



Historic England

ANNUAL REPORT & ACCOUNTS

2020-2021

Annual Report and Accounts 2020-2021

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The Crow Stone, off Chalkwell Esplanade,
Leigh on Sea, Southend, Essex.

CHAIRMAN'S INTRODUCTION

2020-21 has been an extraordinary year. The pandemic has brought into sharp focus the challenges already facing the heritage sector. It has also seen heritage organisations working together in partnership, and with Government, to deliver emergency support in rapid and often innovative ways on an unprecedented scale. It has provided an opportunity for us all to recognise the importance and value of our cultural and heritage assets, and the part they play in our lives.

Historic England performed strongly throughout the year. Our activities continued as far as possible, despite the restrictions on site visits and the pressure on our people in balancing their professional and personal lives through lockdowns.

We adjusted our short-term priorities and diverted resources temporarily to provide vital emergency sector support. Over 200 members of staff were involved in distributing relief through the Government's Culture Recovery Fund. This included working with the National Lottery Heritage Fund to deliver over £126million in revenue funding to 785 organisations and, through the Heritage Stimulus Fund, awarding almost £53million for capital repairs to over 800 historic sites.

The following pages provide more detail about the work we have delivered during the year, but the headlines below give a flavour of some of our activities in 2020-21:

- We welcomed the publication of the Government's Tailored Review of Historic England with its very positive endorsement of our work to champion and protect the historic environment. We are adopting all the recommendations.
- We launched the £95million High Streets Heritage Action Zone (HAZ) programme, providing much needed support for high streets at this vital time. Despite the Covid-19 restrictions, we have been able to engage and energise local communities through music, spoken word, photography and other events as part of the associated High Street HAZ Cultural Programme.
- We supported the Department for Digital, Culture, Media and Sport (DCMS) in its launch of the innovative Culture and Heritage Capital Framework, which will provide a common and universally accepted standard for measuring the social and economic impact of our nation's cultural and heritage assets on a basis similar to the well-recognised Natural Capital approach.
- We convened the Heritage Sector Climate Change Forum, which issued a Joint Heritage Sector Statement on Climate Change. We are determined to provide practical solutions to assist the custodians of historic buildings to reduce carbon emissions and improve energy efficiency.
- We adapted our training programmes and moved events online, reaching almost 10,000 'live' delegates, with many more viewing recordings. We were able to extend the reach of our much-valued Heritage Schools programme, with a further 2,800 teachers and educators participating in online training.
- We had over 10 million visits to the Historic England website – our highest ever annual audience. Views of the Historic England Archive and the National Heritage List for England also exceeded previous years' performance. Our social media following has grown exponentially.
- We adapted quickly to new ways of working. Our IT teams in particular have helped ensure we have the infrastructure and equipment to stay connected and to work securely.

“

Looking ahead, we have launched our Future Strategy, **Championing Heritage, Improving Lives**, which sets out how we will work to realise our vision for a heritage that is valued, celebrated and shared by everyone.


It builds on important work from our first five years as Historic England as well as our more recent learning from the pandemic. Our Strategy is built for the long-term and is intentionally aspirational. It is also flexible, enabling us to bring others on the journey with us and to adapt to emerging priorities.

We will continue to support the English Heritage Trust, which manages the National Heritage Collection under a licence from Historic England. We will work with its staff and Trustees on their plans to recover from the pandemic and return to their trajectory towards financial self-sufficiency.

We are determined to build on the positive and stabilising impact achieved by the Culture Recovery Fund and will continue to work with partners and with Government to help ensure the sector's full recovery and its long-term resilience. The regeneration of heritage assets is recognised as a key catalyst in realising the Government's Levelling Up strategy. It can address regional inequalities, provide training and employment opportunities, help nurture skills and contribute towards tackling the climate crisis.

My fellow Commissioners and I are immensely proud of how Historic England has met the challenges brought about by the pandemic. Our people have continued to deliver our core planning, listing, research and engagement services, whilst providing emergency advice, delivering grant relief to hundreds of organisations and owners, and keeping audiences informed and engaged through a stream of inspired communications. I would like to pay a particular tribute to Duncan Wilson and his Executive Team, who have worked with energy and great originality to lead Historic England through the year. I thank all of our people for their tremendous professionalism, dedication, inspiring passion and generous goodwill.

I would also like to thank my fellow Commissioners for their unwavering support. I know that we are all very much looking forward to meeting again face to face and seeing in person the real-world impacts that Historic England is helping to deliver across the country. I am most grateful to Rosemarie MacQueen and Charles O'Brien, whose Commission terms ended in 2020-21, for their considerable contributions over the last five years. I am delighted that we will continue to benefit from their expertise and support through their continuing membership on our committees.



Sir Laurie Magnus

Chairman, Historic England



Morecambe Winter Gardens, Lancashire. A Heritage at Risk property that benefitted from the Culture Recovery Fund

SECTION 1

PERFORMANCE REPORT



Grade II listed World War 2 Pillbox, Oldham, Greater Manchester

1. PERFORMANCE REPORT

This section sets out our organisational objectives and challenges, and summarises how we have performed during the year. It comprises an Overview that explains our purpose, vision and objectives, a Performance and Analysis section, and Highlights of the Year, which shares a selection of our achievements in 2020-21.

Overview

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).

Our Purpose

To improve people’s lives by championing and protecting the historic environment.

Our Vision

A heritage that is valued, celebrated and shared by everyone. A historic environment that people connect with and learn from and that we are proud to pass on to future generations.

Our Corporate Plan sets out our **Strategic Objectives** and the activities that will help us deliver our long-term strategy of Championing Heritage, Improving Lives. Our objectives are to:

- Save historic places and enable them to thrive for future generations
- Ensure our advice and evidence results in well-informed decisions that serve people and places well
- Work with people to build the skills, knowledge, confidence and motivation to fight for, and look after, their historic environment
- Improve our digital capability to open our collections, assets, knowledge and expertise to all

Our Values

Inform and influence how we go about our work. They are:

- **Passion** - we share our love of the historic environment to inspire and energise people
- **Learning** - we listen and learn, and pass on this knowledge to others
- **Collaboration** - we work with partners and we work together to achieve great things
- **Openness** - we communicate in a way that’s understandable, available and useful to everyone
- **Responsibility** - we are accountable to the public and we always act with integrity

About Us

We save historic places

We want everyone to be able to enjoy historic places in ways that reveal their significance and safeguard their setting. We work with others to protect heritage that is at risk of being lost as a result of neglect, decay, inappropriate development or deliberate removal or destruction, providing advice and millions in grants to reduce the amount of heritage at risk. We manage the National Heritage List for England, which includes over 400,000 entries ranging from prehistoric monuments to office blocks, all of which benefit from legal protection.

We ensure our advice and evidence serve people and places well

We use our knowledge and expertise to make sure England's heritage is recognised, respected and enjoyed. Each year, we advise on around 20,000 applications for planning permission or listed building consent. We help to make sure that threats to our heritage are understood using cutting-edge science, research and information, so that policies and resources are targeted where they will have the greatest impact.

We build skills, knowledge, confidence and motivation

We work with others – heritage professionals, owners, communities and individuals – to enable them to look after our historic places. We help build capacity, develop skills and share our knowledge through training, guidance, policy and advice. We build relationships and networks, and work in partnership across every area of the country to raise the profile of the historic environment.

We open up our assets, knowledge and expertise to everyone and engage with diverse audiences

We want everyone to understand, enjoy and cherish England's heritage - and to get involved with safeguarding its future. We deliver national expertise, locally, and we share our knowledge and passion through digital resources, campaigns, activities and exhibitions, and through the Historic England Archive - the biggest national collection of records about the historic environment - so that as many of us as possible are inspired and equipped to care for, and take action for, our heritage.

We organise ourselves to be efficient, accountable and to reflect the people and places we serve

We direct our resources to where our work has the most impact and the greatest public benefit. We are building our fundraising capability and exploring more ways of recovering the cost of some of our services. We are finding ways to improve our organisation's diversity, embrace inclusivity, and ensure that we are relevant to all the communities that make up modern England.

We support the English Heritage Trust

We are responsible to Government for the care and operation of the National Heritage Collection - over 400 historic sites and monuments that are under the nation's ownership or protection - which are managed on our behalf by the English Heritage Trust. We support English Heritage in its care and maintenance of the Collection and toward its goal of financial self-sufficiency.



Co-op Enterprise Hub, formerly Butterworth's Jeweller, Rochdale HAZ



Grade II* listed gardens at Graythwaite Hall, Ulverston, Cumbria

Chief Executive's Overview of 2020-21

2020-21 has been a challenging and rewarding year. We have performed well in delivering our statutory functions and strategic objectives, and we have supported the sector in responding to the Covid-19 pandemic through our emergency response programmes and, more recently, by helping set the course for a fitter, fairer and greener recovery.

Our sector, along with many others, was affected significantly by the Covid-19 pandemic. As an organisation, we moved swiftly to remote-working, embracing digital solutions and balancing our professional lives with personal circumstances as best we could. Thereafter, attention turned quickly to our role supporting the wider heritage sector, working with Government, partners and communities to rise to the unprecedented challenge.

Our part in delivering emergency funding to help heritage organisations re-open and recover is described in more detail in the following pages. In headline terms, working with other Government bodies, over 200 Historic England staff contributed to the delivery of more than £126m of funding to 785 organisations through the first two rounds of the Culture Recovery Fund for Heritage. We also awarded almost £53m of funding to over 800 historic sites through our initial emergency grants and the Heritage Stimulus Fund.

We maintained our core activities as far as was practicable during the national lockdowns. After an initial and expected drop in our planning and listing casework activity, levels have returned to where we would expect them to be, as local authorities, developers and owners make plans to 'build back better'.

Other key business areas such as research, public engagement, education and outreach - and our corporate services such as finance, human resources, Information Management Technology (IMT), estates and legal - are largely back to business as usual, though we continue to work in different ways.

We initiated a *Learning from Lockdown* project early in 2020-21, with the aim of documenting our experiences as individuals and as an organisation, and identifying the learning we wanted to take away. Some of our new ways of working are here to stay, and along with our *Office of the Future* project, they will help our organisation become more adaptive, collaborative, responsive and resilient.

Covid-19 has had a profound impact on many organisations and businesses across the heritage sector and, for some, their viability and longer-term sustainability is uncertain. The Culture Recovery Fund and other Government support measures were vital in averting a collapse of the heritage eco-system, but further action will be needed to protect and build on this investment to help the sector return to sustainable operations and to contribute to the country's recovery. We are supporting the Heritage Recovery Plan through our expert technical guidance, online training and capacity-building grants, and we're looking forward to working with Government and in partnership with others to take plans forward.

Unquestionably, the pandemic exacerbated the challenges that our high streets were already facing, and our £95m High Streets Heritage Action Zone (HAZ) programme feels more relevant now than ever. Launched in September 2020, the programme aims to bring dilapidated buildings back into new use, improve the public realm, and restore historic character to deliver economic, social and wellbeing benefits to local communities. We are working with the National Lottery Heritage Fund, Arts Council

England and other Government Arm's Length Bodies to support local authorities and other local partners to deliver their High Street HAZ schemes, as well as helping them to maximise other opportunities for heritage and cultural funding, including the Government's Towns Fund, Future High Streets Fund, Community Ownership Fund and the Levelling Up Fund.

Historic England is also working to 'level-up' the heritage sector by creating and offering more employment and participation opportunities, and making more of these available in historically disadvantaged areas, inspiring young people from diverse backgrounds to get involved.

With generous support from the Hamish Ogston Foundation, we have announced a £4.3million training and apprenticeship programme for heritage craft skills in the North of England. We were also delighted to achieve Gateway status in February 2021 for the Government's Kickstart Scheme, which will help open up more than 100 sector opportunities for people aged 16-24 receiving Universal Credit.

We know that the heritage sector needs to do more to reflect and represent the full diversity of our communities, and Historic England is committed to inclusion, diversity and equality of opportunity in our work and across our workforce. Our Strategy for Diversity, Inclusion & Equality 2020-23, which launched in November 2020, sets out our ambition and the measurable targets that we will hold ourselves to over the next three years.

Key Issues and Risks for Historic England

- As we move into 2021-22 and beyond, organisations, business and individuals working in the heritage sector will need ongoing support to ensure their viability and to help protect heritage at risk. We will need to prioritise our own limited resources ever more effectively to support the sector - and local authorities - re-build capacity and deliver heritage protection on the front line.
- The deliverability of key work programmes to original plans and budgets is a risk that we are monitoring closely, particularly where the success of the programme is dependent on other delivery partners who have been impacted by the pandemic, such as our HAZ and High Streets HAZ programmes.
- We have a particular responsibility to support the English Heritage Trust in its care of the National Heritage Collection. As a result of Government support, including a loan through the Culture Recovery Fund repayable finance scheme, the Trust's current financial position is satisfactory. However, longer-term impacts of the pandemic, for example on domestic and international tourism as the Trust's major income stream, will need to be monitored carefully as the Trust moves toward self-sufficiency from April 2023.
- Our operating environment can be challenging. Complex issues such as contested heritage, high-profile development proposals (like the A303 Stonehenge scheme and plans within World Heritage Sites), and changes to the legislative context in which we operate, can inadvertently divert resources and pose strategic, operational, and reputational risks to our effectiveness in protecting heritage.
- Addressing the issue of contested heritage - historic objects, structures, buildings or places where the associated stories or meanings have become challenged - has been a major priority in 2020-21. Our policy of 'retain and explain' has gained widespread support, although each case (of which there have so far been few) presents different circumstances and complexities.
- As a public body funded largely by grant in aid, there are inherent risks and uncertainties around how we best allocate and manage our resources; but there are also opportunities for heritage to support the nation's renewal, address regional inequalities and support the places and people most in need.
- Climate change is a global risk for which we must all take responsibility. It will be a key focus for us, both in terms of our own business practices and as a sector leader in researching and promoting the role that the historic environment has in climate change mitigation and adaptation.

More detail about how we monitor and manage our risks is set out in the Governance Statement that starts on page 35.

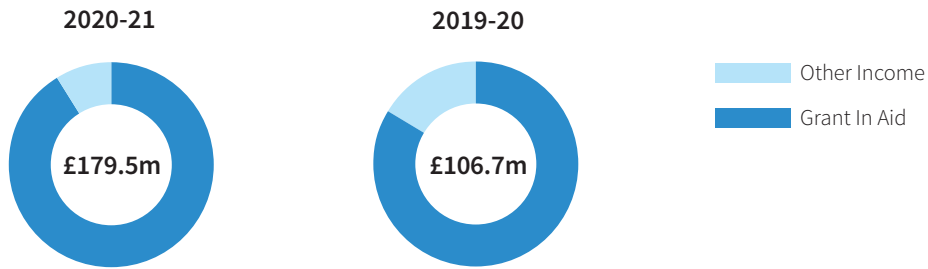
Duncan Wilson

Chief Executive

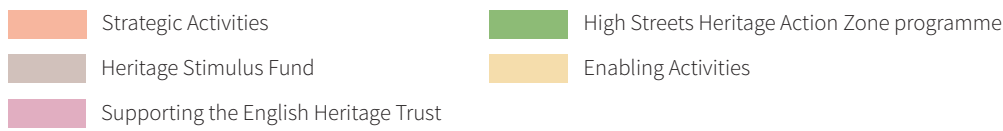
Performance Summary

The following charts summarise our sources of income and how we spend our money.

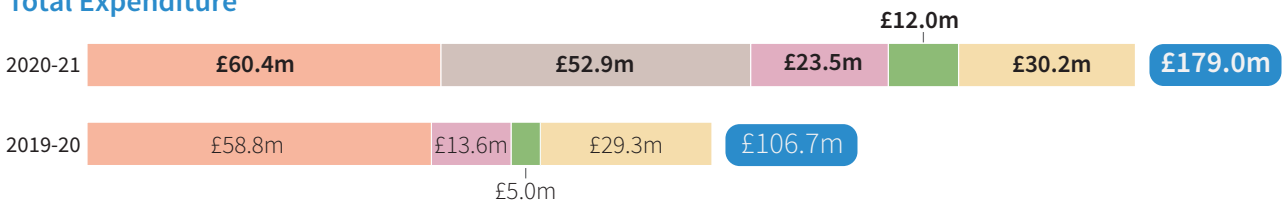
Total Income



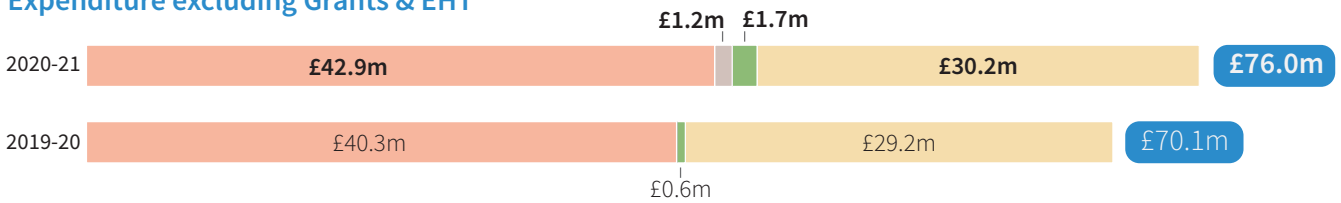
Strategic Activities



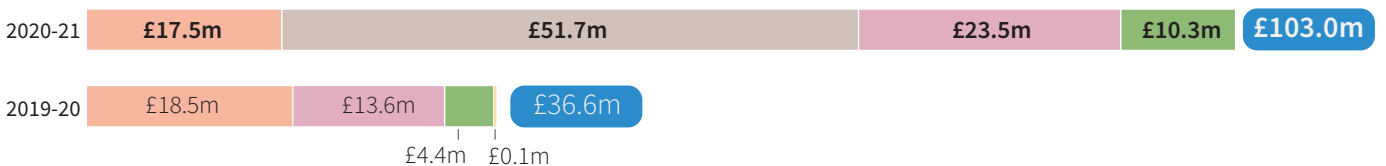
Total Expenditure



Expenditure excluding Grants & EHT



Expenditure of Grants & EHT Subsidy



Staff FTE



Performance Analysis

This section describes how we have performed against our key performance indicators and the priorities that we have agreed with our sponsor department, the Department for Digital, Culture, Media and Sport (DCMS). It also highlights some of our main work programmes and achievements in 2020-21.

Performance against our Key Performance Indicators in 2020-21

Measure	2020-21	2019-20	2018-19
Changes to the National Heritage List for England (additions, amendments or deletions)	5,651	8,700	11,000
Historic sites added to Historic Environment Records	4,618	2,084	7,300
Pre-application proposals advised on	1,891	2,285	2,500
Planning casework advised on	15,904	17,423	17,900
Total value of grants given	£79.58m	£23.45m	£20.2m
Number of Heritage at Risk sites removed from the Register for positive reasons	181	310	318
Teachers and other educators attending Heritage Schools training	2,794	3,256	3,503
Training opportunities delivered ¹	9,741	2,411	3,000
Advice and guidance public downloads ²	157,436	124,100	112,000
Research publications public downloads	428,985	305,500	367,500
Views of our digital Archive	8.9m	5.1m	6.3m
Online views of the National Heritage List for England	11.3m	9.0m	8.1m
Visits to our website	10.2m	7.76m	6.55m
Media coverage ³	21,594	12,958	4,923
Social media followers	449,439	348,375	314,800
Newsletter subscribers	28,969	26,859	26,000
RepTrak™ (reputation benchmarking) survey score	77.3%	79.2%	78.6%
The % of adults surveyed for DCMS's latest Taking Part survey that had participated in the historic environment:	72.7%	72.4%	72.8%
of those that had participated, the % that were BAME:	56%	54.8%	54.2%
of those that had participated, the % that were from a lower socio-economic group:	62%	61%	61%
of those that had participated, the % that had a limiting illness or long-term disability:	71%	69.6%	68.5%

¹Due to the impact of Covid-19 restrictions, face to face training was not possible and all our training was online in 2020-21. We delivered 83 online training events, reaching 9,750 'live' delegates and a further 25,700 views of recordings. Previous years' figures represent the number of in person and digital delegates.

² This measure is highlighted due to uncertainty in the figures across all years. There is work ongoing to improve and fix the potential errors in this measure.

³ A switch in media coverage monitoring provider midway through 2019-20 has resulted in more extensive and precise monitoring.

DCMS Management Agreement – 2020-21 Progress Report

Historic England has a Management Agreement with our sponsor Department, which sets out the way DCMS expects our organisations to work together, and the priority areas for delivery. The table below summarises our progress against DCMS's priorities, which are expanded on further throughout the Performance Report.

Priorities for DCMS	Performance Summary
Protect statutory services to government, the wider sector and the public	<p>We maintained our substantial engagement in the listing and planning system. Inevitably, there was some impact as a result of Covid-19, but headline figures for 2020-21 include:</p> <ul style="list-style-type: none"> • 5,651 changes (additions, amendments or deletions) to the National Heritage List for England ¹ (8,700 in 2019-20). • 1,047 recommendations on designation made to the Secretary of State, with the Department agreeing to all our recommendations. (1,273 in 2019-20, with an acceptance rate of 100%). • Consulted on over 17,700² planning cases, 99.4% of which were responded to within the agreed deadline. (19,600 planning cases in 2019-20, 99.4% by the deadline).
Protect, as far as possible, grants for emergency repairs	<p>In 2020-21 we made grant payments of almost £80m – four times our usual annual level of grant spend – including:</p> <ul style="list-style-type: none"> • £1.8m of core Grant in Aid to run our Covid-19 Emergency Response Fund, supporting 70 projects. • £2.38m on Heritage Protection Commissions with 118 new awards. (£3.6m in 2019-20, the drop reflecting the Covid-19 grants above). • £8.7m³ of core Grant in Aid on historic buildings and assets on the Heritage at Risk Register. (£8.5m in 2019-20). <p>We distributed almost £53m of grants through the Heritage Stimulus Fund:</p> <ul style="list-style-type: none"> • Programmes of Major Works: £37.6m spent and 22 new awards. • Covid-19 Emergency Heritage at Risk: £7.21m spent and 515 new awards. • Repair Grants for Heritage at Risk: £4.78m and 10 new awards (with £650k to Shrewsbury Flaxmill Maltings). • Cultural Recovery Package Architectural Heritage Fund: £2.05m and 2 new awards. <p>Although the ability of our partners to deliver the first year of our High Street Heritage Action Zone (HAZ) programme was impacted significantly by Covid-19, we achieved our revised capital programme expenditure target for 2020-21.</p>
Review funding and working relationships with the amenity societies	<p>Our spend on 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 £871,000 with 22 new awards. (£1,051,000 in 2019-20).</p> <p>Grantees have been offered extended funding at the same level for up to 12 months, with Amenity Society funding rolled over for a further 12 months. The launch of a new multi-year-round of Capacity Building funding is planned for April 2022.</p>
Work to diversify revenue streams	<p>Fundraising activity included a £4.3m pledge from the Hamish Ogston Foundation for a programme of heritage craft and skills training opportunities at Heritage at Risk sites across the North of England; and £150k from the Wolfston Foundation of £150k from the Wolfson Foundation to support new X-ray equipment at Fort Cumberland, our research establishment.</p> <p>Our Earned Income fell during 2020-21 (£441k below budget), largely due to the consequences of Covid-19, but is expected to recover during 2021-22.</p>

Priorities for DCMS	Performance Summary
Work to engage internationally, especially with high priority countries	<p>Our international activities align with the Government's Soft Power agenda. Despite Covid-19 restraints and travel restrictions, we engaged with almost 40 countries in 2021-22.</p> <p>We have continued to support the Government's ambition of setting a global standard in the management of World Heritage Sites (WHS) and have provided expert advice to DCMS and partners on complex issues concerning the management of England's WHSs.</p>
Give high priority to Culture White Paper outcomes	<p>To broaden understanding of the Culture and Heritage Capital (CHC) Framework, launched by DCMS in January 2021, we produced a supporting suite of documents providing an overview of the CHC Framework, an explanation of CHC from an economic perspective, and a visual summary of the DCMS-commissioned Heritage and the Value of Place research report.</p> <p>We have continued to lead on the sector-wide Heritage Information Access Strategy to improve digital access to information about our historic environment, and to support an efficient planning process.</p> <p>There are now nearly 90 Heritage Action Zones (HAZs) and High Street HAZs across the country using the historic environment as a catalyst for economic and cultural recovery and growth. The High Street HAZ programme includes £7.4m for cultural activities.</p> <p>Despite the challenges of the Covid-19 restrictions in place during the year, we reached 2,794 attendees at our Heritage Schools training events in 2020-21 (3,256 in 2019-20).</p> <p>Since its establishment, our Partnerships & Philanthropy team has helped to generate over £6m in funding for apprenticeships and vocational training. Through our KickStart Gateway status, we are supporting 27 sector organisations to offer work placements to people aged 16-24 in receipt of Universal Credit.</p> <p>Our Strategy for Diversity, Inclusion & Equality 2020-23 includes actions that will help develop more diversity within our own workforce and across the sector.</p>
Protect the English Heritage New Model	<p>We continued to support the English Heritage Trust (EHT), now in its sixth year of operation, to monitor the performance of its duties under the operating licence and grant conditions.</p> <p>The impact of Covid-19 resulted in the closure of the Trust's sites for much of the year. The Trust received Covid-19 grants totalling £16.5m and a long-term loan of £23.4m through the Culture Recovery Fund repayable finance scheme. £8.0m funding was secured for furloughed staff under the Coronavirus Job Retention Scheme.</p> <p>Shared Services between our organisations are in the third year of a five-year contract. Total shared service income for the year was £7.7m. (£7.6m in 2019-20).</p>
Continue to bear down on administration costs	<p>Various savings from areas such as travel and subsistence, as well as from work that could not be completed due to Covid-19, helped fund the additional grants package and develop our IT infrastructure to enable and sustain remote working.</p> <p>We continued to reduce accommodation costs by sub-letting space to other public bodies, charities and SMEs, and reduced our office floorplate with a move to two new leased offices (Bristol and Birmingham).</p>

¹ Shortfall (35% reduction compared to 2019-20) due to the consequences of Covid-19, including restrictions on site visits and resourcing within the team that deals with minor amendments to the List.

² Shortfall (10% reduction compared to 2019-20) due to the consequences of Covid-19, including restrictions on site visits.

³ Excludes spend on Shrewsbury Flaxmill Maltings.

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 (and DCMS) officials on **planning reforms**, and our research and advice continues to support the successful development and implementation of the new planning system.

We provided extensive support in the development and delivery of MHCLG’s **Local Heritage Listing** campaign, involving county-wide projects that aim to protect local heritage by developing or improving local heritage lists.

We have worked closely with MHCLG on the selection of the **Future High Street Fund (FHSF)** recipients.

We collaborated with other DCMS Arm’s-Length Bodies to provide a one-stop shop for advice and inspiration to the local authorities bidding for the **£3.6billion Towns Fund**. We commented jointly to MHCLG on the Town Improvement Plans submitted by the 101 places bidding, meaning advice to central government was clear and consistent across the cultural sector, to help support decision-making.

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.

Defra has invited Historic England to participate in the three-year £53m **Farming in Protected Landscapes Scheme** that will help fund the restoration, regeneration and adaptive reuse of redundant traditional farm buildings.

We have been commissioned to work alongside Defra’s own Arm’s Length Bodies on the development of key elements of the **Environmental Land Management scheme**.

We have also been working with Defra to support **climate resilience work**, in particular exploring the positive role that the historic environment can play in resilient communities and flood management.

We convened a **Heritage Sector Climate Change Forum**, which issued a Joint Heritage Sector Statement on Climate Change in April 2020, and we are progressing work on our climate change strategy, issuing our own position statement on Climate Change and Sustainability.

Our **Heritage Counts** report was launched at the Heritage Alliance’s Heritage Day in March 2021, outlining a range of actions that owners of historic buildings and homes can consider to help reduce carbon in the built environment.

Highlights of the Year

Despite the challenging circumstances of 2020-21, our teams performed well, delivering ‘business as usual’ alongside new workstreams established at pace in response to the Covid-19 pandemic. The following section reflects on some of the diverse and important work we delivered in 2020-21, and highlights some of our achievements.

Saving Historic Places

Our **Heritage at Risk** programme identifies the sites most at risk of being lost through neglect, decay or inappropriate development, and helps us understand the overall state of England’s historic environment. Our regional teams work with owners, community groups, developers and other stakeholders to find solutions for these ‘at risk’ historic places by providing advice, guidance and resources.

We publish an annual **Heritage at Risk Register**, which records the sites most at risk of being lost. There were 5,097 sites on the 2020 Register, with 216 places having been added in the previous 12 months. However, 181 buildings and places were removed from the Register, many having been saved thanks to the efforts of dedicated volunteers and community groups.

Gosport Heritage Action Zone.

Looking after and investing in our ‘at risk’ historic places can have an important role in the country’s recovery. The buildings and places that are rescued will help level-up economic opportunity, support skilled local construction jobs, and boost local tourism. Their rescue can also be a way to bring communities together and be a source of local pride.

Our **Heritage at Risk grants** help owners look after these important places. This year, we gave grant aid of almost £9million to support 186 projects. The grant offers vary in amount, and the projects can take from a few months to several years to complete, but this money is often the first step to securing the future of a site and can give confidence to other funders.

Here are a few examples of the projects we were delighted to support this year:

- Completed in 1820, the Grade I listed **Union Chain Bridge in Northumberland** spanning the River Tweed was the first suspension bridge in Europe to carry wheeled traffic, and it is the oldest bridge of its kind still in use. A £250,000 grant will fund essential repairs to the anchoring mechanisms and masonry on the English side as part of the multi-million-pound Union Chain Bridge: Crossing Borders, Inspiring Communities



cross-border collaborative project. We're also contributing to community and education activities that celebrate the historical significance of the bridge.

- We gave a grant of £335,000 to survey and repair the spectacular fibrous plaster ceiling at **Morecambe Winter Gardens, Lancashire**, including the replacement of the ties that hold up the suspended ceiling. Throughout the pandemic, a team of passionate volunteers has continued to maintain, promote and offer Covid-secure tours of the building to help with further fundraising.
- The Grade I listed **Crescent in Buxton** was on the very first Heritage at Risk Register in 1998 and has been the focus of a 30-year effort by a group of dedicated partners, including High Peak District Council, Derbyshire County Council, the National Lottery Heritage Fund, Osborne Group and Historic England. A grant of £125,000 helped complete the restoration of a Georgian staircase and Victorian interiors, putting the finishing touches to a £50million repair programme, and the Crescent is now finally back into use as a resort and spa, re-opening its doors to visitors in October 2020.
- We reported last year on the restoration of the **Royal William Yard, Plymouth**, one of the most remarkable and complete early 19th-century industrial complexes in the country. Our grants supported the restoration of its centrepiece, the Grade I neo-classical Melville Building, and completion of this work gave confidence to the leaseholders, Urban Splash, to continue restoration of the whole of the west range. We put forward the case for a £489,000 grant under the Heritage Stimulus Fund for Heritage at Risk, and the work was completed in March 2021.
- As part of the Gosport Heritage Action Zone (HAZ) scheme, the Hornet Services Sailing Club (HSSC) received a grant of £400,000 to kick-start essential repairs to the former Police Barracks building in the historic **Haslar Gunboat Yard**. The work will make the building watertight to safeguard it from further deterioration whilst HSSC develop plans for the building's reuse.

- Over £73,000 was awarded to ensure the conservation and long-term protection of the rare Bronze Age log boats at **Flag Fen in Cambridgeshire**, after the organisation that was managing the site failed due to the impact of Covid-19. The grant will help fund a three-year project to develop the conservation and preservation of these internationally important artefacts, with £48,900 match-funding being provided by Peterborough City Council.

Protecting Historic Places

The **National Heritage List for England** (the List) is the official register of all nationally protected historic buildings and sites in England. It records the extraordinarily varied heritage of our country and includes buildings, monuments, battlefields, shipwrecks, landscapes and World Heritage Sites. We curate the List on behalf of the Department for Digital, Culture, Media and Sport (DCMS).

Each year there is a rich selection of unique sites added to the List, which we celebrate in our annual national overview, this year entitled **20 Captivating Sites**. Together with enhancements to existing descriptions and other minor amendments, 5,651 updates were made to the List in 2020-21. Set out below are just a few examples of the wide-ranging additions made recently:

- Two rare Victorian and Edwardian public toilets in the North East were listed at Grade II. Although public toilets were introduced in the second half of the 19th century, most of these were for men, but the Bank Hill ladies' public convenience in Berwick upon Tweed (1899) and the public conveniences on Seaburn seafront (1901-4) are both early examples of facilities for women.
- Nunn's Bridge (erected 1892) is a simple but elegant wrought iron footbridge that spans the River Blackwater near Coggeshall, Essex. It is unique in its design, craftsmanship and installation by a skilled local blacksmith and social activist, Henry 'Dick' Nunn. Henry was an early advocate of rights of way in the countryside and, importantly, his activism predates the establishment of the National Trust in 1895 and the Ramblers' Association in 1935.
- The Grade II Horse and Jockey pub in Wednesbury, West Midlands, is a fine example of a suburban

public house-hotel, defining its street-corner position with a prominent tower and a detailed, distinctive front. Dating from 1899, it retains many of its original features including a splendid ceramic-fronted bar counter, one of only twelve known examples remaining in England.



Newly Grade II listed Horse and Jockey Public House, Wednesbury, West Midlands

- Old Brig, Seasalter (scheduled monument) is a well-preserved 18th-century merchant ship, which was exposed by tides after lying in the mud of the Thames estuary for hundreds of years. It is one of only three known coastal traders in England from the 18th Century. Investigated in 2017 by Timescapes Kent, a local history and archaeology group, there is the potential for more exciting finds to be uncovered from within the lower hull, which could help reveal how the sailors lived on board and what goods the ship was carrying.
- The Grade II* registered gardens at Graythwaite Hall in the Lake District were created between 1889 and 1895, a time when garden design was at a crossroads and moving towards the Arts and Crafts principles of the early 20th Century. Designed by Thomas Mawson, who is widely considered to be the founder of modern landscaping, the gardens were his first major design pioneering his 'composite' approach - a combination of the formal and informal.

As a result of the pandemic, the value of our green open spaces has become increasingly relevant to many people, and so it was timely that, following a three-year collaboration with The Gardens Trust, we added twenty post-War landscapes to the [Register of Parks and Gardens](#) in August 2020.

The project shone a light on some amazing landscapes across the country, from York Gate Garden in suburban Leeds, created from 1951 to the 1980s by gifted amateur designers Sybil and Frederick Spencer and their son Robin; to Sir Geoffrey Jellicoe's watercourse at the former Cadbury factory, Moreton, Wirral, which delighted passing workers with its cascades and weirs. The new listings resonated with the public and generated 2,500 media articles, making it our most popular story of 2020.

Listing entries also helped to mark key anniversary dates in 2020-21, such as the 75th anniversary of the Second World War victories in Europe and Japan, and the 80th anniversary of the Battle of Britain. They included the Grade II listings of a striking memorial on London's Embankment commemorating the role of the Chindit Special Forces in Burma; and an air raid shelter at St John's Primary School, Redhill in Surrey, which features colourful murals painted by children whose school was in the direct path of enemy aircraft heading to London during the Blitz.

With 67% of visits to our website starting with a List entry, and views of the List increasing by over 33% in 2020-21, the importance of this special resource is clear to us. In November 2020, we published [Towards a Strategy for the National Heritage List for England](#) (known also as the Saunders Report) as a precursor to wider informal stakeholder sessions carried out over the winter, which are helping to shape a new Strategy for our designation work, due for public consultation later in 2021.

We continued to work closely with planning authorities, owners and developers at the local plan and pre-application stages during the year, providing advice, support and – where necessary – challenge. On average, we are consulted on over 20,000 [applications for planning permission and listed building consent](#) each year; in 2020-21 it was 17,500.

Some of the proposals we are consulted on are potentially contentious, or of international significance, such as Everton Football Club's plans to build a new football stadium over the Grade II listed Bramley-Moore Dock; or our work advising Highways England on the detailed design of the A303 Stonehenge scheme, both of which ran throughout 2020-21 and have continued into 2021-22. Our teams were also involved in a number of Public Inquiries in 2020-21, four of which concerned impacts on World Heritage Sites, including Kew Gardens and the Tower of London.

Research and Evidence

On behalf of the heritage sector, we produce *Heritage Counts*, an annual collection of reports that give an overview of the state of England's historic environment. This year, Heritage Counts presented new evidence about the economic impact of Covid-19 on the heritage sector. We also followed-up on another globally important theme, launching *Know Your Home, Know Your Carbon* at the Heritage Alliance's Heritage Day in March 2021. The report highlights the importance of heritage as a contributor to our low-carbon future and outlines a range of actions that owners of historic buildings and homes can consider to reduce carbon. By looking after and learning from the historic environment, we can contribute positively to global sustainability, and we are researching and promoting the role that heritage can play both in climate change mitigation and adaptation, for example by recycling and reusing existing historic buildings.

Planning system reform was a significant theme for us in 2020-21, largely in relation to the Government's Planning for the Future (the Planning White Paper), published in August 2020. We have been working closely with heritage sector partners to develop an understanding of the likely impact of the proposals and potential solutions, and exploring with Government how heritage protection can best be maintained or enhanced.

We have also been engaged on changes to the National Planning Policy Framework, the development of a new National Model Design Code, provisions for increasing protection for statues and other commemorative structures, and on developing time-limited reforms that can help the sector recover from the effects of the pandemic.

In January 2021 the **Culture and Heritage Capital (CHC) Framework** was launched, the result of two years' collaborative work between DCMS, Historic England, Arts Council England and others. It signifies agreement on the importance of developing a common method for valuing the flow of services that cultural and heritage assets provide to people and to businesses.

To help broaden understanding of the framework, we developed and published a complementary suite of documents to provide an overview of the framework, an explanation of CHC from an economic perspective, and a visual summary of the DCMS-commissioned research report, *Heritage and the Value of Place*. Historic England has representation on both the CHC Steering and Working Groups that will progress the long-term goals of this important programme.



Ceiling of St. Mary's Roman Catholic Church, Dunstable, Bedfordshire

Heritage has a proven positive impact on people's quality of life. In 2020-21, even more so than in other years, our historic places have been an important source of comfort and happiness for local communities and have contributed to our wellbeing.

This year, we have funded various projects to help us develop expertise in delivering **wellbeing through the historic environment**. Work has included a pilot heritage project to help disadvantaged young people who are struggling within the school system, and Worcester Life Stories, a project working with the NHS, using Historic Environment Records to support people living with dementia. We've also formed a partnership

with the National Academy of Social Prescribing, and commissioned a project on social prescribing and heritage, which will showcase the ways heritage can support wellbeing.

As the world's first industrial nation, the UK's **industrial heritage** is of international importance. A number of our HAZs reflect this and are focused around a strong industrial heritage component, including the Stockton & Darlington Railway, Greater Grimsby, and Stoke-on-Trent Ceramics HAZs. As part of our Mills of the North project, we're also demonstrating the potential of re-purposed historic industrial buildings in accommodating new homes and business.

Many industrial heritage sites in England are at risk and, for some, this threat has been heightened as a result of the pandemic. We've been enhancing and sharing knowledge and skills on this important subject through a series of well-attended webinars, which have helped us develop our draft **Industrial Heritage Strategy**, which went out to public consultation in March 2021.

During 2020-21, we published a wide range of **advice and guidance**, including a Good Practice Advice note on enabling development and heritage assets, and two new Historic England Advice Notes (HEANs), on Energy Efficiency and Traditional Homes, and Commercial Renewable Energy Development and the Historic Environment. We ran a #TechnicalTuesdays lunchtime webinar programme and, combined with our @HeritageAdvice Twitter account and our new monthly Technical Conservation News email, our technical advice was accessed online more than one million times in 2020-21.

We have a strong track record of funding high-quality research to support the protection and management of the historic environment. Our wide-ranging **Research Programme** is both national and local in scope, with projects highlighting new discoveries and providing greater understanding and enjoyment of our historic places. As part of our Collaborative Doctoral Partnerships programme, funded by the Arts and Humanities Research Council (AHRC), we've been working with the English Heritage Trust and host universities to support three PhD studentships in priority research areas.

A £109,000 grant from the AHRC has also allowed us to replace ageing microscopes and cameras with state-of-the-art equipment, which will transform our **imaging capabilities**. We're looking forward to developing new training resources, creating novel ways to access our collections virtually, and sharing with people how we carry out our research, as well as what we find. Thanks to a £150,000 grant from the Wolfson Foundation, we've also recently installed a large walk-in X-ray facility at our centre for archaeological assessment, analysis and conservation work, Fort Cumberland in Portsmouth.

Building Sector Capacity and Knowledge

We provide a broad range of **training, guidance and grants** to help heritage professionals, owners, voluntary organisations and individuals whose work impacts on historic sites and buildings. We're also helping to build capacity in the sector by creating more entry routes into it and addressing the areas where there are skills gaps.

In 2020-21 we provided over £900,000 through our **National Capacity Building (NCB) grants** to help Amenity Societies provide casework advice to local authorities, and to help support trusts, societies, associations and other heritage bodies. As a result of Covid-19, many NCB projects were not able to deliver their outcomes or spend their full grant, and so we've offered extended funding at the same level for up to 12 months and rolled-over funding for Amenity Societies for a further 12 months.

Our **Heritage Protection Commission (HPC) grant programme** funded a broad range of research, skills, and capacity-building projects this year, including studies looking at the social impact of closing church buildings as a result of Covid-19; the contribution of heritage sites to biodiversity and natural capital; and two sister projects: *Inns on the Edge* in Lincolnshire and *Last Orders* in Shropshire, looking at issues associated with the loss of pubs.

At Historic England we know that the heritage sector is a great place to work, but we also recognise that too few people join, and that there are skills gaps threatening its future productivity. We've set the corporate ambition of **building heritage capacity** by creating vocational entry routes into our sector, supporting employers to offer these roles to address their skills gaps, and ensuring that they are available to as many people as possible.

We're delivering this ambition through an adaptable three-tier **vocational training model**, which has apprenticeships at the heart of it. It is also helping us deliver on our commitment to engage society more broadly, by inspiring young people from diverse backgrounds to undertake apprenticeships and work-based training, and supporting them in developing a productive and satisfying career route, equipped with a range of transferable skills.



Repair of the Crystal Palace Dinosaurs, Bromley, Greater London. Funded by the Culture Recovery Fund for Heritage. Crafts people created 22 new teeth and a 'prosthetic' jaw and nose for the listed structure.

Our levelling-up approach to heritage sector opportunities has clear benefits, and we're grateful to have attracted considerable **philanthropic support** in recognition of this. Our Historic Environment Advice Assistant apprenticeship programme that we deliver in partnership with Strode College, established in 2019 thanks to a £471,000 grant from the Allchurches Trust, recently won the Association of Colleges Beacon Award for Excellence in Real World Learning. The Hamish Ogston Foundation's incredible commitment to Historic England of £4.3million for a five-year heritage skills training programme in the North of England is also a major endorsement of the tiered model.

We have also been approved as a Gateway organisation for the Government's Kickstart Scheme, enabling employers and young people to benefit from over 100 funded sector opportunities.

Being able to provide opportunities at a time when young people's ambitions and aspirations have been affected by Covid-19 has been particularly important. In 2020-21, we reached out to a diverse cohort of students through our early careers partnership organisations and successfully hosted **virtual work experience** for 33 young people, making important connections and encouraging them to consider careers in the heritage sector. We are looking forward to offering up to 50 places at our 2021 event.

Sharing and Engaging

Sharing our work digitally has been particularly important this year due to the lockdown restrictions in place. As well as ensuring our digital offer complies with accessibility legislation, we have been focused on making it more accessible and easier to use, and we are delighted that our Historic England corporate website has been benchmarked as among the most accessible in the public sector.

We are making good progress in **making even more of our heritage data accessible** to more people and to heritage sector colleagues. In the last year, 4,618 sites were added to the network of Historic Environment Records (HERs), which are a vital source of information for local planning purposes, but also to anyone interested in the archaeology, built heritage and history of an area. 3,500 Scheduled Monuments were photographed from the air to support our Heritage at Risk work, providing us with important new information, including about a ceremonial complex close to Old Sarum, Wiltshire, and an astonishingly complex archaeological landscape in the Upper Frome Valley, Dorset.

The **Historic England Archive** is one of the largest accessible archives in the UK. With over 1.6million photographs, plans and drawings searchable for free online, it is a fantastic way of encouraging participation with our heritage. Despite remote-working, the Archive team was able to continue working alongside our fantastic team of virtual volunteers on the transcription of images from the England's Places website collection, and we've now completed the transcription of around 30% of the collection, amounting to around 177,000 images.

As a result of the pandemic, we had to move this year's training programme online, but the move to **digital training** proved to be a great opportunity to build our own resilience and enhance our capabilities. We delivered 83 webinars that reached almost 10,000 delegates at live events, and a further 26,000 views of recordings. The rapid research we carried out into best practice for e-learning in the heritage sector will help inform longer-term changes in how we provide our training.

We were able to continue our **international engagement** during 2020-21. During the early months, our strong international network allowed us to scope and provide weekly briefing information to DCMS on the impact of the pandemic on heritage across Europe, including funding, recovery and re-opening model data, which helped inform the UK response.

Although face-to-face meetings, events and international travel were paused, most projects continued virtually, offering us new and lower-impact opportunities for international collaboration and soft power for the future. Projects included a HERs database training pilot project in St Helena, designed to equip heritage professionals with skills to support HERs, but additionally to provide critical information to our Armed Forces in the event of natural disaster. The pilot project will be completed in November 2021 and we hope to roll out this training to other Overseas Territories.

We have been **working in partnership** with National Lottery Heritage Fund (NLHF), Arts Council England (ACE) and the Environment Agency to engage with the NP11 group of Northern Local Enterprise Partnerships (LEPs) in promoting a strategic approach to place-based investment in culture and placemaking across the North. We have successfully recruited a jointly-funded post, NP11 Strategic Lead for Place and Culture in the North, to take this work forward.

We re-focused much of our **communication and engagement** work in 2020-21 towards delivering vital heritage recovery-related messages across our digital channels and in the media. Webpages were created at speed promoting information, surveys, guidance and advice, and by July 2020, our Covid-19-related content had received over 80,000 pageviews. We ran content relating to the Covid-19 recovery throughout the year, partnering

closely with DCMS, the National Lottery Heritage Fund and Arts Council England to support delivery of the Culture Recovery Fund (CRF).

As the first lockdown restrictions eased, we supported the launch of the **#HeritagsOpen** digital campaign to support the sector by safely encouraging people back to museums, galleries and heritage destinations. Our festive animated video highlighting CRF-funded projects generated 581,000 video views and 34,000 views of our interactive online map. In March 2021, three commissioned films of well-known faces exploring CRF-funded sites encouraged viewers to #UncoverMore heritage near them.

We received almost 3,000 entries for our **Picturing Lockdown** crowdsourcing campaign in May 2020, with people submitting photos capturing their experiences of one week in lockdown during the Covid-19 pandemic. 200 of the most evocative, informative and inspiring images comprise the final collection, and they have been added to the Historic England Archive, capturing our collective experience of an extraordinary time.



Picturing Lockdown Collection: first sight of her first grandchild
© Laura Dally

To mark 75 years since the end of the Second World War, we partnered with Imperial War Museums, the Land Army Museum and the D-Day Museum and asked the public to **Enrich the List** with their stories and pictures of listed places with wartime histories. We created a video to promote the campaign that proved to be our most successful organic post ever on Facebook, reaching nearly 700,000 people.



Grade II* listed Plumptre Rocks, near Harrogate, North Yorkshire. Recently restored and removed from the Heritage at Risk register.

We marked **Black History Month** in October 2020 with daily posts on our social media channels, celebrating the Black histories of 31 places in England and the accomplishments of those associated with them. The project, which plotted each place on a map and linked to a dedicated webpage, generated nearly 700,000 social media impressions, 17,000 engagements and 2,500 webpage visits.

Our **Heritage Schools** programme engages children in the art of discovery, helps them develop an understanding of their local heritage and its significance, and encourages communities to become more involved in the life of the school. In September 2020, we launched our Champion Heritage Schools scheme to promote heritage learning and to recognise eight of the most outstanding schools.

Despite the restrictions in place throughout 2020-21, we were still able to deliver training to almost 3,000 teachers, trainee teachers and educators. We continue to receive excellent feedback, with 99% of teachers agreeing that learning about local heritage improved pupils' sense of place, and 92% agreeing that learning about local heritage developed pupils' self-esteem.

Other Matters

We are committed to continuous improvement in terms of 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 and our supply chains, or amongst grant recipients. Our Modern Slavery Transparency Statement can be found in full on our webpages. In 2020-21, 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 for which they are responsible. 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 corporate planning and performance monitoring processes are underpinned by a suite of outcome-led performance measures, which 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.

Long Term Expenditure Trends

	Actuals					Budgeted	
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	£m	£m	£m	£m	£m	£m	£m
Grants	19.9	20.1	20.2	23.5	79.6	51.7	43.1
Regions	15.6	15.4	15.0	15.2	16.6	16.1	16.7
Policy and Evidence	12.0	11.9	12.0	12.4	12.8	12.9	12.8
Public Engagement	5.6	5.9	6.1	6.8	7.6	7.3	7.6
Business Improvement	2.6	3.0	2.9	3.3	3.5	4.4	3.2
Shrewsbury Flaxmill Maltings	1.5	5.1	4.5	6.2	2.2	2.0	1.2
High Streets Projects	–	–	–	0.6	1.7	3.0	1.9
Corporate/Support Services to HE	16.6	16.1	17.7	10.2	10.1	17.1	16.9
Depreciation, Amortisation & Impairment	6.8	6.0	6.2	7.7	13.2	10.6	10.6
Expenditure Relating to Core Historic England Activities	80.6	83.5	84.6	85.9	147.3	125.1	114.0
Corporate and Support Service to Third Parties	11.2	10.8	8.1	7.6	8.2	7.7	8.1
Subsidy to The English Heritage Trust	14.7	14.7	13.8	13.2	23.5	9.8	0.5
Expenditure Relating to Services Provided to Third Parties	25.9	25.5	21.9	20.8	31.7	17.5	8.6
Totals	106.5	109.0	106.5	106.7	179.0	142.6	122.6

The effects of the financial standard IFRS 16 (see Notes to the Financial Statements) has been included for the figures from 2019-20 onwards, but prior years' figures have not been restated.

Our Position at the Close of the Year

Historic England received £163.9million (2019-20: £89.5million) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £82.2million (2019-20: £122.5million) of which £59.2million (2019-20: £107.6million) was earned income from commercial activities. Net expenditure for the Group was £161.3million (2019-20: £86.3million) while Historic England showed net expenditure of £164.7million (2019-20: £90.8million). English Heritage made an unrestricted operating deficit in the year of £7.1million (2019-20: surplus of £7.7million). See Note 1a for an explanation of the structure of the Historic England Group.

Adoption of the Going Concern Basis

Historic England is principally reliant on funding from the Department for Digital, Culture, Media and Sport (DCMS). A single-year Framework Agreement is in place for 2021-22, which will be revisited once the precise settlement from

the 2021 Spending Review, announced on 27 October 2021, is known. The 2021 Autumn Budget and Spending Review has not had any significant financial consequences for the Group in the context of the 2020-21 Annual Report and Accounts.

Covid-19 has continued to have an impact on the Historic England Group in 2020–21, in particular, on the English Heritage Trust. The Trust's financial position has been subject to close monitoring, and the English Heritage Trustees and Directors of English Heritage Trading Limited are satisfied that it remains appropriate for both entities to adopt the going concern basis in preparing their financial statements.

As such, the Annual Report and Accounts have been prepared on a going concern basis.

Duncan Wilson

Chief Executive
23 November 2021

2020-21: Covid-19 Emergency Response and Recovery

Historic England provided some of the first emergency assistance to affected organisations at the start of the pandemic, diverting almost £5million of our existing grant-in-aid toward emergency funding, including £3million for the Covid-19 Emergency Heritage at Risk Response Fund.

Following the Government's announcement of the Culture Recovery Fund in July 2020, we then played a pivotal role with sector partners in delivering this in-year rescue funding package, running the joint Culture Recovery Fund for Heritage with the National Heritage Memorial Fund, distributing £2million to the Architectural Heritage Fund, £50million for urgent capital works under the Heritage Stimulus Fund, and supporting Arts Council England in its assessment of applications from heritage organisations for the Repayable Finance Scheme.

The Culture Recovery Fund for Heritage scheme offered revenue funding to help heritage organisations or businesses become financially viable. The primary objective of the Heritage Stimulus Fund was to restart key culture and heritage capital projects that were paused as a result of Covid-19, or that could jeopardise the financial sustainability of the organisations leading them. Funding also contributed to the additional objectives of delivering growth, supporting jobs, and the longer-term sustainability of the sector.

The Heritage Stimulus Fund scheme comprised an expansion of our initial Covid-19 Emergency Heritage at Risk Response Fund (grants of up to £25,000 for minor repairs and maintenance) totalling around £14million; as well as Programmes of Major Works, offering around £34million in grants of up to £10million for programmes of capital repair works to major tourist attractions; and around £5million in grants for capital works for Heritage at Risk, with a focus on bringing spaces back into economic use.

Within less than a year, over £126million in revenue funding was delivered to 785 organisations through the first two rounds of the Government's Culture Recovery Fund for Heritage, and almost £53million was awarded to over 800 historic sites through our own initial emergency grants and the Heritage Stimulus Fund, sustaining and supporting

vital skills in the heritage sector, essential for the repair and maintenance of locally valued and nationally significant historic assets. Around 200 Historic England staff contributed directly to delivering the emergency funding programme in 2020-21, and Historic England made grant payments of over £80m, four times our usual annual level of grant spend.

Our Analytics department helped co-ordinate intelligence gathering on the impacts of the pandemic on our sector, ensuring that the full breadth of the sector was considered and that both direct and indirect impacts were monitored. This vital work directly informed the scope of the Culture Recovery Fund. Our Communications and Content teams also worked closely with DCMS and the NLHF on reaching heritage organisations in need with information about the Fund and sharing the impact that the Fund is having.

In October 2020 we launched an initiative to offer 21 career-bridging roles aimed at people whose careers had been adversely affected by the pandemic. Ranging from three to five months, the specialist opportunities ranged from intelligence gathering and analysis to listing, policy and training development.

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We know that the heritage sector will require continued revenue and capital funding as part of the £300m Culture Recovery Fund allocation announced in the Spring Budget, and we are working with DCMS and partners to take this work forward during 2021-22.

We have compiled a Heritage Sector Recovery Plan on behalf of, and with input from, the Historic Environment Forum. The Plan sets out how the heritage sector, with support from Government, can get back on its feet and play a full part in helping the country recover from the social and economic damage caused by Covid-19. Work is now underway to implement the actions in the Plan.

2020-21: High Street Heritage Action Zones (HAZ)

Launched officially in September 2020, our £95million High Streets HAZ programme aims to unlock the potential of high streets across England, at a time when support for high streets is more vital than ever.

In more than 60 high streets across England, we are working with local partners to develop and deliver schemes that will transform and restore disused and dilapidated buildings into new homes, shops, workplaces and community spaces, restore local historic character and improve the public realm.

Covid-19 has, unquestionably, had a massive impact on our local authority partners and their original plans. Nevertheless, the High Street HAZ programme was able to deliver £9million of spend in 2020-21, and we have worked closely with lead partners to re-shape their plans so that the High Street HAZ schemes can be an important part of the post- Covid-19 recovery. Many of our lead partners have not only risen to the original challenge, but have seized the opportunity to deliver additional projects. All contracts are signed, dedicated Project Officers have been recruited, and schemes are underway, with at least 25 schemes on site as at March 2021.

The High Streets HAZ programme includes £7.4million to fund a four-year Cultural Programme, to engage communities with their local high streets, helping to make them more attractive, engaging and vibrant places for people to live, work and spend time in. Historic England is leading the Cultural Programme in partnership with Arts Council England and the National Lottery Heritage Fund, which is awarding £3million. The programme comprises two strands:

- a £1.2million national commissions programme, working with artists and creative organisations across the country to celebrate and showcase our high streets, and to document and reflect the High Street HAZ programme across the whole four-year period.
- a programme of local activities and events to celebrate the unique character and heritage of each location, funded by grants distributed through cultural consortia made up of local cultural organisations, creatives, heritage and community groups.

Some of the commissions launched in 2020-21 include High Street Tales, a podcast and e-book of stories capturing the everyday magic of the high street; Future of the High Street, in which filmmakers and young people explore the future; and a four-year creative photography project to document the changing face of the nation's high street. Planned for early 2021-22 is Twin Towns, which links twelve of our High Street HAZs, including a choreographed dance film on the shared dance history of Wigan (Northern Soul) and Blackpool (ballroom), High Street Duets, being composed and sung in Lancaster and North Shields, and community-led ceramic workshops and pop-ups in Stoke and Poole.



Tottenham High Road, Greater London

A strong new creative design for the High Streets HAZ programme, *Revitalising your Hi! Street*, has been adopted centrally and across the individual schemes. December 2020 saw us launch our first ever national outdoor advertising awareness campaign in five towns and cities, sharing news of our work on historic high streets, and we have supported over 40 of our lead partners in developing location-specific material, from hard hats to shop signs and leaflets.

The Coventry Demonstrator High Street HAZ

The £2million Burges Coventry national 'Demonstrator' High Street HAZ scheme completed on time, and to budget, in 2020-21. The Burges area - comprising The Burges, Palmer Lane and Hales Street - lies within the Lady Herbert's Garden Conservation Area, with buildings dating from the late medieval period through to the 19th Century, and Palmer Lane running alongside Coventry's forgotten river, the Sherbourne. The Burges area has

survived many changes, including the devastation of the Blitz and the redevelopment of the city in the 1950s and 1960s, but a lack of investment saw the area decline, with the conservation area being added to Historic England's Heritage at Risk Register.

Working with the Historic Coventry Trust as the lead partner, the High Street HAZ scheme has delivered a total transformation of the area. Research into the history of individual shops, carried out by Historic England's regional team, sparked early enthusiasm amongst the independent businesses, and the Trust worked hard to keep owners and tenants committed to the scheme, despite the impact of the pandemic, making repairs to buildings including reinstatement of lost architectural and historical details, and helping to boost the local economy by encouraging more diverse business activity and employment opportunities.

Plans are underway to improve public spaces through opening up the River Sherbourne and creating a new heritage square to benefit local people, and the scheme is helping find ways to engage with local communities. We were delighted that the Coventry demonstrator scheme won the annual Future Cities Forum's High Street award for 2021.

2020-21: 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.

The Trust's financial sustainability was a major focus in 2020-21, with Covid-19 having a significant and immediate impact on its main income streams and longer-term financial viability. Tight expenditure controls were put in place, including on non-essential expenditure and a recruitment freeze. The Trust was able to secure £7.4million funding for furloughed staff under the Coronavirus Job Retention Scheme.

English Heritage was awarded Covid-19 grants totalling £16.5million (including £12.6million capital funding and £2.9million from the Heritage Stimulus Fund) to support it through lockdown and to ensure it continued to be a going concern in 2020-21 and beyond. In March 2021,

it also secured a long-term loan of £23.4m through the Culture Recovery Fund repayable finance scheme. This will ensure the Trust's financial sustainability over the next few years and, more immediately, protect against the ongoing impacts of lockdown in the early months of 2021-22 and the likely ongoing restrictions for inbound foreign tourism.

Historic England's oversight role is supported by the work of the Historic Estate Conservation Committee (HECC), which monitors and advises us on the conservation and maintenance of the properties in the Collection. HECC was unable to carry out any of its 2020-21 programme of site visits to National Heritage Collection properties. It did, however, convene virtual meetings to receive updates on the Sustainable Conservation Strategy and Asset Management Plan (SCAMP), development of Sustainable Conservation standards, the Conservation Maintenance Programme, and the Trust's Collections Conservation Programme.

Shared Services between Historic England and the English Heritage Trust are in the third year of a five-year contract, ending in March 2023. Throughout the pandemic, and whilst more than 80% of Trust staff were furloughed, Historic England continued to support the Trust, resulting in a 25% increase in shared service workloads in corporate service areas (finance, HR and IMT). In particular, the IMT team was instrumental in supporting the Trust's operations during lockdown by providing remote communications. Customer satisfaction remained high throughout the period, despite significantly higher volumes of requests. Work is underway to review the future of shared services to better align these with any extension of the operating licence.

The Trust's main Performance Indicators saw a significant dip in 2020-21 due to the impact of Covid-19. All forecasts were revised downward as the year progressed, and the 2020-21 position was:

- **Visitor Numbers** = 1.9m (6.24m in 2019-20)
- **Membership recruitment** = 182k (372k in 2019-20)
- **753k renewals** (0.5% down on forecast)
- **Total income** = £99.8m (£126.9m in 2019-20) Includes £35.4m from grants, Covid-19 support programmes and the subsidy
- **Trading Surplus** = £14.4m (£14.9m in 2019-20)
- **Volunteer roles** = 4,018 (4,100 in 2019-20)



Restored Cast Iron Trusses, Moseley Road Baths, Birmingham, West Midlands

2020-21: Our Organisation

As a public body, it is incumbent on us to continually identify ways to improve our own efficiency, accountability, and to better reflect the public we serve.

In autumn 2020, we reviewed our corporate planning processes and adopted several recommendations to help streamline working, encourage cross-organisational work and support ongoing improvements. We also identified the need and appetite for a longer-term strategy and clearer articulation of our organisation's vision. Working collaboratively across the organisation, we refreshed our Corporate Plan and developed our new Future Strategy 2021, Championing Heritage, Improving Lives, which was launched with the Corporate Plan 2021-22 in April 2021. Our ongoing work to review and improve our approach to performance monitoring and reporting includes refinement of new priority Key Performance Indicators for implementation in 2021-22, which are more representative of our aspirations and vision, and will connect more closely to our anticipated outputs and outcomes.

We have developed a structured approach to workforce planning to help us identify challenges and opportunities

around succession, development and the changes in the skills we will need to deliver our Future Strategy and Corporate Plan. For example, we will identify areas where we have an ageing workforce and need succession plans in place, where there is scarcity in the market for talent, and where there are opportunities for us to support more entry level roles. This will also help us to deliver to our diversity and inclusion ambitions, which we set out in our Strategy for Diversity, Inclusion & Equality 2020-23, launched in November 2020.

In July 2020, we carried out a survey to measure the effectiveness of our staff engagement strategy. There was a significant improvement in our overall engagement score from 66% to 75%, despite the challenges of Covid-19, and we also saw improvements in all of the key drivers of engagement. Our people were particularly satisfied with our approach to the Covid-19 response with approval ratings of over 93% on issues like leadership, communications and support. This is important because organisations with more engaged people perform better.

Historic England is committed to supporting good mental health and wellbeing. With expert advice from Mind and Time to Change, we have developed a Mental Health and

Wellbeing Action Plan in conjunction with staff, which includes a training programme, a network of Mental Health First Aiders and Champions, and a programme of awareness-raising events. We also participate in the Thriving at Work Leadership Council, a network of employers who have championed best practice and supported the development of the Mental Health at Work website. We were very proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index for the third year running, recognising our long-term investment in improving mental health and wellbeing at work. This has been particularly important this year in supporting our people through the challenges of the pandemic.

We participate in the three level Disability Confident scheme to show our commitment to equality of opportunity for disabled people. We progressed from level one to level two this year through actions including reviewing our recruitment practices, training and policies, and we are working towards achieving level three. We guarantee an interview for disabled people who meet the minimum criteria for a vacancy and make reasonable adjustments to the process to ensure we are measuring their ability to do the job and have removed barriers.

During the national lockdowns, our Facilities Management team oversaw the safe closing, safeguarding and then reopening of our Office Estate in line with Government guidance. In the grips of the pandemic, our Estates and Facilities Management Teams worked with IMT to keep colleagues connected and supplied equipment and furniture to home offices. Despite the pandemic, we managed to fit out two new offices in Bristol and Birmingham, which will also help us reduce our office estate footprint and accommodation costs.

Our Information Management Technology (IMT) team supported the business through a demanding year as we pivoted quickly to an almost entirely remote-working operation. After the initial rapid roll-out, we upgraded our services progressively and were able to provide all our teams with secure anytime access to the network. The Covid-19 lockdown brought into sharper focus the work already underway to develop our IT resilience and cyber security. We accelerated our roll-out of Windows 10 and Office 365, enhancing our flexible working capabilities and providing a modern, fit for purpose platform, with 'MS Teams' quickly becoming the collaboration tool of choice. IMT also delivered significant shared services to the EH Trust, supporting the provision of public Wi-Fi and major improvements in historic property IT infrastructure to demanding deadlines.

The move to remote working helped drive the digitisation of our expense claim systems, supported by an App, which has helped reduce the paper burden and our related carbon impact. Our Finance shared services also supported English Heritage through a truly complex year, including assistance with furlough payments and claims, as well as revised procurement and payment needs.

Our new Grants Management System (GMS) went into operational use at the start of November 2020. Developed primarily to manage the High Street HAZ programme, it was used to administer the Emergency Heritage at Risk Response grants as part of the £50m Heritage Stimulus Fund. Additional functionality, including the development of a portal for online applications and reporting, will make the processes less time consuming and more efficient for both applicants and our Grants teams.

2020-21: Sustainability Report

Historic England's sustainability report has been prepared in line with the requirements of the Greening Government Commitments.

As explained elsewhere in this report, reducing carbon emissions is a key focus for us, both in terms of our own business practices, but also as a sector leader in researching and promoting the role that the historic environment has in climate change mitigation and adaptation. We are actively encouraging debate about how to improve the sustainability of the heritage sector, and we are committed to reducing our carbon emissions and being greener as an organisation.

The first essential step towards reducing our footprint has been the completion of a carbon footprint baseline assessment. The next stage is to put together a credible, deliverable strategy for carbon reduction across the organisation and we are considering a number of possible carbon reduction and removal pathways.

Greenhouse Gas Emissions

	2017-18	2018-19	2019-20	2020-21
Non-Financial Indicators (tCO₂e: tonnes of CO₂ equivalent)				
Total Gross Emissions for Scopes 1 & 2	1,635	1,383	1,211	409
Total Net Emissions for Scopes 1 & 2 (i.e. less reductions – e.g. green tariffs)	1,635	1,383	1,211	409
Gross Emissions Scope 3 Business Travel	506	647	472	42
Other Scope 3 Emissions Measured	–	–	–	–
Related Energy Consumption (kWh: kilowatthour)				
Electricity: Non-Renewable	3,644,194	3,323,212	3,199,985	46,842
Electricity: Renewable	–	–	–	2,354,881
Gas	1,922,904	2,402,731	2,136,787	2,164,268
LPG	–	–	–	–
Other	–	–	–	–
Financial Indicators				
Expenditure on Energy	£472k	£512k	£509k	£428k
CRC License Expenditure (2010 onwards)	£30k	£25k	–	–
CRC Income from Recycling Payments	–	–	–	–
Expenditure on Accredited Offsets (e.g. GCOF)	–	–	–	–
Expenditure on Official Business Travel	£1,451,000	£1,263,000	£1,181,000	£80,663

As far as possible, actual data is used to calculate greenhouse gas emissions. Where this has not been possible, estimations have been extrapolated from the actual data.

As well as the switch to renewable tariffs, the impact of Covid-19 on energy use at our offices and on business-related travel is reflected in the figures above. 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.

Waste Management

Although offices were closed for much of 2020-21, collection costs were still incurred. Tight waste management procedures are in place through contract management at our offices and the roll-out of new ways of working across our estate has seen a longer-term reduction in waste, both in terms of volume and cost.

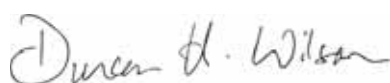
	2017-18	2018-19	2019-20	2020-21
Non-Financial Indicators (tonnes)				
Total waste	401	298	301	53
Hazardous waste: Total	-	-	-	0.5
Non-hazardous waste				
Landfill	211	178	170	31
Reused/Recycled	190	120	131	22
Incinerated/energy from waste	-	-	-	-
Financial indicators				
Total deposit cost	£34k	£26k	£27k	£27k
Hazardous waste – total deposit cost	-	-	-	£460
Non hazardous waste				
Landfill	£19k	£14k	£14k	£12k
Reused/recycles	£15k	£12k	£13k	£14k
Incinerated/energy from waste	-	-	-	-

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.

Paper consumption reflects that the majority of our people were working digitally for most of 2020-21.

Finite Resource Consumption – Water and Paper

	2017-18	2018-19	2019-20	2020-21
Non-Financial Indicators (m3)				
Water Consumption Supplied	9,591	10,063	9,428	5,044
Abstracted	-	-	-	-
Financial Indicators				
Water Supply Costs	£21k	£22k	£18k	£10k
Non-Financial Indicators (Reams)				
A3 Paper	345	252	297	3
A4 Paper	7,385	5,025	4,375	219
Financial Indicators				
A3 and A4 Paper combined	£19k	£14k	£11k	£821



Duncan Wilson

Chief Executive

23 November 2021

SECTION 2

ACCOUNTABILITY REPORT



The Burges High Street Heritage Action Zone, Coventry

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 our governance arrangements, explains how they 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 8.

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 2020 and 31 March 2021 can be found in the Remuneration and Staff Report that starts on page 46.

The terms of reference and membership of the Commission, as well as 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

We maintain 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/does/

All Commissioners, committee members and members of the Executive Team are asked to review their Register of Interest entries at least once a year. Declarations of

potential conflicts are also sought at each meeting in relation to the business on the agenda. Where there is a material conflict, the individual does not participate in proceedings.

Fraud and Personal Data Related Incidents

Historic England suffered no material fraud losses during 2020-21. 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 2020-21.

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 9.

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, I 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.

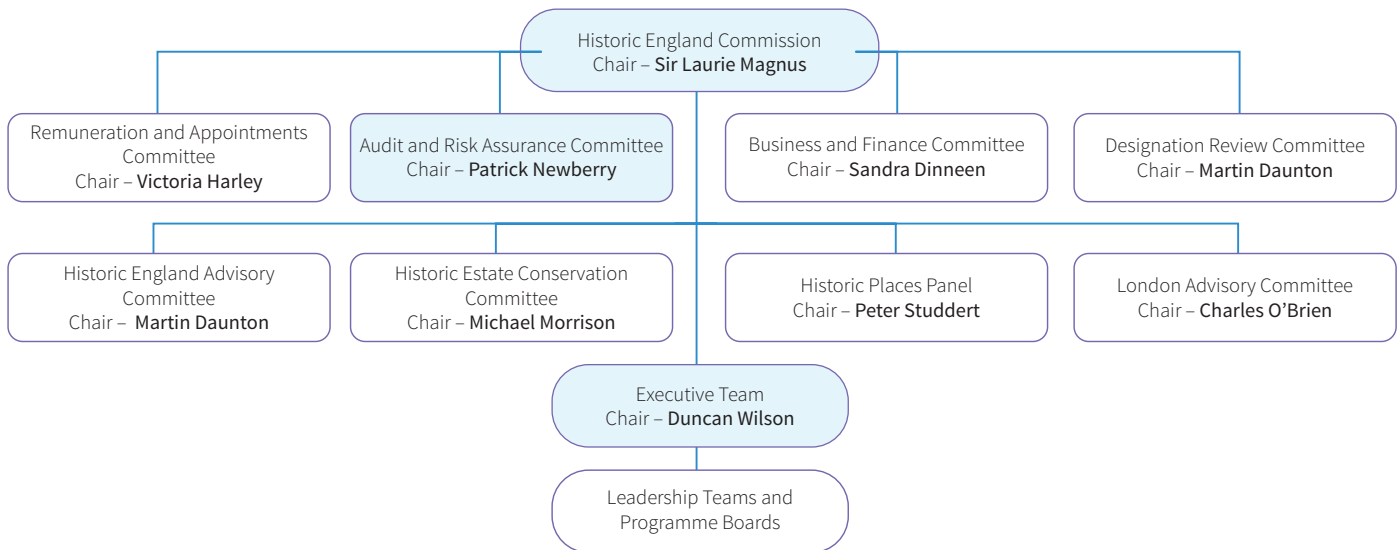
I am not aware of any audit information of which the National Audit Office (NAO) is unaware. I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable; and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining 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. The Statement also explains how we comply with good governance principles and how the effectiveness of our governance arrangements is reviewed and challenged.

Scope of Responsibility	How we are accountable
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Accountability to Ministers and Parliament is maintained in accordance with the Management Agreement and through my role as Accounting Officer. The 2016-2020 Management Agreement was rolled over for 2020-21. A new Framework Agreement came into effect on 1 April 2021. We report 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. The Chairman has an annual appraisal meeting with the DCMS Director General. 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 the Government of the ongoing need for our functions, and it is also an opportunity to reflect on our work and operating model. DCMS's Tailored Review of Historic England ran throughout 2019-20 and the final report was published in November 2020. The findings are a positive and strong endorsement for the work we do. In our public response, we acknowledge and commit to adopting all the recommendations for improvement identified in the report, and we are developing a more detailed action plan.
<ul style="list-style-type: none"> Commission, as our governing body, establishes the overall strategic direction of the organisation and our corporate aims, which are published in our Strategy and Corporate Plan. The Plan also describes how we go about delivering these aims and the indicators we use to measure our performance. 	<ul style="list-style-type: none"> Commission contributes to the development of the organisation's corporate priorities and objectives through discussions at its meetings, and it approves the final Strategy and Corporate Plan. It receives a performance summary at each of its meetings, which includes updates on strategic, operational and financial performance, and also receives an overall summary of performance at year-end. On behalf of Commission, the Audit and Risk Assurance Committee receives twice-yearly detailed updates on performance against our Corporate Plan aims and our performance indicators.
<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 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 is 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 operating licence. 	<ul style="list-style-type: none"> Two members of the Historic England Commission are also English Heritage Trustees. Commission's oversight role of the Trust is supported by the work of the Historic Estate Conservation Committee (HECC), which has two EH Trust observers. During 2020-21, HECC was unable to carry out its programme of site visits as a result of Covid-19 restrictions, but it met virtually on three occasions. It produces an annual report to Commission. Regular bilateral meetings between Historic England and the English Heritage Trust are held at Chairman, Chief Executive and officer level. The Chair of our Audit and Risk Assurance Committee also meets regularly with his EH Trust counterpart and receives its Audit Committee papers. An 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 Team, 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 and, as of March 2020, reports on risk management at each of its meetings. The Committee has oversight of governance arrangements generally. More detail about the work of the Committee during 2020-21 can be found on page 40.
- The **Executive Team**, which I chair, comprises the Group Directors who report to me and the General Counsel & Corporate Secretary. Each 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 Commission sub-committees help manage our internal business. The Business and Finance Committee oversees our financial strategy and the overall financial management of Historic England; and 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 46.
- There are also a number of specialist non-executive committees that advise staff and the Commission on particular strategy, policy and casework

matters: these include the Historic England Advisory Committee; the London Advisory Committee; the Historic Estate Conservation Committee; the Designation Review Committee; and the Historic Places Panel. Details of committee membership and individuals' expertise are published on Historic England's webpages.

- Terms of Reference for these groups and their membership are reviewed routinely as part of our governance monitoring arrangements, to ensure

they remain fit for purpose and reflect our operating environment. There is a rolling programme of self-assessments and effectiveness reviews, and the main sub-committees report a summary of their conclusions to Commission. In 2020-21, Commission received annual reports from the Historic England Advisory Committee, the Historic Estate Conservation Committee, and the Audit and Risk Assurance Committee.

Membership of and Attendance at Commission and Business Committee meetings

Details of Commission membership and attendance during 2020-21 are detailed in the table below.

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

¹ Member of the Business & Finance Committee from 1 July 2020 and the Audit & Risk Assurance Committee from 28 April 2021

² Commissioner term ended 31 December 2020

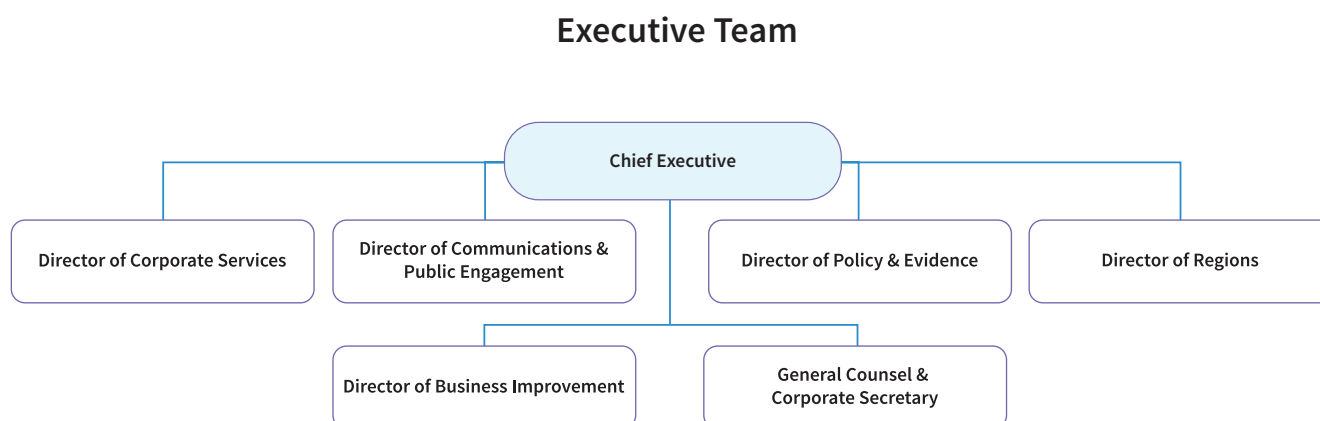
³ Commissioner term ended 31 December 2020

During 2020-21, in addition to its formal scheduled meetings, we convened regular informal Commission 'catch-up' video-conference meetings to ensure Commissioners were kept informed of Historic England's response to the pandemic, both in terms of our own operations, and also our support for the sector. A number of subject-specific discussion calls were also

held, covering the developing Strategy for Diversity, Inclusion & Equality, Planning Reform proposals, and Historic England's position relating to contested heritage.

Commission would usually carry out two regional visits each year and would also meet informally with English Heritage Trustees once a year to discuss matters of mutual interest. As a result of the impact of Covid-19, these did not happen in 2020-21.

Executive Team in 2020-21



The Executive Team comprises me as the Chief Executive and my direct reports. It meets formally, as far as it is practicable, on a weekly basis. When a Group Director is unavailable for a meeting, a member of their Leadership Team attends in their place.

Executive Team member during 2020-21	Term of membership	Meeting attendance
Duncan Wilson, Chief Executive	01 April 2020 – 31 March 2021	43/45
Michael Bishop, Director of Business Improvement	01 April 2020 – 31 March 2021	43/45
Meryl Hayward, Director of Corporate Services	01 April 2020 – 31 March 2021	44/45
Claudia Kenyatta, Director of Regions	01 April 2020 – 31 March 2021	38/45
Ian Morrison, Director of Policy and Evidence	01 April 2020 – 31 March 2021	41/45
Amy Pitts, Director of Communications & Public Engagement ¹⁰	01 April 2020 – 31 March 2021	44/45
Andrew Wiseman, General Counsel & Corporate Secretary	01 April 2020 – 31 March 2021	43/45

¹⁰ Attending as Interim Director of Communications & Public Engagement between 1 April 2020 and 7 October 2020

As an immediate response to the Covid-19 pandemic, in addition to the schedule of formal meetings, the Executive Team convened on a daily basis by video-conference. This enabled us to respond quickly to the emerging situation and take an agile approach to decision-making, whilst ensuring a robust framework of governance and control was in place. The daily video-calls have continued whilst our offices have been closed.

The Audit and Risk Assurance Committee in 2020-21

Commission has established an Audit and Risk Assurance Committee to support it, in addition to 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 it 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 2020-21, its business covering a broad range of matters including the following:

- The National Audit Office (NAO)'s audit plans, progress and findings. In line with good practice, the Committee also held discussions with the NAO without members of the executive present.

- Regular reports and assurances from management and the Government Internal Audit Agency (GIAA) in relation to risk management, control and governance arrangements. Standing items included mid-year and year-end 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 high risk operational and business areas, including: the Heritage Action Zone (HAZ) and High Street HAZ programmes; the performance of the English Heritage Trust, including updates from the Trust's Chief Financial Officer on its short- to medium-term financial viability; and cyber security and information assurance and compliance, including a 'deep dive' review of the organisation's approach to cyber security and information management.
- Regular reports on finance matters, including updates relating to accounting policies and a 'deep dive' of the Quinquennial Review of property valuations.
- The Registers of Interests for Commissioners, Committee and Executive Team members. It also reviewed a summary of hospitality given and received by the Historic England Chairman and Chief Executive.
- Various discussions relating to the production and approval of the 2019-20 Annual Report and Accounts; and briefings on the 2020-21 financial statements and accounting policies included elsewhere in this publication, and early drafts of the Performance and Accountability Reports.
- Updates on Historic England's response to the impact of the Covid-19 pandemic, including plans for evaluating and addressing risks relating to our staff, our key workstreams, and the transfer to remote-working, including IMT services and cyber security.

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. It undertook a comprehensive self-assessment in 2019-20, facilitated by the GIAA using the NAO's checklist of best practice, as set out in HM Treasury's Audit and Risk Committee Handbook. The review findings were largely positive, and the small number of areas identified for further action have been implemented fully or are being monitored by the Committee during 2020-21. In line with good practice, the Committee also reviewed and approved its Terms of Reference during 2020-21.

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 allows for flexibility, judgement and learning, with the aim of controlling risk to a reasonable level, rather than eliminating 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 2020-21 is set out in the following table.



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 these are the areas where we are not willing to accept unnecessary risks in most circumstances.

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 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 for review each month, and the Audit and Risk Assurance Committee formally considers it at each meeting.

Risk in 2020-21

Throughout 2020-21, 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 relationship with the EH Trust, in particular the success of the 'New Model', and the Trust meeting the 'going concern' test and its financial objectives (business);

- failure of the Culture Recovery Fund scheme (business); and
- failure of the High Street HAZ programme (business).

Scores for each of the risks above increased as a result of the potential impact of the Covid-19 pandemic. Further risks identified were:

- processes and infrastructure (including IT) becoming unfit for purpose (business); and
- damage to our corporate reputation, professional credibility and expertise (business).
- In response to Covid-19, two additional risks were added to the risk register in 2020-21:
- pandemic - reflecting the potential impact on our people, infrastructure, funding and partners in the sector, including the English Heritage Trust; and
- Culture Recovery Fund (HE Emergency Funding Programme) failure – reflecting the potential impact on internal business and reputational risk, and also the impact on the sector.

Page 11 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, which is signed by the Chief Accounting Officer and the Head of Internal Audit, sets out the purpose, authority and responsibilities of internal audit. The Audit and Risk Assurance Committee reviews and approves the Charter periodically. The Charter was reviewed at year-end and it was agreed by the Committee

and GIAA that no material changes to the purpose, authority or responsibilities of Internal Audit at Historic England were required.

The Audit and Risk Assurance Committee endorsed the Internal Audit Plan for 2020-21 in March 2020, just as the Covid-19 pandemic was emerging. It was recognised at the time that Historic England was entering a period of exceptional uncertainty and, as a result, the 2020-21 internal audit plan was kept under continuous review and flexed to reflect the impact of the pandemic on business priorities and risks.

The Audit and Risk Assurance Committee and Executive Team were kept updated on changes, progress against the 2020-21 plan, and key emerging findings and assurances. The Committee and the Executive also monitored the progress made in implementing the resulting actions as agreed by management.

The Internal Audit team carried out reviews across a broad range of areas during the year, including: information assurance; controls for shared services to DCMS and the English Heritage Trust; homeworking risks; the High Streets Heritage Action Zone (HAZ) programme; SharePoint governance; website accessibility requirements; the staff appraisal process; and data integrity. Our systems and controls for grant payments were a major focus for GIAA, including advisory work on the development of the system to deliver Covid-19 response grants and its subsequent testing, grants maturity validation, and grant-giving to the Wentworth Woodhouse Preservation Trust.

On the basis of the reviews completed during the year, the Head of Internal Audit's opinion for 2020-21 is that Historic England continues to satisfactorily identify, assess and mitigate risks, and that there are 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. Within that context, there were two 'limited assurance' reviews during 2020-21, which were considered in detail by the Audit and Risk assurance Committee at its June 2021 meeting.

Covid-19 Emergency Funding

The governance, risk management and control environment relating to Covid-19 emergency grants was a key area of focus in 2020-21. Although built on our established grant-giving processes, the timescales for the emergency grants were necessarily much shorter; pre-engagement with recipients and due diligence was limited; and the overall throughput of awards, as well as the value of major works awards, was also significantly higher.

To provide additional assurance, GIAA was engaged to provide an initial real-time 'check and challenge', reviewing all draft documentation, discussing proposals with accountable managers, and raising points of advice for all schemes. In July 2020, it carried out a 'walkthrough' testing exercise (in respect of the Emergency Response Fund) that confirmed the new arrangements had been established satisfactorily. Later in the year, GIAA followed up on its earlier advice and recommendations through an expanded programme of cyclical grant controls testing, and was satisfied that the grant applications had been handled in accordance with the prescribed process (a triage, assessment against criteria, recommendation and decision, with separation of duties and layers of scrutiny, and sign off at senior manager level as appropriate).

It is not to say the process is without any risk, however. Assessing the viability of recipients has been difficult and the economic and sectoral outlook is uncertain. Awards have included revenue funding, and some payments have needed to be made in advance of works. There are also risks of fraudulent activity or misapplication of awards, and there is a reputational risk in respect of the equitable distribution of the funds. We continue to monitor and manage these risks, and the increase in grant activity has also been an area of audit focus as for the NAO as part of its 2020-21 work.

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. As part of our ongoing commitment to transparency and accountability, much of our information is available on our website. 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 2020-21 we responded to 395 requests for information under this legislation.

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 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, which meets quarterly. The following risks on the Corporate Information Management Group's Information Risk Register are those currently assessed as high risk (post-mitigation). They are expected to be addressed in part by the roll-out of SharePoint Online as our electronic document and records management system, which is in progress:

- Lack of a corporate electronic document and records management solution for the management of corporate information assets
- Failure of legacy IT systems that are used to store business critical information
- Retention and deletion policies are not enforced due to governance, policy or system limitations

We are required to provide assurance to DCMS annually that we have appropriate measures in place to meet cyber

security standards, and that we operate to a high level of compliance with the General Data Protection Regulation (GDPR). In 2020-21, we completed and returned to DCMS the Cabinet Office's Departmental Security Health Check-Lite, a self-assessment tool aimed specifically at Arm's Length Bodies. It is intended to be a shorter and more proportionate means of extending the assurance of Government security to ALBs, by assessing compliance with Cyber Security, Personnel Security, Physical Security and Incident Management.

Historic England achieved Cyber Essentials accreditation in 2018, meaning our IT security was compliant with the Government's digital strategy. Although successfully re-accredited in 2019, since then we have not achieved Cyber Essentials re-accreditation, despite having tightened overall security. This is due largely to a re-design of the assessment and the tightening of some of the scheme's criteria and thresholds for pass or fail. We are, however, working hard toward meeting the revised thresholds and formal re-accreditation in 2021. This has required a significant amount of staff time and investment to upgrade servers and roll out new mobile phones. Further work and investment will be needed to put us in a long-term sustainable position.

We have been granted permission by the Advisory Council on National Records to retain legacy records until November 2022, whilst we address a backlog, and are now back in compliance with Public Records legislation. We have recruited a Public Records Compliance Lead to progress this work, including development of a Selection and Appraisal Framework, and preparation of priority records for transfer to the National Archives. It is a complex and resource intensive process, and the Departmental Records Officer will keep management updated on progress.

Monitoring the Effectiveness of Governance in 2020-21

As Accounting Officer I have responsibility for the effectiveness of our 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 2020-21 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, while 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 2020-21

A satisfactory system of governance was in place at Historic England for the financial year ending 31 March 2021 and up to the date of approval of the 2020-21 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 2020-21 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.

A handwritten signature in black ink that reads "Duncan H. Wilson". The signature is written in a cursive style with a large initial 'D'.

Duncan Wilson

Chief Executive and Accounting Officer

23 November 2021

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 and 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 (who 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.

During 2020-21 the Committee comprised five Commissioners, including Victoria Harley, the Committee Chair and met twice in 2020-21.

Executive Board 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 members 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 annually. Following the end of the financial year, the Chief Executive assesses the performance of the other Executive Team members against their annual targets and objectives, and his recommendations are put forward to Human Resources and the Remuneration and Appointments Committee.

Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2019	Appointments ended since 1 April 2019	2020-21 £'000	2019-20 £'000
The Chair of the Commission				
Sir Laurie Magnus			35-40	35-40
Current Commissioners				
Mr Alex Balfour			0-5	0-5
Mr Nicolas Boys Smith			0-5	0-5
Professor Martin Daunton			5-10	5-10
Ms Sandra Dawe	1 Jan 2020		0-5	0-5
Mr Benjamin Derbyshire	2 Sep 2019		0-5	0-5
Ms Sandra Dinneen			5-10	0-5
Mr Paul Farmer			0-5	0-5
Ms Helena Hamerow	2 Sep 2019		0-5	0-5
Mrs Victoria Hanley			0-5	0-5
Mr Michael Morrison			0-5	5-10
Mr Patrick Newberry			0-5	0-5
Ms Susie Thornberry			0-5	0-5
Mr Richard Upton			0-5	0-5
Ms Susan Wilkinson	2 Sep 2019		0-5	0-5
Former Commissioners				
Professor Mike Fulford		31 May 2019	-	0-5
Mr Neil Mendoza		31 Dec 2019	-	0-5
Mrs Rosemarie MacQueen MBE		31 Dec 2020	0-5	5-10
Mr Charles O'Brien		31 Dec 2020	5-10	5-10

- 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.
- Charles O'Brien, whose Commissioner term ended on 31 December 2020, continued to serve as chair of the London Advisory Committee from 1 January 2021, and receives an emolument of £3,150 per annum for this role.

Single Total Figure of Remuneration for Executive Team

The following information has been subject to audit:

Performance	Salary		Award		Pension Benefits ¹		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Team as at 31 March 2021								
Duncan Wilson OBE Chief Executive	125-130	125-130	15-20	15-20	63	57	205-210	200-205
Meryl Hayward Director of Corporate Services	100-105	100-105	0-5	5-10	31	24	135-140	130-135
Claudia Kenyatta Director of Regions	95-100	95-100	5-10	0-5	44	52	145-150	150-155
Ian Morrison Director of Policy and Evidence	95-100	95-100	0-5	5-10	44	40	145-150	140-145
Michael Bishop ² Director of Business Improvement	70-75	65-70	5-10	0-5	29	12	105-110	80-85
Amy Pitts ³ Director of Communications and Public Engagement	80-85	45-50	0-5	0-5	33	-	115-120	50-55
Andrew Wiseman ⁴ General Counsel and Corporate Secretary	85-90	-	5-10	-	34	-	125-130	-
Executive Team serving during 2019-20								
Sarah Ryle ⁵ Former Director of Communications and Public Engagement	-	50-55	-	0-5	-	-	-	50-55

Notes

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This figure is provided by MyCSP, the pension scheme administrator.

² Director of Business Improvement from 1 November 2019.

³ Director of Communications and Public Engagement from 7 October 2020. Previously, Interim Director of Communications and Public Engagement until 6 October 2020.

⁴ Member of the Executive Team as General Counsel and Company Secretary since 1 April 2020.

⁵ Former 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.

'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 2020-21 relate to performance in 2019-20 and comparative bonuses reported for 2019-20 relate to the performance in 2018-19.

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 age	Real annual increase in pension age	CETV ²		Real annual increase in CETV
					2021 £'000	2021 £'000	
Executive Team as at 31 March 2021							
Duncan Wilson Chief Executive	75-80	-	2.5-5	-	1,421	1,311	57
Meryl Hayward Director of Corporate Services	25-30	75-80	0-2.5	2.5-5	609	555	29
Claudia Kenyatta Director of Regions	40-45	-	2.5-5	-	588	538	21
Ian Morrison Director of Policy and Evidence	30-35	75-80	2.5-5	0-2.5	658	606	27
Michael Bishop ³ Director of Business Improvement	10-15	-	0-2.5	-	86	69	8
Amy Pitts ⁴ Director of Communications and Public Engagement	10-15	-	0-2.5	-	93	75	9
Andrew Wiseman ⁵ General Counsel and Corporate Secretary	10-15	-	10-12.5	-	205	-	26
Executive Team serving during 2019-20							
Sarah Ryle ⁶ Former Director of Communications and Public Engagement	-	-	-	-	-	-	-

Notes

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

¹ Balances as at 31 March 2021.

² Cash Equivalent Transfer Value. Figure stated is the latest of 31 March or date of joining the executive team.

³ Director of Business Improvement from 1 November 2019.

⁴ Director of Communications and Public Engagement from 7 October 2020. Previously, Interim Director of Communications and Public Engagement until 6 October 2020.

⁵ General Counsel and Company Secretary from 1 April 2020.

⁶ Former Director of Communications and Public Engagement until 26 July 2019 with under two years' service and received a refund of pension contributions, therefore no pension disclosure is included in 2019-20.

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.

Cash Equivalent Transfer Value

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 worked out 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 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 (2019-20: £nil).

The Chief Executive was the highest paid employee. His total emoluments for the year of £145,501 comprise basic salary of £128,001 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 2020-21 was £145,000-£150,000 (2019-20: £140,000-£145,000). This was 3.99 times (2019-20: 4.02) the median remuneration of the workforce, which was £36,467 (2019-20: £35,683). In 2020-21, no employees received remuneration in excess of the highest paid director (2019-20: nil). Remuneration ranged from £16,324 to £145,501 (2019-20: £15,100-£143,609).

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.

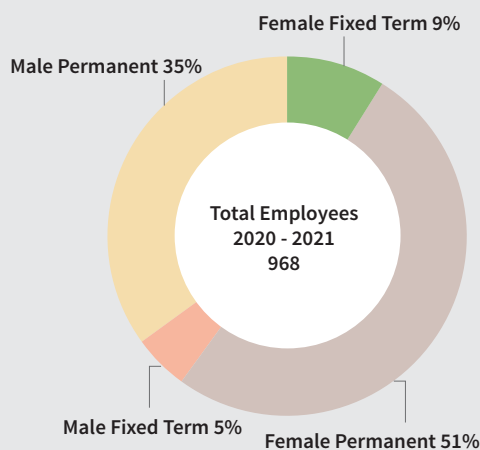
Historic England Staff Report

Organisational Headcount and Demographic Profile (as at 31 March 2021)

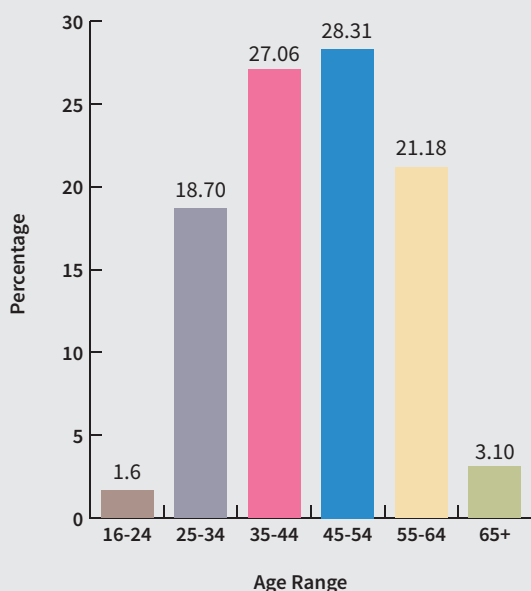
Current Employee Headcount stands at 968 employees (2019-20: 911). Fixed-Term Contracts account for 14% of the general population (2019-20: 2.9%) with the remaining 86% employed on a permanent basis. The Gender Split of the organisation remains more strongly represented by women at 60%. Our Executive Team is made up of 3 women and 4 men.

We have an ongoing action plan to reduce our Gender Pay Gap. This has led to our mean pay gap reducing from 13.4% in April 2017 to 10.5% in April 2020. Our mean bonus gap has changed from 10.6% in favour of men in 2017 to 4% in favour of women in 2020. More information about this is available on our webpages.

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 part of our Inclusion, Diversity and Equality strategy, launched in 2020-21, some of the main areas we are focusing on are as follows:

- Ethnicity** - Black, Asian and Minority Ethnic employees remain particularly under-represented at Historic England at 5% of the population (49 employees). Although this does mark a slight improvement on last year (2019-20:4.7%, 41 employees), the under-representation remains 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 1.65% of the population (2019-20: 2.0%), although our early careers team continue to work to address this. We are also taking part in the government's Kickstarter placement scheme and undertaking a review of our employer brand, which includes looking at how we can engage with and attract a diverse range of talent.
- 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, 5.8% (53 employees) have identified as Lesbian/Gay/Bisexual/Other (2019-20:7%, 46 employees).
- Disability** - 4.8% of the population (47 employees) have declared a disability (2019-20: 4.4%, 40 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 in our Equality, Diversity & Inclusion Strategy.

Health and Safety

In 2020-21 there were 5 work-related accidents (2019-20: 29), none of which were reportable to the Health and Safety Executive (HSE) (2019-20: 0). The overall figures are significantly lower than the previous year largely due to the change in working patterns during the Covid-19 pandemic. 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 have recently achieved Disability Confident Level 2 accreditation (Disability Confident Employer), which evidences our ongoing commitment in this regard (with some key areas of focus including making our recruitment processes as inclusive as possible and offering disability awareness training). 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 is 4.66 for the financial year 2020-21, being a decrease of 0.1 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 will soon be holding a number of training sessions focusing on career development in more detail.

Mental Health and Wellbeing

Our work to improve and protect 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. In recognition of the challenges presented by Covid-19, we have taken a flexible, supportive approach and implemented a range of initiatives such as a Mental Health day, a re-prioritisation exercise and virtual office yoga sessions.

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 2020-21 (FTE equivalent of 24.45).

<u>Percentage of Time Spent on Facility Time</u>	<u>Number of Employees</u>
0%	5
1% - 50%	22
51% - 99%	0
100%	0

Percentage of Pay Bill spent on Facility Time

Total Cost of Facility Time	£24,033
Total Pay Bill	£47,979,272
% of the Total Pay Bill Spent on Facility Time	0.05%

705.2 hours were spent on trade union activities by employees who were relevant union officials during the year 2020-21.

Employee Numbers

The average number of people employed by Historic England during the year expressed as full time equivalents was as follows and was subject to audit:

	2020 - 2021				2019 - 2020		
	Historic England			Total	Group	Historic England	Group
	Permanently Employed	Fixed Term Contracts	Agency Staff			Total	
Policy & Evidence	182	12	-	194	194	185	185
Public Engagement	117	5	-	122	122	116	116
Regions Group	299	10	1	310	310	281	281
Corporate Services	181	6	-	187	187	190	190
Business Improvement	58	9	-	67	67	52	52
Shrewsbury Flaxmill Maltings	4	1	-	5	5	4	4
The English Heritage Trust	-	-	-	-	1,264	-	1,273
Total Employee Numbers	841	43	1	885	2,149	828	2,101
Total Costs (£'000)	44,762	1,286	36	46,082	89,224	42,083	87,094
Employee numbers included in the above who have been engaged on capital projects	17	-	17	17	23	20	23

Employee Costs

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

	2020-2021			2019-2020		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Group						
Wages and Salaries	1,540	67,765	69,305	1,018	66,382	67,400
Social Security Costs	166	6,266	6,432	116	6,067	6,183
Pension Costs	279	12,780	13,059	233	12,231	12,464
Redundancy and Severance Costs	-	177	177	-	155	155
Agency Staff Costs	-	296	296	-	892	892
Total Employee Costs	1,985	87,284	89,269	1,367	85,727	87,094

In 2020-21 there were 3 outward secondments (2019-20: 2).

	2020-2021			2019-2020		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Historic England						
Wages and Salaries	724	32,908	33,632	684	30,009	30,783
Social Security Costs	82	3,434	3,516	71	3,138	3,209
Pension Costs	196	8,577	8,773	182	7,819	8,001
Redundancy and Severance Costs	-	125	125	-	3	3
Agency Staff Costs	-	36	36	-	87	87
Total Employee Costs	1,002	45,080	46,082	937	41,146	42,083

In 2020-21 there were 3 outward secondments (2019-20: 2). During the year, 56 consultants were employed (2019 20: 54) to whom £307,298 was paid in the year (2019 20: £222,644).

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 2020/21 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	
	2020 - 2021	2019 - 2020	2020 - 2021	2019 - 2020	2020 - 2021	2019 - 2020
Less than £10,000	2	3	2	1	4	4
£10,000 to £25,000	-	4	2	2	2	6
£25,000 to £50,000	-	1	-	2	-	3
£50,000 to £100,000	-	1	1	2	1	3
£100,000 to £150,000	-	-	-	2	-	2
Greater than £150,000	-	-	-	-	-	-
Total Number of Exit Packages	2	9	5	9	7	18
Total Resource Cost (£'000)	10	176	111	480	121	656

Notes

¹ 2 staff members left under Voluntary Exit terms in the 2020/21 financial year.

² 3 staff members left under Voluntary Redundancy terms in the 2020-21 financial year. They received total compensation payments of £108,000.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), 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.

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 or 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. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. 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 their 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 2020-21, employers' contributions of £8,675,000 were payable to the PCSPS (2019-20 £7,922,000) at one of four rates in the range 4.6% to 8.05% (2019-20: 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 £202,000 (2018-19: £181,000). Nobody (2019-20: no persons) retired early on ill-health grounds. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 £87,000 (2019-20: £76,000) 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 35.

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

	2021						2020					
	Historic England			Group			Historic England			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	(6)	2	(4)	12	36	48	39	16	55	273	31	304
Amounts Written W Back	-	(3)	(3)	-	(3)	(3)	(6)	(6)	(12)	(6)	(6)	(12)
Total Net Losses and Special Payments	(6)	(1)	(7)	12	33	45	33	10	43	267	25	292

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

£651,000 has been raised in the year as a result of the Enhanced Advisory Service (2019-20: £739,000). Income is lower than last year, predominantly because various Covid-19 restrictions (locally and nationally) delayed the renegotiation of some contracts. The target for the year was £787,000 (2019-20: £786,000).

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 and maintained our existing pricing to support sector recovery.

Income raised this year relates to 250 completed (invoiced) cases (2019-20: 252). Unit costs charged are per the invoice amount. Our average case price this year was £2,604 (2019-20 £2,933).

No other material income from fees and charges was received during the financial year (2019-20: £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 2020-21, we recognised no remote contingent liabilities (2019-20: £nil). This information has been subject to audit.



Duncan Wilson

Chief Executive and Accounting Officer
23 November 2021

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 2021 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. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 and Historic England's affairs as at 31 March 2021 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with the 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of Historic England in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that Historic England's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Historic England's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for Historic England is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Heritage Act 1983; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of Historic England and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report. 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
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; 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.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing Historic England's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Historic England will not continue to be provided in the future.

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 Heritage Act 1983.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, Historic England’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Historic England’s policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Historic England’s controls relating to the Heritage Act 1983 and Secretary of State directions issued thereunder, and Managing Public Money;
 - reviewing Historic England’s accounting policies
 - using analytical procedures to identify any unusual or unexpected relationships and transactions;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- obtaining an understanding of Historic England’s framework of authority as well as other legal and regulatory frameworks that Historic England operates

in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Historic England. The key laws and regulations I considered in this context included the Heritage Act 1983 and Secretary of State directions issued thereunder, employment law, tax law and Managing Public Money.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of my certificate.

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.

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.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

25 November 2021

National Audit Office

157-197 Buckingham Palace Road

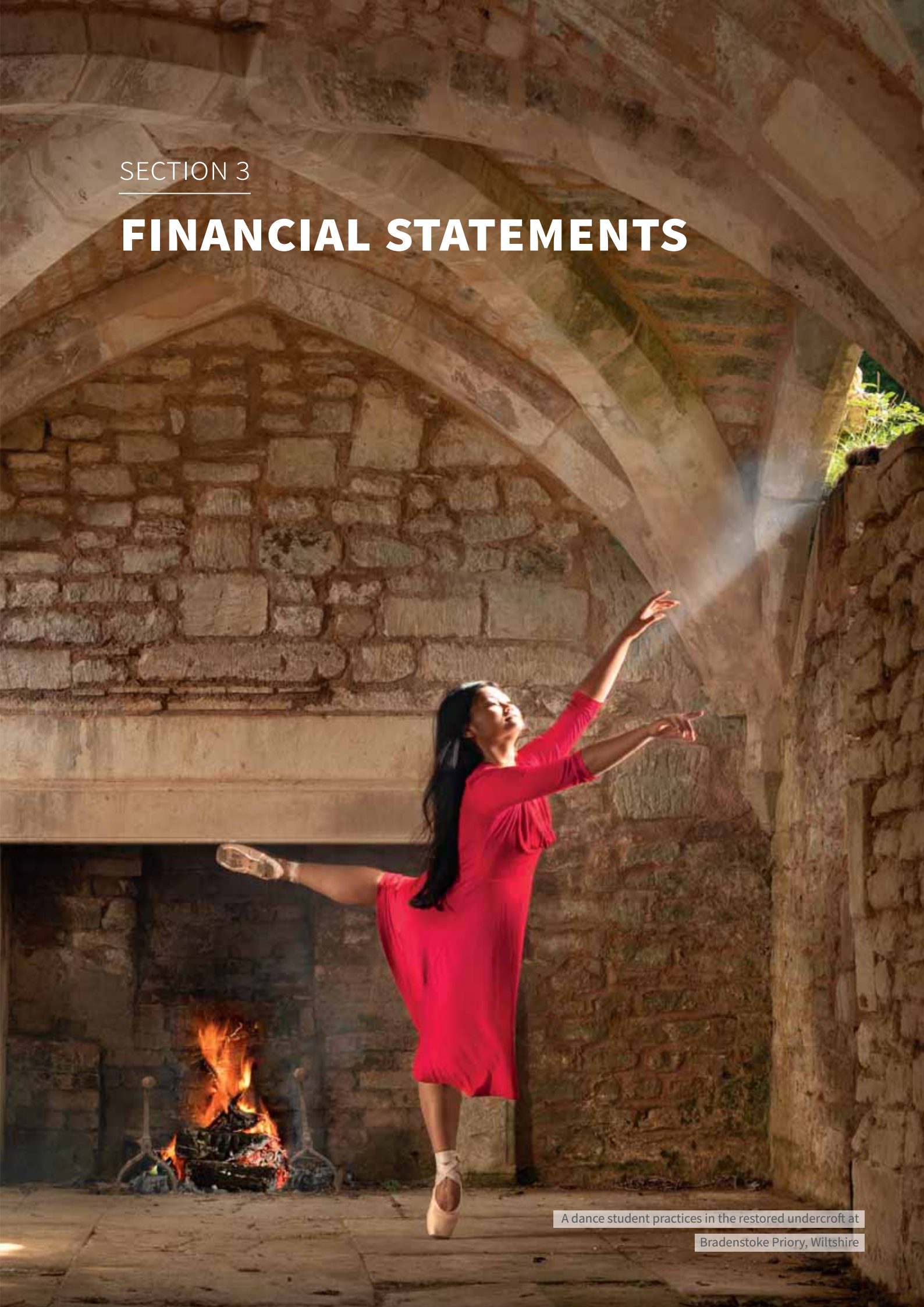
Victoria

London

SW1W 9SP

SECTION 3

FINANCIAL STATEMENTS



A dance student practices in the restored undercroft at

Bradenstoke Priory, Wiltshire

3. FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2021

	Notes	2020-2021		2019-2020	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income					
Revenue from Contracts with Customers	2, 3	9,190	56,978	9,643	105,132
Earned Income	2, 4	121	2,260	342	2,486
Other Operating Income	2, 5	6,283	22,967	7,196	14,931
Total Income		15,594	82,205	17,181	122,549
Expenditure					
Grants	2, 6	(79,584)	(76,994)	(23,454)	(23,212)
Staff Costs	2, 12	(45,080)	(87,284)	(41,146)	(85,727)
Running Costs	2, 7	(14,948)	(47,517)	(17,798)	(60,199)
Commercial Activities' Costs	2, 8	(294)	(4,061)	(696)	(14,419)
Subsidy Expenditure	2f	(23,450)	-	(13,151)	-
Depreciation, Amortisation and Impairment	2, 14-17	(13,174)	(20,213)	(7,671)	(11,072)
Other Expenditure	2, 9	(2,454)	(5,907)	(2,800)	(12,657)
Total Expenditure		(178,984)	(241,976)	(106,716)	(207,286)
Financing					
Finance Income	2f	4	4	5	5
Finance Costs	2f	(1,290)	(1,557)	(1,317)	(1,610)
Net Finance Income/(Cost)		(1,286)	(1,553)	(1,312)	(1,605)
Net Expenditure for the Financial Year		(164,676)	(161,324)	(90,847)	(86,342)
Other Comprehensive Expenditure					
Net Gain/(Loss) on Revaluation of Non-Current Assets	14-17	4,271	8,652	7,601	8,052
Total Comprehensive Expenditure for the Financial Year		(160,405)	(152,672)	(83,246)	(78,290)

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 69 to 105 form part of the financial statements.

Statement of Financial Position as at 31 March 2021

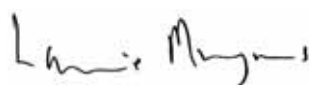
	Notes	2021		2020	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Non-Current Assets					
Property, Plant and Equipment	15	88,775	133,080	85,362	116,731
Heritage Assets	17	82,959	83,289	76,197	76,527
Right of Use Assets	16	20,167	33,751	28,580	42,852
Intangible Assets	14	3,303	5,739	2,779	4,057
Lease Receivables	23	25	25	118	118
Investments	36	85,617	-	82,048	-
Total Non-Current Assets		280,846	255,884	275,084	240,285
Current Assets					
Held For Sale Assets	22	-	-	40	40
Inventories	20	-	6,219	-	6,875
Trade and Other Receivables	21	12,404	15,820	9,767	13,965
Lease Receivables	23	98	98	96	96
Investments	19, 26	-	7,059	-	26,681
Cash and Cash Equivalents	24	421	85,312	563	43,811
Total Current Assets		12,923	114,508	10,466	91,468
Total Assets		293,769	370,392	285,550	331,753
Current Liabilities					
Trade and Other Payables	28	(13,118)	(46,864)	(10,692)	(40,567)
Provisions	30	-	(148)	-	(2)
Obligations Under Leases	27	(1,399)	(2,006)	(1,282)	(1,809)
Total Current Liabilities		(14,517)	(49,018)	(11,974)	(42,378)
Total Assets Less Current Liabilities		279,252	321,374	273,576	289,375
Non-Current Liabilities					
Trade and Other Payables	29	(217)	(2,151)	(225)	(2,130)
Obligations Under Leases	27	(25,602)	(38,012)	(26,987)	(40,669)
Other Borrowings	31	-	(23,400)	-	-
Total Non-Current Liabilities		(25,819)	(63,563)	(27,212)	(42,799)
Total Assets Less Liabilities		253,433	257,811	246,364	246,576
Taxpayers' Equity					
Financial Asset Reserve	36	85,617	-	82,048	-
Revaluation Reserve		115,210	121,235	111,287	112,940
General Reserve		52,422	134,848	52,801	132,010
Earmarked Funds	33	184	184	228	228
Endowment Funds		-	1,544	-	1,398
Total Taxpayers' Equity		253,433	257,811	246,364	246,576

The notes on pages 69 to 105 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 36, were approved by the Commissioners and signed on their behalf on 23 November 2021 by:



Duncan Wilson
Chief Executive



Sir Laurie Magnus
Chairman

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	2021		2020	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cash Flows From Operating Activities					
Net Income/(Expenditure)		(164,676)	(161,324)	(90,847)	(86,342)
Depreciation, Amortisation and Impairment Charges	14-17	13,174	20,213	7,671	11,072
(Profit)/Losses on Disposal of Non-Current Assets	14-17	11	(93)	122	347
(Increase)/Decrease in Inventories	20	-	656	187	246
(Increase)/Decrease in Trade and Other Receivables	21	(2,637)	(1,855)	(3,557)	(3,225)
Increase/(Decrease) in Trade and Other Payables	28, 29	2,418	6,318	(5,372)	(4,945)
Increase/(Decrease) in Provisions	30	-	146	(20)	(19)
Donated Asset Addition	17	-	-	(13)	(13)
Investment Income		-	(153)	-	(360)
(Increase)/Decrease in Lease Receivables	23	91	91	(214)	(214)
Increase/(Decrease) in Lease Payables	27	(1,268)	(2,460)	20,977	35,186
Interest Payable for Lease Liabilities		1,290	1,557	1,317	1,610
Interest Receivable for Lease Receivables		(4)	(4)	(5)	(5)
Adjustments for IFRS 16 Transition		-	-	(13,836)	(24,020)
Net Cash Outflow from Operating Activities		(151,601)	(136,908)	(83,590)	(70,682)
Cash Flows from Investing Activities					
(Purchase)/Disposal of Investments		-	19,622	-	(11,763)
Investment Income	19	-	153	-	360
Purchase of Property, Plant and Equipment and Heritage Assets	15, 17	(9,967)	(24,278)	(2,526)	(7,843)
Purchase of Intangible Assets	14	(1,179)	(2,759)	(1,218)	(1,479)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	14, 15	-	113	508	508
Net Cash Flows from Investing Activities		(11,146)	(7,149)	(3,236)	(20,217)
Cash Flows from Financing Activities					
Government Grant In Aid		163,905	163,905	89,495	89,495
Right of Use Assets Additions	16	(14)	(1,374)	(6,687)	(11,062)
Right of Use Assets Disposals	16	-	1,180	-	-
Cash inflows from Culture Recovery Fund Loan	31	-	23,400	-	-
Interest Payable for Lease Liabilities		(1,290)	(1,557)	(1,317)	(1,610)
Interest Receivable for Lease Receivables		4	4	5	5
Net Cash Flows from Financing Activities		162,605	185,558	81,496	76,828
Net Increase/(Decrease) in Cash and Cash Equivalents	24	(142)	41,501	(5,330)	(14,071)
Cash and Cash Equivalents at the Beginning of the Year	24	563	43,811	5,893	57,882
Cash and Cash Equivalents at the End of the Year		421	85,312	563	43,811

The notes on pages 69 to 105 form part of the financial statements.

Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2021

	General Reserve £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Endowment Fund £'000	Total Reserves £'000
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
Transfer Between Reserves	494	(494)	-	-	-
Balance at 31 March 2020	132,010	112,940	228	1,398	246,576
Grant in Aid Received	163,905	-	-	-	163,905
Income/(Expenditure) for the Year	(161,426)	-	(44)	146	(161,324)
Net Gain on Revaluation of Non-Current Assets	-	8,652	-	-	8,652
Other Income/(Expenditure)	2	-	-	-	2
Transfer Between Reserves	357	(357)	-	-	-
Balance at 31 March 2021	134,848	121,235	184	1,544	257,811

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

The notes on pages 69 to 105 form part of the financial statements.

Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2021

	General Reserve £'000	Financial Revaluation Reserve £'000	Earmarked Funds £'000	Asset Reserve £'000	Total Reserves £'000
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)	4,563	4,567
Transfer Between Reserves	620	(620)	-	-	-
Balance at 31 March 2020	52,801	111,287	228	82,048	246,364
Grant in Aid Received	163,905	-	-	-	163,905
(Expenditure) for the Year	(164,632)	-	(44)	-	(164,676)
Net Gain on Revaluation of Non-Current Assets	-	4,271	-	-	4,271
Other Income	-	-	-	3,569	3,569
Transfer Between Reserves	348	(348)	-	-	-
Balance at 31 March 2021	52,422	115,210	184	85,617	253,433

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

The notes on pages 69 to 105 form part of the financial statements.

SECTION 4

NOTES TO FINANCIAL STATEMENTS



Blackpool High Street Heritage Action Zone

4. NOTES TO FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a. Accounting Convention

The financial statements have been prepared in accordance with the 2020-2021 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS), as adapted and interpreted for the public sector context.

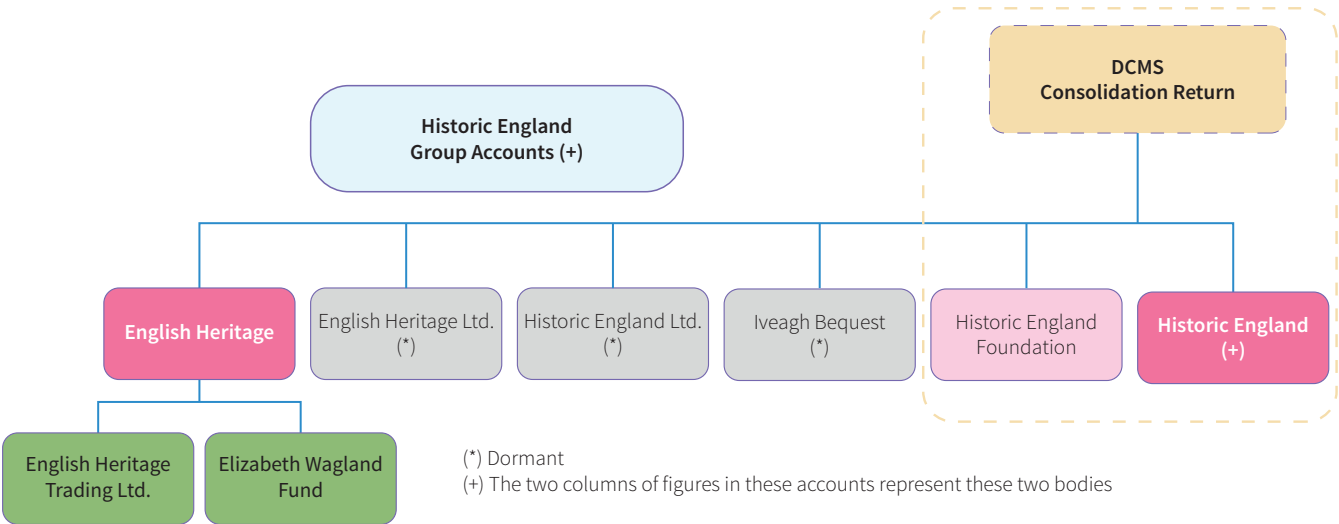
Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Historic England group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Historic England group 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 2021 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.

Organisational Structure and Reporting Groups



b. Impact of New or Updated Financial Report Standards and Interpretations

There are no new or updated standards and interpretations which impact the financial statements of Historic England or the group in the current financial year.

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 2020 Spending Review confirmed the Government grant funding for Historic England until 31 March 2022.

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 noncurrent 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 separately 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 2021 by the following professionally qualified external valuers: Avison Young (UK) Limited and Powis Hughes. 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 at the date of the accounts. As at 31 March 2021 some property markets started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

The professional valuations obtained to support the 2021 quinquennial valuation were provided on different bases depending on asset type.

The valuations provided on a Depreciated Replacement Cost, a market comparable basis and the IFRS 16 valuations are not subject to 'material valuation uncertainty'.

The heritage asset valuations are primarily derived from revenue. The professional valuers consider that the heritage sector, continues to be faced with an unprecedented set of circumstances caused by Covid-19 as at the valuation date of 31 December 2020. The heritage asset valuations are therefore reported as being subject to 'material valuation uncertainty'.

The 'material valuation uncertainty' declaration, does not mean that the valuations cannot be relied upon. Rather, the disclosure ensures transparency and provides further insight into the market context under which the valuation opinion was prepared.

In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19 the importance of the 31 December 2020 valuation date is highlighted for all professional valuations. Management considers that the valuations provided are 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. The specialised nature may be a result of the size or location of the assets. A depreciated replacement cost valuation represents the current cost of replacing an asset with a 'like for like' equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. Asset that are valued using the depreciated replacement cost approach include visitor centres.

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 noncurrent assets when the asset is brought into use.

j. Rights 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 fair value for right of use assets represents the full replacement cost of the right of use asset. The RICS guidance advises that the right of use asset valuation should reflect the current market rental value that could be achieved for the existing use of the right of use asset, over the full remaining lease term.

The right of use valuation assumes that Historic England requires the use of the entire right of use asset.

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 as 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. Owing to the incomparable nature of many of the assets, conventional valuation approaches lack sufficient reliability. 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 and 18.

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 31 March 2021 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. Costs of internally produced publications for resale are written off over the first print run.

q. Leases

IFRS 16 'Leases' has been implemented from 1 April 2019; this introduces a single accounting model that requires a lessee to recognise right of use assets and lease liabilities for all leases (apart from the exemptions included below).

For Government bodies reporting under the FReM, IFRS 16 is due to be brought into effect on 1 April 2022 and replaces IAS 17 (Leases). Historic England group has elected, with HMT authority, to early adopt IFRS 16 (as adapted by the 2020-21 FReM).

Historic England and its subsidiaries operate within the framework of common accounting policies across the Historic England group. Decisions made in Historic England and its subsidiaries are made within the framework of these common policies.

The definition of a lease has been updated under IFRS 16, there is more emphasis on whether a contract conveys the right to control the use of an identifiable asset. There are new requirements for variable lease payments such as the Retail Price Index (RPI)/Consumer Price Index (CPI) uplifts; and there is an accounting policy choice allowable to separate non-lease components.

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.

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. On initial recognition these assets are valued at fair value. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded as grant in kind income on the SoCNE.

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

- non-lease components of contracts where applicable;
- 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.

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.

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 and also 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 HMT discount rates were 1.27% in the 2020 calendar year and 0.91% for the 2021 calendar year.

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

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.

The National Collection which is licensed to English Heritage Trust has not been recognised as an IFRS 16 lease as it does not meet the definition of a lease and is an intercompany lease.

When Historic England sub-leases a lease and is therefore 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.

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 pension scheme for previous chairmen. The terms are set by analogy to the relevant civil service schemes. These schemes satisfy the requirements of applicable accounting standards (see Remuneration and Staff Report on page 46).

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.

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:

- Regions Group
- Policy & Evidence
- Public Engagement
- Business Improvement
- Shrewsbury Flaxmill Maltings
- 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

Regions Group 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 and 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 35. 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. The Autumn Budget and Spending Review, announced on 27 October 2021 has not had any significant financial consequences for the Group in the context of the 2020-21 Annual Report and Accounts.

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.

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

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	732	732	831	830
Other Operating Income	-	-	53	53
Total Income	732	732	884	883
Expenditure				
Grants	(20,511)	(20,511)	(13,079)	(13,079)
Staff Costs	(15,624)	(15,624)	(14,066)	(14,066)
Running Costs	(741)	(570)	(670)	(502)
Commercial Activities' Costs	-	-	(13)	(13)
Other Expenditure	(244)	(244)	(818)	(818)
Total Expenditure	(37,120)	(36,949)	(28,646)	(28,478)
Regions Group Net Expenditure	(36,388)	(36,217)	(27,762)	(27,595)

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

As a result of the Cultural Recovery Fund and Heritage Stimulus Fund grant schemes which were administered by Historic England during 2020-21, the value of grant expenditure has increased significantly from 2019-20.

b) Policy & Evidence

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	1,089	162	1,147	190
Earned Income	-	-	1	1
Other Operating Income	427	427	207	50
Total Income	1,516	589	1,355	241
Expenditure				
Staff Costs	(10,387)	(10,387)	(9,827)	(9,827)
Running Costs	(1,772)	(1,772)	(1,633)	(1,633)
Commercial Activities' Costs	(107)	(107)	(105)	(105)
Depreciation, Amortisation and Impairment	(219)	(219)	(175)	(175)
Other Expenditure	(581)	(581)	(1,096)	(1,096)
Total Expenditure	(13,066)	(13,066)	(12,836)	(12,836)
Policy & Evidence Net Expenditure	(11,550)	(12,477)	(11,481)	(12,595)

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

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	169	77	344	253
Other Operating Income	77	77	275	14
Earned Income	-	-	2	2
Total Income	246	154	621	269
Expenditure				
Grants	(858)	(858)	(141)	(141)
Staff Costs	(5,897)	(5,897)	(5,255)	(5,255)
Running Costs	(1,334)	(1,334)	(801)	(801)
Commercial Activities' Costs	(166)	(166)	(295)	(295)
Depreciation, Amortisation and Impairment	(236)	(236)	(232)	(232)
Other Expenditure	(232)	(232)	(417)	(417)
Total Expenditure	(8,723)	(8,723)	(7,141)	(7,141)
Public Engagement Net Expenditure	(8,477)	(8,569)	(6,520)	(6,872)

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.

d) Business Improvement

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	4	4	257	243
Other Operating Income	-	-	24	24
Total Income	4	4	281	267
Expenditure				
Grants	(58,142)	(55,193)	(9,902)	(9,875)
Staff Costs	(3,072)	(3,072)	(2,306)	(2,306)
Running Costs	(313)	(313)	(342)	(342)
Commercial Activities' Costs	(1)	(1)	(254)	(254)
Other Expenditure	(108)	(131)	(374)	(374)
Total Expenditure	(61,636)	(58,710)	(13,178)	(13,151)
Business Improvement Net Expenditure	(61,632)	(58,706)	(12,897)	(12,884)

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.

All internal publishing activity was ceased in 2019-20 and the remaining stock was sold to a third party.

As a result of the Cultural Recovery Fund and Heritage Stimulus Fund grant schemes which were administered by Historic England during 2020-21, the value of grant expenditure has increased significantly from 2019-20.

e) Shrewsbury Flaxmill Maltings

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Other Operating Income	5,254	5,254	6,544	6,479
Total Income	5,254	5,254	6,544	6,479
Expenditure				
Grants	(73)	(73)	(62)	(62)
Staff Costs	(306)	(306)	(274)	(274)
Running Costs	(1,851)	(1,851)	(5,821)	(5,821)
Commercial Activities' Costs	(20)	(20)	(29)	(29)
Depreciation, Amortisation and Impairment	(50)	(50)	(17)	(17)
Other Expenditure	(15)	(15)	(26)	(26)
Total Expenditure	(2,315)	(2,315)	(6,229)	(6,229)
Shrewsbury Flaxmill Maltings Net Income/(Expenditure)	2,939	2,939	315	250

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

Expenditure on Shrewsbury Flaxmill Maltings was concentrated on capital works during 2020-21, as opposed to revenue expenditure in previous years. The value of overall expenditure on the project is therefore not fully reflected within the Statement of Comprehensive Net Expenditure as some is disclosed in the Statement of Financial Position and as Assets under Construction in Note 16.

f) Corporate Services

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	7,196	527	7,064	515
Earned Income	121	121	339	339
Other Operating Income	525	225	93	(177)
Total Income	7,842	873	7,496	677
Expenditure				
Grants	-	-	(270)	-
Staff Costs	(9,794)	(9,794)	(9,418)	(9,418)
Running Costs	(8,937)	(9,021)	(8,531)	(8,531)
Subsidy Expenditure	(23,450)	-	(13,151)	-
Depreciation, Amortisation and Impairment	(12,669)	(12,669)	(7,247)	(7,247)
Other Expenditure	(1,274)	(1,129)	(69)	(69)
Total Expenditure	(56,124)	(32,613)	(38,686)	(25,265)
Financing				
Finance Income	4	4	5	5
Finance Costs	(1,290)	(1,290)	(1,317)	(1,317)
Net Finance Cost	(1,286)	(1,286)	(1,312)	(1,312)
Corporate Services Net Expenditure	(49,568)	(33,026)	(32,502)	(25,900)

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 New Model agreement, Historic England provides English Heritage Trust with tapering annual revenue payments that contributes toward English Heritage Trust meeting its objective of becoming financially self-sufficient.

g) The English Heritage Trust

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	-	55,476	-	103,101
Earned Income	-	2,139	-	2,144
Other Operating Income	-	16,708	-	8,068
Total Income	-	74,323	-	113,313
Expenditure				
Grants	-	(30)	-	(55)
Staff Costs	-	(42,204)	-	(44,581)
Running Costs	-	(32,656)	-	(42,569)
Commercial Activities' Costs	-	(3,767)	-	(13,723)
Depreciation, Amortisation and Impairment	-	(7,039)	-	(3,401)
Other Expenditure	-	(3,565)	-	(9,843)
Total Expenditure	-	(89,261)	-	(114,172)
Financing				
Finance Income	-	-	-	-
Finance Costs	-	(267)	-	(293)
Net Finance Income/(Cost)	-	(267)	-	(293)
The English Heritage Trust Net Income/(Expenditure)	-	(15,205)	-	(1,152)

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

h) Historic England Foundation

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Other Operating Income	-	276	-	420
Total Income	-	276	-	420
Expenditure				
Grants	-	(329)	-	-
Other Expenditure	-	(10)	-	(14)
Total Expenditure	-	(339)	-	(14)
Historic England Foundation Net Income/(Expenditure)	-	(63)	-	406

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

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Regions Group	(36,388)	(36,217)	(27,762)	(27,595)
Policy & Evidence	(11,550)	(12,477)	(11,481)	(12,595)
Public Engagement	(8,477)	(8,569)	(6,520)	(6,872)
Business Improvement	(61,632)	(58,706)	(12,897)	(12,884)
Shrewsbury Flaxmill Maltings	2,939	2,939	315	250
Corporate Services	(49,568)	(33,026)	(32,502)	(25,900)
The English Heritage Trust	-	(15,205)	-	(1,152)
Historic England Foundation	-	(63)	-	406
Total Net Expenditure per the Statement of Comprehensive Net Expenditure	(164,676)	(161,324)	(90,847)	(86,342)

3. Revenue from Contracts with Customers

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Shared Service Income	8,159	471	8,004	456
Admission Income	-	8,667	-	33,948
Advertising and Licencing	22	467	20	658
Archive and Lecture Fees	73	74	341	324
Commercial Sales Income	27	8,331	249	24,742
Enhanced Advisory Services	652	651	739	739
Hospitality and Events	-	777	-	2,192
Membership Income	-	36,853	-	41,173
Other Revenue	257	687	290	900
Total Revenue from Contracts with Customers	9,190	56,978	9,643	105,132

4. Earned Income

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Other Earned Income	22	529	262	454
Commission	-	352	-	676
Rents	99	1,379	80	1,356
Total Earned Income	121	2,260	342	2,486

5. Other Operating Income

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Grants Receivable				
National Lottery Heritage Fund Grants	3,548	6,049	4,988	6,950
European Union Grants	-	-	-	241
Other Grants	2,506	12,075	1,973	2,661
Total Grants Receivable	6,054	18,124	6,961	9,852
Donations and Sponsorship	64	3,485	89	4,540
Other Operating Income	165	1,205	146	179
Interest Receivable	-	153	-	360
Total Other Operating Income	6,283	22,967	7,196	14,931

6. Grants

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Buildings and Monuments	64,392	61,470	13,932	13,932
Capacity Building	5,101	5,101	2,295	2,295
Conservation Areas	4,782	4,782	2,860	2,860
Historic Environment	2,086	2,087	3,346	3,347
Management Agreements	250	250	317	317
Maritime	289	289	266	266
Other	2,684	3,015	438	195
Total Grants	79,584	76,994	23,454	23,212

As a result of the Cultural Recovery Fund and Heritage Stimulus Fund grant schemes which were administered by Historic England during 2020-21, the value of grant expenditure has increased significantly from 2019-20.

7. Running Costs

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
IT Equipment and Services	5,690	7,563	5,948	7,750
Marketing and Branding	657	7,299	740	12,036
Monument Works and Maintenance	616	4,358	685	5,565
Office Rent and Charges	805	1,077	629	1,427
Lease Payments	149	259	(1,748)	(376)
Other Office Costs	617	534	824	858
Site Maintenance	1,913	16,092	6,049	21,018
Technical Advice	4,405	8,559	4,143	9,533
Utilities	96	1,776	528	2,388
Total Running Costs	14,948	47,517	17,798	60,199

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 resulted in negative expenditure under Operating Lease Payments.

Expenditure on Shrewsbury Flaxmill Maltings was concentrated on capital works during 2020-21, as opposed to revenue expenditure in previous years. This resulted in a significant decrease in site maintenance costs in 2020-21.

8. Commercial Activities' Costs

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cost of Sales	68	3,140	482	10,209
Event Production	226	924	381	3,958
Inventory Provision Expense	-	(140)	(185)	(32)
Inventory Write-Off	-	137	18	284
Total Commercial Activities' Costs	294	4,061	696	14,419

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

	2020-2021		2019-2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Administrative Costs	210	770	(1,009)	1,364
Audit Fee	88	179	71	157
Operational Costs	747	2,945	2,251	7,472
Other	693	923	495	1,287
(Gain)/Loss on Disposal on Non-Current Assets	13	(93)	122	180
Staff Related Costs	703	1,183	870	2,197
Total Other Expenditure	2,454	5,907	2,800	12,657

The income shown against the 2019-20 Administrative Costs represented a receipt from HMRC of £1.25m relating to a partial exemption claim.

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 2021 (2020: 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.

Subject to having sufficient distributable reserves, English Heritage Trading Limited will make gift aid donations of its distributable profits to its Parent Charity, within 9 months of the financial year end.

11. Auditor's Fees

	2020-2021	2019-2020
	Group £'000	Group £'000
Auditor's remuneration and expenses for statutory audit work:		
Historic England	88	71
The English Heritage Trust	70	66
English Heritage Trading Limited	13	12
Historic England Foundation	8	8
Total Auditor's Fees for the Financial Year	179	157

During the year no member of the Historic England group purchased any non-audit services from its auditor, the National Audit Office (2019-2020: nil).

12. Staff Costs

	2020-2021			2019-2020		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Group						
Wages and Salaries	1,540	67,765	69,305	1,018	66,382	67,400
Social Security Costs	166	6,266	6,432	116	6,067	6,183
Pension Costs	279	12,780	13,059	233	12,231	12,464
Redundancy and Severance Costs	-	177	177	-	155	155
Agency Staff Costs	-	296	296	-	892	892
Total Employee Costs	1,985	87,284	89,269	1,367	85,727	87,094

	2020-2021			2019-2020		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Historic England						
Wages and Salaries	724	32,908	33,632	684	30,099	30,783
Social Security Costs	82	3,434	3,516	71	3,138	3,209
Pension Costs	196	8,577	8,773	182	7,819	8,001
Redundancy and Severance Costs	-	125	125	-	3	3
Agency Staff Costs	-	36	36	-	87	87
Total Employee Costs	1,002	45,080	46,082	937	41,146	42,083

Further information on staff costs is available in the Remuneration and Staff Report on page 46.

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:

Arts Council England Historic England Foundation Natural History Museum National Lottery Heritage Fund

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

Allerdale Borough Council	Hackney London Borough Council	North Yorkshire County Council
Barking & Dagenham London Borough Council	Hambleton District Council	Northumberland Unitary Authority
Barnsley Metropolitan Borough Council	Haringey London Borough Council	Nottingham City Council
Barrow-in-Furness Borough Council	Hastings Borough Council	Oldham Metropolitan Borough Council
Bath & North East Somerset Council	Herefordshire Council	Plymouth City Council
Bedford Unitary Authority	High Peak Borough Council	Reading Borough Council
Birmingham City Council	High Speed Two (HS2) Limited	Rochdale Borough Council
Blackpool Borough Council	Highways England	Rossendale Borough Council
Boston Borough Council	Hillingdon London Borough Council	Rotherham Borough Council
Bradford City Council	Hinckley and Bosworth Borough Council	Sandwell Metropolitan Borough Council
Brent London Borough Council	Historic Royal Palaces Trust	Sefton Metropolitan Borough Council
Bristol City Council	HM Revenue & Customs	Selby District Council
Bromley London Borough Council	Hounslow London Borough Council	Shropshire Unitary Authority
Burnley Borough Council	Isle of Wight Council	South Hams District Council
Cabinet Office	Kent County Council	South Kesteven District Council
Cabinet Office: Civil Superannuation	Kettering Borough Council	South Lakeland District Council
Calderdale Metropolitan Borough Council	Kings Lynn and West Norfolk Borough Council	South Somerset District Council
Cheshire West and Chester Unitary Authority	Kingston upon Hull City Council	Southend-on-Sea Borough Council
Cornwall Unitary Authority	Kirklees Metropolitan Council	Southwark London Borough Council
County Durham Unitary Authority	Knowsley Metropolitan Borough Council	Stoke-on-Trent City Council
Coventry City Council	Lake District National Park Authority	Suffolk County Council
Craven District Council	Lancaster City Council	Sunderland City Metropolitan Borough Council
Darlington Borough Council	Leeds City Council	Surrey County Council
Dartmoor National Park Authority	Leicester City Council	Sutton London Borough Council
Department for Business, Energy and Industrial Strategy	Lewisham London Borough Council	Swindon Borough Council
Devon County Council	Lincoln City Council	Tendring District Council
Dudley Metropolitan Borough Council	Lincolnshire County Council	Tewkesbury Borough Council
Ealing London Borough Council	Medway Council	Thanet District Council
East Suffolk Council	Mid Devon District Council	Tower Hamlets London Borough Council
East Sussex County Council	Middlesbrough Council	Wakefield City Council
Eden District Council	Milton Keynes Council	Waltham Forest London Borough Council
Essex County Council	Natural England	West Lancashire District Council
Fylde Borough Council	Newark and Sherwood District Council	West Suffolk Council
Gloucester City Council	Newham London Borough Council	Wigan Metropolitan Borough Council
Gloucestershire County Council	Norfolk County Council	Wiltshire Unitary Authority
Gosport Borough Council	North East Lincolnshire Council	Worcestershire County Council
Government Internal Audit Agency	North Norfolk District Council	Worthing Borough Council
Great Yarmouth Borough Council	North Somerset Council	Wyre Borough Council
Greenwich London Borough Council	North Tyneside Metropolitan Borough Council	
	North York Moors National Park Authority	

13. Related Party Transactions and Connected Bodies *continued*

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 an advisor to the investment panel of the National Heritage Memorial Fund, which received £19,000 for a seconded member of staff.
- Mr Paul Farmer is the Chief Executive of Mind which received £11,000 for the provision of training courses.
- Ms Helena Hamerow is a Director of Oxford Archaeology which paid £1,000 for reproduction fees and received £32,000 in grant funding and £25,000 for report production.
- Ms Rosemarie MacQueen is an Ambassador for the Museum of London. Museum of London Archaeology received £6,000 for research during the year and paid £15,000 for reproduction fees.
- Mr Patrick Newberry is a trustee of the Georgian Group which received £41,000 in grant funding. He is also Chairman of the Cornish Buildings Group which received £2,000 in grant funding. He is also a member of Truro Cathedral Fabric Advisory Committee. The cathedral received £15,000 in grant funding.
- Ms Sue Wilkinson is Deputy Chair of the Churches Conservation Trust which received £1,433,000 in grant funding. She is also a Trustee of the Canal and River Trust which received £1,597,000 in grant funding.

Senior Staff

- The step-father of Mr Michael Bishop, Director of Business Improvement, was Non-Executive Chairman of the National Audit Office until January 2021. The National Audit Office received £43,000 in relation to the 2019-20 audit fee and provided a further £88,000 in relation to the 2020-21 audit services that remained un-invoiced at the year end.
- Mr Duncan McCallum, Strategy and Listing Director, is a trustee of the Society for the Protection of Ancient Buildings which received £94,000 of grant funding and £5,000 for joint project work.
- Mr Barney Sloane, National Specialist Services Director, is a Trustee of the Society of Antiquaries of London which received £5,000 of grant funding.
- Mr Duncan Wilson, Chief Executive, is a trustee of Chatham Historic Dockyard Trust which received £18,000 of grant funding.
- Mr Andrew Wiseman, General Counsel and Corporate Secretary, is a member of the Law Society Planning & Environmental Law Sub-Committee. The Law Society received £2,000 for certificate renewals and £1,000 for advertising.

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 46.

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 2020	2,617	10,890	1,173	14,680
Additions	145	194	2,420	2,759
Disposals	-	(1,973)	-	(1,973)
Reclassifications	-	2,293	(2,293)	-
Revaluations	83	336	-	419
At 31 March 2021	2,845	11,740	1,300	15,885
Amortisation				
At 1 April 2020	2,375	8,248	-	10,623
Charge in Year	172	976	-	1,148
Disposals	-	(1,973)	-	(1,973)
Revaluations	79	269	-	348
At 31 March 2021	2,626	7,520	-	10,146
Carrying Amount at 31 March 2020	242	2,642	1,173	4,057
Carrying Amount at 31 March 2021	219	4,220	1,300	5,739

All intangible assets are owned outright (2020: all).

	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
Charge 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

14. Intangible Assets *continued*

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost or Valuation				
At 1 April 2020	1,337	8,350	1,163	10,850
Additions	145	-	1,034	1,179
Disposals	-	(1,973)	-	(1,973)
Reclassifications	-	1,560	(1,560)	-
Revaluations	43	255	-	298
At 31 March 2021	1,525	8,192	637	10,354
Amortisation				
At 1 April 2020	1,177	6,894	-	8,071
Charge in Year	151	545	-	696
Disposals	-	(1,973)	-	(1,973)
Revaluations	41	216	-	257
At 31 March 2021	1,369	5,682	-	7,051
Carrying Amount at 31 March 2020	160	1,456	1,163	2,779
Carrying Amount at 31 March 2021	156	2,510	637	3,303

All intangible assets are owned outright (2020: all).

	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
Charge 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

15. Property, Plant and 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 2020	143,610	2,897	20,213	6,780	7,470	7,263	188,233
Additions	3,152	-	2,989	2,646	281	15,210	24,278
Disposals	(513)	(54)	(767)	(102)	(119)	-	(1,555)
Impairments	(5,037)	(32)	(117)	-	(4)	-	(5,190)
Reclassifications	523	(20)	30	-	520	(1,053)	-
Revaluations	(11,327)	25	(1,830)	217	(44)	-	(12,959)
At 31 March 2021	130,408	2,816	20,518	9,541	8,104	21,420	192,807
Depreciation							
At 1 April 2020	43,794	1,053	14,904	6,349	5,402	-	71,502
Charge in Year	5,969	145	1,403	659	345	-	8,521
Disposals	(553)	(54)	(754)	(102)	(116)	-	(1,579)
Reclassifications	(138)	-	-	-	138	-	-
Revaluations	(16,605)	(761)	(1,522)	207	(36)	-	(18,717)
At 31 March 2021	32,467	383	14,031	7,113	5,733	-	59,727
Carrying Amount at 31 March 2020	99,816	1,844	5,309	431	2,068	7,262	116,730
Carrying Amount at 31 March 2021	97,941	2,433	6,487	2,428	2,371	21,420	133,080

	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)
Charge in Year	5,647	149	1,023	474	306	-	7,599
Disposals	(320)	-	(242)	(445)	(81)	-	(1,088)
Impairments	-	-	-	-	-	-	-
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	7,262	116,731

15. Property, Plant and Equipment *continued*

	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 2020	115,889	2,652	15,897	6,010	5,678	2,345	148,471
Additions	815	-	489	1,139	27	7,497	9,967
Disposals	(511)	(54)	(554)	(22)	(107)	-	(1,248)
Impairments	(2,548)	-	(69)	-	(1)	-	(2,618)
Reclassifications	(287)	-	-	-	287	-	-
Revaluations	(12,887)	77	(1,610)	192	(36)	-	(14,264)
At 31 March 2021	100,471	2,675	14,153	7,319	5,848	9,842	140,308
Depreciation							
At 1 April 2020	39,627	1,026	11,976	5,915	4,565	-	63,109
Charge in Year	4,116	139	685	253	180	-	5,373
Disposals	(553)	(54)	(541)	(22)	(107)	-	(1,277)
Reclassifications	(121)	-	-	-	121	-	-
Revaluations	(13,765)	(739)	(1,328)	190	(30)	-	(15,672)
At 31 March 2021	29,304	372	10,792	6,336	4,729	-	51,533
Carrying Amount at 31 March 2020	76,262	1,626	3,921	95	1,113	2,345	85,362
Carrying Amount at 31 March 2021	71,167	2,303	3,361	983	1,119	9,842	88,775
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)
Charge in Year	4,107	143	632	370	182	-	5,434
Disposals	(320)	-	(223)	(445)	(81)	-	(1,069)
Reclassifications	(5)	-	-	-	-	-	(5)
Impairments	-	-	-	-	-	-	-
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

15. Property, Plant and Equipment *continued*

Capital expenditure contracted for as at 31 March 2021 but not provided for in the financial statements amounted to £4,527,000 for Historic England (2020: £162,000) and £10,163,000 for the group (2020: £4,301,000). Those commitments relating to tangible non-current assets amounted to £4,453,000 for Historic England (2020: £161,000) and £9,961,000 for the group (2020: £4,300,000) and those relating to intangible non-current assets amounted to £74,000 for Historic England (2020: £1,000) and £202,000 for the group (2020: £1,000). Total Non-Current Asset acquisitions in the year were funded, to their fair value, by:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Government Grant	5,898	2,419	1,043	1,903	812
Non-government Grant	1,273	138	126	-	-
Donations	-	13	-	-	-
Lottery Funding	3,548	1,187	-	-	-
Asset Sale Proceeds	-	-	-	17	29
IFRS16 Right Of Use Assets funded by government grant	14	6,687	-	-	-
Other	427	-	-	41	65
Total Non-Current Acquisitions	11,160	10,444	1,169	1,961	906

During 2019-20 Historic England adopted IFRS 16 'Leases'. Historic England's obligations under leases are disclosed in note 27, 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 (2019-20: 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 various Application Development Programme projects.

System development assets with a cost of £1,973,000 and nil net book value have been disposed of in the year. These disposals related to the PHUI system, which is no longer in use.

16. Right of Use Assets

	Operational Land & Buildings £'000	Plant & Machinery £'000	Total £'000
Group			
Cost or Valuation			
At 1 April 2020	46,061	245	46,306
Additions	1,341	33	1,374
Disposals	(1,180)	-	(1,180)
Impairments	(2,173)	-	(2,173)
Revaluations	(7,881)	-	(7,881)
At 31 March 2021	36,168	278	36,446
Depreciation			
At 1 April 2020	3,310	144	3,454
Charge in Year	2,640	82	2,722
Disposals	-	-	-
Revaluations	(3,481)	-	(3,481)
At 31 March 2021	2,469	226	2,695
Carrying Amount at 31 March 2020	42,751	101	42,852
Carrying Amount at 31 March 2021	33,699	52	33,751

16. Right of Use Assets *continued*

	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
Charge 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			
At 1 April 2020	31,139	52	31,191
Additions	-	14	14
Impairments	(2,173)	-	(2,173)
Revaluations	(7,881)	-	(7,881)
At 31 March 2021	21,085	66	21,151
Depreciation			
At 1 April 2020	2,564	47	2,611
Charge in Year	1,843	12	1,855
Revaluations	(3,482)	-	(3,482)
At 31 March 2021	925	59	984
Carrying Amount at 31 March 2020	28,575	5	28,580
Carrying Amount at 31 March 2021	20,160	7	20,167

16. Right of Use Assets *continued*

	Land & Buildings £'000	Operational 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
Charge 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

17. Heritage Assets

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Group					
Cost or Valuation					
At 1 April 2020	21,492	7,596	18,536	28,903	76,527
Additions	-	-	-	-	-
Impairments	(438)	(21)	-	-	(459)
Revaluations	1,941	1,129	-	4,151	7,221
Carrying Amount at 31 March 2021	22,995	8,704	18,536	33,054	83,289
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

17. Heritage Assets *continued*

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Historic England					
Cost or Valuation					
At 1 April 2020	21,493	7,596	18,205	28,903	76,197
Additions	-	-	-	-	-
Impairments	(438)	(21)	-	-	(459)
Revaluations	1,941	1,129	-	4,151	7,221
Carrying Amount at 31 March 2021	22,996	8,704	18,205	33,054	82,959
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

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.

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Cost of Acquisition	-	-	-	-	-
Value Acquired by Donation	-	13	-	292	-
Revaluations/(Impairments) Recognised	6,762	4,765	16,101	8,602	14,631
Heritage Assets Charged to Expenditure in Year	59	14	10	14	3

The group has recognised £4.151million (2020: £3.719million) 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 has been undertaken during the year ended 31 March 2021.

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 £59,000 and was revenue in nature (2020: £14,000)

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, no heritage assets were donated (including donations in lieu of tax) to Historic England (2020: £12,500). 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 (2020: £nil). There were no disposals of artefacts during the year, or in the previous year.

19. Current Assets Investment

	2021 Historic England £'000	Group £'000	2020 Historic England £'000	Group £'000
At 1 April	-	26,681	-	14,918
In Year Movement	-	(19,622)	-	11,763
At 31 March	-	7,059	-	26,681

All current asset investments were held in fixed term deposit accounts in the UK.

The investment priorities of Historic England Group changed quite significantly during 2020-21. Previously the Historic England Group held cash in long term deposits to generate the maximum interest income while still meeting their day to day cash requirements.

However, with the uncertainties of this year, cash availability has been prioritised and more funds were moved to instant access or short term deposits.

20. Inventories

	2021 Historic England £'000	Group £'000	2020 Historic England £'000	Group £'000
Inventories	-	6,219	-	6,875
Inventories are stated after the following:				
Inventory Provision Expense	-	(140)	(185)	(32)
Inventory Write-Off	-	137	18	284
Total Inventory Adjustment for the Year	-	(3)	(167)	252

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

21. Trade and Other Receivables

	2021 Historic England £'000	Group £'000	2020 Historic England £'000	Group £'000
Trade Receivables	479	769	391	834
Value Added Tax	4,252	4,458	3,062	3,320
Prepayments and Accrued Income	6,446	9,812	5,173	8,725
Other Receivables	59	781	105	1,086
Amount owed by Subsidiary Undertaking	1,168	-	1,036	-
Total Trade and Other Receivables	12,404	15,820	9,767	13,965

22. Assets Classified as Held for Sale

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Held for Sale Assets	-	-	40	40

The asset classified as held for sale at 31 March 2020 was land at Birdoswald. During 2020-21 the decision was taken not to sell the land. The asset has been transferred to non-current assets.

23. Lease Receivables

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after 31 March 2021.

	2021		2020	
	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	98	98	96	96
Between One and Five Years	25	25	125	125
Total Undiscounted Lease Payments Receivable	123	123	221	221
Unearned Finance Income	-	-	(7)	(7)
Net Investment in the Lease	123	123	214	214

Historic England sub-leases 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.

24. Cash and Cash Equivalents

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Balance at 1 April	563	43,811	5,893	57,882
Net Change in Cash and Cash Equivalents Balances	(142)	41,501	(5,330)	(14,071)
Balance at 31 March	421	85,312	563	43,811
The following balances at 31 March were held with:				
Cash				
Government Banking Service	285	20,622	423	26,261
Commercial Banks	136	48,074	140	12,436
Total Cash	421	68,696	563	38,697
Cash Equivalents				
Commercial Banks	-	16,616	-	5,114
Balance at 31 March	421	85,312	563	43,811

25. 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.
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 2021, the balance of this account was £19,499,000 (2020: £24,460,000), with cumulative expenditure since 1 April 2015 split as follows:

	2021 £'000	2020 £'000
Element of spend of £80million government grant		
1. £52million	36,288	31,881
2. £18million	18,000	18,000
3. £10million	6,213	5,659
4. Unspent	19,499	24,460
Total	80,000	80,000

26. 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 2021.

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 2021, English Heritage held short-term deposits with institutions with low risk credit ratings, amounting to £7,059,000 (2020: £26,681,000).

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:

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Finance Assets				
Trade and Other Receivable	1,706	1,550	1,532	1,920
Current Asset Investment	-	7,059	-	26,681
Cash and Cash Equivalents	421	85,312	563	43,811
	2,127	93,921	2,095	72,412
Financial Liabilities				
Trade and Other Payables	(4,916)	(8,195)	(2,564)	(7,280)
Bank Loans and Overdrafts	-	(23,400)	-	-
	(4,916)	(31,595)	(2,564)	(7,280)

27. Lease Liability

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

	2021		2020	
	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	1,391	1,943	1,263	1,721
Between One and Five Years	5,719	7,953	5,640	7,549
Later than Five Years	19,874	30,027	21,344	33,056
Total Land and Buildings	26,984	39,923	28,247	42,326
Other				
Not Later than One Year	8	63	19	88
Between One and Five Years	9	32	3	64
Later than Five Years	-	-	-	-
Total Other	17	95	22	152
Present Value of Lease Liabilities	27,001	40,018	28,269	42,478

IFRS 16 was implemented in 2019-20. 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.

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

28. Trade and Other Current Payables

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Payables	1,745	7,900	1,545	7,107
Accruals	6,972	18,164	6,982	16,908
Deferred Income	281	18,701	294	14,632
Income Tax and Social Security	921	1,602	829	1,559
Pensions	28	202	23	191
Other Payables	3	295	11	170
Amount Owed to Subsidiary Undertaking	3,168	-	1,008	-
Total Trade and Other Payables	13,118	46,864	10,692	40,567

29. Other Non-Current Payables

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Pensions	217	217	218	218
Deferred Income	-	1,931	7	1,909
Other Payables	-	3	-	3
Total Other Non-Current Payables	217	2,151	225	2,130

30. 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 2020	-	-	-	-	2	2
Provided in the Year	-	-	-	-	146	146
Provisions Released in the Year	-	-	-	-	-	-
Provisions Utilised in the Year	-	-	-	-	-	-
Balance at 31 March 2021	-	-	-	-	148	148
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

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.

31. Other Non-Current Borrowings

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Bank Loans and Overdrafts	-	23,400	-	-
Total Other Non-Current Borrowings	-	23,400	-	-

On 12 March 2021 English Heritage entered into a Repayable Finance Agreement with The Secretary of State for the Department of Digital, Culture, Media & Sport and The Arts Council of England pertaining to a loan of £23.4 million from the Culture Recovery Fund. The loan was awarded to offset projected unrestricted deficits and provide liquidity during the recovery from the Covid-19 pandemic. The loan will cover essential business expenditure (staff and property running costs) and critical maintenance, ensure the safety of the sites and collections and the retention of specialist skills and expertise, and enable English Heritage to deliver its core charitable activities. The loan is unsecured, with a term of 20 years, a 4-year repayment holiday and an interest rate of 2% per annum. There are no financial covenants, however there are non-financial covenants requiring English Heritage to exercise pay restraint for at least 18 months; demonstrate a commitment to increasing its organisational diversity; demonstrate a commitment to progress towards net zero greenhouse gas emissions by 2050 and demonstrate a commitment to increase educational/outreach work.

32. Commitments

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Capital Commitments				
Not later than one year	4,527	9,237	162	4,210
Later than one year and not later than five years	-	-	-	91
Later than five years	-	-	-	-
	4,527	9,237	162	4,301
Other Financial Commitments				
Not later than one year	12,969	25,728	23,856	43,317
Later than one year and not later than five years	650	650	3,461	3,865
Later than five years	-	-	-	-
Total Capital and Other Financial Commitments	18,146	35,615	27,479	51,483

Both cancellable and non-cancellable commitments are included.

Expenditure on Shrewsbury Flaxmill Maltings is now concentrated on capital works during 2020-21, as opposed to revenue expenditure in previous years. This explains the significant increase in capital commitments and the significant decrease in revenue commitments in 2020-21. £4,192,000 of the 2020-21 capital commitments relate to the capital works at Shrewsbury Flaxmill Maltings.

33. Earmarked Funds

	2021		2020	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Earmarked Funds are made up of the following:				
Other Funds	-	-	44	44
Philanthropy Funds	184	184	184	184
Total Earmarked Funds	184	184	228	228

Philanthropy Funds represent unrestricted donations given to Historic England.

34. Contingent Liabilities

Various outstanding claims existed at 31 March 2021. Provision has been made in the accounts for the year ended 31 March 2021 for those outstanding liabilities which will probably require settlement, and where the amount of the liability can be reliably estimated (note 30).

Under IAS 37, the Historic England group has identified £308,000 of contingent liabilities (2020: £399,000), of which £nil (2020: £nil) relate to Historic England.

35. Contingent Assets

As at 31 March 2021 Historic England is awaiting the conclusion of a liquidation process. A contingent asset of £155k is disclosed representing the full value of the amounts outstanding (2020: £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.

	2021 £'000	2020 £'000
Income and Expenditure Resources		
Total Incoming Resources	99,767	126,946
Total Resources Expended	(96,214)	(122,414)
Net Income for the Year	3,553	4,532
Reconciliation of Funds		
Total Funds Brought Forward	81,632	77,100
Total Funds Carried Forward	85,185	81,632

	2021 £'000	2020 £'000
Net Assets as at 31 March		
Non-Current Assets	42,193	31,701
Current Assets	106,578	83,135
Creditors: Amounts Falling Due Within One Year	(38,106)	(31,299)
Creditors: Amounts Falling Due After More Than One Year	(25,480)	(1,905)
Net Assets	85,185	81,632
Restricted	24,639	29,218
Unrestricted	60,546	52,414
Funds	85,185	81,632

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.

36. Subsidiary Undertakings *continued*

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:

	2021 £'000	2020 £'000
Income and Expenditure Resources		
Total Incoming Resources	303	613
Total Resources Expended	(362)	(508)
Net Income for the Year	(59)	105
Reconciliation of Funds		
Total Funds Brought Forward	491	386
Total Funds Carried Forward	432	491

	2021 £'000	2020 £'000
Net Assets as at 31 March		
Current Assets	465	614
Current Liabilities	(33)	(123)
Net Assets	432	491
Retained Funds	432	491

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

There were no reportable events between 31 March 2021 and the date the accounts were authorised for issue. The Autumn Budget and Spending Review, announced on 27 October 2021 has not had any significant financial consequences for the Group in the context of the 2020-21 Annual Report and Accounts. The financial statements were authorised for issue on the date they were certified by the Comptroller and Auditor General.

SECTION 5

OUR SUPPORTERS



National Parks Pilot Scheme for Field Barns.
Scoriton Farm, Scorriton, Dartmoor, Devon.

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 2021.

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

Allchurches Trust
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.



Historic England

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

[HistoricEngland.org.uk](https://www.historicengland.org.uk)



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