating to more efficient office space and disposing of surplus offices. ■ In response to Covid-19, we rapidly rolled out remote-working for all our staff. An additional £232,000 was invested to bring forward our major IMT project to move to Windows 10 and Office365 to facilitate more resilient remote-working.

Priorities for other Departments

Performance Summary

Ministry for Housing, Communities and Local Government (MHCLG): provide advice and assistance in the ongoing reform of the planning system, regeneration, infrastructure and housing.

- We have worked closely with MHCLG officials to:
 - ensure the revised Planning Practice Guidance (underpinning the National Planning Policy Framework – NPPF) takes proper account of heritage issues;
 - propose ways that concerns about local authority resourcing in relation to heritage might be addressed; and
 - consider how to increase community engagement in specific places of need through heritage channels.
- We will work with Government, the construction industry, property owners and other organisations to take forward the creative ideas and recommendations made in the Building Better, Building Beautiful Commission report.

Defra: provide advice and assistance in relation to climate change, the Rural Development Programme and the contribution of rural heritage to the sustainability of rural communities, economic development and tourism.

- We have contributed to the UK Climate Change Risk Assessment (CCRA) for Defra; and to the National Adaptation Programme, which is overseen by the Adaptation Sub Committee of the CCC. We are preparing a submission to the Committee on Climate Change’s Carbon Budget, referencing our research on the carbon value of historic buildings from *Heritage Counts 2019*.
- We have convened a Heritage Sector Climate Change Forum and as a first step are co-creating a joint sector statement on climate change.
- We are exploring how best to take forward our research on the historic environment’s contribution to natural flood management in collaboration with the Environment Agency.
- In light of Covid-19, we are holding discussions with Defra about re-opening the Countryside Stewardship farm buildings restoration project.
- We have continued working with DCMS in advising Defra on the Environmental Land Management Scheme, completing a commission setting out heritage aspirations within the scheme.

Highlights of the Year

Although 2019-20 is somewhat overshadowed by the significant impact of the Covid-19 pandemic, which emerged toward the end of the year, the following section acknowledges our important and diverse work, and celebrates some of our achievements.

Championing

Now in its ninth year, our award-winning **Heritage Schools** programme has invested over £7.5million to help school children develop an understanding of their local heritage and its significance. In 2019-20, a further 3,000 teachers, trainee teachers and heritage educators participated in our training events and we continue to receive excellent feedback, with teachers agreeing overwhelmingly that the programme increases their own and pupils' understanding of local heritage, sense of place, and pride in their local area.

Heritage School projects in 2019-20 included a public exhibition of models of Scarborough buildings, created and curated by pupils from local schools in collaboration with local artists, writers and the Scarborough Museums Trust; an archaeological dig at Ashton Court in Bristol, involving over 300 pupils from local schools; and an art and design heritage project in Ramsgate, home

of architect and artist Augustus Pugin, where pupils created their own Pugin-inspired tiles to decorate a local landmark.

Apprenticeships offer an excellent opportunity to bring new ideas, skills and talent to our organisation, as well as offering young people the opportunity to gain experience and develop in their chosen career path. In addition to the existing apprenticeships in our corporate functions, in 2019-20 we launched our own Historic Environment Advice Assistant heritage apprenticeship scheme and, through our role leading a Trailblazer group (of sector employers, training providers and professional bodies), we developed six new heritage apprenticeship standards in the fields of archaeology, conservation and historic environment advice, which have been approved by the apprenticeships regulator (IfATE). As take-up of apprenticeships in the sector develops, we have an opportunity to share our expertise and position ourselves as a trainer of heritage apprentices for other sector employers.

We know that the heritage workforce does not reflect the diversity of society. In 2018-19 only 5% of our staff described their ethnicity as Black, Asian or minority ethnic (BAME), compared to the UK average figure of 14%. Since 2014, we have run a scheme offering training placements to people with BAME heritage at Historic England and other heritage organisations. Thanks to a grant from Allchurches Trust, in 2019-20 we also ran a **positive action campaign** to recruit a diverse cohort of new apprentices from communities local to our regional

offices, joining existing Historic England staff completing the same apprenticeship programme. The lessons learned from the recruitment campaign are being fed back into our standard recruitment procedures.

Partnering with the Stephen Lawrence Charitable Trust, we completed the first phase of our three-phase ***Connecting People and Places*** research project, which aims to identify and celebrate the built environment within the context of BAME local communities and heritage, and inspire young people from BAME backgrounds to pursue a career in architecture. The second phase will be a touring exhibition and the final findings of the project are expected to be published in 2020 as a permanent and accessible public record.

We have continued to build on our past experiences and successes in our public programming work, broadening our reach and helping even more audiences discover why the historic environment matters to everyone. Our 2019-20 ***Loss and Destruction*** season – a programme of cultural activities and events exploring the issue of lost heritage and the importance of buildings and places to communities – was a season of many firsts: our first partnership exhibition; our first foray into major outdoor art installations; our first pop-up cinemas; our first live-streaming; and even our first online quiz.

As part of the programme, ***Where Light Falls*** saw stunning projections transform the facades and precincts of St Paul's Cathedral and Coventry Cathedral, combining new poetry with powerful visuals and archive images to tell the story of those who risked their lives to protect

these places during the Second World War, and the hope and resilience borne out of disaster. Over 23,000 people attended in London and Coventry to witness the spectacular installations, and the live streams of both events totalled over 80,000 views.

We also joined forces with the Imperial War Museum London for our ***What Remains*** exhibition, exploring why cultural heritage is attacked during war, and sharing the stories of some of the incredible efforts of individuals, communities and official bodies to save, protect and restore cultural heritage when threatened or destroyed. This powerful exhibition exceeded all our expectations, with a staggering 85,000 visitors.

The **Historic England Archive** is an incredible resource, with over 1.6million photographs, plans and drawings searchable for free online. In 2019-20, it was awarded Archive Service Accreditation by The National Archives, recognising our high professional standards and commitment to ensuring that the collections are cared for and made available to as wide an audience as possible. We are fortunate to be supported by a fantastic team of Archive volunteers, who contributed over 2,100 hours this year.

In January 2020 we launched the ***Breaking New Ground*** project by releasing 2,000 previously unseen newly digitised images of Britain's construction history. Funded by the John Laing Charitable Trust, the 21-month project explores the history of constructing modern Britain using the John Laing Photographic Collection of over 230,000 images. Education workshops took place with schools

in Coventry, Bristol, London and Swindon. A number of films were produced as part of the project, detailing the outreach programme and the progress of the project's trainees.

Sometimes, it can be the most modest of subjects that strike the biggest chord with the public. During August 2019, a regional press campaign announcing the Grade II listing of **Canary Cottage** – a small farm worker's cottage on the outskirts of Peterborough – ended up reaching an audience of over 17 million people, with widespread national and international coverage. The story captured the imagination of the public and the media because the tiny dilapidated cottage in the Fen landscape demonstrated such charm, challenged the expectations of what a 'listed building' could be, and was brought to life by quotes from the last farmworkers to live there in the 1960s. A tweet about Canary Cottage was one of the most popular organic tweets of the year and it was our top Instagram post to date.

Other **campaigns and activities** that proved popular during the year included the listing of the 'Bowie Bandstand' in Beckenham, where David Bowie played in the Growth Summer Festival he organised with friends in 1969; and coverage of the 166 year old dinosaur sculptures at Crystal Palace Park, London, being added to the register of Heritage at Risk Register.

Supporting Change through Match-Funding

The **Heritage at Risk Register**, which we publish annually, records the nation's sites most at risk of being lost forever as a result of neglect, decay or inappropriate development. To engage wider audiences, this year we produced interactive maps for the launch, which were viewed over 1,500 times on the first day. We also created an interactive dashboard, specifically to share with local politicians.

Although over the last year nearly 250 sites were added to the Register, 310 sites were removed, many as a result of dedicated teams of volunteers and communities. Examples of the wide range of sites that are no longer deemed at risk include: the Grade II Physic Well in Barnet, London; Carshield lead mines and ore works, North Pennines; the Moseley School of Art, Birmingham; and the wreck of the 18th-century *HMS Invincible*, off Horse and Dean Sand in the Solent.

We know that there are many more buildings on the Heritage at Risk Register that could be rescued and brought back into beneficial use, to generate income and contribute to the local community and economy. Our experience shows that with the right partners, imaginative thinking and robust business planning, creative solutions can be found for these sometimes complex sites.

Our Heritage at Risk programme sees our regional teams working with owners, friends groups, developers and other stakeholders to find solutions for these 'at risk' historic places and sites, by providing advice, guidance

and resources, and our **Heritage at Risk grants** help owners look after some of the most important buildings, monuments and designed landscapes in the country. This year we spent £23.2million across all our grant schemes. The grant offers vary in amount, and the projects can take from a few months to several years to complete. The following are just a few examples of the projects we worked on this year:

- **Moseley Road Baths**, Birmingham, had been on the Heritage at Risk Register since 2005, and we have provided many years of technical advice and expertise, project support and grants. In February 2020, we were delighted to announce a major grant of £660,000 to Birmingham City Council to pay for urgent repairs to the Gala Pool roof, as part of the Council's £1million package to secure the Baths for future generations. The Grade II* listed baths were first opened in 1907 and have continuously hosted swimming for over 100 years. They are held in great affection by the local community, but are also significant because of their architectural quality and remarkably complete interior, including an almost complete set of 46 private washing rooms known as the 'slipper baths'.
- Historic England has been involved over a number of years in the restoration of the **Royal William Yard**, Plymouth, one of the most remarkable and complete early 19th-century industrial complexes in the country. Most recently, working in partnership with Urban Splash and Plymouth City Council,

we provided a grant of £500,000 to support the restoration of the Grade I neo-classical Melville Building, the centrepiece of the Royal William Yard, which has been on the Heritage at Risk Register since 2012.

- The Grade II* **Wingfield Station, Derbyshire**, was among the first purpose-built passenger railway stations in the world. We helped Amber Valley Borough Council with technical advice and grants totalling £175,000 to pursue a Repairs Notice and Compulsory Purchase Order, and our regional team also supported the Derbyshire Historic Buildings Trust to develop a conversion project and secure finance in order to take on the building. The Trust has now secured a National Lottery Heritage Fund grant and other funding to develop a business use project, and we have provided a grant for urgent repairs to ensure the building is stabilised and that this project can progress.
- **All Saints Church**, overlooking Newcastle Quayside, is a dominant feature on the city's skyline. Completed in 1796, this Grade I listed building is admired for its elegant and rare oval plan, but had been on the Heritage at Risk Register since 2012. Gateshead Presbyterian Church took on the challenge of finding a new purpose for the building and have re-established it as a place of worship and a venue for public events. A £135,000 grant contributed to the urgent repairs that were necessary before the building could be opened to the public. The church

has now reopened its doors for worship and held its first events in 2019, returning this impressive building to an active role in Newcastle's Quayside life.

- A £79,000 grant enabled the reinstatement of more than thirty metres of flood-damaged walls and railings, forming the boundary of the Grade I listed **St. Lawrence's Church**, within the Appleby Heritage Action Zone. The reinstated wall and railings have since withstood flooding from the storms that hit the area in early 2020, damage from which unfortunately affected other locations within Appleby.
- The 13th-century **Eleanor Cross** in Hardingstone, Northamptonshire, is a fine example of medieval craftsmanship, a much-loved landmark, and one of only three original Eleanor Crosses that were built in the 1290s to mark the twelve temporary resting places of Eleanor of Castile's mortal remains as they were processed back to London from Nottinghamshire. We provided a repair grant of £48,000, equivalent of 50% of the repair costs, and assisted the Council to define a strategy for repairs and engagement with the local community including special tours and media sessions during the repair programme.
- A £162,000 grant from Historic England, matched by £15,000 from the Association of Industrial Archaeologists, has seen the building that houses the brine pumping machinery at **Murgatroyd's Brine Works** in Cheshire repaired and the gantry that tops the building made safe. The repairs will make the site

of this scheduled monument safe, and allow work to begin on the impressive pumping machinery. Almost 200 volunteers are signed up and eager to help.

The DCMS-funded **Taylor Review pilot programme** ended on 31 March 2020. The pilot project, which tested the Review recommendations for improving the environmental sustainability of places of worship in England, saw the team working with a total of 400 listed places of worship across Suffolk and Greater Manchester. Historic England awarded over £1million of funding in grants of up to £10,000 for maintenance and minor repairs, and our partner, the Churches Conservation Trust, delivered a series of 16 workshops in both regions, designed and facilitated with our support. The project offered grant funding, advice and guidance about maintaining listed buildings, fundraising and bid writing, and the impact and methods of meaningful community engagement.

Our **Heritage Protection Commission** (HPC) grant programme funds projects that directly address the priorities outlined in our Corporate Plan, including strategic research and skills and capacity-building. A number of notable projects were funded this year, including an archaeological excavation and recording project with local community input at Pontefract Castle Gatehouse, West Yorkshire; the Chesil Beach Protected Wrecks Community Archaeology Project, which involved the local community in training activities and public events; and the Isles of Scilly Inshore Fisheries and Conservation Authority Collaborative Project – a successful trial project

in interdisciplinary research.

We also provided over £1million through our **National Capacity Building** grants, which fund amenity societies so they can provide casework advice to local authorities in England, as well as heritage trusts, societies, associations and other heritage bodies.

Since the **Heritage Action Zone (HAZ)** programme started in 2017-18, Historic England has provided over £3million in grant funding across 20 unique HAZs, where we work with local people and partners to unleash the power in our historic environment to create economic growth and improve quality of life in places:

- The third HAZ round, which launched in 2019-20, includes a number of projects in **Gosport**, Hampshire, with the aim of ensuring the town's unique military history is sustained whilst supporting the borough's physical, economic and social regeneration. The ambitious five-year HAZ scheme in **Swindon** will invest £7.6m into Brunel's Railway Works and Village in the heart of the town, the centrepiece being the Grade II* listed Mechanics' Institute, a long-standing Heritage at Risk case.
- 2019-20 saw the first completion of a HAZ programme in **Elsecar**, South Yorkshire. The scheme there sought to boost the contribution of the visitor economy to the local area and raise awareness of the historical significance of Elsecar as a Model Industrial Village at the heart of the Wentworth Estate. We are now working with the HAZ partnership

on the close-down and are preparing a full report on the programme's achievements and legacy activities.

- Other HAZs across the country include the **Stockton and Darlington Railway** HAZ, which aims to rejuvenate and restore the 26 mile stretch of historic railway, which was the birthplace of the modern railway system, in the build up to its 2025 bicentenary; the **Greater Grimsby** HAZ, which includes the unique Kasbah area of smokehouses, shops and factories associated with the fishing industry, in what was once the world's busiest fishing port; and **King's Lynn**, where the programme aims to demonstrate how well-designed new development can work within a medieval setting to boost the economic, social and environmental vitality of this historic town.

Building on the success of our HAZ programme, in May 2019, we launched a new £ multi-million fund that will see Historic England work with partners to find new ways to champion and revive our historic high streets. 68 high streets across England have now been selected as part of our **High Streets Heritage Action Zones (HAZ)** programme and will receive a share of the £95 million fund. Throughout the year, we have been working with the lead partners to help develop plans that have local heritage and community engagement at the heart of each scheme. A Cultural Programme, funded through the National Lottery Heritage Fund (NLHF) and supported by the Arts Council England (ACE), is being developed alongside each of the main schemes, working with local

communities and cultural organisations to celebrate what is unique about each place. We are working with delivery partners to reshape Programme Designs to respond positively to the Covid-19 situation, so that the High Street HAZ programme can be an important part of the recovery of the high street.

Protecting Through Listing and Planning

The **National Heritage List for England** (the List) is the official register of all nationally protected historic buildings and sites in England. Encompassing buildings, monuments, battlefields, shipwrecks, designed landscapes and World Heritage Sites, it records the extraordinarily varied built heritage of our country, and offers protection so that these places can continue to be appreciated for years to come. The List is curated by Historic England on behalf of the Department for Digital, Culture, Media and Sport (DCMS). In 2019-20, we made 1,273 recommendations to DCMS, resulting in 451 new designations. In addition, nearly 8,000 minor amendments and enhancements were made to the List.

Our **Enriching the List** programme, launched in 2016, invites the public to share with us its knowledge and pictures of listed places so we can record important facts, unlock the secrets of places, and bring the List to life. Working with the British Library, we have added links to dozens of audio recordings to allow the public to meet the people behind the historic places on the List. More recently, we partnered with the D-Day Museum in Portsmouth to use objects from its collection, and asked

the public to contribute stories and images of listed places that harbour wartime histories, to help curate a collection of 75 listed places to mark 75 years since the end of the Second World War.

In December 2019, our annual national overview, **21 Fascinating Places**, highlighted a rich selection of unique sites from the 553 additions made to the List during the preceding twelve months. These included the remains of the 16th-century Curtain Playhouse in Shoreditch, London, and a re-purposed K1 telephone kiosk (Grade II) located in a field at Newsholme Dean, West Yorkshire, one of only seven known surviving K1s, the country's first national telephone kiosks.

Another List addition was the Vertical Spinning Tunnel in Milton Ernest, Bedfordshire. Built between 1948 and 1955, it was a specialised facility to investigate aerodynamics and flight systems, allowing the study of the ways in which an aircraft could enter a spin and how to recover from it. A number of fascinating shipwrecks also earned protected status in 2019-20, including the *Seagull*, a rare, early example of a sail-assisted 19th-century paddle steamer lying off Horsey Gap, near Great Yarmouth in Norfolk; and the *South Australian*, a clipper ship that sailed between London and the state of South Australia for about 20 years, which sank in February 1889 after running into a gale off Lundy Island in the Bristol Channel.

We once again celebrated a great national institution – the public house – with the conclusion of our national **Historic Pubs Interiors** listing project in February 2019. Following on from our 2015-16 study of inter-war pubs,

and our 2018-19 research of pubs from the post-war era, this project was a collaboration between Historic England and the Campaign for Real Ale (CAMRA), reassessing 11 pubs across the country with particularly high quality interiors, including the Philharmonic Dining Rooms, Liverpool, known affectionately as the 'Phil', a highly decorative Victorian gin palace, which was upgraded to Grade I in recognition of its outstanding architectural qualities.

Most changes to buildings and land in England are managed through the **Planning System**. It guides decisions on proposed changes to historic buildings and places, including those that have been protected through designation. We continued to engage closely with the Planning System at all levels in 2019-20: we worked with Government and heritage sector partners on legislation and policy related to the heritage protection system; we commissioned research and prepared guidance to help deliver appropriate changes; and we also worked closely with planning authorities, owners and developers at the local plan and pre application stages, providing advice, support and challenge where we considered it necessary. Working from six regional offices, the advice we give benefits from our local knowledge and relationships, as well as our national expertise, which we bring together and share with partners and the public.

Some of the other **development and planning events** we participated in during 2019-20 included a Mills Development Conference, where Historic England staff gave keynote speeches and took part in a range of

panel discussions about restoration and redevelopment opportunities for Northern mills. We also hosted *Light: Not more, but better!*, a sector training conference on public realm lighting for around sixty local authority, lighting design and technical specialists to discuss how, working together, it is possible to enhance places through the use of light. Regional teams also worked closely with colleagues from ACE and the NLHF to run a workshop at the 2019 Convention of the North, to discuss the critical role of culture and heritage in placemaking.

Our **Historic Places Panel**, re-launched in 2019, provides a broad spectrum of independent expertise to help local authorities and others engage in the regeneration and revitalisation of historic places. Panel members participate in site visits, which typically last for two days, and provide strategic recommendations and a legacy of networking that can have formative and lasting benefits. The Panel produces a Review Paper, summarising the visit and its recommendations, which is shared with the host authority and other participants and published on our website.

The Panel participated in three visits during the year. In July 2019, it considered three towns on the Isle of Wight, all demonstrating the challenges common to town centres, but located in areas of distinct character and compelling heritage. Subsequent to the Panel's visit, the Council and partners submitted successful bids for High Street Heritage Action Zones in Ryde and Newport. It also visited Grimsby to provide advice on the Greater Grimsby Heritage Action Zone; and Reading, where it considered

the challenges faced in an area of economic success and development pressure.

Strengthening Sector Capacity and Resilience

We provide **training and guidance** to help local authorities, heritage professionals, owners and voluntary organisations looking after England's heritage. We train people whose work directly or indirectly impacts on historic sites and buildings, on subjects ranging from Government policies to practical, technical and specialist skills.

During 2019-20, we issued a wide range of advice and guidance documents, including two new **Historic England Advice Notes (HEANs)** on *Statements of Heritage Significance* and *Mineral Extraction and Archaeology*. We also consulted on other new or updated HEANs, including *Commercial Renewable Energy Development and the Historic Environment*, and *Tall Buildings*, which takes account of recent changes in the National Planning Policy Framework (NPPF) and recent good practice in planning and design of tall buildings, such as characterisation, contextual design and use of three-dimensional modelling.

We also completed and published our 12-year *Strategic Stone Study* project, which identifies the most important building stones in England, their historic and current sources, and representative buildings across 35 English counties. This information is now freely available through a web portal as a single resource, enabling suitable materials to be sourced both for the repair of historic

buildings, and new projects in sensitive locations.

On behalf of the sector, we produce **Heritage Counts**, an annual suite of reports providing an overview of the state of England's historic environment. This year, *Heritage Counts* research focused on carbon in the built historic environment. The flagship product, *There's no place like old homes: reuse and recycle to reduce carbon*, showed that we can reduce up to 65% of carbon emissions in historic buildings, and advocates the re-use of historic buildings as a more effective solution in terms of carbon reduction than demolition and replacement.

In the last year we have made excellent progress in **making even more of our heritage data more accessible** to the public and to heritage sector colleagues. This has included work with the Church of England to integrate Heritage at Risk Register entries into its Church Heritage Record system. We also provided Heritage at Risk spatial data to Natural England and the National Trust to allow them to better understand and better manage 'at risk' assets in their care.

We produced a Geographic Information System (GIS) dashboard of heritage at risk data to enable local authorities to better understand and manage these assets. As part of our Heritage Information Access Strategy (HIAS) – a programme of interlinked projects designed to simplify and improve public access to heritage data – we began the transfer of our own data to the 83 Heritage Environment Records (HERs) in England. HERs are the primary sources of information about historic and archaeological sites not on the List and are vital sources

of information for planning purposes, as well as for local communities.

As part of our Collaborative Doctoral Partnerships programme, sponsored by the Arts and Humanities Research Council (AHRC), we worked with host universities to take forward three **PhDs in areas of research** identified by us, including the heritage of minority faiths, attaching economic and social value to heritage assets in coastal areas, and analysis of medieval window glass. We were also awarded two AHRC grants as Principal Investigator, securing retention of our Independent Research Organisation status beyond 2022. Five members of staff have been appointed to the AHRC's Peer Review College.

In 2019-20 we chaired a working group of members from a number of national research bodies to help develop an outline bid to UK Research and Innovation for a major (c.£120m) 10-year investment stream in **heritage science infrastructure**, research, and skills development, which would utterly transform the UK's capability in this area. Our own ambitions for our science infrastructure included development of our capability at our research establishment, Fort Cumberland in Portsmouth, and we were delighted to be awarded a three-year EU grant that will provide funding to encourage international researchers to use our facilities, reference collections and data.

Heritage crime is any offence that harms the value of heritage assets and their settings, including theft, criminal damage, arson and anti-social behaviour offences.

Through guidance, briefings, workshops and online scenario training, we continued to broaden general awareness of the need to tackle heritage crime. We were pleased to note the successful prosecutions relating to the theft and criminal conversion of an Anglo-Saxon hoard, found as a result of illicit metal detecting; and also for serious damage to a scheduled monument following substantial illegal works on medieval settlement remains, which destroyed features that were fundamental to its significance and also to the rich archaeological resource below the surface.

In 2019-20, we funded the Volunteer Police Cadet (VPC) Heritage Crime Training Programme, which integrates a Heritage Crime training module into cadet groups across our six Regions. We also worked with constabularies around the country to introduce more Heritage Watch schemes, which enable the public to report and share information on crime, suspicious behaviour and damage they observe at heritage assets. Specialist schemes are under development for waterways, rail networks, metal detectorists, sub-aqua communities, High Street Action Zones, the Forestry Commission, National Parks, National Trust, and English Heritage Trust, amongst others. We have been monitoring the trend in heritage crime closely in the wake of the Covid-19 lockdown.

We continued our engagement on **international heritage issues** during 2019-20, welcoming delegations from a

number of overseas Governments and heritage agencies to explore culture and heritage-led approaches to urban growth and development, and made key contributions to meetings of the European Heritage Heads Forum and the UK Heritage Agencies Chief Executives.

We supported World Heritage UK in its review of the state of UK **World Heritage Sites** (WHSs) and, together with Arts Council England (ACE), represented the UK at the 31st General Assembly of the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) in Rome in October 2019. Our Technical Conservation Team was also active on the international stage this year, with our National Fire Adviser speaking at an international seminar on fire risk management for cultural heritage, set up in response to a number of major fires affecting cultural property, including the Glasgow School of Arts, Brazil's National Museum and Notre-Dame Cathedral in Paris. We also provided advice to the Government on the implications of Brexit for the historic environment and the heritage sector, including funding and the potential impact of immigration procedures.

We were pivotal in establishing the international **Climate Heritage Network** with colleagues from around the world, and contributed to the UK Climate Change Risk Assessment and the completion of the Marine Climate Change Impacts Partnership (MCCIP) report card on climate change, cultural heritage and the marine environment. We also led discussions towards a joint statement on climate change with other English heritage sector bodies.

Supporting The English Heritage Trust

Historic England is responsible to Government for the care and operation of the **National Heritage Collection**, which is carried out under a licence by the English Heritage Trust. This oversight role is supported by the work of the Historic Estate Conservation Committee (HECC), which monitors and advises Historic England on the conservation and maintenance of the properties within the Collection. During 2019-20, HECC carried out 18 site visits to National Heritage Collection properties, including Dover Castle, Lincoln Medieval Bishops' Palace and Hardwick Old Hall. The Committee also received updates on the Sustainable Conservation Strategy and Asset Management Plan (SCAMP), the Trust's Sustainable Conservation standards, conservation maintenance programme and condition surveys. The Committee's annual report on its work during 2019-20 concluded that the general condition of the Estate can be seen to be improving, and that it is clear that English Heritage staff are committed to making the maximum effort to ensure that work is carried out in the best possible way.

The Trust was on track to exceed its main performance indicators in 2019-20 for the fifth year running, but the impact of Covid-19 at the end of the financial year resulted in a small number of its Key Performance Indicator targets being marginally missed. The effect will be much more dramatic in 2020. The 2019-20 position is as follows:

- **Visitor numbers – 6,237,000** (*4% below budget due to the impact of Covid-19 on both domestic and*

international visitors with the closure of all sites, in addition to the poor weather at the beginning of the year.)

- **Membership recruitment – 372,000** (3% better than budget, despite no on-site recruitment able to take place from mid-March 2020.)
- **Total income – £126.6m** (0.1% below budget, with the impact of site closures being somewhat offset by a positive variance in legacy, subsidy and membership renewals income.)
- **Trading surplus – £41.9m** (2.5% below budget due to visitor shortfall once sites were closed in mid-March.)
- **Net Unrestricted Income – £7.2m** (142% above budget due to below budget unrestricted spend on maintenance and projects, to offset the fall in revenue once sites were closed.)
- **Volunteer roles – 4,100** (up 12% against 2018-19.)

Improving Financial and Organisational Resilience

As a public body, it is incumbent on us continually to identify ways to improve our own efficiency and effectiveness. In 2019-20, there was a focus on developing our **IT resilience**, which was brought into even sharper focus by the impact of the ongoing Covid-19 lockdown measures during the year. We had already begun a programme to roll-out Windows 10 and Office 365 to provide a modern, fit for purpose platform to support the organisation and its evolving

business practices. The planned release and training was accelerated over summer 2020, and will enhance our flexible working capabilities.

We have also migrated the bulk of our user data and servers into cloud storage, giving us a better business continuity position, greater understanding and transparency of costs, and a means of future-proofing our underlying technical infrastructure. The development of new systems is underway, including a new grants system, with an expectation that all existing and future grants will be managed by the service to allow common approaches and, critically, standardised reporting. In conjunction with our Digital and Archive teams, we have developed and launched Archive Collections Online, which has had a significant positive impact on the public's engagement with the digital archive.

Our **Finance** teams supported the development and management of major projects such as the High Street Heritage Action Zone initiative, Shrewsbury Flaxmill Maltings and other projects that were funded outside of Grant in Aid. We upgraded and improved our financial systems to ensure cost savings and efficiencies, whilst continuing to provide excellent shared services to our customers.

We continue to manage our **office estate** efficiently and have set about improving the working environment in existing offices to enable agile and flexible working, and have found new premises at Finzel's Reach in Bristol for our South West regional team. We developed and rolled-

out strategies to enable the phased and safe return of our people to offices.

Historic England is committed to supporting **good mental health and wellbeing**. With expert advice from Mind and Time to Change, we developed a Mental Health and Wellbeing Action Plan in conjunction with staff, and over 140 managers took part in our Managing Mental Health at Work training programme during the year. We were very proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index in 2019-20, recognising our long-term investment in improving mental health and wellbeing at work. This year, we focused on raising awareness of work-related stress, carrying out training and encouraging the use of stress risk assessments. Working together, we know that we can better identify and reduce risks that may cause stress at work and affect performance.

Our online learning platform, Fuse, provides a space for formal training, essential information and support, as well as enabling 'water cooler communities' to come together to share expertise and experiences. As part of our commitment to career development and organisational resilience, 23 of our Senior Managers completed a year-long Leadership Development Programme, endorsed by the Institute of Leadership and Management (ILM), and the Executive Team continued its tailored Leadership Development programme. A further 100 managers completed other management training, and we held a number of workshops across the organisation on a range of subjects, including the introduction of Lean Principles and tools that can be used in process improvements. This

enhancement in virtual training and learning opportunities proved to be invaluable in lockdown.

Performance on Other Matters

We are committed to improving the advice and guidance we provide, our engagement with the public and stakeholders, and how we preserve and enhance the historic environment. In all our work – with colleagues, the public and other stakeholders – we aim to ensure the respectful treatment of people, the sustainable use of the environment, ethical supply chains, and decision-making through stakeholder engagement.

We have a zero tolerance policy for any form of modern slavery, coerced labour or human trafficking within our own business, our supply chains or amongst grant recipients. Our Modern Slavery Transparency Statement can be found in full on our webpages. In 2019-20, we received no alerts regarding suspect incidents of modern slavery via our whistleblowing mechanisms.

We are committed to ensuring that the opportunities for, and potential impact of, any incidences of bribery, fraud and corruption are minimised. All our staff are required to act honestly and with integrity, and to safeguard the public resources that they are responsible for. During the year, there were no incidents resulting in staff being disciplined or dismissed for any act constituting bribery or corruption.

As reported elsewhere, we are committed to directing our resources to where they will have the greatest public impact and measuring the public benefit of all our activities. Our new corporate planning and performance

monitoring processes are underpinned by a suite of outcome-led performance measures, which will enable us to monitor and demonstrate the public benefits and social impact of our work. Like all public bodies, we are mindful of risk and uncertainty and continue to keep our objectives, performance indicators and corporate risks under review and, when necessary, update them to reflect changes to our operating environment.

Sustainability Report

Historic England's sustainability report has been prepared in line with the requirements of the Greening Government Commitments. As noted elsewhere in the Performance Report, Historic England is actively encouraging debate about how to improve the sustainability of the heritage sector in line with Government environmental policy initiatives. We endeavour to be a role model for other heritage organisations in the way that we manage the sustainability of its own operations.

Greenhouse Gas Emissions

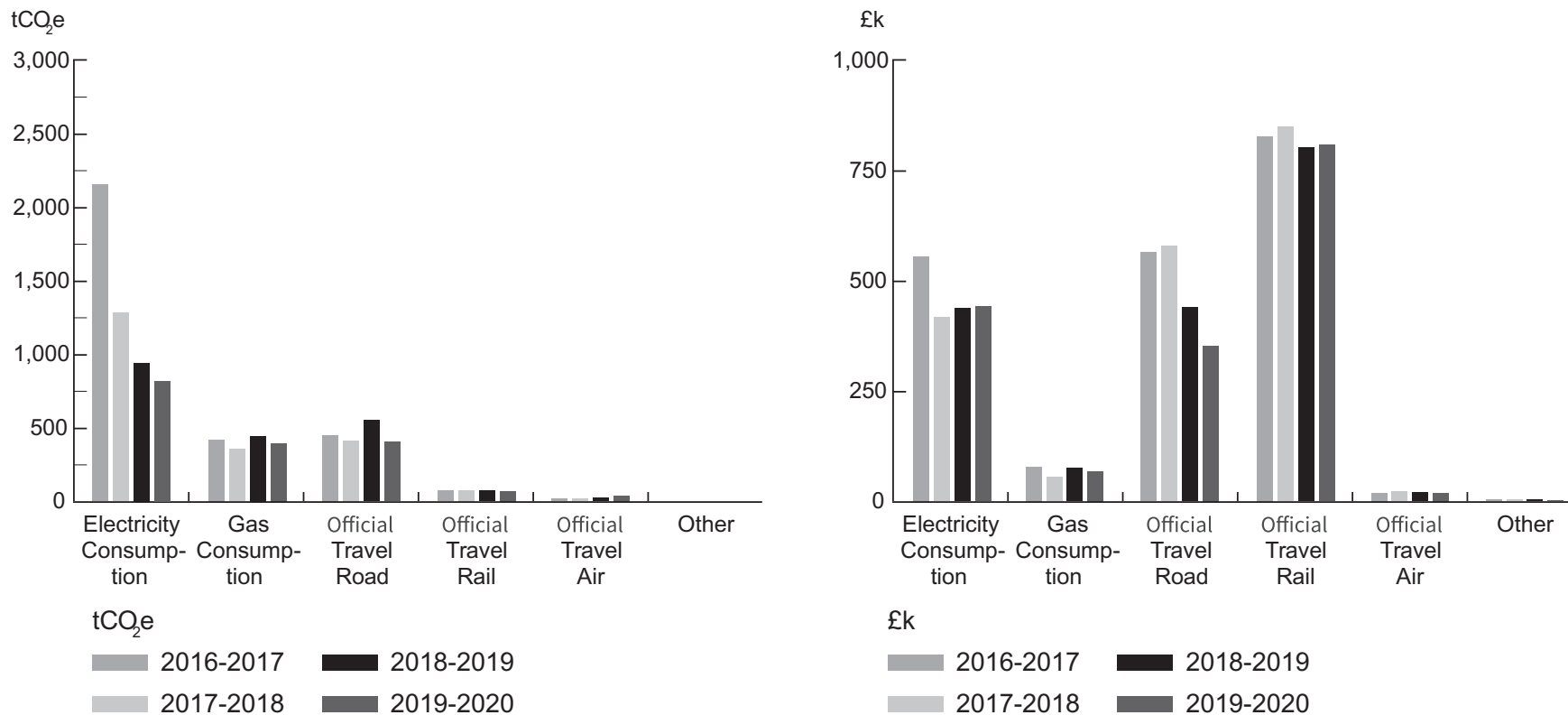
	2016-17	2017-18	2018-19	2019-20
Non-Financial Indicators (tCO₂e: tonnes of CO₂ equivalent)¹				
Total Gross Emissions for Scopes 1 & 2	2,571	1,635	1,383	1,211
Total Net Emissions for Scopes 1 & 2 (i.e. less reductions – e.g. green tariffs)	2,571	1,635	1,383	1,211
Gross Emissions Scope 3 Business Travel	537	506	647	472
Other Scope 3 Emissions Measured	–	–	–	–
Related Energy Consumption (kWh: kilowatthour)				
Electricity: Non-Renewable	5,222,681	3,644,194	3,323,212	3,199,985
Electricity: Renewable	–	–	–	–
Gas	2,279,064	1,922,904	2,402,731	2,136,787
LPG	–	–	–	–
Other	–	–	–	–

Financial Indicators

Expenditure on Energy	£633k	£472k	£512k	£509k
CRC License Expenditure (2010 onwards)	£34k	£30k	£25k	–
CRC Income from Recycling Payments	–	–	–	–
Expenditure on Accredited Offsets (e.g. GCOF)	–	–	–	–
Expenditure on Official Business Travel	£1,414k	£1,451k	£1,263k	£1,181k

- ¹ The scopes and conversion rates are set out in the UK Government conversion factors for Company Reporting guidelines issued by BEIS/ Defra and available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018>.
- ² Scopes 1 and 2 relate to emissions from sources owned or controlled by Historic England or from the consumption of purchased energy.
- ³ Carbon emissions from electricity use have risen, but this rise is driven by a change in the Government conversion factor. In terms of kWh used, Historic England used less in 2019-20 than it did in 2018-19.

Greenhouse Gas Emissions in Tonnes and by Cost



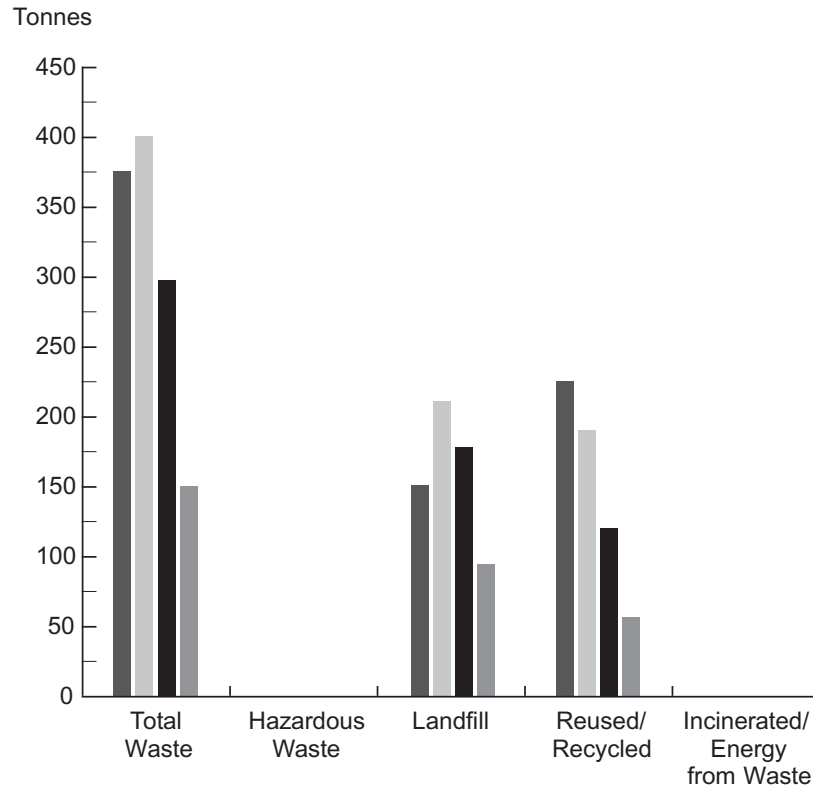
As far as possible, actual data is used to calculate greenhouse gas emissions but, where it has not been possible, estimations have been extrapolated from the actual data. We use smart meters across all energy types to control and manage energy usage, which continues to contribute to the decrease in greenhouse gas emissions.

As of 1 April 2020, Historic England has moved over to entirely renewable energy tariffs. Following an update to our allowable expenses policy, and an emphasis on better utilisation of technology, business travel costs and carbon have fallen slightly compared to 2018-19. Emissions have halved over the last four years as a cumulative result of the initiatives that we have taken.

Waste Management

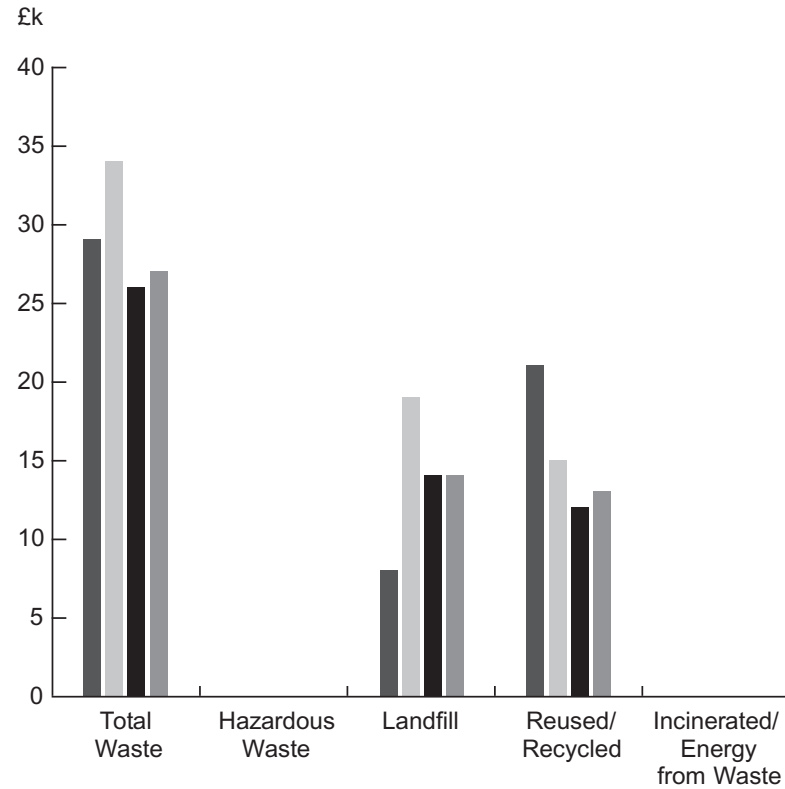
		2016-17	2017-18	2018-19	2019-20
Non-Financial Indicators (tonnes)					
Total waste		376	401	298	301
Hazardous waste	Total	–	–	–	–
	Landfill	151	211	178	170
Non-hazardous waste	Reused/Recycled	225	190	120	131
	Incinerated/energy from waste	–	–	–	–
Financial Indicators					
Total disposal cost		£29k	£34k	£26k	£27k
Hazardous waste – Total disposal cost		–	–	–	–
Non-hazardous waste	Landfill	£8k	£19k	£14k	£14k
	Reused/Recycled	£21k	£15k	£12k	£13k
	Incinerated/energy from waste	–	–	–	–

Waste Volumes and Disposal Routes in Tonnes and by Cost



Tonnes

 2016-2017	 2018-2019
 2017-2018	 2019-2020



£k

 2016-2017	 2018-2019
 2017-2018	 2019-2020

We continue to maintain tight waste management procedures through contract management at our offices, as well as shared practice from revisions to our Facilities Management team structure. We are rolling out new ways of working across our estate in light of successful implementation at our London office, which has seen a reduction in waste both in terms of volume and cost.

Waste tonnage figures for some office locations were calculated based on prior year figures due to office closure during Covid-19 and restricted access to data.

Water – Finite Resource Consumption

		2016- 2017	2017- 2018	2018- 2019	2019-2020
Non-Financial Indicators (m³)					
Water Consumption	Supplied	10,006	9,591	10,063	9,428
	Abstracted	–	–	–	–
Financial Indicators					
Water Supply Costs		£22k	£21k	£22k	£18k

Water usage is reflective of individual employee needs in maintaining their health and welfare. We continue to explore new systems to reduce water usage at our offices. IT solutions are helping to address unnecessary printing and paper.

Paper – Finite Resource Consumption

	2016-17	2017-18	2018-19	2019-20
Non-Financial Indicators (Reams)				
A3 Paper	325	345	252	297
A4 Paper	6,567	7,385	5,025	4,375
Financial Indicators				
A3 Paper	£1k	£2k	£1k	£1k
A4 Paper	£18k	£17k	£13k	£10k

Long Term Expenditure Trends

	Actuals					Budgeted	
	2015-2016 £m	2016-2017 £m	2017-2018 £m	2018-2019 £m	2019-2020 £m	2020-2021 £m	2021-2022 £m
Grants	19.3	19.9	20.1	20.2	23.5	35.0	44.7
Regions	15.7	15.6	15.4	15.0	15.2	15.9	16.7
Policy and Evidence	11.9	12.0	11.9	12.0	12.4	12.6	13.1
Public Engagement	5.9	5.6	5.9	6.1	6.8	6.8	7.1
Business Improvement	2.5	2.6	3.0	2.9	3.3	2.8	2.9
Shrewsbury Flaxmill Maltings	2.5	1.5	5.1	4.5	6.2	2.9	2.0
High Streets Projects	–	–	–	–	0.6	1.7	5.4
Corporate/Support Services to HE	17.4	16.6	16.1	17.7	10.2	17.7	16.1
Depreciation, Amortisation and Impairment	9.0	6.8	6.0	6.2	7.7	7.8	7.8
Expenditure Relating to Core Historic England Activities	84.2	80.6	83.5	84.6	85.9	103.2	115.8
Corporate and Support Service to Third Parties	10.9	11.2	10.8	8.1	7.6	7.7	7.8
Subsidy to The English Heritage Trust	15.8	14.7	14.7	13.8	13.2	11.0	8.8
Expenditure Relating to Services Provided to Third Parties	26.7	25.9	25.5	21.9	20.8	18.7	16.6
Totals	110.9	106.5	109.0	106.5	106.7	121.9	132.4

Our Position at the Close of the Year

Historic England received £89.5million (2018-19: £91.6million) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £122.5million (2018-19: £114.1million), of which £107.6million (2018-19: £101.9million) was earned income from commercial activities. Net expenditure for the group was £86.3million (2018-19: £82.5million), while Historic England showed net expenditure of £90.8million (2018-19: £92.1million). English Heritage made an unrestricted operating surplus in the year of £7.7million (2018-19: £9.2million).

Adoption of the Going Concern Basis

The Annual Report and Accounts have been prepared on a going concern basis. The organisation is principally reliant on funding from the Department for Digital, Culture, Media and Sport (DCMS). Our current agreement for funding ends at the end of 2020-21. DCMS has confirmed that a new Management Agreement will be entered into once the 2020 Spending Review is completed and the precise settlement is known.

Duncan Wilson
Chief Executive
8 December 2020

SECTION 2

Accountability Report

This section explains how Historic England is accountable to Parliament and how we comply with governance good practice and guidance.

Corporate Governance Report

The Corporate Governance Report summarises the governance arrangements we have in place, how these support the achievement of our objectives and gives an assessment of their effectiveness.

Directors' Report

Historic England is the common name of the Historic Buildings and Monuments Commission for England (HBMCE). It is in a group with The Historic England Foundation, The English Heritage Trust, English Heritage Trading Limited, the Iveagh Bequest, English Heritage Limited and Historic England Limited. Further details of Historic England's purposes can be found in the Performance Report Overview that starts on page 9.

Commissioners and Executive Team Members

Sir Laurie Magnus was appointed Chairman of Historic England on 1 September 2013. Details of his remuneration and that of Duncan Wilson, the Chief Executive, along with other Commissioners and senior staff who served between 1 April 2019 and 31 March 2020 can be found in the Remuneration and Staff Report that starts on page 93.

The terms of reference and membership of Commission, its committees and the Executive Team can be found on Historic England's website.

Responsibilities of Commissioners

The key responsibilities of Commissioners are to:

- ensure that the statutory responsibilities of Historic England are undertaken;
- provide expert advice and guidance on heritage matters;
- establish the overall strategic direction of Historic England;
- oversee and monitor the planned performance against strategic objectives and targets;
- ensure the highest standards of probity are used in the administration and use of funds and maximise the economical, efficient and effective use of resources for the public good;

- ensure the highest standards of corporate governance and ensure the Commission acts within all statutory and regulatory requirements;
- ensure, through the Chief Executive, that the Commission, as employer, acts in accordance with all relevant legislation and best practice; and
- ensure that Historic England conducts its dealings with the community in an open, responsive and accountable manner.

Register of Interests

Historic England maintains a record of declarations of interest made by Commissioners, which includes company directorships. A copy of the current Register of Interests, and the guidance we require members to follow, is available here: www.historicengland.org.uk/about/who-we-are/commission/dois/

Declarations of potential conflicts of interest are obtained from all Commissioners, committee members and members of the Executive Team at least once a year. Declarations are also sought at each meeting in relation to the business on the agenda. Where there is a material conflict, the individual takes no part in the proceedings.

Fraud and Personal Data Related Incidents

Historic England suffered no material fraud losses during 2019-20. All losses, including immaterial amounts and failed attempts (for example phishing emails), were reported to DCMS in accordance with our Management

Agreement. No significant losses of information took place and no reports were made to the Information Commissioner's Office during 2019-20.

Audit Arrangements

The Comptroller and Auditor General has been the auditor of HBMCE since 1 April 2004, English Heritage Trading Limited from 1 April 2008, The English Heritage Trust from 1 April 2015, and the Historic England Foundation from 16 January 2017. The Iveagh Bequest, English Heritage Limited and Historic England Limited are all dormant and are not subject to audit or independent examination. Audit fees charged for the year are reported in note 11.

Statement of Commissioners' and Accounting Officer's Responsibilities

Under paragraph 12(2) of Schedule 3 of the National Heritage Act 1983, the Secretary of State, with the consent of HM Treasury, has directed Historic England to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Historic England and of its net comprehensive expenditure, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and

- prepare the financial statements on a going concern basis.

The Accounting Officer for the Department for Digital, Culture, Media and Sport has designated the Chief Executive as the Accounting Officer of Historic England. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, and for keeping proper records and for safeguarding Historic England's assets, are set out in *Managing Public Money* published by HM Treasury.

Disclosure of Relevant Audit Information

As Accounting Officer and in conjunction with the Commissioners and Executive Team, we have taken all the steps that ought to have been taken to make ourselves aware of any relevant audit information and to establish that the National Audit Office is aware of that information.

I am not aware of any audit information of which the National Audit Office is unaware. I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable; and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

The Governance Statement, for which I take personal responsibility as Accounting Officer, provides an overview of Historic England's governance arrangements, and the role that these arrangements have in supporting the achievement of our aims and objectives. It also explains how we comply with good governance principles and how the effectiveness of our governance arrangements is reviewed and challenged.

Scope of Responsibility

- Historic England is a non-departmental Public Body and the National Heritage Act 1983 sets out **our statutory purposes**. The 2002 Act makes further provision in relation to our functions.
- We have a Management Agreement with the Department for Digital, Culture, Media and Sport (DCMS), which sets out **the framework and resources within which we operate**.

How we are accountable

- Accountability to Ministers and Parliament is maintained in accordance with the Management Agreement and through my role as Accounting Officer.
- We report twice a year to DCMS on our performance against the Management Agreement priorities and I hold regular meetings with senior DCMS staff, as do other members of the Executive Team.
- As a public body we are required to undergo a Tailored Review once during the lifetime of a Parliament. The purpose of the review is to provide assurance to Government of the ongoing need for the functions of our organisation, and to provide an opportunity for us to reflect on our work and operating model.
- DCMS's Tailored Review of Historic England ran throughout 2019-20 and included interviews with a wide range of stakeholders and public consultation. We worked closely with the Review team and have welcomed its findings. The final report was published in November 2020, and we are finalising our response plan, which identifies priorities and timescales.

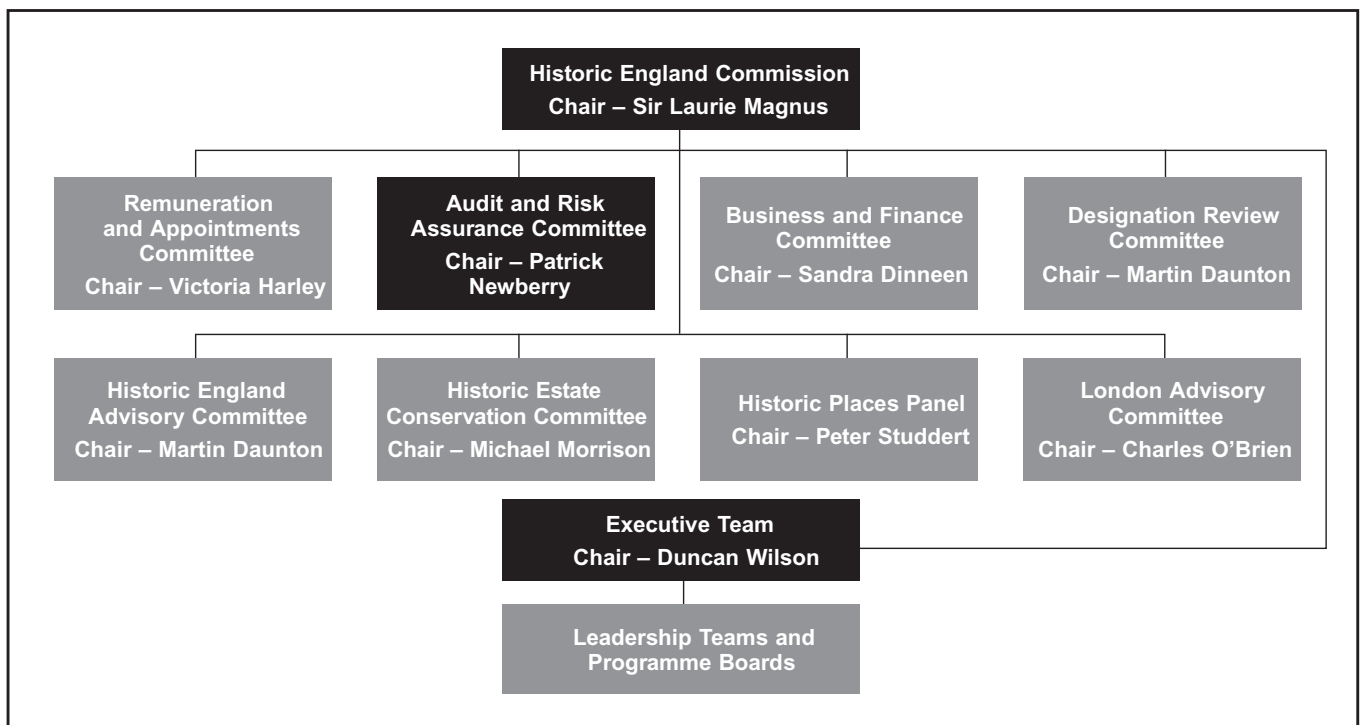
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- Commission, as our governing body, establishes **the overall strategic direction of the organisation and our corporate aims**. These are published in our Corporate Plan, which also describes how we go about delivering these aims and the indicators we use to measure our performance.

- Commission contributes to the development of the organisation's corporate priorities and objectives at an annual Strategy Session and approves the Corporate Plan.
 - It receives a performance summary at each of its meetings that reports on strategic, operational and financial performance.
 - On behalf of Commission, the Audit and Risk Assurance Committee receives twice-yearly updates on performance against our Corporate Plan aims and performance indicators.
-

Scope of Responsibility	How we are accountable
<ul style="list-style-type: none"> As board members of a public body, Commissioners are obliged to observe various Government requirements and standards in their role, notably the Seven Principles of Public Life, or ‘Nolan Principles’. 	<ul style="list-style-type: none"> On appointment, Commissioners sign Terms and Conditions that commit them to abiding by Historic England’s Conduct Guidance for Commissioners, which sets out the various requirements and standards applicable to the role (within the context of Historic England’s business and governance arrangements), including the Nolan Principles.
<ul style="list-style-type: none"> Day to day management of the organisation rests with me as the Chief Executive and Accounting Officer. I delegate authority to my direct reports to incur expenditure and make decisions in accordance with our Scheme of Delegations, and the limits set out in the Management Agreement and our Finance Manual. 	<ul style="list-style-type: none"> The Executive Team considers a summary of organisational performance and financial management information on a regular basis. It reviews the corporate risk register on a monthly basis. I also hold regular one to one meetings with each of my direct reports to seek assurances on performance and risk management.
<ul style="list-style-type: none"> Historic England remains accountable to Government for the care and maintenance of the National Heritage Collection, which is managed on our behalf by the English Heritage Trust under an eight-year licence. 	<ul style="list-style-type: none"> Two members of the Historic England Commission are also English Heritage Trustees. Commission’s oversight role is supported by the work of the Historic Estate Conservation Committee (HECC), which has two EH Trust observers. During 2019-20, HECC met on three occasions and carried out 18 site visits to National Heritage Collection properties. It produces an annual report to Commission. Bilateral meetings between Historic England and the English Heritage Trust are held at Chairman, Chief Executive and officer level. The Chair of the Audit and Risk Assurance Committee also meets regularly with his counterpart and receives EH Trust Audit Committee papers. A Historic England Commissioner sits on the Trust’s Remuneration & Appointments Committee. The Trust reports on its financial and non-financial performance at each Commission meeting.

Our Structure and System of Governance

The purpose of Historic England’s system of governance is to maximise the potential of the organisation in achieving its aims. Governance within Historic England is exercised primarily through the following bodies:



Commission is Historic England’s governing body, comprising non-executive Commissioners appointed by the Secretary of State for Digital, Culture, Media and Sport. It establishes the overall strategic direction of Historic England and ensures that our statutory responsibilities are carried out. Commission is responsible for oversight and monitoring of performance and ensuring the highest standards of corporate governance. In order to support it in its role, Commission routinely receives reports, prepared by the Executive, on key operational

and risk areas, strategy and policy, financial and non-financial performance, as well as detailed reports from its specialist sub-committees at each meeting. Minutes of Commission meetings are publicly available on our website, once approved at the subsequent meeting.

The **Audit and Risk Assurance Committee** supports Commission and me in my role as Accounting Officer in discharging our responsibilities for maintaining sound risk-management, control and governance arrangements. It receives half-yearly reports on corporate performance, including the management of risks, and has oversight of governance arrangements generally. More detail about the work of the Committee during 2019-20 can be found on page 81.

The **Executive Team**, which I chair, comprises the Group Directors who report to me. Each Group Director is accountable for the achievement of the aims and the management of the risks that are wholly or partly the responsibility of their Group. The Executive Team is responsible for establishing control arrangements and for ensuring that these operate as intended.

Two further committees help manage our internal business. The Business and Finance Committee oversees our financial strategy and the overall financial management of Historic England. The Remuneration and Appointments Committee approves my remuneration, agrees my objectives as Chief Executive and monitors my performance against them. It reviews the membership requirements of Commission and its committees and advises on our overall Human Resources strategy,

including inclusion and diversity policies. More information on the role of the Remuneration and Appointments Committee can be found in the Remuneration and Staff Report on page 93.

In addition, there are a number of specialist non-executive committees that advise staff and the Commission on particular strategy, policy and casework matters: the Historic England Advisory Committee; the London Advisory Committee; the Historic Estate Conservation Committee; the Designation Review Committee; and the Historic Places Panel. Full membership and details of individuals' expertise are published on Historic England's webpages.

Terms of Reference for these groups are reviewed on a regular and proportionate basis to ensure they remain fit for purpose and reflect the operating environment. There is a rolling programme of sub-committee self-assessments and effectiveness reviews, with each Committee reporting a summary of its conclusions to Commission. In 2019-20, Commission received annual reports from the Historic England Advisory Committee, the London Advisory Committee, the Historic Estate Conservation Committee, and the Audit and Risk Assurance Committee.

Membership and Attendance

Details of Commission membership and attendance during 2019-20 are detailed in the table below.

Attendance at Commission and Business Committee Meetings

Commissioner	Commission	Audit and Risk Assurance Committee	Business and Finance Committee	Remuneration and Appointments Committee
Sir Laurie Magnus (Chair)	6/6	–	3/3	2/2
Alex Balfour	6/6	–	2/3	–
Nicholas Boys Smith	5/6	4/4	3/3	–
Martin Daunton	4/6	–	–	–
Sandie Dawe ¹	1/1	–	–	–
Benjamin Derbyshire ²	3/3	–	–	–
Sandra Dinneen ³	5/6	3/4	3/3	–
Paul Farmer	2/6	–	–	1/2
Mike Fulford ⁴	1/1	–	–	–
Helena Hamerow ⁵	2/3	–	–	–
Victoria Harley ⁶	5/6	–	–	2/2
Rosemarie MacQueen	5/6	–	–	–
Neil Mendoza ⁷	4/5	–	2/2	–
Michael Morrison	6/6	–	–	–
Patrick Newberry ⁸	6/6	4/4	3/3	2/2
Charles O'Brien	5/6	–	–	–
Susie Thornberry	5/6	–	–	2/2
Richard Upton	3/6	–	–	–
Sue Wilkinson ⁹	3/3	–	–	–
Independent members				
Simon Judge	–	4/4	–	–
Shri Mukundagiri	–	4/4	–	–

¹ Commissioner term commenced 1 January 2020.

² Commissioner term commenced 1 September 2019.

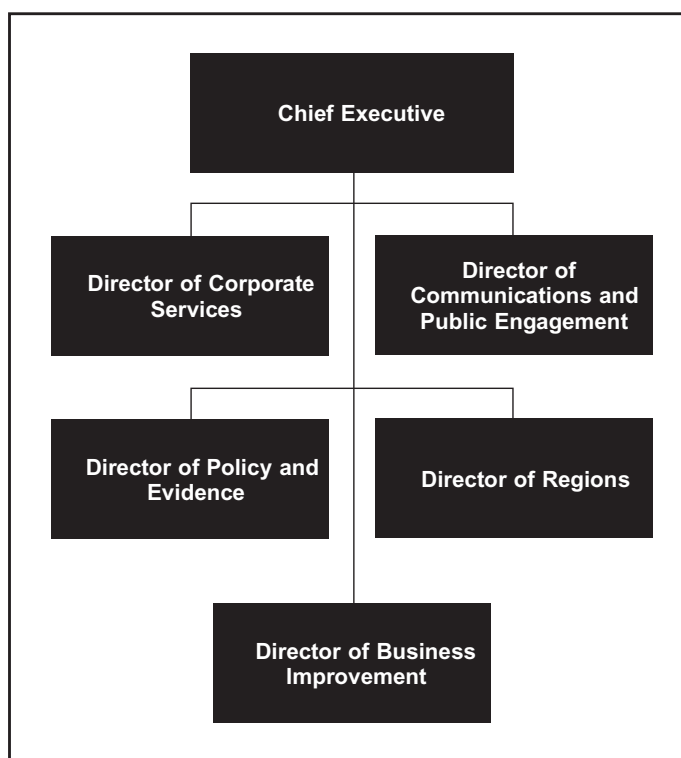
- ³ Term as Chair of the Business and Finance Committee commenced 1 January 2020.
- ⁴ Commissioner term ended 31 May 2019.
- ⁵ Commissioner term commenced 1 September 2019.
- ⁶ Chair of the Remuneration and Appointments Committee.
- ⁷ Commissioner term (and term as Chair of the Business and Finance Committee) ended 31 December 2019.
- ⁸ Chair of the Audit and Risk Assurance Committee.
- ⁹ Commissioner term commenced 1 September 2019.

In addition to its formal schedule of meetings, Commissioners participated in a two-day regional site visit and also met once with English Heritage Trustees to discuss matters of mutual interest.

Since the Covid-19 emergency, Commission has met via video-conference on four occasions in April, May, June and September 2020.

Executive Team in 2019-20

The Executive Team comprises the Chief Executive and Group Directors:



The Executive Team meets, as far as it is practicable, on a weekly basis. When a Group Director is absent for a meeting, a senior member of their team attends in their place. In response to the Covid-19 pandemic, from mid-March 2020, the Executive Team has convened on a daily basis by video-conference, in addition to its schedule of weekly meetings, in order to ensure a robust framework of governance and control remains in place, whilst being agile and responsive to the emerging situation.

Executive Team member during 2019-20	Term of membership	Meeting attendance
Duncan Wilson – Chief Executive	01 April 2019 – 31 March 2020	28/41
Michael Bishop – Director of Business Improvement	1 November 2019 – 31 March 2020	17/18
Meryl Hayward – Director of Corporate Services	01 April 2019 – 31 March 2020	38/41
Claudia Kenyatta – Director of Regions	01 April 2019 – 31 March 2020	28/41
Sarah Ryle – Director of Communications and Public Engagement ¹⁰	01 April 2019 – 26 July 2019	13/15
Amy Pitts – Interim Director of Communications and Public Engagement	10 February 2020 – 31 March 2020	6/7
Ian Morrison – Director of Policy and Evidence	01 April 2019 – 31 March 2020	37/41

¹⁰Between 13 July 2019 and 9 February 2020, Duncan Wilson, Chief Executive, was also acting Director of Communications and Public Engagement.

The Audit and Risk Assurance Committee in 2019-20

Commission has established an Audit and Risk Assurance Committee to support it, and me as the Accounting Officer, in our responsibilities for maintaining sound risk management, control and governance arrangements. The main responsibilities of the Committee are to advise on:

- the financial accounting and external reporting processes, and external audit;
- the effectiveness of risk management and control systems, and internal audit; and
- the effectiveness of anti-fraud and whistleblowing arrangements.

However, these responsibilities do not alter the oversight responsibilities of Commission or me as the Accounting Officer, for the maintenance of sound systems of governance, risk management, internal control, and for financial and other external reporting.

In practice, the Committee carries out its work by reviewing and challenging the assurances it receives on the effectiveness of internal controls and risk management, the way in which these assurances have been developed, and the management priorities on which they are based.

The Committee's membership comprises Commissioners and independent members who have a broad range of experience including finance, risk management and governance. The Committee reports to Commission following each of its meetings, and prepares an annual

report to me as Accounting Officer and to Commission, summarising the work it has undertaken during the year and its conclusions.

The Audit and Risk Assurance Committee met on four occasions during 2019-20, its business covering a broad range of matters including the following:

- The NAO's audit plans, progress and findings. The Committee has also held discussions with the NAO without members of the executive present.
- Regular reports and assurances from management in relation to risk management, control and governance arrangements, including six-monthly reporting on: corporate performance against strategic aims and measures; the monitoring and mitigation of corporate risks and the organisation's Risk Appetite statement; the management of operational risks relating to health and safety, fire and business continuity; and operational risk performance, including accidents and incidents, fraud and loss, whistleblowing and sickness.
- Specific reports and assurances on key areas of operational and business risk, including: the Heritage Action Zone (HAZ) programme, preparations for (and risks associated with) the UK's exit from the EU (Brexit); cyber security, information security, and compliance with the General Data Protection Regulation; and counter-fraud arrangements, in particular the grant-giving mechanisms for schemes including the High Streets HAZ programme.

- Various discussions regarding the English Heritage Trust, including the development of a suite of KPIs for monitoring performance and a presentation from the Trust's Chief Financial Officer on its financial statements. In November 2019, as part of its ongoing programme of 'deep dives', the Committee carried out a comprehensive review of Historic England's role in monitoring the EH Trust's performance, and the Trust's plans for achieving financial sustainability.
- Updates on discussions with specialist tax advisers and HMRC regarding the historic treatment of VAT, and VAT recoverability.
- The Registers of Interests for Commission, committee and Executive Team members. It also reviewed a summary of hospitality given and received by the Historic England Chairman and Chief Executive.
- Detailed briefings on the 2019-20 financial statements and accounting policies included elsewhere in this publication; and drafts of the Performance and Accountability Reports.
- At its March 2020 meeting, the Committee received a briefing on Historic England's response to the then emerging Covid-19 health emergency, including the establishment of a cross-organisational operational response group; communication plans; scenario-planning relating to possible impact on the workforce; mitigation plans for site visits, events and meetings; and preparations for the anticipated widespread

remote working, including IMT services, and cybersecurity.

The Committee was given the opportunity to comment on and challenge the assurances made in this Governance Statement.

The Committee regularly reviews the business it considers and how it exercises its functions. During 2019-20, the Committee undertook a comprehensive self-assessment of its effectiveness, facilitated by the Government Internal Audit Agency (GIAA) using the NAO's checklist of best practice, as set out in HM Treasury's Audit and Risk Committee Handbook. Committee members' feedback was positive overall, with only a small number of areas identified for further action. These were considered by the Committee at its March 2020 meeting, and the resulting action plan will be implemented and monitored during 2020-21. In line with good practice, the Committee also reviewed and approved its Terms of Reference during 2019-20.

Risk Management

Risk Management is an essential part of good governance. In line with the principles-based approach set out in HM Treasury's *Management of Risks – Principles and Concepts (The Orange Book)*, risk management informs decision-making and performance management at all levels of our organisation. Our approach, which allows for flexibility, judgement and learning, aims to control risk to a reasonable level, rather than eliminate all risk.

The Executive Team considers the overall level of risk appetite that the organisation is prepared to accept, which is reviewed and approved by the Audit and Risk Assurance Committee annually. The Risk Appetite statement for 2019-20 is set out in the table below.

The statement assesses risk appetite across ten strategic and operational areas on a five-point rating from 'zero' to 'high'. Care of staff, care of information and financial management are the areas where we have a low risk appetite, meaning that Historic England is not willing to accept unnecessary risks in most circumstances in relation to these activities.

Risk Appetite	Description	Area of Historic England Activity
High	HE will take opportunities that have an inherent high risk.	
Moderate	HE is willing to accept higher well-judged and understood risks.	<ul style="list-style-type: none"> ■ Promoting the value and enjoyment of the historic environment ■ Commercial and fundraising activities ■ Managing staff performance ■ Administration
Modest	HE is willing to accept some risks.	<ul style="list-style-type: none"> ■ Providing expert advice and information ■ Protecting the Historic Environment ■ Shared Service Provision ■ Procurement
Low	HE is not willing to accept unnecessary risks in most circumstances.	<ul style="list-style-type: none"> ■ Care of staff ■ Care of Information ■ Financial Management
Zero	HE is not willing to accept risks under any circumstances.	

Our risk management framework identifies, prioritises and evaluates the likelihood and potential impact of specific risks to the achievement of our aims and objectives. We aim to manage risks effectively and economically in proportion to the threat that they pose.

Risks are monitored primarily through our corporate risk register, which is updated according to the perception of risks at the time. The Executive Team receives the register each month, and the Audit and Risk Assurance Committee formally considers the corporate risk register and our performance against corporate objectives at least twice during the year. Commission also reviews performance and risk reporting at year-end.

During 2019-20, the risks considered to pose the greatest threat to the delivery of our corporate objectives (based on post-mitigation likelihood and impact scores) were:

- the reduction in local authority resources deployed in protecting heritage (external);
- further cuts to grant in aid (financial); and
- processes and infrastructure (including IT) becoming unfit for purpose (business).

As a result of the Covid-19 pandemic, an additional risk was added to the risk register to reflect the potential impact on our people, infrastructure, funding and partners in the sector, including the English Heritage Trust.

Page 18 of the Performance Report summarises my own views of the risks that could impact on the achievement of our objectives.

Independent Assurance

The Government Internal Audit Agency (GIAA) provides internal audit services to Historic England. Internal Audit provides me as the Accounting Officer, and Commission, directly and via the Audit and Risk Assurance Committee, with an independent, objective evaluation of the adequacy and effectiveness of our framework of governance, risk management and control. It also adds value by providing risk and control advice and recommendations for improvement of our existing arrangements, and on new arrangements that we are considering.

An Internal Audit Charter sets out the purpose, authority and responsibilities of Internal Audit, including general information about how the internal audit process is expected to operate. The Audit and Risk Assurance Committee reviews and approves the Charter annually before it is signed by the Chief Accounting Officer and the Head of Internal Audit. The Audit and Risk Assurance Committee endorsed the 2019-20 Internal Audit Plan in March 2019, and throughout the year it has received reports on progress against the plan and key emerging findings and assurances. The Committee also monitors the progress made in implementing the resulting actions as agreed by management.

In 2019-20, the Internal Audit team carried out reviews across a broad range of areas, including: information security; controls for shared services to DCMS and the English Heritage Trust; recruitment; corporate planning; organisational change; Heritage at Risk grants; the High Streets Heritage Action Zone (HAZ) programme; the

Shrewsbury Flaxmill Maltings programme; a development of our IT Strategy; Development Advice and the specialist technical conservation services we provide to the EH Trust.

On the basis of the reviews completed during the year, the Head of Internal Audit's opinion is that our overall framework of governance, risk management and control in 2019-20 continued to satisfactorily identify, assess and mitigate risks, and that there were no pervasive control weaknesses that could lead to an unacceptable level of risk being carried. This constitutes a moderate assurance in accordance with the GIAA criteria. At that time, the Head of Internal Audit report recognised that the organisation was entering a period of exceptional uncertainties as a result of Covid-19. The 2020-21 internal audit plan, approved by the Audit and Risk Assurance Committee in March 2020, has been kept under review and revised to ensure appropriate Internal Audit engagement in respect of the organisation's response to Covid-19.

Whistleblowing

We have a whistleblowing policy that commits us to working to a high standard of integrity within a culture of openness and honesty. The policy identifies various routes for concerns to be raised internally and also via the Chair of the Audit and Risk Assurance Committee. We also signpost independent sources of advice on whistleblowing, such as the *Public Concern at Work* charity.

Open Government and Freedom of Information

Historic England is subject to the public sector freedom of information regime. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 provide a general right of access to all types of recorded information held by public authorities. In 2019-20 we responded to 339 requests for information under this legislation. As part of our ongoing commitment to transparency and accountability, much of our information is available via our website.

Information Security and Compliance

Information is one of our most valuable corporate assets and a vital resource that enables us to do our jobs effectively and efficiently. Historic England is committed to the secure storing, handling and sharing of the information we hold, in order to maximise its value to our business and to mitigate reputational, legal and financial risks from potential loss, theft, misuse or inappropriate disclosure.

We have established a dedicated Corporate Information Management Group that is responsible for the leadership, corporate oversight and progress monitoring of corporate information management, GDPR and cyber security. The group meets quarterly and members of the group are champions for information management and compliance in their respective Groups.

We provide assurance to DCMS annually that appropriate measures are in place to meet cyber security standards and that we operate to a high level of compliance with the

General Data Protection Regulation (GDPR). We were re-accredited for Cyber Essentials in 2019, which means IT security is compliant with the Government's digital strategy. The successful re-accreditation demonstrates our ongoing commitment to digital security.

Monitoring the Effectiveness of Governance in 2019-20

As Accounting Officer I have responsibility for the effectiveness of the system of governance. My views on the effectiveness of Historic England's governance were discussed with the Executive Team and the Audit and Risk Assurance Committee during the year.

Throughout 2019-20 I was assured as to its effectiveness by:

- the work of the Executive Team;
- the work of the Audit and Risk Assurance Committee;
- the advice of the General Counsel & Corporate Secretary and other specialist governance staff;
- regular reporting on performance and risk;
- the annual programme of internal audit reviews;
- the advice of external auditors; and
- other assurances gained from the work of a range of groups and boards, including the Operational Risk Review Board, programme and project boards.

Executive Team Directors have also confirmed to me in writing that, to the best of their knowledge and belief, and based on the assurances they have been given, Historic England maintained a sound system of governance during the year, whilst managing risks and safeguarding the public funds and departmental assets in accordance with the responsibilities in *Managing Public Money*.

At the year-end, Commission undertook a review of its own effectiveness, looking at all relevant matters including:

- its own processes and practices;
- the views of the Audit and Risk Assurance Committee, internal audit and other means of assurance;
- the formal performance and risk reporting from line management;
- the quality of data provided to the Board;
- the business of Commission and its committees; and
- any other body's views or survey data that expressed a view on the performance of Historic England

Commission concluded that its operations had been satisfactory and that the data provided to it had been adequate for sound decision-making and risk management.

Conclusion on Corporate Governance in 2019-20

A satisfactory system of governance was in place at Historic England for the financial year ending 31

March 2020 and up to the date of approval of the 2019-20 Annual Report and Accounts. It accorded with HM Treasury guidance, including the *Corporate Governance Code of Good Practice 2017* and the revised *Management of Risks – Principles and Concepts (The Orange Book)*, in so far as these are applicable to Historic England as an Arm's Length Body.

The governance system we had in place has provided me, as the Accounting Officer, with adequate assurance that Historic England is making the best use of its resources in achieving its aims, while controlling risks to an appropriate degree. I believe the system of governance was fit for its purpose in 2019-20 and remains so. My fellow Executive Team members and Commission support this view. I am further assured in this view by an Internal Audit report which provides assurance that the Governance Statement is properly supported by evidence.

Duncan Wilson

Chief Executive and Accounting Officer

Remuneration and Staff Report

The Remuneration and Staff Report has been prepared in accordance with the Government Financial Reporting Manual and contains information on the remuneration policy for directors, how the policy has been implemented and shows the amounts awarded to the directors in the year. Also included are other relevant details relating to remuneration and staff.

Remuneration Report

Remuneration Policy

The remuneration of the Executive Team is determined by the Remuneration and Appointments Committee. Pay ranges have been established for each post by reference to the relevant external market data, and changes to base pay are reviewed annually by the Committee in that context.

Remuneration and Appointments Committee

The objective of the Committee is to review and advise on the Human Resources Strategy to ensure that it is contributing effectively to the success of the organisation. It is also the objective of the Committee to review the reward and remuneration of the staff so as to:

- demonstrate that reward and remuneration is considered by a Committee which has no personal interest in the outcome of its advice and which gives due regard to the interests of the public and the financial health of the organisation; and
- ensure that staff are fairly rewarded for their individual contributions to the organisation's overall performance within DCMS and HM Treasury delegated limits.

In carrying out the above, the Committee provides advice and oversight external to the Historic England group management, necessary to demonstrate public accountability.

The Committee determines the frequency of its meetings in order to ensure that the remit of the Committee is fulfilled, but meets at least twice a year. The Committee is chaired by a Commissioner (that is not the Chairman of the Commission) and comprises no fewer than five members, all of whom are Commissioners or independent external members. In accordance with Historic England's published appointment's policy, members of the Committee are appointed by the Chairman of Commission, following consultation with (and approval by) Commissioners.

The Committee is chaired by Victoria Harley and met twice in 2019-20. It comprises five Commissioners, including the Committee Chair.

Executive Team Contracts

Executive Team members are employed on continuous contracts and are required to give three months' notice of termination of employment by resignation. The Chief Executive is also on a continuous contract and is required to give six months' notice of termination of employment by resignation. Early terminations of contract by Historic England are dealt with in accordance with the rules of the Civil Service Compensation Scheme.

The only employee with a contractual performance bonus arrangement is the Chief Executive. The bonus is payable for the achievement of specific performance targets and objectives and is a maximum of £17,500 per annum.

Following the end of each financial year the Remuneration and Appointments Committee assess the Chief Executive's performance against his annual targets and objectives and determines the rate of his performance related bonus.

The remaining Executive Team Directors are participants in the organisation's Performance Related Pay Scheme for senior managers which allows for awards of up to 7.5% of salary, assessed against annual targets and objectives. Following the end of the financial year, the Chief Executive will assess the performance of the other Executive Team members against their annual targets and objectives and his recommendations will be put forward to HR and the Remuneration and Appointments Committee.

Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2018	Appointments ended since 1 April 2018	2019-2020 £'000	2018-2019 £'000
The Chair of the Commission				
Sir Laurie Magnus			35-40	35-40
Current Commissioners				
Alex Balfour			0-5	0-5
Nicholas Boys Smith			0-5	0-5
Professor Martin Daunton			5-10	0-5
Sandra Dawe	1 Jan 2020		0-5	–
Benjamin Derbyshire	2 Sept 2019		0-5	–
Sandra Dineen			0-5	0-5
Paul Farmer			0-5	0-5
Professor Helena Hamerow	2 Sept 2019		0-5	–
Victoria Harley			0-5	0-5
Rosemarie MacQueen MBE			5-10	5-10
Michael Morrison			5-10	0-5
Patrick Newberry			0-5	0-5
Charles O'Brien			5-10	5-10
Susie Thornberry			0-5	0-5
Richard Upton			0-5	0-5
Susan Wilkinson	2 Sept 2019		0-5	–
Former Commissioners				
Professor Mike Fulford		31 May 2019	0-5	5-10
Neil Mendoza		31 Dec 2019	0-5	0-5
Paul Baker		31 Dec 2018	–	0-5

Professor Martin Daunton, Nicholas Boys Smith and Michael Morrison have all been reappointed as Commissioners by the Secretary of State since 1 April 2018.

Commissioners' emoluments wholly related to basic fees in respect of their duties as Commissioners and as Chairs of Advisory Committees. No Commissioner received any performance related fees.

All Commissioners' appointments are non pensionable. Commissioners' emoluments are set by DCMS.

Advisory Committee and Panel Members

The Historic Places Panel was chaired by Peter Studdert in 2019-20. He is not a Commissioner and received no emolument (2018-19: £nil).

Single Total Figure of Remuneration for Executive Team

The following information has been subject to audit:

	Salary		Performance Award		Pension Benefits ¹		Total	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<u>Executive Team as at 31 March 2020</u>								
Duncan Wilson OBE Chief Executive	125-130	120-125	15-20	15-20	57	43	200-205	180-185
Meryl Hayward Director of Corporate Services	100-105	100-105	5-10	5-10	24	28	130-135	130-135
Claudia Kenyatta² Director of Regions	95-100	45-50	0-5	–	52	21	150-155	65-70
Ian Morrison Director of Policy and Evidence	95-100	90-95	5-10	0-5	40	103	140-145	200-205
Michael Bishop³ Director of Business Improvement	65-70	–	0-5	–	12	–	80-85	–
Amy Pitts⁴ Interim Director of Communications and Public Engagement	45-50	–	0-5	–	–	–	50-55	–
<u>Executive Team serving during 2019-20</u>								
Sarah Ryle⁵ Former Director of Communications and Public Engagement	50-55	20-25	0-5	–	–	6	50-55	25-30
<u>Executive Team serving during 2018-19</u>								
Deborah Lamb OBE⁶ Former Director of Engagement	–	105-110	–	0-5	–	39	–	145-150

	Salary		Performance Award		Pension Benefits ¹		Total	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Gillian Grayson ⁷ Former Interim Director of Listing	–	50-55	–	0-5	–	97	–	150-155
Carol Pyrah ⁸ Former Interim Director of Regional Delivery	–	70-75	–	–	–	24	–	95-100
Celia Richardson ⁹ Former Director of Communications	–	60-65	–	5-10	–	24	–	90-95
Dermot Sloane ¹⁰ Former Interim Director of Research	–	70-75	–	0-5	–	79	–	150-155

Notes

- ¹ The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. This figure is provided by MyCSP, the pension scheme administrator.
- ² Director of Regions from 24 September 2018.
- ³ Director of Business Improvement from 1 November 2019.
- ⁴ Interim Director of Communications and Public Engagement from 10 February 2020 to 31 March 2020. No pension disclosure is included for 2019-20 as the Interim Director of Communications and Public Engagement started after the cut-off date to obtain the 2019-20 data from MyCSP, the 2019-20 disclosure data will be obtained for the 2020-21 annual report and accounts.
- ⁵ Director of Communications and Public Engagement until 26 July 2019. Former Director of Communications and Public Engagement left with under two years' service and received a refund of pension contributions, therefore no pension disclosure is included for 2019-20.
- ⁶ Director of Engagement until 31 March 2019.
- ⁷ Interim Director of Listing until 20 January 2019.
- ⁸ Interim Director of Regional Delivery until 30 April 2019.
- ⁹ Director of Communications until 30 November 2018.
- ¹⁰ Interim Director of Research until 20 January 2019.

‘Salary’ includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The data presented is based on accrued payments made by Historic England and thus recorded in these accounts. Performance awards are based on performance levels attained and are made as part of the annual appraisal process. Due to the timing of the appraisal process, awards reported in 2019-20 relate to performance in 2018-19 and comparative bonuses reported for 2018-19 relate to the performance in 2017-18.

Pension Benefits for Executive Team

The following information has been subject to audit:

	Accrued pension at pension age ¹	Total lump sum at pension age ¹	Real annual increase in pension at pension age	Real annual increase in lump sum at pension age	CETV ²		Real annual increase in CETV
					2020	2019	
					£'000	£'000	
<u>Executive Team as at 31 March 2020³</u>							
Duncan Wilson OBE Chief Executive	70-75	–	2.5-5	–	1,311	1,200	50
Meryl Hayward Director of Corporate Resources	20-25	70-75	0-2.5	2.5-5	555	504	23
Claudia Kenyatta⁴ Director of Regions	35-40	–	2.5-5	–	534	480	28
Ian Morrison Director of Policy and Evidence	30-35	75-80	0-2.5	0-2.5	606	554	23
Michael Bishop⁵ Director of Business Improvement	5-10	–	0-2.5	–	69	–	3
Amy Pitts⁶ Interim Director of Communications and Public Engagement	–	–	–	–	–	–	–
<u>Executive Team serving during 2018-19</u>							
Deborah Lamb OBE⁷ Former Director of Engagement	–	–	–	–	–	1,188	–

	Accrued	Total lump	Real	Real	CETV ²		Real
	pension at	sum at	annual	annual			annual
	pension	pension	increase	increase in			increase
	age ¹	age ¹	in pension	lump sum			in CETV
			at pension	at pension			
			age	age			
	2020	2020	2020	2020	2020	2019	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gillian Grayson ⁸	–	–	–	–	–	478	–
Former Interim Director of Listing							
Carol Pyrah ⁹	–	–	–	–	–	383	–
Former Interim Director of Regional Delivery							
Celia Richardson ¹⁰	–	–	–	–	–	84	–
Former Director of Communications							
Dermot Sloane ¹¹	–	–	–	–	–	591	–
Former Interim Director of Research							

Notes

All figures are provided by MyCSP, the pension scheme administrator.

- Balances as at 31 March 2020.
- Cash Equivalent Transfer Value. Figure stated is the latest of 31 March or date of joining the executive team.
- Former Director of Communications and Public Engagement left on 26 July 2019 with under two years' service and received a refund of pension contributions, therefore no pension disclosure is included in 2019-20.
- Director of Regions from 24 September 2018. Values for 2019 have been restated following update of figures from MyCSP.
- Director of Business Improvement from 1 November 2019.
- Interim Director of Communications and Public Engagement from 10 February 2020 to 31 March 2020. No pension disclosure is included for 2019-20 as the Interim Director of Communications and Public Engagement started after the cut-off date to obtain the 2019-20 data from MyCSP, the 2019-20 disclosure data will be obtained for the 2020-21 annual report and accounts.
- Director of Engagement until 31 March 2019.

- 8 Interim Director of Listing until 20 January 2019.
- 9 Interim Director of Regional Delivery until 30 April 2019.
- 10 Director of Communications until 30 November 2018.
- 11 Interim Director of Research until 20 January 2019.

The figures stated in the tables above represent the cost to the organisation and are thus based on the gross benefits accrued, before any adjustments for personal Pension Sharing Orders or other such deductions are applied.

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

Cash Equivalent Transfer Value (CETV)

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Emoluments

The following information has been subject to audit. Emoluments include gross salary, performance related awards and any other allowance to the extent that they are subject to UK taxation. This report is based on payments made by Historic England and thus recorded in these accounts. No benefits-in-kind were paid during the year (2018-19: £nil).

The Chief Executive was the highest paid employee. His total emoluments for the year of £143,500 comprise basic salary of £126,000 and a performance related award of £17,500.

Members of the Executive Team were eligible for a performance related award.

Pay Multiples

The following information has been subject to audit. Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Historic England in the financial year 2019-20 was £140,000-£145,000 (2018-19: £140,000-£145,000). This was 4.02 times (2018-19: 3.96) the median remuneration of the workforce, which was £35,683 (2018-19: £35,676).

In 2019-20, no employees received remuneration in excess of the highest paid director (2018-19: nil). Remuneration ranged from £15,100 to £143,609 (2018-19: £15,000-£141,000).

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

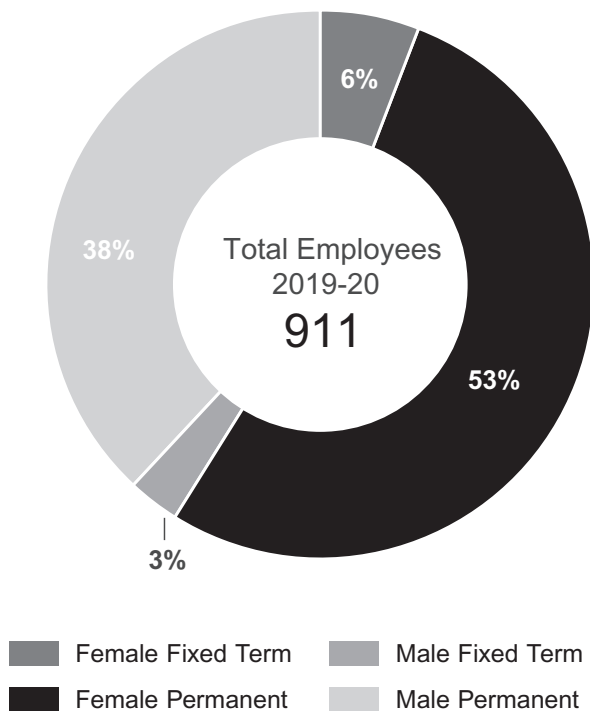
Historic England Staff Report

Organisational Headcount and Demographic Profile (as at 31 March 2020)

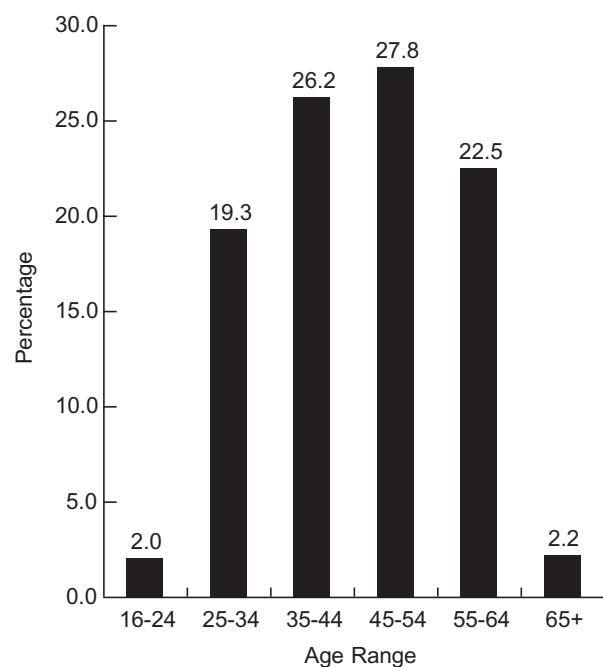
Current Employee Headcount stands at 911 employees (2018-19: 884). Fixed Term Contracts account for 2.9% of the general population (2018-19: 6.2%) with the remaining 97.1% employed on a permanent basis.

The Gender Split of the organisation remains more strongly represented by females at 58.5%. Our Executive Team is made up of 3 women and 4 men.

Employee Composition



Demographic Profile



Equality and Diversity

Historic England recognises the importance of equality and the need to increase the diversity of our workforce. As well as other activities to improve equality and diversity we are currently focusing on these main areas;

- **Ethnicity** – BAME (Black, Asian and Minority Ethnic) employees remain particularly under-represented at Historic England at 4.7% of the population (41 employees). The under-representation is particularly acute in our heritage specialist roles and we have published an action plan to address this and other areas of under-representation.
- **Age** – Employees under the age of 25 remain significantly under-represented at 2.0% of the population, this percentage has increased slightly in the last year, partly as a result of work carried out by our early careers team.
- **Gender** – Further work is still needed to improve the representation of men in support and administrative roles.
- **Sexual Orientation** – Of those disclosing their sexual orientation, 7% (46 employees) have identified as Lesbian/Gay/Bisexual/Other (2018-19:3.7%, 33 employees).
- **Disability** – 4.4% of the population (40 employees) have declared a disability (2018-19: 3.7%, 33 employees). We believe that there is under-reporting

in disability status and are encouraging more people to disclose this to help us to measure equality and our performance.

Further information about how we promote equality and diversity can be found on our website.

Health and Safety

In 2019-20 there were 29 work-related accidents (2018-19: 34), none of which were reportable to the Health and Safety Executive (HSE) (2018-19: 3). The overall figures are broadly similar to the previous year, but mark a slight reduction on both fronts. We have a current health and safety policy and risk register. The effectiveness of all of our operational risk management policies and practices is reviewed regularly.

Disability

Historic England aims to increase participation by disabled people. Full and fair consideration is given to applications for employment from disabled people where they have appropriate skills to perform the job. We participate in the Disability Confident scheme, and are currently working towards the second tier of this accreditation. If an employee develops a disability during their employment, then we make extensive efforts to maintain employment, training and career development. We operate a Disability at Work policy that describes this. We also have a disability network group, which provides expert feedback and advice to Historic England on disability-related matters.

Sickness Absence

The average working days lost per person for Historic England employees was 4.76 for the financial year 2019-20, being a decrease of 0.44 days on the previous year. The Chartered Institute of Personnel and Development's Annual Health and Wellbeing Survey (2020) reports the average as 5.8 days lost per person.

Career Management and Training

Historic England recognises the importance of developing our staff and managers to enable us to deliver our plan and fulfil our mission and to ensure that our staff are productive and happy. We have a range of training programmes to provide a clear learning pathway from aspiring manager to executive, and recently introduced a revised PDR (Personal Development Plan) which has a section dedicated to career aspirations (and how these might be achieved). We also now have a career matrix which helps our people to map out these aspirations.

Mental Health and Wellbeing

Our work to improve the mental health and wellbeing of our people has been recognised with a Gold Award from the Mind Workplace Wellbeing Index. We have a dedicated network of Mental Health First Aiders, as well as a network of Mental Health Champions, who campaign to raise awareness of Mental Health Issues at a local level. We recently held Stress Awareness Workshops across all of our national offices and are currently undertaking an organisation-wide stress risks assessment which will be informed by the findings of these workshops.

Union Relationship

We have a constructive and long standing working relationship with the Prospect trade union. There were 27 employees who were relevant union representatives during 2019-20 (FTE equivalent of 25.6).

Percentage of Time Spent on Facility Time	Number of Employees
0%	7
1-50%	20
51%-99%	0
100%	0

Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£33,112
Total Pay Bill	£42,083,000
Percentage of the Total Pay Bill Spent on Facility Time	0.08%

No hours were spent on trade union activities by employees who were relevant union officials during the year 2019-20.

Employee Numbers

	2019-2020				Restated 2018-2019		
	Historic England			Total	Group Total	Historic England	Group
	Permanently Employed	Fixed Term Contracts	Agency Staff			Total	Total
Policy & Evidence	182	3	–	185	185	190	190
Public Engagement	112	4	–	116	116	112	112
Regional Delivery	276	5	–	281	281	291	291
Corporate Services	182	6	2	190	190	209	209
Business Improvement	47	5	–	52	52	45	45
Shrewsbury Flaxmill Maltings	3	1	–	4	4	4	4
The English Heritage Trust	–	–	–	–	1,273	–	1,251
Total Employee Numbers	802	24	2	828	2,101	851	2,102
Total Costs (£'000's)	41,374	622	87	42,083	87,094	42,046	83,201
Employee numbers included in the above who have been engaged on capital projects	19	1	–	20	23	3	9

The prior year staff FTE have been restated for English Heritage following identification of a timing issue in the running of underlying reports. This has resulted in an increase of 60 FTEs in 2018-19.

Employee Costs

Total staff costs for the year are as follows and have been subject to audit:

	2019-2020			2018-2019		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Group						
Wages and Salaries	1,018	66,382	67,400	378	64,303	64,681
Social Security Costs	116	6,067	6,183	42	5,801	5,843
Pension Costs	233	12,231	12,464	50	9,803	9,853
Redundancy and Severance Costs	–	155	155	–	1,515	1,515
Agency Staff Costs	–	892	892	351	958	1,309
Total Employee Costs	1,367	85,727	87,094	821	82,380	83,201

In 2019-20 there were 2 outward secondments (2018-19: 2).

	2019-2020			2018-2019		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Historic England						
Wages and Salaries	684	30,099	30,783	88	31,008	31,096
Social Security Costs	71	3,138	3,209	9	3,140	3,149
Pension Costs	182	7,819	8,001	18	6,155	6,173
Redundancy and Severance Costs	–	3	3	–	1,355	1,355
Agency Staff Costs	–	87	87	–	273	273
Total Employee Costs	937	41,146	42,083	115	41,931	42,046

In 2019-20 there were 2 outward secondments (2018-19: 2).

During the year, 54 consultants were employed (2018-19: 83) to whom £222,644 was paid in the year (2018-19: £158,259).

Tax Arrangements of Public Sector Appointees

All of Historic England's senior staff and Board members are paid through the payroll and arrangements are in place to provide assurance to DCMS that appropriate tax arrangements are in place to cover other appointees.

In 2019-20 Historic England had no 'off payroll' engagements that fall within the criteria set out in the Alexander Review of 2012, with regards to tax arrangements of senior public appointees.

Historic England is in compliance with the recommendations in HM Treasury's 'Review of the Tax Findings of Public Sector Appointees'.

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

Total staff exit packages are detailed as follows and are subject to audit:

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Agreed Departures ¹		Total Number of Exit Packages	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Less than £10,000	3	1	1	3	4	4
£10,000 to £25,000	4	2	2	–	6	2
£25,000 to £50,000	1	1	2	6	3	7
£50,000 to £100,000	1	–	2	5	3	5
£100,000 to £150,000	–	–	2	–	2	–
Greater than £150,000	–	–	–	–	–	–
Total Number of Exit Packages	9	4	9	14	18	18
Total Resource Cost (£'000)	176	78	480	619	656	697

Notes

- ¹ 4 staff member left under Voluntary Exit terms in the 2019-20 financial year. They received total compensation payments of £355,000.
5 staff members left under Voluntary Redundancy terms in the 2019-20 financial year. They received total compensation payments of £125,000.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where Historic England has agreed early retirements, the additional costs are met by the organisation and not by the Civil Service Pension Scheme. Ill health

retirement costs are met by the pension scheme and are not included in the table. Exit payments (including ex gratia payments) not covered by the CSCS are made to the employee directly by Historic England. Exit payments (including ex gratia payments) not covered by the CSCS are made to the employee directly by Historic England.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, known as alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. The scheme is a multi-employer defined benefit scheme in which Historic England is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource accounts

of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, alpha, premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service.

In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the

two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

For 2019-20, employers' contributions of £7,922,000 were payable to the PCSPS (2018-19: £6,091,000) at one of four rates in the range 4.6% to 8.05% (2018-19: 4.6% to 8.05%) of pensionable pay, based on salary bands.

Employer's contributions into the PCSPS in respect of the Executive Team totalled £189,000 (2018-19: £181,000).

No persons (2018-19: no persons) retired early on ill-health grounds.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider – Legal & General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

Employers' contributions of £76,000 (2018-19: £33,000) were paid to one or more of a panel of appointed stakeholder pension providers for the partnership pension.

Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Parliamentary Accountability

Regularity of Expenditure

The Accounting Officer confirms the regularity of all expenditure incurred through his statement on page 25.

During the year ended 31 March, the following losses and special payments were made and have been subject to audit:

	2020 Historic England			2020 Group			2019 Historic England			2019 Group		
	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000
Amounts accrued	39	16	55	273	31	304	8	40	48	150	57	207
Amounts written back	(6)	(6)	(12)	(6)	(6)	(12)	–	(2)	(2)	(1)	(2)	(3)
Total Net Losses and Special Payments	33	10	43	267	25	292	8	38	46	149	55	204

Losses incurred relate to bookkeeping losses, stock write offs and abandoned claims. Special payments relate to compensation, largely in respect of personal injury claims.

Fees and Charges

£739,000 has been raised in the year as a result of the Enhanced Advisory Service (2018-19: £652,000). The target for the year was £786,000 (2018-19: £770,000).

Income is invoiced at full cost recovery according to Managing Public Money guidelines. Therefore the income received is equivalent to the costs incurred and thus no subsidies or overcharging occurs. During the year we have reviewed our standard hourly rate instigating a flat hourly rate for any new cases from 1st April 2019 to better ensure this reflects the full costs.

Income raised this year relates to 252 completed (invoiced) cases (2018-19: 131). Unit costs charged are per the invoice amount. Our average case price this year was £2,933 (2018-19: £4,975) reflecting a higher number of smaller, shorter cases than the previous financial year.

No other material income from fees and charges was received during the financial year (2018-19: £nil). This information has been subject to audit.

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of International Accounting Standard 37, Historic England also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. In 2019-20, we recognised no remote contingent liabilities (2018-19: £55,000). This information has been subject to audit.

Duncan Wilson

Chief Executive and Accounting Officer

8 December 2020

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on Financial Statements

I certify that I have audited the financial statements of the Historic Buildings and Monuments Commission (Historic England) for the year ended 31 March 2020 under the Heritage Act 1983. The financial statements comprise: the Group and Historic England Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and Historic England's affairs as at 31 March 2020 and of the group's and Historic England's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

Opinion on Regularity

In my opinion in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of Opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of Historic England in accordance

with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions Relating to Going Concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- Historic England's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Historic England have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Historic England's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Commissioners and Accounting Officer for the Financial Statements

As explained more fully in the Statement of Commissioners' and Accounting Officer's Responsibilities, the Commissioners and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1983.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by

fraud or error. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and Historic England's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- conclude on the appropriateness of Historic England's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Historic England's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or

conditions may cause Historic England to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Commissioners and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that

there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on Other Matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Heritage Act 1983;
- in the light of the knowledge and understanding of the group and Historic England and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which I Report by Exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in

agreement with the accounting records and returns;
or

- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

16 December 2020

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

SECTION 3

Financial Statements

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2020

	Note	2019-2020		2018-2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income					
Revenue from Contracts with Customers	2, 3	9,643	105,132	10,264	99,112
Earned Income	2, 4	342	2,486	352	2,797
Other Operating Income	2, 5	7,196	14,931	3,721	12,235
Total Income		17,181	122,549	14,337	114,144
Expenditure					
Grants	2, 6	(23,454)	(23,212)	(20,232)	(20,230)
Staff Costs	2, 12	(41,146)	(85,727)	(41,931)	(82,380)
Running Costs	2, 7	(17,798)	(60,199)	(18,528)	(57,580)
Commercial Activities' Costs	2, 8	(696)	(14,419)	(811)	(14,165)
Subsidy Expenditure	2f	(13,151)	–	(13,508)	–
Depreciation, Amortisation and Impairment	2, 14-17	(7,671)	(11,072)	(6,189)	(8,452)
Other Expenditure	2, 9	(2,800)	(12,657)	(5,274)	(13,819)
Total Expenditure		(106,716)	(207,286)	(106,473)	(196,626)
Financing					
Finance Income	2f	5	5	–	–
Finance Costs	2f	(1,317)	(1,610)	–	–
Net Finance Income/(Costs)		(1,312)	(1,605)	–	–
Net Expenditure for the Financial Year		(90,847)	(86,342)	(92,136)	(82,482)
Other Comprehensive Expenditure					

	Note	2019-2020		2018-2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Net Gain/(Loss) on Revaluation of Non-Current Assets	14-17	7,601	8,052	17,510	17,726
Total Comprehensive Expenditure for the Financial Year		(83,246)	(78,290)	(74,626)	(64,756)

Details of Grant In Aid received by Historic England are disclosed in the Statement of Changes in Taxpayer's Equity.

Income and expenditure relates to continuing activities. The notes on pages 144 to 228 form part of the financial statements.

Statement of Financial Position as at 31 March 2020

	Note	2020		Re-presented 2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Non-Current Assets					
Property, Plant and Equipment	15	85,362	116,731	94,254	122,101
Heritage Assets	17	76,197	76,527	71,419	71,749
Right of Use Assets	16	28,580	42,852	–	–
Intangible Assets	14	2,779	4,057	2,004	3,558
Lease Receivables	24	118	118	–	–
Investments	36	82,048	–	77,486	–
Total Non-Current Assets		275,084	240,285	245,163	197,408
Current Assets					
Held For Sale Assets	23	40	40	40	40
Inventories	21	–	6,875	187	7,121
Trade and Other Receivables	22	9,767	13,965	6,210	10,740
Lease Receivables	24	96	96	–	–
Investments	20, 27	–	26,681	–	14,918
Cash and Cash Equivalents	25	563	43,811	5,893	57,882
Total Current Assets		10,466	91,468	12,330	90,701
Total Assets		285,550	331,753	257,493	288,109

	Note	2020		Re-presented 2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Current Liabilities					
Trade and Other Payables	29	(10,692)	(40,567)	(16,055)	(45,551)
Provisions	31	–	(2)	(20)	(21)
Obligations Under Finance Leases	28	(1,282)	(1,809)	(30)	(30)
Total Current Liabilities		(11,974)	(42,378)	(16,105)	(45,602)
Total Assets Less Current Liabilities		273,576	289,375	(241,388)	242,507
Non-Current Liabilities					
Trade and Other Payables	30	(225)	(2,130)	(234)	(2,091)
Obligations Under Finance Leases	28	(26,987)	(40,669)	(7,262)	(7,262)
Total Non-Current Liabilities		(27,212)	(42,799)	(7,496)	(9,353)
Total Assets Less Liabilities		246,364	246,576	233,892	233,154
Taxpayers' Equity					
Financial Asset Reserve	36	82,048	–	77,486	–
Revaluation Reserve		111,287	112,940	104,306	105,382
General Reserve		52,801	132,010	51,887	127,246
Earmarked Funds	33	228	228	213	213
Endowment Funds		–	1,398	–	313
Total Taxpayers' Equity		246,364	246,576	233,892	233,154

The notes on pages 144 to 228 form part of the financial statements.

The financial statements, which comprise the Consolidated and Historic England Statements of Comprehensive Net Expenditure, the Consolidated and Historic England Statements of Financial Position, the Consolidated and Historic England Statements of Cash Flows, the Consolidated and Historic England Statements of Changes in Taxpayers' Equity and the related notes 1 to 37, were approved by the Commissioners and signed on their behalf on 8 December 2020 by:

Duncan Wilson
Chief Executive

Sir Laurie Magnus
Chairman

Statements of Cash Flows for the Year Ended 31 March 2020

	Note	2020		2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cash Flows From Operating Activities					
Net Income/(Expenditure)		(90,847)	(86,342)	(92,136)	(82,482)
Depreciation, Amortisation and Impairment Charges	14-17	7,671	11,072	6,189	8,452
(Profit)/Losses on Disposal of Non-Current Assets	14-17	122	347	39	51
(Increase)/Decrease in Inventories	21	187	246	(20)	496
(Increase)/Decrease in Trade and Other Receivables	22	(3,557)	(3,225)	(821)	(2,338)
Increase/(Decrease) in Trade Payables	29, 30	(5,372)	(4,945)	1,097	(307)
Increase/(Decrease) in Provisions	31	(20)	(19)	(51)	(94)
Donated Asset Addition	17	(13)	(13)	–	–
Investment Income		–	(360)	(16)	(254)
(Increase)/Decrease in Lease Receivables	24	(214)	(214)	–	–
Increase/(Decrease) in Lease Payables	28	20,977	35,186	(29)	(29)
Interest Payable for Lease Liabilities		1,317	1,610	–	–
Interest Receivable for Lease Receivables		(5)	(5)	–	–
Adjustments for IFRS 16 Transition		(13,836)	(24,020)	–	–
Net Cash Outflow from Operating Activities		(83,590)	(70,682)	(85,748)	(76,505)

	Note	2020		2019	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cash Flows from Investing Activities					
Purchase of Investments	20	–	(11,763)	–	(12,145)
Investment Income	5	–	360	16	254
Purchase of Property, Plant and Equipment and Heritage Assets	15, 17	(2,526)	(7,843)	(500)	(9,864)
Purchase of Intangible Assets	14	(1,218)	(1,479)	(669)	(1,247)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	14, 15	508	508	–	–
Net Cash Flows from Investing Activities		(3,236)	(20,217)	(1,153)	(23,002)
Cash Flows from Financing Activities					
Government Grant In Aid		89,495	89,495	91,607	91,607
Right of Use Assets Additions	16	(6,687)	(11,062)	–	–
Interest Payable for Lease Liabilities		(1,317)	(1,610)	–	–
Interest Receivable for Lease Receivables		5	5	–	–
Net Cash Flows from Financing Activities		81,496	76,828	91,607	91,607
Net Increase/(Decrease) in Cash and Cash Equivalents	25	(5,330)	(14,071)	4,706	(7,900)
Cash and Cash Equivalents at the Beginning of the Year	25	5,893	57,882	1,187	65,782
Cash and Cash Equivalents at the End of the Year		563	43,811	5,893	57,882

The notes on pages 144 to 228 form part of the financial statements.

Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2020

	General Reserve £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Endowment Fund £'000	Total Reserves £'000
Balance at 31 March 2018	118,367	87,698	138	92	206,295
Grant in Aid Received	91,607	–	–	–	91,607
Income/(Expenditure) for the Year	(82,778)	–	75	221	(82,482)
Net Gain on Revaluation of Non-Current Assets	–	17,726	–	–	17,726
Other Income/(Expenditure)	8	–	–	–	8
Transfer Between Reserves	42	(42)	–	–	–
Balance at 31 March 2019	127,246	105,382	213	313	233,154
Impact of Adoption of IFRS 16	2,061	–	–	–	2,061
Grant in Aid Received	89,495	–	–	–	89,495
Income/(Expenditure) for the Year	(87,443)	–	16	1,085	(86,342)
Net Gain on Revaluation of Non-Current Assets	–	8,052	–	–	8,052
Other Income/(Expenditure)	157	–	(1)	–	156
Transfers Between Reserves	494	(494)	–	–	–
Balance at 31 March 2020	132,010	112,940	228	1,398	246,576

As at 1 April 2019 Historic England group has applied IFRS 16 using the modified retrospective approach which means that the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period.

The notes on pages 144 to 228 form part of the financial statements.

Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2020

	General Reserve £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Financial Asset Reserve £'000	Total Reserves £'000
Balance at 31 March 2018	52,428	86,848	138	68,113	207,527
Grant in Aid Received	91,607	–	–	–	91,607
Income/(Expenditure) for the Year	(92,211)	–	75	–	(92,136)
Net Gain on Revaluation of Non-Current Assets	–	17,510	–	–	17,510
Other Income/(Expenditure)	11	–	–	9,373	9,384
Transfer Between Reserves	52	(52)	–	–	–
Balance at 31 March 2019	51,887	104,306	213	77,486	233,892
Impact of Adoption of IFRS 16	1,656	–	–	–	1,656
Grant in Aid Received	89,495	–	–	–	89,495
Income/(Expenditure) for the Year	(90,863)	–	16	–	(90,847)
Net Gain on Revaluation of Non-Current Assets	–	7,601	–	–	7,601
Other Income/(Expenditure)	6	–	(1)	4,562	4,567
Transfers Between Reserves	620	(620)	–	–	–
Balance at 31 March 2020	52,801	111,287	228	82,048	246,364

As at 1 April 2019 Historic England group has applied IFRS 16 using the modified retrospective approach which means that the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period.

The notes on pages 144 to 228 form part of the financial statements.

SECTION 4

Notes to the Financial Statements

1 Statement of Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with the 2019-2020 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted and interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Historic England group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Historic England group are described below and a chart illustrating the group structure and reporting groups is included at the bottom of this page. They have been applied consistently in dealing with items that are considered material to the accounts.

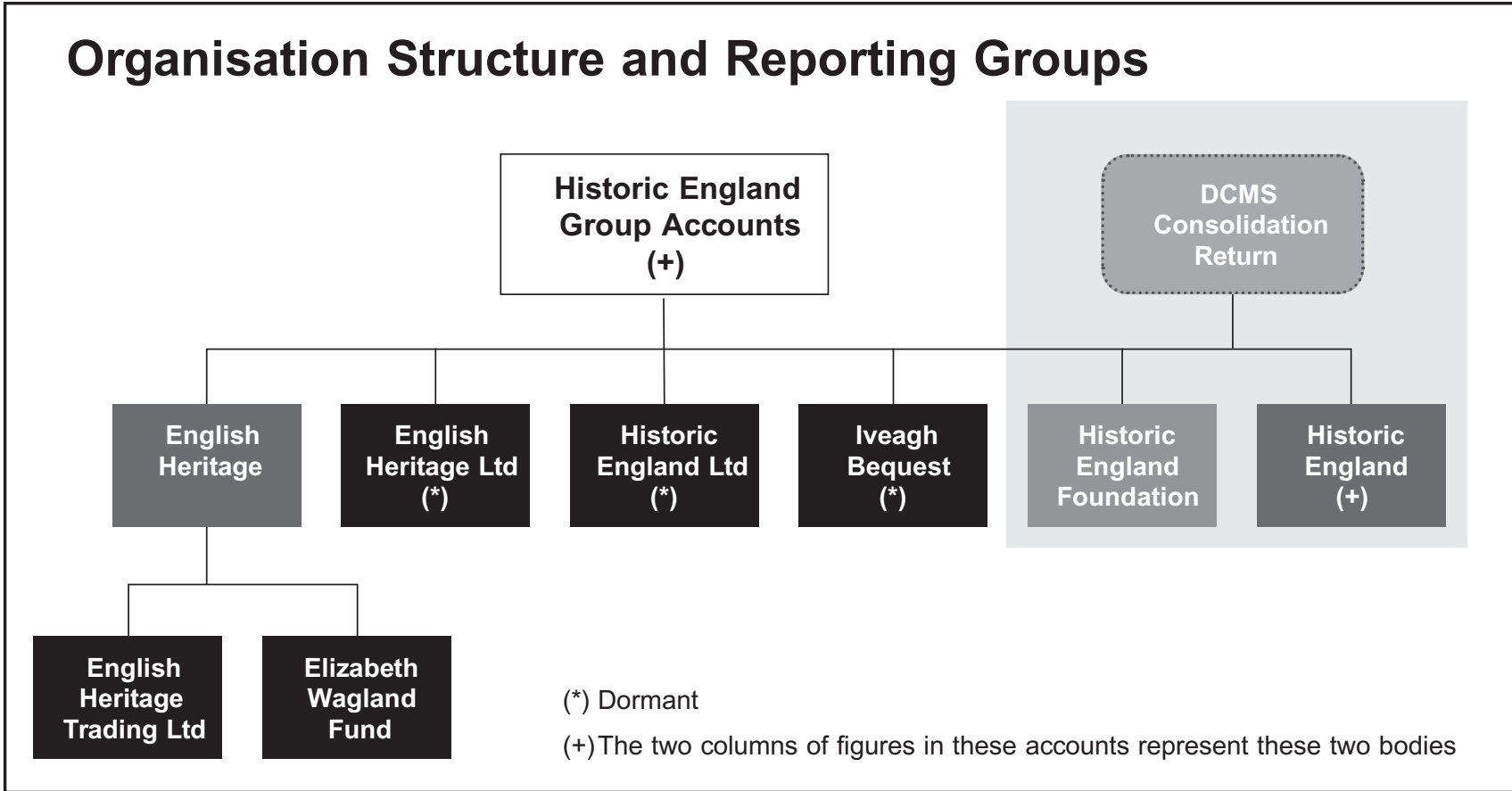
The financial statements have been prepared under the historical cost convention, modified for the revaluation of property, plant and machinery, IT equipment, furniture and

fittings, intangible assets, right of use assets, heritage assets and inventories where material.

HBMCE (trading as Historic England) is the sole member of The English Heritage Trust (trading as English Heritage), which has been consolidated from 12 December 2014, when it became part of the Historic England group. English Heritage Trading Limited, a subsidiary undertaking of English Heritage, continued trading throughout the year ended 31 March 2020 and is also consolidated.

The Historic England Foundation was incorporated on 16th January 2017 and is a charitable subsidiary of Historic England. Historic England Limited is a dormant subsidiary of Historic England and English Heritage Limited is a dormant subsidiary of English Heritage.

Historic England is the Administrative Trustee of the Iveagh Bequest, which is now dormant. Hence, the financial statements include a consolidation of Historic England, English Heritage, English Heritage Trading Limited and The Historic England Foundation.



b) Impact of New and Updated Financial Reporting Standards and Interpretations

IFRS 16 'Leases' has been implemented from 1 April 2019; IFRS 16 removes the distinction between operating and finance leases and introduces a single accounting model that requires a lessee to recognise ('right of use') assets and lease liabilities for all leases.

For Government bodies reporting under the FReM, IFRS 16 is due to be brought into effect on 1 April 2020 and replaces IAS 17 (Leases). Historic England group has elected, with HMT authority, to early adopt IFRS 16 (as adapted by the 2019-20 FReM).

The definition of a lease has been updated under IFRS 16, putting more emphasis on whether a contract conveys the right to control the use of an identifiable asset.

Implementation and Assumptions

Historic England group has applied IFRS 16 using the modified retrospective approach which means that the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period. IAS 17 operating leases are included within our statement of financial position as a lease liability and right of use asset for the first time with changes made through the general fund as a cumulative catch up adjustment.

c) Value Added Tax

Income is shown net of Value Added Tax. Expenditure (both revenue and capital) for Historic England and the group is shown inclusive of any non-recoverable VAT incurred.

English Heritage and English Heritage Trading Limited are both members of the Historic England VAT group. Historic England Foundation is not part of the VAT group and is not registered for VAT. Therefore, all expenditure in that company is shown inclusive of VAT.

d) Revenue from Contracts with Customers

English Heritage annual membership income is recognised in the Statement of Comprehensive Net Expenditure to match the benefit provided to the member. Income received that relates to benefits to be provided in the following year is treated as deferred income on the Statement of Financial Position in current and non-current payables.

Life membership income is released to the Statement of Comprehensive Net Expenditure over 10 years.

Admission, retail and other earned income is recognised when earned.

e) Government Grant In Aid Receivable

Parliamentary grant is voted to meet Historic England's cash payments falling due during the financial year.

Historic England accounts for its expenditure on an accruals basis, thus incurring liabilities during a year

which may not need to be satisfied by cash payments until future financial years. Government Grant in Aid is recognised on a cash basis. Government Grant in Aid receivable is credited to the General Reserve.

The 2019 Spending Review confirmed the Government grant funding for Historic England until 31 March 2021.

f) Other Grants Receivable

Other grants receivable are recognised in the Statement of Comprehensive Net Expenditure when the conditions of the grant have been fulfilled and the grant is claimable. If such a grant is subject to a condition, the grant will be deferred until such time as the condition has been fulfilled. This is shown as other income in the Statement of Changes in Taxpayers' Equity.

g) Grants Payable

Grants payable to individuals and bodies by Historic England in accordance with its statutory powers and duties are accounted for when the grant recipient carries out the specific activity which forms the basis of entitlement.

Where grants have been formally offered but not paid, an accrual of grant owing is calculated based on the stage of completion of the works.

For grant schemes where grants are payable in advance, an estimate of the prepayment made is calculated based on works not yet complete.

h) Intangible Assets

Licences to use software purchased from third parties with a life of more than one year are shown on the Statement of Financial Position as non-current intangible assets and amortised over the life of the licence or the life of the related asset where there is no licence expiry date. Annual licences to use software are charged to the Statement of Comprehensive Net Expenditure as they are incurred.

Systems development is capitalised and amortised over its useful economic life.

Expenditure on developing the brands is charged to the Statement of Comprehensive Net Expenditure as it is incurred.

i) Property, Plant and Equipment

Operational Land & Buildings and Dwellings

Land and buildings owned by, or in the guardianship of, the Historic England group are treated as non-current assets in accordance with the FReM and are classified as either:

- Pure heritage (non-operational heritage);
- Operational (heritage); or
- Operational (non-heritage).

The policy on heritage assets is disclosed at note 1k.

Operational (heritage) land and buildings, which, in addition to being held by the Historic England group

in pursuit of its overall objectives, are also used for revenue generating or other non-heritage purposes, are professionally valued and held on the Statement of Financial Position within Heritage Assets.

Operational (non-heritage) land and buildings are professionally valued and held on the Statement of Financial Position within Property, Plant and Equipment.

Mixed use buildings are classified according to the majority use. Classification and valuations of vacant properties are informed by the type of building and its intended future use.

With the exception of major refurbishments and items with a net book value of less than £50,000, all land and buildings held on the Statement of Financial Position are subject to a full professional valuation every five years. Major refurbishments are not valued, as they are indistinguishable from the underlying asset, but they are depreciated over a shorter useful economic life than the underlying asset.

Assets with a value of less than £50,000 are revalued with reference to relevant indices published by the Building Cost Information Service as at 31 March. A full quinquennial revaluation of assets with a value more than £50,000 was undertaken as at 31 March 2016 by the following professionally qualified external valuers: Bilfinger GVA, Turner & Holman, RNJ Partnership, Mildred Howells, Bare Leaning and Bare, and Press & Starkey. All valuations have been performed in accordance with Royal Institute of Chartered Surveyors 'Red Book' principles.

The values of the land and buildings held as property, plant and equipment are reviewed annually using relevant indices published by the Building Cost Information Service as at 31 March. Any material change in value is reflected in the relevant reserve.

Historic England acknowledges the uncertainty that the ongoing COVID-19 crisis may have on the valuation of fixed assets as at 31 March 2020. The change in the appropriate indices as at 30 September 2020 has been reviewed and the small variation in the published indices had an immaterial impact on the fixed asset valuation. The professional valuer has drawn management's attention to the fact that the ongoing COVID-19 outbreak introduces significant uncertainty in relation to many factors that have historically acted as drivers for property market activity. This could affect market values and rental yield assumptions which are used as the basis for the valuation. Management acknowledges the uncertainty but considers that there is little or no empirical evidence available that there is an impact of COVID-19 on property market activity relevant to the valuation of Historic England property. While this lack of evidence reduces the level of certainty that can be attached to such a valuation, management considers that the valuation provided is an appropriate basis on which to determine the property's fair value at the date of reporting.

Where possible, assets are valued at fair value. Where there is no available market information due to the specialised nature of the asset, depreciated replacement cost valuation is used.

Any unrealised gain on revaluation at the Statement of Financial Position date is taken directly to the Revaluation Reserve unless the revaluation gain reverses an impairment on the same asset previously recognised as an expense. In such a case, gains are first credited to the Statement of Comprehensive Net Expenditure to the extent that the gain reverses a loss previously recognised.

Unrealised losses at the date of the Statement of Financial Position are written off against the proportion of the credit balance on the reserve which relates to the assets concerned. Any other unrealised losses are charged to the Statement of Comprehensive Net Expenditure.

Plant & Machinery, Information Systems and Furniture & Fittings

Plant and machinery, information systems equipment and furniture and fittings are initially recorded in the Statement of Financial Position at cost.

When deciding whether or not to treat expenditure as a non-current asset, HE Group uses three *de minimis* thresholds:

- **£10,000:** for the purchase of a separately identifiable asset which will be used by HE Group for more than one year.
- **£50,000:** when it relates to a capital project.
- **£5,000:** when it relates to a heritage conservation project.

Our policy is to capitalise subsequent expenditure on the Statement of Financial Position if the expenditure enhances the economic benefits of the asset and it is over the initial capitalisation threshold.

These assets are reviewed annually to ensure that the carrying value remains appropriate. Revaluation and impairment adjustments are made where the adjustment is material.

The values of the assets are reviewed annually using the relevant producer price indices published by the Office for National Statistics as at 31 March. Any material change in value is reflected in the relevant reserve.

Assets Under Construction

Assets under construction comprise expenditure on the creation or enhancement of Non-Current Assets not brought into use at the Statement of Financial Position date. Reclassifications are made from assets under construction to the relevant category of non-current assets when the asset is brought into use.

j) Right of Use Assets

Historic England group recognises a right of use asset at the commencement date of the corresponding lease. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at

either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets.

Historic England group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

k) Heritage Assets

Historic England has four classes of heritage assets, which are held in pursuit of its overall objectives in relation

to the enjoyment and preservation of heritage. The classes are accounted for as follows:

Land and Buildings and Dwellings: Pure Heritage Assets (non-operational heritage assets) and Operational Heritage Assets

English Heritage maintains over 550 pure heritage land and building assets at over 400 sites throughout England.

Historic England does not consider that reliable cost or valuation information can be obtained for the vast majority of items held as heritage land and buildings as, owing to the incomparable nature of many of the assets, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Historic England and the users of the accounts.

Historic England does not therefore recognise those assets on its Statement of Financial Position, other than recent acquisitions where a reliable valuation is possible. Expenditure on these assets, where it does not result in the creation of a new operational heritage asset, is charged to the Statement of Comprehensive Net Expenditure as it is incurred.

All operational heritage assets are capitalised on the Statement of Financial Position in accordance with note 1i.

One of the conditions underpinning the transfer of day-to-day responsibility for the management of the National

Heritage Collection to English Heritage on 1 April 2015, and the accompanying receipt of £80million in order to perform essential work on the backlog of conservation defects, was a requirement for heritage assets identified as being in need of rectification works to be professionally valued prior to work commencing. A rolling programme of valuations is being conducted each year prior to work commencing. The valuation work has been performed by Powis Hughes, Chartered Surveyors.

The heritage assets are valued on a rolling programme and are valued at fair value as at 31 March in accordance with RICS 'Red Book' principles.

Heritage Artefacts and Archives

Historic England maintains over 700,000 heritage artefacts in its collection and almost 12 million archive records in its archive. Historic England does not consider that reliable cost or valuation information can be obtained for the vast majority of items held in the artefacts collection and archives and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Historic England and the users of the accounts. This is because of the diverse nature of the assets held, the number of assets held and the lack of comparable market values. Historic England therefore does not recognise these assets on its Statement of Financial Position, other than those additions to collections and archives acquired after 1 April 2001 and recognised as per previous requirements of the FReM. These items are recognised at cost or,

where donated, at current market value at the date of acquisition.

Expenditure which, in Historic England's view, is required to preserve or clearly prevent further deterioration of individual collection and archive items is recognised in the Statement of Comprehensive Net Expenditure as it is incurred.

Further information on the acquisition, disposal, management and preservation of Historic England's heritage assets is given in notes 17 to 19.

Heritage Assets Under Construction

Heritage assets under construction is comprised of expenditure on the enhancement of the underlying non-current heritage asset.

This expenditure represents expenditure on The English Heritage Trust's £52 million conservation maintenance programme. This is exclusively for the rectification of the conservation deficit estimated on heritage assets within the care of English Heritage Trust as part of the New Model arrangement. The conservation expenditure is accounted for as a revaluation of the underlying heritage asset.

In line with the 8-year conservation programme and the terms of the New Model grant from DCMS, Historic England capitalise the conservation expenditure in 'assets under construction'. At the end of the 8 year programme, or if earlier when the £52 million is spent, the underlying heritage assets will be revalued, resulting in the transfer

of assets under construction to the relevant category of non-current assets.

l) Donated Assets

Assets donated by third parties, either by gift of the asset or by way of funds for the asset, will be treated as Non-Current Assets and held at current value on receipt.

In line with the Government FReM, donations do not include assets accepted in lieu of tax. Assets accepted in lieu of tax should be accounted for in accordance with IAS 16 in the same way as other assets of that general type and therefore recognised at cost (£nil). On recognition, assets donated in lieu of tax will be revalued to fair value in the same way as other non-current assets.

Donated assets are revalued in the same way as other non-current assets.

m) Depreciation and Amortisation

Depreciation is provided on property, plant and equipment (note 15) (excluding land and assets under construction), and amortisation is provided on intangible assets (note 14), in equal amounts each year in order to write down their cost to their estimated residual value over their anticipated useful economic lives. These are as follows:

Intangible Assets

Software licences	3-10 years
Systems development	4-10 years

Property, Plant and Equipment

Non-heritage buildings and gardens

– Dwellings	50 years
– Other brick/stone buildings	50 years
– Non brick/stone buildings	20-40 years
– Paths, car parks, playgrounds	20-25 years
– Gardens	20-50 years

Refurbishments

– Shop/café/holiday cottage refurbishment, infrastructure	10-20 years
– Exhibitions and interpretations	5-20 years
Plant and machinery	5-25 years
IT	3-10 years
Furniture and fittings, vehicles	5-25 years

Right of Use assets held under leases are depreciated over the term of the relevant lease.

When considering anticipated useful economic lives, regard is given to the IAS 16 requirement to identify assets which have distinct major components with substantially different useful economic lives. Where such assets are identified, separate useful economic lives for component assets are considered.

Operational heritage and pure heritage buildings and historic artefacts and archives are not depreciated, as they are deemed to have indefinite lives.

n) Financial Assets

Non-current financial assets are held at fair value. Any unrealised gain at the Statement of Financial Position date is taken directly to reserves.

Unrealised losses at the Statement of Financial Position date are written off against the proportion of any credit balance which relates to the investment concerned. Any other unrealised losses are charged to the Statement of Comprehensive Net Expenditure.

o) Assets Held for Sale

The value of assets held for sale is measured at the lower of their carrying amount and fair value less costs to sell. Assets classified as held for sale are not depreciated. In order to be classified as held for sale, an asset must meet the criteria specified within IFRS 5.

p) Inventories

Goods held for resale are stated at the lower of current replacement cost and net realisable value. Origination costs of internally produced publications for resale are written off over the first print run.

q) Leases

Historic England group has elected, with HMT authority, to early adopt IFRS 16 (as adapted by the 2019-20 FReM).

In respect of lessees, IFRS 16 removes the distinction between operating and finance leases and introduces a single accounting model that requires a lessee to recognise ('right-of-use') assets and lease liabilities.

Implementation and Assumptions

Historic England group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period. IAS 17 operating leases are included within our statement of financial position as a lease liability and right of use asset for the first time with changes made through the general fund as a cumulative catch up adjustment. The calculation of the lease liability and right of use assets are included below.

The option to reassess whether a contract is, or contains a lease at the date of initial application has not been used, Historic England group has used the practical expedient detailed in IFRS 16(C3).1.

Historic England group has expanded the definition of a lease to include arrangements with nil consideration. Peppercorn leases are examples of these and these are defined by HMT as lease payments significantly below

market value. These assets are fair valued on initial recognition. On transition any differences between the discounted lease liability and the right of use asset are included through cumulative catch up. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income on the SoCNE.

Historic England group has elected not to recognise right of use assets and lease liabilities for the following leases:

- low value assets (these are determined to be in line with capitalisation thresholds on Property, Plant and Equipment); and
- leases with a lease term of 12 months or less.

Previous Treatment

In the comparative period, as a lessee Historic England group classified leases that transfer substantially all the risks and rewards of ownership as finance leases. The leased assets were measured at an amount equal to lower of the fair value and the present value of minimum lease payments. This fair value cap has been removed under IFRS 16 and has resulted in re-measurement of finance leased assets within 2019-20 if they meet the re-measurement criteria mentioned below.

Assets previously held as operating leases were not recognised in the group's Statement of Financial Position. Payments were recognised in SoCNE on a straight line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense,

over the term of the lease.

Policy Applicable from 1 April 2019

At inception of a contract, Historic England group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, Historic England group assesses whether:

- The contract involves the use of an identified asset;
- Historic England group has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- Historic England group has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, Historic England group allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

Historic England group assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. Historic England group reassesses this if there are significant events or changes in circumstances that were anticipated.

As a Lessee

Right of Use Assets

Historic England group recognises a right of use asset and lease liability at the commencement date.

Further information on the movements of Historic England's right of use assets is given in note 16.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if Historic England group changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;

- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease (unless the group is reasonably certain not to terminate early).

When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

Historic England group presents right of use assets that don't meet the definition of investment properties per IAS 40 as right of use assets on the Statement of Financial Position. The lease liabilities are included within obligations under finance leases within current and non-current liabilities on the Statement of Financial Position.

As a Lessor

The accounting policies applicable to the group as lessor are largely unchanged by IFRS 16 except for reviews of intermediate lessor arrangements. The changes for IFRS 16 were not material for lessor arrangements.

When Historic England group acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, Historic England group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease.

When Historic England is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. Historic England assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset.

Historic England group recognises lease payments under operating leases as income on a straight line basis over the length of the lease terms.

The accounting policies applicable to Historic England as a lessor in the comparative period were not different from IFRS 16. However when Historic England was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

Impact on Financial Statements

On transition to IFRS 16, the group recognised an additional £26,238,000 of right of use assets and £25,833,000 of lease liabilities, recognising the difference in the general fund account.

When measuring lease liabilities, the group discounted lease payments using rates within the range of 1.99%-7.96%.

	Historic England £'000	Group £'000
Operating Lease Commitment at 31 March 2019	36,422	58,996
Discounted Using Discount Rates	(20,800)	(17,260)
Finance Lease Liabilities at 31 March 2019	7,292	7,292
– Exemptions for		
■ Short Term Leases	(124)	(178)
■ Leases of Low Value Assets	–	–
■ Intangible Assets	–	–
– Extension and Termination Options Reasonable Certain to be Exercised	–	–
– Variable Lease Payments Based on an Index of a Rate	–	(15,725)
– Residual Value Guarantees	–	–
Lease Liabilities Recognised at 1 April 2019	22,790	33,125

r) Cash and Cash Equivalents

Cash comprises cash on hand and on-demand deposits. Cash equivalents are investments with a short-term maturity of less than three months from the date of acquisition. Within English Heritage, cash which is surplus to immediate cash flow requirements is placed on deposit with a term of less than one year. Historic England does not hold any cash on deposit.

s) Pension Costs

Historic England is a member of the Principal Civil Service Pension Scheme (PCSPS). This is a multi-employer defined benefit scheme, for which Historic England is unable to identify its share of the underlying assets and liabilities.

Under the New Fair Deal policy, those employees who transferred to English Heritage are eligible to remain

members of the Civil Service Pension Schemes under the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006. The scheme is closed to new members. Employees who have joined English Heritage since its launch on 1 April 2015 are entitled to join the English Heritage Group Personal Pension Plan ('the Plan') operated by Legal and General. This is a contract based, defined contribution (money purchase) scheme.

Membership of the Plan had been voluntary until English Heritage implemented automatic enrolment on 1 April 2016.

Historic England also operates a by-analogy scheme to the PCSPS for the previous Chairmen. Both schemes satisfy the requirements of applicable accounting standards (see Remuneration and Staff Report on page 34).

t) Earmarked Funds

Funds held by Historic England that can only be applied for particular purposes imposed by donors are held as Earmarked Funds.

Any transfers between the Earmarked Funds and the General Fund are recognised in the Statement of Comprehensive Net Expenditure as they are incurred. Any transfer of revenue to support capital programmes is recognised in the Statement of Comprehensive Net Expenditure as it is incurred.

In accordance with the provisions of the FReM, the Earmarked Funds have been accounted for in line with the Charities' Statement of Recommended Practice (SORP) 2015.

Historic England Earmarked Funds are accounted for in line with SORP 2015 and disclosed as such in the Statement of Financial Position.

u) Segmental Reporting

The primary format used for segmental reporting is by expenditure type, as this reflects Historic England's internal management structure and reporting. Historic England's assets and liabilities are shared across the operating segments and consequently it is not possible to separately identify which segment they relate to, in line with the IFRS 8 exemption.

The segments reported reflect the management structure reported internally within Historic England on a monthly basis.

Historic England's reporting segments include:

- Regional Delivery
- Business Improvement
- Policy & Evidence
- Shrewsbury Flaxmill Maltings
- Public Engagement
- Corporate Services

The following group subsidiaries have been included as operating segments that are consolidated into Historic England group results:

- English Heritage Trust
- Historic England Foundation

Regional Delivery helps people and communities across England to care for, understand and enjoy the historic environment and create great places to live and work.

Policy & Evidence's role is to provide expert specialist advice to Historic England staff, Commission and Committees, Government, the sector and other national stakeholders on all matters relating to the protection, management, understanding and enjoyment of England's historic environment. This advice will be underpinned by robust evidence, including first-rate research and development, ensuring Historic England is widely regarded as the sector leader with a reputation for excellence in all that we do.

Public Engagement inspires and enables our audiences to understand, enjoy and look after the historic environment; to secure public support for, and investment in, Historic England and its mission.

Business Improvement enables Historic England to maximise its public value.

Shrewsbury Flaxmill Maltings is a material project being undertaken by Historic England to regenerate a Grade I listed mill and the associated buildings and surrounding site.

Corporate Services delivers high quality and cost effective support services to our customers, enabling them to care for England's historic environment as effectively as possible.

v) Provisions

Provisions are made where the conditions for such a liability exist at the Statement of Financial Position date which can be reliably estimated.

Balances that are not payable within one year are discounted to reflect future cash flows in current year prices where the time value of money is material. The discount rate is set by HM Treasury and is currently 0.29% for pension provisions.

w) Significant Accounting Estimates and Judgements

Key sources of estimation, uncertainty and judgements made in applying accounting policies exist in estimations of the stage of completion for grant accruals and prepayments, deferred membership income, employee leave accruals and provisions for future liabilities for early retirement and redundancy costs.

Valuation of non-current assets

The value of the group's property, plant and equipment, right of use assets and intangibles are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ

from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

Extension options

At lease commencement Historic England group makes a decision as to whether we are reasonably certain to be exercising break clauses and extension options. This estimate impacts the length of the lease term impacting the lease liabilities and right of use assets. This will be reviewed if there is a significant event or significant change of circumstances.

x) Preparation of the Accounts on a Going Concern Basis

In adopting the going concern basis for preparing the financial statements, the Commissioners have considered the activities and principal risks set out in the Governance Statement on page 26. The Commissioners have reviewed the latest financial forecasts and are satisfied that Historic England continues to adopt the going concern basis in preparing its financial statements. Government funding has been agreed to the end of the 2021-22 financial year and DCMS has confirmed that a new Management Agreement will be entered into once the 2020 Spending Review is completed and the precise settlement is known.

The Trustees of The English Heritage Trust and Directors of English Heritage Trading Limited have reviewed the latest financial forecasts and are satisfied that it remains

appropriate for both entities to adopt the going concern basis in preparing their financial statements and hence it is appropriate for the Historic England group accounts to be prepared on a going concern basis.

English Heritage has taken advantage of the generous Government support measures such as the Coronavirus Job Retention Scheme, VAT reduction, business rates relief, and Eat Out To Help Out, and will benefit from the job retention bonus in January 2021. The Charity was also awarded a Government rescue grant of up to £19.7 million for 2020/21 based on continued demonstration of need.

2 Statement of Operating Expenditure by Operating Segment

Due to the nature of Historic England's business, assets and liabilities are not managed on a sector basis and consequently no allocation of assets and liabilities are made to individual operating segments.

a) Regions Group	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	831	830	1,453	692
Other Operating Income	53	53	42	42
Total Income	884	883	1,495	734
Expenditure				
Grants	(13,079)	(13,079)	(9,719)	(9,719)
Staff Costs	(14,066)	(14,066)	(13,493)	(13,493)
Running Costs	(670)	(502)	(859)	(694)
Commercial Activities' Costs	(13)	(13)	(4)	(4)
Other Expenditure	(818)	(818)	(763)	(763)
Total Expenditure	(28,646)	(28,478)	(24,838)	(24,673)
Regions Group Net Expenditure	(27,762)	(27,595)	(23,343)	(23,939)

Income has been received from a Service Level Agreement with the English Heritage Trust and Enhanced Advisory Services. Expenditure incurred include grants being given and expenditure incurred on providing services for development advice, listing, partnerships and project work.

During 2019-20 Historic England introduced the 'High Street' project, the purpose of which is to enable the rejuvenation of England's high streets and make them fit for the future. This has resulted in a significant increase in grant expenditure.

b) Policy & Evidence	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	1,147	190	760	220
Earned Income	1	1	2	2
Other Operating Income	207	50	–	–
Total Income	1,355	241	762	222
Expenditure				
Grants	–	–	(11)	(11)
Staff Costs	(9,827)	(9,827)	(9,470)	(9,470)
Running Costs	(1,633)	(1,633)	(1,267)	(1,267)
Commercial Activities' Costs	(105)	(105)	(71)	(71)
Depreciation, Amortisation and Impairment	(175)	(175)	(188)	(188)
Other Expenditure	(1,096)	(1,096)	(1,231)	(1,231)
Total Expenditure	(12,836)	(12,836)	(12,238)	(12,238)
Policy & Evidence Net Expenditure	(11,481)	(12,595)	(11,476)	(12,016)

Income comprises Service Level Agreement with the English Heritage Trust, Enhanced Advisory Services and course provision fees. Expenditure incurred provided services for strategy and listing, sector resilience and skills training, national specialist services, analytics and development economics.

c) Public Engagement

	2019-2020		Restated 2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	344	253	446	360
Earned Income	2	2	2	2
Other Operating Income	275	14	109	80
Total Income	621	269	557	442
Expenditure				
Grants	(141)	(141)	(122)	(122)
Staff Costs	(5,255)	(5,255)	(4,600)	(4,600)
Running Costs	(801)	(801)	(523)	(523)
Commercial Activities' Costs	(295)	(295)	(517)	(517)
Depreciation, Amortisation and Impairment	(232)	(232)	(213)	(213)
Other Expenditure	(417)	(417)	(425)	(425)
Total Expenditure	(7,141)	(7,141)	(6,400)	(6,400)
Public Engagement Net Expenditure	(6,520)	(6,872)	(5,843)	(5,958)

Income has been received from a combination of archive services and the Service Level Agreement with the English Heritage Trust. Expenditure incurred provided archive services as well as fundraising, communications and marketing functions.

The 2018-19 amounts have been restated, as income and expenditure relating to 'Partnerships and Philanthropy' are disclosed in Business Improvement, in 2018-19 'Partnerships and Philanthropy' was disclosed in Public Engagement.

d) Business Improvement

	2019-2020		Restated 2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	257	243	350	328
Other Operating Income	24	24	290	290
Total Income	281	267	640	618
Expenditure				
Grants	(9,902)	(9,875)	(10,349)	(10,324)
Staff Costs	(2,306)	(2,306)	(2,153)	(2,153)
Running Costs	(342)	(342)	(259)	(259)
Commercial Activities' Costs	(254)	(254)	(187)	(187)
Other Expenditure	(374)	(374)	(323)	(323)
Total Expenditure	(13,178)	(13,151)	(13,271)	(13,246)
Business Improvement Net Expenditure	(12,897)	(12,884)	(12,631)	(12,628)

Revenue relates to publishing activity and grants. The majority of expenditure was on the provision of grants, with the remainder of the expenditure supporting publications, projects, process improvement, corporate planning and organisational development.

The 2018-19 amounts have been restated, as income and expenditure relating to 'Partnerships and Philanthropy' are disclosed in Business Improvement, in 2018-19 'Partnerships and Philanthropy' was disclosed in Public Engagement.

e) Shrewsbury Flaxmill Maltings

	2019-2020		Re-presented 2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	–	–	1	1
Other Operating Income	6,544	6,479	3,225	3,225
Total Income	6,544	6,479	3,226	3,226
Expenditure				
Grants	(62)	(62)	(31)	(31)
Staff Costs	(274)	(274)	(227)	(227)
Running Costs	(5,821)	(5,821)	(4,197)	(4,197)
Commercial Activities' Costs	(29)	(29)	(32)	(32)
Depreciation, Amortisation and Impairment	(17)	(17)	(17)	(17)
Other Expenditure	(26)	(26)	(25)	(25)
Total Expenditure	(6,229)	(6,229)	(4,529)	(4,529)
Shrewsbury Flaxmill Maltings Net Income/ (Expenditure)	315	250	(1,303)	(1,303)

Expenditure incurred has been to restore the Mill and surrounding area, with funding received mainly from the National Lottery Heritage Fund and other donations.

f) Corporate Services	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	7,064	515	7,254	565
Earned Income	339	339	348	348
Other Operating Income	93	(177)	55	55
Total Income	7,496	677	7,657	968
Expenditure				
Grants	(270)	–	–	–
Staff Costs	(9,418)	(9,418)	(11,988)	(11,988)
Running Costs	(8,531)	(8,531)	(11,423)	(11,313)
Subsidy Expenditure	(13,151)	–	(13,508)	–
Depreciation, Amortisation and Impairment	(7,247)	(7,247)	(5,771)	(5,771)
Other Expenditure	(69)	(69)	(2,507)	(2,508)
Total Expenditure	(38,686)	(25,265)	(45,197)	(31,580)
Financing				
Finance Income	5	5	–	–
Finance Costs	(1,317)	(1,317)	–	–
Net Finance Income/(Costs)	(1,312)	(1,312)	–	–
Corporate Services Net Expenditure	(32,502)	(25,900)	(37,540)	(30,612)

Revenue comprises Service Level Agreement income from the English Heritage Trust as well as provision of finance services to the DCMS. The expenditure incurred included the provision of central services and the cost of running the offices. Subsidy expenditure is paid to the English Heritage Trust as part of the £80 million New Model grant agreement, funding conservation defects, commercial capital investments and interpretation of small and medium sites.

g) The English Heritage Trust	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	–	103,101	–	96,946
Earned Income	–	2,144	–	2,445
Other Operating Income	–	8,068	–	8,119
Total Income	–	113,313	–	107,510
Expenditure				
Grants	–	(55)	–	(23)
Staff Costs	–	(44,581)	–	(40,449)
Running Costs	–	(42,569)	–	(39,327)
Commercial Activities' Costs	–	(13,723)	–	(13,354)
Depreciation, Amortisation and Impairment	–	(3,401)	–	(2,263)
Other Expenditure	–	(9,843)	–	(8,533)
Total Expenditure	–	(114,172)	–	(103,949)
Financing				
Finance Costs	–	(293)	–	–
Net Finance Income/(Costs)	–	(293)	–	–
The English Heritage Trust Net Income/ (Expenditure)	–	(1,152)	–	3,561

The English Heritage Trust expenditure represents the costs incurred by English Heritage which have been consolidated into the group accounts.

h) Historic England Foundation	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Other Operating Income	–	420	–	424
Total Income	–	420	–	424
Expenditure				
Other Expenditure	–	(14)	–	(11)
Total Expenditure	–	(14)	–	(11)
Historic England Foundation Net Income/ (Expenditure)	–	406	–	413

The balances included for The Historic England Foundation represent the values consolidated into the Group accounts. Note 36d provides the full financial results for the organisation for the year, prior to consolidation.

i) Reconciliation between Operating Segments and SoCNE	2019-2020		Restated 2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Regions Group	(27,762)	(27,595)	(23,343)	(23,939)
Policy & Evidence	(11,481)	(12,595)	(11,476)	(12,016)
Public Engagement	(6,520)	(6,872)	(5,843)	(5,958)
Business Improvement	(12,897)	(12,884)	(12,631)	(12,628)
Shrewsbury Flaxmill Maltings	315	250	(1,303)	(1,303)
Corporate Services	(32,502)	(25,900)	(37,540)	(30,612)
The English Heritage Trust	–	(1,152)	–	3,561
Historic England Foundation	–	406	–	413
Total Net Expenditure per the Statement of Comprehensive Net Expenditure	(90,847)	(86,342)	(92,136)	(82,482)

The 2018-19 amounts have been restated, as income and expenditure relating to 'Partnerships and Philanthropy' are disclosed in Business Improvement, in 2018-19

‘Partnerships and Philanthropy’ was disclosed in Public Engagement.

3 Revenue from Contracts with Customers

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Shared Service Income	8,004	456	8,589	507
Admission Income	–	33,948	–	31,632
Advertising and Licencing	20	658	20	524
Archive and Lecture Fees	341	324	417	417
Commercial Sales Income	249	24,742	320	24,314
Enhanced Advisory Services	739	739	652	652
Hospitality and Events	–	2,192	–	2,399
Membership Income	–	41,173	13	37,748
Other Revenue	290	900	253	919
Total Revenue from Contracts with Customers	9,643	105,132	10,264	99,112

4 Earned Income

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Other Earned Income	262	454	292	1,077
Commission	–	676	–	583
Rents	80	1,356	60	1,137
Total Earned Income	342	2,486	352	2,797

5 Other Operating Income

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Grants Receivable				
National Lottery Heritage Fund Grants	4,988	6,950	3,076	4,316
European Union Grants	–	241	–	23
Other Grants	1,973	2,661	497	946
Total Grants Receivable	6,961	9,852	3,573	5,285
Donations and Sponsorship	89	4,540	84	6,642
Other Operating Income	146	179	48	54
Interest Receivable	–	360	16	254
Total Other Operating Income	7,196	14,931	3,721	12,235

6 Grants

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Buildings and Monuments	13,932	13,932	11,604	11,604
Capacity Building	2,295	2,295	3,749	3,749
Conservation Areas	2,860	2,860	175	175
Historic Environment	3,346	3,347	3,778	3,780
Management Agreements	317	317	523	523
Maritime	266	266	307	307
Other	438	195	96	92
Total Grants	23,454	23,212	20,232	20,230

During 2019-20 Historic England introduced the 'High Street' project, the purpose of which is to enable the rejuvenation of England's high streets and make them fit for the future. This has resulted in a significant increase in grant expenditure.

7 Running Costs

	2019-2020		Re-presented 2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
IT Equipment and Services	5,948	7,750	5,142	6,188
Marketing and Branding	740	12,036	513	10,563
Monument Works and Maintenance	685	5,565	524	4,990
Office Rent and Charges	629	1,427	208	1,218
Operating Lease Payments	(1,748)	(376)	2,781	4,429
Other Office Costs	824	858	817	611
Site Maintenance	6,049	21,018	4,279	20,195
Technical Advice	4,143	9,533	3,766	7,241
Utilities	528	2,388	498	2,145
Total Running Costs	17,798	60,199	18,528	57,580

IFRS 16 has been implemented within 2019-20 with no changes to comparative data, the prior year figures include rentals under operating leases under IAS17.

During 2019-20, a settlement was reached with a previous landlord for outstanding rent and service charges for less than the amount accrued for. This has resulted in negative expenditure under Operating Lease Payments

8 Commercial Activities' Costs

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cost of Sales	482	10,209	215	10,093
Event Production	381	3,958	612	3,998
Inventory Provision Expense	(185)	(32)	(23)	37
Inventory Write-Off	18	284	7	37
Total Commercial Activities' Costs	696	14,419	811	14,165

The impact of the sale of the publishing function of the business resulted in the release of the provision held against the aged stock.

9 Other Expenditure

	2019-2020		2018-2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Administrative Costs	(1,009)	1,364	1,278	2,860
Audit Fee (note 11)	71	157	65	145
Operational Costs	2,251	7,472	2,312	7,485
Other	495	1,287	771	1,386
(Gain)/Loss on Disposal on Non-Current Assets	122	180	30	42
Staff Related Costs	870	2,197	818	1,901
Total Other Expenditure	2,800	12,657	5,274	13,819

The income shown against Administrative Costs represents the receipt from HMRC of £1.25m relating to a partial exemption claim dating back four years. This is a reduction in the cost of irrecoverable VAT to the organisation over those years.

10 Taxation

Historic England enjoys the status of a charity for taxation purposes. No taxation liability is expected on its operations for the year ended 31 March 2020 (2019: nil). English Heritage, as a registered charity, is entitled to certain tax exemptions on income and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives.

English Heritage Trading Limited will be making a gift aid donation of its distributable profits within 9 months of the

financial year ended 31 March 2020. This gift aid relief utilised means it has suffered nil taxation charge (2019: nil) as it had no taxable profits.

11 Auditor's Fees

	2019-2020 Group £'000	2018-2019 Group £'000
Auditor's remuneration and expenses for statutory audit work:		
Historic England	71	65
The English Heritage Trust	66	63
English Heritage Trading Limited	12	11
Historic England Foundation	8	6
Total Auditor's Fees for the Financial Year	157	145

During the year no member of the Historic England group purchased any non-audit services from its auditor, the National Audit Office (2018-2019: nil).

12 Staff Costs

Group	2019-2020			2018-2019		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Wages and Salaries	1,018	66,382	67,400	378	64,303	64,681
Social Security Costs	116	6,067	6,183	42	5,801	5,843
Pension Costs	233	12,231	12,464	50	9,803	9,853
Redundancy and Severance Costs	–	155	155	–	1,515	1,515
Agency Staff Costs	–	892	892	351	958	1,309
Total Employee Costs	1,367	85,727	87,094	821	82,380	83,201

Historic England	2019-2020			2018-2019		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Wages and Salaries	684	30,099	30,783	88	31,008	31,096
Social Security Costs	71	3,138	3,209	9	3,140	3,149
Pension Costs	182	7,819	8,001	18	6,155	6,173
Redundancy and Severance Costs	–	3	3	–	1,355	1,355
Agency Staff Costs	–	87	87	–	273	273
Total Employee Costs	937	41,146	42,083	115	41,931	42,046

Further information on staff costs is available in the Remuneration and Staff Report on page 93.

13 Related Party Transactions and Connected Bodies

Connected Bodies

Historic England is sponsored by the Department for Digital, Culture, Media and Sport (DCMS) which is regarded as a related party. There were material transactions with DCMS in respect of the receipt of Grant in Aid and HR and finance shared service provision.

There were also material transactions with the following entities for which DCMS is regarded as the parent department:

British Library	British Museum
Tate Gallery	Victoria and Albert Museum
Wallace Collection	The Arts Council

During the year Historic England had transactions with the following Government Departments and Central and Local Government Bodies:

Bedford Unitary Authority	Birmingham City Council
Boston Borough Council	Bradford City Council
Bristol City Council	Bromley London Borough Council
Cabinet Office: Civil Superannuation	Cambridgeshire County Council
County Durham Unitary Authority	Coventry City Council

Darlington Borough Council	Dartmoor National Park Authority
Department for Business, Energy and Industrial Strategy	Devon County Council
Ealing London Borough Council	East Sussex County Council
Eden District Council	Essex County Council
Gateshead Council	Gloucestershire County Council
Gosport Borough Council	Government Internal Audit Agency
Great Yarmouth Borough Council	Greater London Authority
High Speed Two (HS2) Limited	Highways England
HM Revenue & Customs	Hounslow London Borough Council
Kent County Council	Kent Police & Crime Commissioner & Chief Constable
Kings Lynn and West Norfolk Borough Council	Kingston upon Hull City Council
Lake District National Park Authority	Lincolnshire County Council
Manchester City Council	Milton Keynes Council

Natural England	Newham London Borough Council
Norfolk County Council	North Kesteven District Council
North Somerset Council	North York Moors National Park Authority
Northampton Borough Council	Nottingham City Council
Plymouth City Council	Rochdale Borough Council
Shropshire Unitary Authority	South Kesteven District Council
South Lakeland District Council	Southwark London Borough Council
Staffordshire County Council	Stoke-on-Trent City Council
Suffolk County Council	Sunderland City Metropolitan Borough Council
Sutton London Borough Council	Swindon Borough Council
Tendring District Council	Thanet District Council
Thurrock Borough Council	Tower Hamlets London Borough Council
UK Research and Innovation	Wakefield City Council
Waveney District Council	West Berkshire Council
West Midlands Fire and Civil Defence Authority	Wiltshire Unitary Authority

Winchester City Council

Worcestershire County
Council

Yorkshire Dales National
Park Authority

Material Transactions with Related Party Interests

During the year Historic England had the following material transactions in which there was a related interest:

Commissioners

- Sir Laurie Magnus, Chair of Historic England, is a member of the investment panel of the National Heritage Memorial Fund which paid £48,000 for a seconded member of staff and £1,000 for advice.
- Mr Paul Farmer is the Chief Executive of Mind which received £12,000 for the provision of training courses.
- Ms Helena Hamerow is a Director of Oxford Archaeology which paid £3,000 for reproduction fees and received £87,000 in grant funding and £4,000 for report production.
- Ms Rosemarie MacQueen is an Ambassador for the Museum of London which paid £1,000 for advisory services. Museum of London Trading Ltd received £2,000 for hospitality services. Museum of London Archaeology received £18,000 for research and grant funding of £7,000 during the year and paid £1,000 for training and £19,000 for reproduction fees.

- Mr Neil Mendoza is a non-executive board member of the Department for Digital, Culture, Media and Sport which paid £547,000 for shared services, £62,000 for seconded staff and £1,000 for training.
- Mr Michael Morrison was a partner at Purcell until July 2019 which provided £18,000 worth of work preparing reports of which £6,000 had not been invoiced at the end of the year and which paid £1,000 for training and reproduction fees.
- Mr Patrick Newberry is a trustee of the Georgian Group which received £41,000 in grant funding and £1,000 in publishing royalties.
- Ms Susie Thornberry is Assistant Director of Imperial War Museums which paid £2,000 for advice services and art work and received £74,000 for exhibition services and £3,000 in grant funding.
- Ms Sue Wilkinson is Deputy Chair of the Churches Conservation Trust which received £110,000 of grant funding and £18,000 for training. They also paid £6,000 for room hire and training. She is also a Trustee of the Canal and River Trust which received £98,000 in grant funding.

Senior Staff

- The step-father of Mr Michael Bishop, Director of Business Improvement, is Non-Executive Chairman of the National Audit Office which received £70,000 in audit fees.

- Mr Duncan McCallum, Strategy and Listing Director, is a Trustee of the Society for the Protection of Ancient Buildings which received £95,000 of grant funding.
- Ms Carol Pyrah, former Assistant Director of Planning, is a trustee of the Churches Conservation Trust which received £110,000 of grant funding and £18,000 for training. They also paid £6,000 for room hire and training.
- Mr Barney Sloane, National Specialist Services Director, is a Trustee of the Society of Antiquaries of London which received £10,000 of grant funding.
- The partner of Mr Andrew Wiseman, General Counsel and Corporate Secretary, is an officer of Hammersmith & Fulham Council which paid £8,000 for advisory services.

No other Commissioners, trustees, key managerial staff or other related party have undertaken any material related party transactions with Historic England during the year. Compensation for key management personnel has been disclosed in the Remuneration and Staff Report, which starts on page 93.

The related party transactions and connected bodies for English Heritage, English Heritage Trading Limited and The Historic England Foundation are disclosed within each of their individual accounts.

14 Intangible Assets

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Group				
Cost or Valuation				
At 1 April 2019	2,567	13,039	949	16,555
Additions	178	141	1,160	1,479
Disposals	(141)	(3,210)	(167)	(3,518)
Reclassifications	–	868	(769)	99
Revaluations	13	52	–	65
At 31 March 2020	2,617	10,890	1,173	14,680
Amortisation				
At 1 April 2019	2,301	10,696	–	12,997
Charged in Year	203	662	–	865
Disposals	(141)	(3,152)	–	(3,293)
Revaluations	12	42	–	54
At 31 March 2020	2,375	8,248	–	10,623
Carrying Amount at 31 March 2019	266	2,343	949	3,558
Carrying Amount at 31 March 2020	242	2,642	1,173	4,057

All Intangible assets are owned outright (2019: all).

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Group				
Cost or Valuation				
At 1 April 2018	2,529	11,552	1,428	15,509
Additions	121	56	1,070	1,247
Disposals	(91)	(159)	–	(250)
Reclassifications	–	1,549	(1,549)	–
Revaluations	8	41	–	49
At 31 March 2019	2,567	13,039	949	16,555
Amortisation				
At 1 April 2018	2,198	10,256	–	12,454
Charged in Year	177	562	–	739
Disposals	(82)	(159)	–	(241)
Revaluations	8	37	–	45
At 31 March 2019	2,301	10,696	–	12,997
Carrying Amount at 31 March 2018	331	1,296	1,428	3,055
Carrying Amount at 31 March 2019	266	2,343	949	3,558
	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost or Valuation				
At 1 April 2019	1,294	10,990	443	12,727
Additions	178	–	1,040	1,218
Disposals	(141)	(3,022)	–	(3,163)
Reclassifications	–	340	(320)	20
Revaluations	6	42	–	48
At 31 March 2020	1,337	8,350	1,163	10,850
Amortisation				
At 1 April 2019	1,205	9,518	–	10,723
Charged in Year	107	363	–	470
Disposals	(141)	(3,022)	–	(3,163)
Revaluations	6	35	–	41
At 31 March 2020	1,177	6,894	–	8,071
Carrying Amount at 31 March 2019	89	1,472	443	2,004
Carrying Amount at 31 March 2020	160	1,456	1,163	2,779

All intangible assets are owned outright (2019: all).

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost or Valuation				
At 1 April 2018	1,227	10,106	903	12,236
Additions	121	56	492	669
Disposals	(58)	(159)	–	(217)
Reclassifications	–	952	(952)	–
Revaluations	4	35	–	39
At 31 March 2019	1,294	10,990	443	12,727
Amortisation				
At 1 April 2018	1,193	9,314	–	10,507
Charged in Year	66	330	–	396
Disposals	(58)	(159)	–	(217)
Revaluations	4	33	–	37
At 31 March 2019	1,205	9,518	–	10,723
Carrying Amount at 31 March 2018	34	792	903	1,729
Carrying Amount at 31 March 2019	89	1,472	443	2,004

15 Property, Plant & Equipment

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Group							
Cost or Valuation							
At 1 April 2019	140,726	3,088	18,976	7,091	7,000	9,362	186,243
Transferred to Right of Use Asset on 1 April	(8,991)	–	–	–	–	–	(8,991)
Additions	–	–	603	109	–	7,131	7,843
Disposals	(343)	(306)	(242)	(445)	(81)	–	(1,417)
Impairments	79	–	–	–	(2)	–	77
Reclassifications	8,012	–	513	–	601	(9,230)	(104)
Revaluations	4,127	115	363	25	(48)	–	4,582
At 31 March 2020	143,610	2,897	20,213	6,780	7,470	7,263	188,233
Depreciation							
At 1 April 2019	37,931	867	13,847	6,286	5,211	–	64,142
Transferred to Right of Use Asset on 1 April	(692)	–	–	–	–	–	(692)
Charged in Year	5,647	149	1,023	474	306	–	7,599
Disposals	(320)	–	(242)	(445)	(81)	–	(1,088)
Reclassifications	(9)	–	–	–	4	–	(5)
Revaluations	1,237	37	276	34	(38)	–	1,546
At 31 March 2020	43,794	1,053	14,904	6,349	5,402	–	71,502
Carrying Amount at 31 March 2019	102,795	2,221	5,129	805	1,789	9,362	122,101
Carrying Amount at 31 March 2020	99,816	1,844	5,309	431	2,068	7,263	116,731

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Group							
Cost or Valuation							
At 1 April 2018	134,690	3,041	18,449	6,905	6,815	6,151	176,051
Additions	249	–	271	321	79	8,944	9,864
Disposals	(1,267)	–	(96)	(159)	(129)	–	(1,651)
Impairments	(130)	–	–	–	10	–	(120)
Reclassifications	5,613	–	38	–	82	(5,733)	–
Revaluations	1,571	47	314	24	143	–	2,099
At 31 March 2019	140,726	3,088	18,976	7,091	7,000	9,362	186,243
Depreciation							
At 1 April 2018	33,650	707	12,672	5,886	4,773	–	57,688
Charged in Year	5,510	147	1,035	537	420	–	7,649
Disposals	(1,267)	–	(93)	(159)	(98)	–	(1,617)
Impairments	(25)	–	–	–	–	–	(25)
Revaluations	63	13	233	22	116	–	447
At 31 March 2019	37,931	867	13,847	6,286	5,211	–	64,142
Carrying Amount at 31 March 2018	101,040	2,334	5,777	1,019	2,042	6,151	118,363
Carrying Amount at 31 March 2019	102,795	2,221	5,129	805	1,789	9,362	122,101

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Historic England							
Cost or Valuation							
At 1 April 2019	121,591	2,852	15,621	6,434	5,800	20	152,318
Transferred to Right of Use Asset on 1 April	(8,991)	–	–	–	–	–	(8,991)
Additions	–	–	181	–	–	2,345	2,526
Disposals	(343)	(306)	(223)	(445)	(81)	–	(1,398)
Impairments	76	–	–	–	(1)	–	75
Reclassifications	(5)	–	–	–	–	(20)	(25)
Revaluations	3,561	106	318	21	(40)	–	3,966
At 31 March 2020	115,889	2,652	15,897	6,010	5,678	2,345	148,471
Depreciation							
At 1 April 2019	35,437	847	11,325	5,958	4,497	–	58,064
Transferred to Right of Use Asset on 1 April	(692)	–	–	–	–	–	(692)
Charged in Year	4,107	143	632	370	182	–	5,434
Disposals	(320)	–	(223)	(445)	(81)	–	(1,069)
Reclassifications	(5)	–	–	–	–	–	(5)
Revaluations	1,100	36	242	32	(33)	–	1,377
At 31 March 2020	39,627	1,026	11,976	5,915	4,565	–	63,109
Carrying Amount at 31 March 2019	86,154	2,005	4,296	476	1,303	20	94,254
Carrying Amount at 31 March 2020	76,262	1,626	3,921	95	1,113	2,345	85,362

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Historic England							
Cost or Valuation							
At 1 April 2018	121,139	2,808	15,151	6,571	5,601	77	151,347
Additions	187	–	223	–	54	36	500
Disposals	(1,267)	–	–	(159)	(57)	–	(1,483)
Impairments	46	–	–	–	5	–	51
Reclassifications	17	–	–	–	76	(93)	–
Revaluations	1,469	44	247	22	121	–	1,903
At 31 March 2019	121,591	2,852	15,621	6,434	5,800	20	152,318
Depreciation							
At 1 April 2018	32,305	694	10,427	5,642	4,110	–	53,178
Charged in Year	4,245	140	719	454	317	–	5,875
Disposals	(1,267)	–	–	(159)	(28)	–	(1,454)
Revaluations	154	13	179	21	98	–	465
At 31 March 2019	35,437	847	11,325	5,958	4,497	–	58,064
Carrying Amount at 31 March 2018	88,834	2,114	4,724	929	1,491	77	98,169
Carrying Amount at 31 March 2019	86,154	2,005	4,296	476	1,303	20	94,254

Capital expenditure contracted for as at 31 March 2020 but not provided for in the financial statements amounted to £162,000 for Historic England (2019: £14,000) and £7,090,000 for the group (2019: £2,590,000). Those commitments relating to tangible non-current assets amounted to £161,000 for Historic England (2019: £14,000) and £7,089,000 for the group (2019: £2,590,000) and those relating to intangible non-current assets amounted to £1,000 for Historic England (2019: £nil) and £1,000 for the group (2019: £nil).

Total Non-Current Asset acquisitions in the year were funded, to their fair value, by:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Government Grant	2,419	1,043	1,903	812	3,332
Non-government Grant	138	126	–	–	57
Donations	13	–	–	–	–
Lottery Funding	1,187	–	–	–	13
Asset Sale Proceeds	–	–	17	29	9
IFRS16 Right Of Use Assets funded by government grant	6,687	–	–	–	–
Other	–	–	41	65	–

During 2019-20 Historic England has adopted IFRS 16 'Leases'; this introduces a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases. Historic England group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been

restated, leases as at 31st March 2019, with a cost of £8,991,000 and a £8,300,000 net book value have been transferred from land and buildings excluding dwellings to 'Right Of Use' assets on 1st April 2019. Historic England's obligations under leases are disclosed in note 28, note 16 discloses Historic England's Right Of Use assets. All other property, plant and equipment is either held under guardianship or owned outright by Historic England (2018-19: all).

The transfers from Assets under Construction to other Non-Current Asset categories represent assets which were started in previous years and have been completed in the year. These include the Breaking New Ground Project and the Archives Online Collection.

System development assets with a cost of £3,022,000 and nil net book value have been disposed of in the year. These disposals were the result of the 'Images of England' website retiring.

16 Right of Use Assets

	Operational Land & Buildings £'000	Plant & Machinery £'000	Total £'000
Group			
Cost or Valuation			
Transferred to Right of Use Asset on 1 April	35,083	145	35,228
Additions	10,962	100	11,062
Disposals	(319)	–	(319)
Revaluations	335	–	335
At 31 March 2020	46,061	245	46,306
Depreciation			
Transferred to Right of Use Asset on 1 April	692	–	692
Charged in Year	2,603	144	2,747
Disposals	(18)	–	(18)
Revaluations	33	–	33
At 31 March 2020	3,310	144	3,454
Carrying Amount at 31 March 2019	–	–	–
Carrying Amount at 31 March 2020	42,751	101	42,852
	Operational Land & Buildings £'000	Plant & Machinery £'000	Total £'000
Historic England			
Cost or Valuation			
Transferred to Right of Use Asset on 1 April	24,436	52	24,488
Additions	6,687	–	6,687
Disposals	(319)	–	(319)
Revaluations	335	–	335
At 31 March 2020	31,139	52	31,191
Depreciation			
Transferred to Right of Use Asset on 1 April	692	–	692
Charged in Year	1,857	47	1,904
Disposals	(18)	–	(18)
Revaluations	33	–	33
At 31 March 2020	2,564	47	2,611
Carrying Amount at 31 March 2019	–	–	–
Carrying Amount at 31 March 2020	28,575	5	28,580

Historic England group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.

On 1 April 2019, the finance leases as at 31st March 2019, with a cost of £8,991,000 and a £8,300,000 net book value have been transferred from land and buildings excluding dwellings to 'Right Of Use' assets.

On 1st April 2019, the operating leases as at 31 March 2019 with a lease term remaining of more than 12 months, were transferred to right of use assets, these assets had a cost value of £15,498,000 (Group £26,238,000).

17 Heritage Assets

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Group					
Cost or Valuation					
At 1 April 2019	20,706	7,323	18,536	25,184	71,749
Additions	13	–	–	–	13
Impairments	58	4	–	–	62
Revaluations	715	269	–	3,719	4,703
Carrying Amount at 31 March 2020	21,492	7,596	18,536	28,903	76,527
At 1 April 2018	19,386	7,211	8,457	20,594	55,648
Impairments	29	2	–	–	31
Revaluations	1,291	110	10,079	4,590	16,070
Carrying Amount at 31 March 2019	20,706	7,323	18,536	25,184	71,749

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Historic England					
Cost or Valuation					
At 1 April 2019	20,707	7,323	18,205	25,184	71,419
Additions	13	–	–	–	13
Impairments	58	4	–	–	62
Revaluations	715	269	–	3,719	4,703
Carrying Amount at 31 March 2020	21,493	7,596	18,205	28,903	76,197
At 1 April 2018	19,386	7,211	8,126	20,594	55,317
Impairments	29	2	–	–	31
Revaluations	1,292	110	10,079	4,590	16,071
Carrying Amount at 31 March 2019	20,707	7,323	18,205	25,184	71,419

The table below provides a summary of transactions relating to heritage assets for the current and previous four accounting periods. There are no transactions relating to assets which are not reported in the Statement of Financial Position.

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Cost of Acquisition	–	–	–	–	71
Value Acquired by Donation	13	–	292	–	10
Revaluations/(Impairments) Recognised	4,765	16,101	8,602	14,631	7,510
Heritage Assets Charged to Expenditure in Year	14	10	14	3	23

The group has recognised £3.719million (2019: £4.590million) of revaluations of heritage assets. This represents expenditure by English Heritage in line with the £80million New Model grant from Government. Historic England capitalises any elements of this expenditure which meets the capitalisation policy outlined in notes 1h-1m.

All artefacts and archives acquired are recognised and held at cost or, where donated, at market value (note 1l).

All land and buildings are subject to a full professional valuation every five years. A full quinquennial valuation was undertaken during the year ended 31 March 2016.

As part of New Model arrangements a number of heritage assets which have not previously been subject to valuation, have been valued by Powis Hughes in order to obtain a baseline valuation prior to works being carried out to address significant conservation defects.

Starting in 2014-15, a rolling programme of such valuations will be carried out until the end of the New Model arrangement in 2022-23 at all sites which are the subject of conservation deficit works. All artefacts and archives acquired since 2001 are recognised and held at cost or, where donated, at market value (note 1l).

Heritage assets charged to the Statement of Comprehensive Net Expenditure amounted to £14,000 and was revenue in nature (2019: £10,000).

18 Further Information on Heritage Assets

Land and Buildings – Pure Heritage Assets

The English Heritage Trust manages the National Heritage Collection of over 400 historic properties throughout England providing a diverse portfolio that includes World Heritage Sites, industrial monuments, castles, historic houses, abbeys, forts, stone circles and a large part of Hadrian's Wall. They range from prehistoric ruins to the lavishly furnished Osborne House. In age they range from Neolithic burial chambers dating from 3500-2600BC to 20th-century houses.

The National Heritage Collection is managed by The English Heritage Trust under the 'Property Licence and Operating Agreement' which forms the arrangement under which The English Heritage Trust will care for and operate the National Heritage Collection.

A full listing of the National Heritage Collection is contained in the English Heritage Handbook which is available on the English Heritage website. The handbook also includes full details of public access to these sites.

During the year, land at Carrawburgh Roman Fort was donated to Historic England with a value of £12,500 (2019: £nil). There were no disposals of heritage land and buildings during the year, or in the previous year.

Historic Artefacts

As part of the National Heritage Collection, Historic England manages in the region of 700,000 historic artefacts, ranging from environmental remains and archaeological artefacts to pottery, fine art and furnishings.

The historic artefacts are an integral part of our historic properties. As well as being of significance in their own right, they assist in interpreting and presenting our properties to the public and they provide a valuable research resource for heritage professionals and our own staff.

The collections owned by Historic England have been purchased as part of our ongoing work to restore and enhance our properties.

Donated artefacts received during the year had a value of £nil (2019: £nil – £10,079,000 of assets donated in lieu of tax were wrongly reported as donated assets. The 2019 figure has therefore been restated in this year's financial statements). There were no disposals of artefacts during the year, or in the previous year.

19 Conservation and Management

The English Heritage Trust is responsible for the conservation and maintenance of Historic England's estate and artefacts. The Estates Teams are responsible for the historic estate, and the Curatorial Department for artefacts.

Staff caring for the historic estate are split into three teams: Conservation Maintenance, National Projects and Development Projects. Their work is currently divided into three main streams: the Annual Maintenance Programme (planned cyclical and response maintenance); the Major Planned Repair Programme (larger long-term or one-off conservation projects usually of more than £50,000); and the Minor Planned Maintenance Programme (small repair projects usually of less than £50,000). The teams also contribute and provide project management resources to the Capital Investment Programme. The work streams are developed in line with the strategy and process set out in the English Heritage Asset Management Plan (AMP). The AMP enables the conservation of the estate to be managed according to nationally-established conservation priorities and gives The English Heritage Trust an awareness of the scale of the 'conservation deficit' in relation to the resources available to address it, along with impact assessments of The English Heritage Trust's ability to procure the necessary works.

Total group expenditure on site maintenance of £21,018,000 was incurred during the year ended 31 March 2020 (2019: £20,195,000). Further information is provided in the separate publication Conservation Principles, Policies and Guidance, which is now located on the Historic England website. This sets out the framework within which historic estates are managed as well as the thinking that guides Historic England's advice to others. Further information in relation to the work of The English Heritage Trust can be found on the website www.english-heritage.org.uk.

Artefacts are conserved and managed by three teams within the Curatorial Department. The Collections Curatorial Team manages the acquisition and storage of English Heritage's collections and historic interiors. The Collections Conservation Team manages the conservation of historic collections and interiors via its specialists in the care of fine and applied art, conservation science, environmental and pest control and objects care. The Property Curators ensure that the conservation, commercial and visitor-led development of English Heritage sites is guided, planned and executed so as to sustain the values and significance of the sites in question. The team are also involved in the development of presentation and interpretation schemes and the development of Heritage Protection Agreements at English Heritage sites.

The Historic England Archive is maintained within the Public Engagement Group. The Archive's repository and main public service activities are based in Swindon, Wiltshire. The Archive is a recognised place of deposit under public records legislation and has high environmental standards for the storage of photographs and other archives. The Archive aims to devise and maintain services which reflect the varied requirements of a wide range of users. The Archive works closely with the parallel National Monument Records in Scotland and Wales on a range of archives and access projects, and operates in a UK, European and international context especially for common standards on the management of records of the historic environment. The Archive Team ensures the conservation of the collections and archives

held by the Archive, and supports intellectual and physical access to them by users. Activities include conservation, cataloguing, contributing to access initiatives and maintaining flowlines to ensure that records deposited with the Archive are made available.

20 Current Assets Investments

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
At 1 April	–	14,918	–	2,773
New Investments in Year	–	11,763	–	12,145
At 31 March	–	26,681	–	14,918

All current asset investments were held in notice accounts in the UK.

21 Inventories

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Inventories	–	6,875	187	7,121
Inventories are stated after the following:				
Inventory Provision Expense	(185)	(32)	(23)	37
Inventory Write-Off	18	284	7	37
Total Inventory Adjustments for the Year	(167)	252	(16)	74

The inventories in Historic England related solely to the stock of publishing material which has been sold in full in the year to a third party.

22 Trade and Other Receivables

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Receivables	391	834	1,674	2,275
Value Added Tax	3,062	3,320	1,951	1,931
Prepayments and Accrued Income	5,173	8,725	2,026	5,049
Other Receivables	105	1,086	151	1,485
Amount owed by Subsidiary Undertaking	1,036	–	408	–
Total Trade and Other Receivables	9,767	13,965	6,210	10,740

23 Assets Classified as Held for Sale

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Held for Sale Assets	40	40	40	40

The asset classified as held for sale at 31 March 2019 and 31 March 2020 is land at Birdoswald. The asset is held at the lower of the carrying amount and the fair value less costs to sell.

24 Lease Receivables

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after 31 March 2020.

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Lease receivables for the following periods comprise:				
Land and Buildings				
Not Later than One Year	96	96	–	–
Between One and Five Years	125	125	–	–
Total Undiscounted Lease Payments Receivable	221	221	–	–
Unearned Finance Income	(7)	(7)	–	–
Net Investment in the Lease	214	214	–	–

In 2019 Historic England sub-leased a building which it had leased since 2017. Historic England has classified the sub-lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.

25 Cash and Cash Equivalents

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Balance at 1 April	5,893	57,882	1,187	65,782
Net Change in Cash and Cash Equivalents Balances	(5,330)	(14,071)	4,706	(7,900)
Balance at 31 March	563	43,811	5,893	57,882
The following balances at 31 March were held with:				
Cash				
Government Banking Service	423	26,261	5,748	38,586
Commercial Banks	140	12,436	145	13,334
Total Cash	563	38,697	5,893	51,920
Cash Equivalents				
Commercial Banks	–	5,114	–	5,962
Balance at 31 March	563	43,811	5,893	57,882

26 New Model Grant

The £80million New Model grant has been split into three elements:

- 1 £52million is for addressing the most urgent top three categories of conservation defects;
- 2 £18million is for new commercial capital investments, such as visitor facilities and infrastructure; and
- 3 £10million is for updating presentation and interpretation of small and medium sites that would not normally qualify for commercial investment.

The remaining balance of the £80million New Model grant is held by English Heritage in a Government Banking Service account. At 31 March 2020, the balance of this

account was £24,460,000 (2019: £29,928,000 – restated), with cumulative expenditure since 1 April 2015 split as follows:

	2020 £'000	Restated 2019 £'000
Element of spend of £80million government grant		
1 £52million	31,881	28,034
2 £18million	18,000	17,553
3 £10million	5,659	4,485
Unspent	24,460	29,928
Total	80,000	80,000

27 Financial Instruments

As Historic England has a Management Agreement with DCMS, it is not exposed to the degree of financial risk normally faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which International Financial Reporting Standard (IFRS) 7 mainly applies.

Historic England has no powers to borrow and held no investments as at 31 March 2020.

The Historic England group subsidiaries have greater financial freedom, enabling them to utilise financial instruments more readily than Historic England.

Surplus funds within The English Heritage Trust are held on short-term (less than one year) fixed interest rate deposit or notice accounts with institutions with low risk credit ratings, classified as either cash and cash equivalents or current asset investments.

At 31 March 2020, English Heritage held short-term deposits with institutions with low risk credit ratings, amounting to £26,681,000 (2019: £14,918,000).

a) Liquidity Risk

Owing to the nature of its funding and pattern of expenditure, Historic England and the Group do not have any significant liquidity risk.

b) Interest Rate Risk

Historic England and the Group's long-term financial liabilities relate solely to provisions (note 31), none of which are interest bearing and are mainly due within one year. The only disclosable financial assets are cash and cash equivalents, current and non-current asset investments which are not exposed to significant interest rate risk.

c) Currency Risk

All financial assets and liabilities are held in sterling.

d) Valuation

There is no material difference between the carrying values and fair values of financial assets and liabilities.

e) Financial Assets and Liabilities

Historic England and the Group hold only basic financial assets and liabilities that are all measured at amortised cost. The values of these are disclosed below:

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Financial Assets				
Trade and Other Receivables	1,532	1,920	2,233	3,760
Current Asset Investments	–	26,681	–	14,918
Cash and Cash Equivalents	563	43,811	5,893	57,882
	2,095	72,412	8,126	76,560
Financial Liabilities				
Trade and Other Payables	(2,564)	(7,280)	(3,822)	(9,732)
	(2,564)	(7,280)	(3,822)	(9,732)

28 Lease Liability

Total future minimum lease payments under lease liabilities are given in the table below for each of the following periods:

	2020		Re-presented 2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Lease liabilities for the following periods comprise:				
Land and Buildings				
Not Later than One Year	1,263	1,721	30	30
Between One and Five Years	5,640	7,549	150	150
Later than Five Years	21,344	33,056	7,112	7,112
Total Land and Buildings	28,247	42,326	7,292	7,292
Other				
Not Later than One Year	19	88	–	–
Between One and Five Years	3	64	–	–
Total Other	22	152	–	–
Present Value of Lease Liabilities	28,269	42,478	7,292	7,292

IFRS 16 has been implemented within 2019-20 using the modified retrospective approach and therefore no changes to comparative data has been made which include IAS17 finance leases only.

As at 1 April 2019 an additional £25,833,000 lease liabilities have been recognised for leases including Cannon Bridge House, Wood Street Office and other regional offices.

Historic England's lease liabilities are secured by the lessors' rights over the leased asset.

The right of use assets have been capitalised and are subject to the same revaluation policies as other property, plant and equipment, and are depreciated over the shorter of useful economic life or the lease period with the outstanding lease obligations (net of interest) shown in payables. Historic England's lease policy is disclosed in note 1q.

29 Trade and Other Current Payables

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Payables	1,545	7,107	2,522	9,377
Accruals	6,982	16,908	10,973	19,752
Deferred Income	294	14,632	426	14,605
Income Tax and Social Security	829	1,559	809	1,432
Pensions	23	191	25	161
Other Payables	11	170	53	224
Amount Owed to Subsidiary Undertaking	1,008	–	1,247	–
Total Trade and Other Payables	10,692	40,567	16,055	45,551

30 Other Non-Current Payables

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Pensions	218	218	216	216
Deferred Income	7	1,909	18	1,872
Other Payables	–	3	–	3
Total Trade and Other Payables	225	2,130	234	2,091

31 Provisions

	Historic England			Group		
	Early Retirement & Restructuring £'000	Legal & Constructive Obligations £'000	Total £'000	Early Retirement & Restructuring £'000	Legal & Constructive Obligations £'000	Total £'000
Balance at 1 April 2019	20	–	20	20	1	21
Provided in the Year	–	–	–	–	1	1
Provisions Released in the Year	–	–	–	–	–	–
Provisions Utilised in the Year	(20)	–	(20)	(20)	–	(20)
Balance at 31 March 2020	–	–	–	–	2	2
Balance at 1 April 2018	69	2	71	69	46	115
Provided in the Year	–	–	–	–	–	–
Provisions Released in the Year	–	–	–	–	(43)	(43)
Provisions Utilised in the Year	(49)	(2)	(51)	(49)	(2)	(51)
Balance at 31 March 2019	20	–	20	20	1	21

A provision with relation to early retirement costs is payable until the relevant individuals reach a pensionable age of 60. These are payable by monthly instalments to pensioners until 2019. Provisions are calculated based on third party information provided by pension scheme administrators. All future payments are due to be paid within one year.

Provisions for legal and constructive obligations have been calculated based on the claim amount and the likelihood of payment. Payment of the amount provided is likely to be incurred in the next financial year.

32 Commitments

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Capital Commitments				
Not later than one year	162	4,210	14	2,590
Later than one year and not later than five years	–	91	–	–
Later than five years	–	–	–	–
	162	4,301	14	2,590
Other Financial Commitments				
Not later than one year	23,856	43,317	17,048	28,499
Later than one year and not later than five years	3,461	3,865	–	–
Later than five years	–	–	–	–
	27,317	47,182	17,048	28,499
Total Capital and Other Financial Commitments	27,479	51,483	17,062	31,089

Both cancellable and non-cancellable commitments are included.

33 Earmarked Funds

	2020		2019	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Earmarked Funds are made up of the following:				
Other Funds	44	44	44	44
Philanthropy Funds	184	184	169	169
Total Earmarked Funds	228	228	213	213

Philanthropy Funds represent unrestricted donations given to Historic England.

34 Contingent Liabilities

Various outstanding claims existed at 31 March 2020. Provision has been made in the accounts for the year ended 31 March 2020 for those outstanding liabilities which will probably require settlement, and where the amount of the liability can be reliably estimated (note 31).

Under IAS 37, the Historic England group has identified £399,000 of contingent liabilities (2019: £295,500), of which £nil (2019: £nil) relate to Historic England.

35 Contingent Assets

There have been no contingent assets recognised in the year ended 31 March 2020 (2019: £nil).

36 Subsidiary Undertakings

a) The English Heritage Trust (incorporating the results of English Heritage Trading Limited)

The English Heritage Trust was incorporated in 2010, becoming a subsidiary of the Historic Buildings and Monuments Commission for England ('HBMCE') on 12 December 2014.

HBMCE (trading as Historic England) is the sole member of The English Heritage Trust.

The English Heritage Trust is the sole shareholder of English Heritage Trading Limited, which was incorporated in 1994.

The results of English Heritage Trading Limited have been consolidated into the results of The English Heritage Trust.

The results of The English Heritage Trust for the year are shown below. These differ to the disclosure in Note 2g due to the elimination of inter-company transactions on consolidation.

	2020 £'000	2019 £'000
Income and Expended Resources		
Total Incoming Resources	126,946	120,794
Total Resources Expended	(122,414)	(111,807)
Net Income for the Year	4,532	8,987
Reconciliation of Funds		
Total Funds Brought Forward	77,100	68,113
Total Funds Carried Forward	81,632	77,100

	2020 £'000	2019 £'000
Net Assets as at 31 March		
Non-Current Assets	31,701	29,732
Current Assets	83,135	80,411
Creditors: Amounts Falling Due Within One Year	(31,299)	(31,141)
Creditors: Amounts Falling Due After More Than One Year	(1,905)	(1,902)
Net Assets	81,632	77,100
Restricted	29,218	34,091
Unrestricted	52,414	43,009
Funds	81,632	77,100

b) English Heritage Limited

Historic England is the sole member of English Heritage Limited, a company limited by guarantee incorporated in 1984. English Heritage Limited was dormant throughout the current and prior years.

c) Historic England Limited

Historic England is the sole member of Historic England Limited, a company limited by guarantee incorporated in 2014. Historic England Limited has been dormant throughout the current and prior years.

d) Historic England Foundation

Historic England is the sole member of The Historic England Foundation, a company established in 2017. The Historic England Foundation was awarded £27,000 in grants during 2019-20 from Historic England. The following results of The Historic England Foundation have been included in the consolidated results:

	2020 £'000	2019 £'000
Incoming and Expended Resources		
Total Incoming Resources	538	449
Total Resources Expended	(508)	(63)
Net Income for the Year	30	386
Reconciliation of Funds		
Total Funds Brought Forward	386	–
Total Funds Carried Forward	416	386
	2020 £'000	2019 £'000
Net Assets as at 31 March		
Current Assets	539	448
Current Liabilities	(123)	(62)
Net Assets	416	386
Retained Earnings	416	386

e) The Iveagh Bequest

The Commissioners of Historic England are also the trustee of the Iveagh Bequest, a trust established in 1929 by the Iveagh Bequest (Kenwood) Act for the benefit of Kenwood House. In 1997 Statutory Instrument No 482 transferred custodian trusteeship to Historic England.

The Iveagh Bequest's principal place of business is The Engine House, Firefly Avenue, Swindon, SN2 2EH.

On 28 March 2012, the trustee of the Iveagh Bequest agreed that the charity's investments be sold and be spent on the Kenwood House project. The investment was subsequently sold on 24 May 2012.

The Iveagh Bequest was dormant throughout the current and prior years.

37 Events After the Reporting Period

Due to the closure of English Heritage sites to the public from 19 March 2020 until June-August 2020, an additional stock provision of £121k has been recognised in the group accounts in relation to perishable stock items. No other events relating to the Covid-19 pandemic or other matters are noted as reportable in relation to these financial statements.

The Annual Report and Accounts were authorised for issue by the Commissioners on the date of the audit certificate.

SECTION 5

Our Supporters

Historic England counts on support from individuals, trusts, foundations, companies and public funders to help us to deliver exciting and innovative projects across the country.

We are very grateful to those who have contributed to our activities during the year ended 31st March 2020.

The following have given amounts of, or worth, £1,000 or more:

Alan & Karen Grieve Charitable Trust

Allchurches Trust

The Andrew Lloyd Webber Foundation

Croft Building & Conservation Ltd

Ecclesiastical Insurance Group

Guy and Sophia Elliott

David and Christine Holmes

HB Allen Charitable Trust

John Laing Charitable Trust

L G Harris Trust

Emily Holden

Sir David and Lady Lees

The Lopylugs and Barbara Morrison Charitable Trust

Lowe & Fletcher Ltd

Sir Laurie and Lady Magnus

James and Viviane Mayor

National Lottery Heritage Fund

Patrick and Jane Newberry

Northcot Brick Ltd

The Pilgrim Trust

Rhoddy and Georgina Swire

Tanners Wines

The Walker Trust

Wolfson Foundation

The Worshipful Company of Ironmongers

We also thank those not listed here, as well as all supporters who prefer to remain anonymous.

We are the public body that helps people care for, enjoy and celebrate England's spectacular historic environment.

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