



Historic England

Annual Report & Accounts

2018 / 2019

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The cover and section illustrations celebrate the Grade I listed Shrewsbury Flaxmill Maltings, the world's first iron-framed building. We are working with local and national partners to help save and restore this remarkable icon of the industrial revolution.

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Introduction

Historic England's core purpose is to champion and protect England's historic environment.

We made great progress in fulfilling this objective during the year, working in partnership with our colleagues in the Department for Digital, Culture, Media and Sport (DCMS); with other arm's length bodies in the heritage, culture and arts sectors and with local authorities, community groups, developers, preservation charities and private owners.

Our nation's heritage, whether it comprises a vast Victorian factory complex or a small Tudor cottage, can be a dynamic catalyst for regeneration. Our experience is that this is most successful when key stakeholders work in partnership. Our Heritage Action Zone initiative, which is now running in 20 places throughout the country, demonstrates the benefit of this by helping to create employment, improving how areas look, restoring community pride and bringing Heritage at Risk back into use. The Chancellor's decision to award £55million to Historic England to promote the regeneration of historic high streets in the Budget was a tremendous vindication of our work in this arena.

During 2018-19, Historic England has initiated major changes both in how we evaluate our work and in our ways of working. This report describes the steps being taken to enhance the impact measurement methodology required by the Public Value Framework. It also describes the internal change programme implemented to improve our overall efficiency and effectiveness, which was largely complete by the end of the year.

We have initiated work with colleagues across the arts, cultural and heritage sectors, under the leadership of DCMS, to develop the concept of Cultural Heritage Capital as a recognised standard framework for measuring the social and economic impact of our nation's collection of cultural and heritage assets.

The year under review saw the end of the four-year First World War Memorials programme, during which a total of 2,645 memorials were added to, or amended on, the National Heritage List for England. It was also the year in which the total number of officially listed entries exceeded 400,000, whilst online visits to review the list continued to grow, with over 8million page views recorded during the year (an increase of 7 per cent year on year).

Our work at Shrewsbury Flaxmill Maltings, the world's first iron-framed building, which we acquired in our role as rescuer of last resort in 2005, reached an important

milestone with the scaffolding from the Main Mill being removed to reveal an exciting new potential space for regeneration. We were delighted to receive both local and national funding support for our work there from charitable foundations and individuals. We have launched an important apprenticeship scheme for historic environment advisers with a generous grant from Allchurches Trust: this scheme, using new apprenticeship standards developed jointly by Historic England and the sector, will be very valuable in broadening heritage skills throughout the sector.

A Tailored Review of Historic England started during the year. An important component of the review is in relation to the performance of the English Heritage Trust, the custodian of the National Heritage Collection, which made further progress during its fourth year of operation, both financially and in the conservation of its historic properties.

Historic England could not make so much progress in championing and protecting England's historic environment without the hard work, expertise and passion of our staff. Despite the uncertainty accentuated by the internal change programme, they have achieved the many milestones referred to in this report and helped to keep the vital importance of our heritage at the forefront of local, regional and national awareness. My fellow Commissioners and I feel proud to be working with them and are hugely grateful for their outstanding contribution.

Sally Balcombe retired as a Commissioner on 31 May 2018, having chaired our Business and Finance Committee where we benefited greatly from her extensive commercial experience as we developed our efforts to engage more effectively with our stakeholders. Paul Baker retired as a Commissioner on 31 December 2018. He remains a member of our London Advisory Committee and the Historic England Advisory Committee, which will enable us to continue to draw upon his architectural expertise. We are most grateful to Sally and Paul for their contribution as Commissioners.



Sir Laurie Magnus
Chairman



1 Performance Report

1 Performance Report

Overview

The Performance Report sets out our organisational objectives and challenges, and summarises how we have performed against them during the year.

Our Purpose

Historic England’s formal name is the Historic Buildings and Monuments Commission for England. We are an executive non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). We were established on 1 April 1984 by the National Heritage Act 1983, which sets out the scope of our duties and functions.

We are the public body that helps people care for, enjoy and celebrate England’s spectacular historic environment, from churches and battlefields to parks and high streets. We champion and protect the places that define who we are and where we have come from as a nation.

We **champion** the historic environment, helping people discover the great places that add colour and character to our lives. We include everyone’s history, because every community has made a contribution that is worth understanding and celebrating.

We **protect** by identifying the most important parts of our heritage, by listing and conserving, and by speaking up for places that are at risk.

We **care** by helping communities and professionals to look after their local heritage.

Our Aims



Championing

We help people understand and appreciate the benefits that England’s heritage brings and why it should be respected, cherished and enhanced. We use our knowledge and understanding to help celebrate and protect what is special, making sure England’s history is recognised and enjoyed. We open up heritage for everyone using digital resources, media campaigns, our unsurpassed archive, publications, information and exhibitions.

Protecting through the Listing and Planning System

Protecting historic places through the designation system is at the heart of what we do. We manage the National Heritage List for England so that our important places benefit from legal protection. Each year we give advice on more than 20,000 applications for planning permission or listed building consent.

Match-funding and Financial Incentives to Protect Places

We provide essential funding and grants to manage our heritage at risk so that it is secured for the future; because we want people to use and enjoy historic places in ways that reveal and reinforce their significance, and safeguard their setting in a wider landscape. Our grants to 'at risk' sites are often the first financial commitment and can be a vital catalyst in giving others the confidence to invest.

Strengthening National Capacity and Resilience of the Heritage Sector

We help make sure that threats to our heritage are understood so that policies, effort and investment can be targeted effectively. We share our knowledge through training and guidance, conservation advice and access to resources.

Oversight of the National Heritage Collection cared for by English Heritage

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

Improving Financial and Organisational Resilience and Accountability

We direct our resources to where we can have the most impact, and we are developing better ways to measure our performance to demonstrate the public benefits of our work. We are building our fundraising capability and we charge the cost of certain services to help resource our front-line functions.

Chief Executive's Report and Overview of 2018-19

Historic England is now four years old. We have learned a lot in this relatively short time about how we can fulfil our mission to protect and champion all of England's heritage, which is at the heart of what we do.

This is, of course, underpinned by the detailed technical work we do within the planning system, in assessing buildings and monuments for listing and scheduling, and in researching our heritage, which never ceases to uncover new and surprising stories and facts. We share our work with the public and our partners through campaigns, publications, guidance and training.

It is important, though, that we review how we work from time to time and challenge ourselves, to make sure that we continue to evolve and reflect the changing world around us. We also need to make sure that we have the flexibility and resilience to respond to new priorities that we cannot yet foresee.

For that reason, this year we began a comprehensive Change Programme, looking at six areas of our business: impact and public value; regional delivery; organisational structure; people, skills and culture; support systems; and communications. The Programme has two key aims:

- ▶ a stronger organisation that is more effective, more adaptable, more financially secure, focused on public value, and fit for the future; and
- ▶ a workplace that supports people to make the best of their abilities, embrace diversity, stay well, keep learning and enjoy their work.

As a public body, we are obliged to ensure that every pound is well spent on public benefit, and as resources become ever tighter, we need to look at everything we do with this in mind. To help us do this, we have developed our Public Value Framework to measure and assess our work in terms of where it has the greatest public benefit, and invest or divert our resources accordingly.

We have reconfigured our operational groups to create more multi-functional regional teams. By removing some of our traditional institutional barriers, for example between our planning, listing and research disciplines, we have moved towards a more place-based approach, and will be able to work more closely with regional stakeholders and local communities.

To improve our own resilience, we have identified and are developing the skills and succession planning that we need for the future. A Learning Strategy will bring together business, professional and personal development needs; and a Career Framework will help support our people to progress with their careers, be that in specialist, technical or management roles. We are reviewing, rationalising and replacing our tools and software through our Application Development Programme, to help underpin more agile, integrated and secure working across Historic England.

As well as making sure we have the right skills and systems to help us do our jobs, we need to better reflect the public we serve and so we are addressing the diversity of our workforce wherever we can. We have developed a number of apprentice roles and have extended our positive action heritage placement training scheme.

We are seeking to share what we do with a wider and more diverse audience by using plain English and avoiding arcane language, and by using more images, video and social media to explain our work. Crucially, we are involving the public and asking what is important to them, rather than simply extolling the virtues of what we believe to be significant.

Our reputation with the public is measured by RepTrak, the Government's independent survey of public bodies. Our 6th place ranking in the latest annual results suggests that we are doing well in this respect, but we are not complacent and know that we still have much more to do to reach even more of the population.

As well as our public audiences, we know that we need to work more effectively with partners, including other cultural organisations or those tasked with delivering national priorities such as housing and community cohesion. The £55million we are charged with by the Historic High Streets programme is a real vote of confidence by Government in our ability to deliver against important social priorities.

It is also an important acknowledgement of the significant role that heritage can have in society: be that by enhancing our wellbeing and quality of life, improving the way that places are perceived, as an employer, or as a driver and catalyst for economic and social regeneration. *Heritage Counts 2018*, which we produce on behalf of the heritage sector, explores some of these ideas in more detail. This year we also produced an assessment, *Wellbeing and the Historic Environment*, setting out evidence for the role that the historic environment has in promoting health and wellbeing. We are examining the ways in which that relationship can be explored further, both by Historic England and across the sector.

The Change Programme has also helped us to focus our thinking around our purpose, vision and values, which we have translated into a new Corporate Plan. From next year, we will be reporting against new strategic objectives and new performance measures, which have been designed and refined in collaboration with our staff. We have also developed a new set of organisational behaviours to help make Historic England a fairer and happier place to work, supporting everyone's health and wellbeing and encouraging diverse views.

We entered 2019 with a number of key exercises underway, including preparations for our Tailored Review, which examines our fundamental purpose and value; and a Spending Review, which will look at how we spend public funds. We are confident that the work I have described above, particularly around delivering public value, will put us in a strong position to address these challenges convincingly and constructively.

2018-19 has been a busy and rewarding year. The following pages set out just a few of our achievements, and also acknowledge the challenges and opportunities that we will continue to monitor and address.

Key Issues and Risks for Historic England

Any public body largely funded by grant in aid faces an uncertain future at the outset of a Spending Review, although we are confident that we are making a good case for heritage in general and Historic England in particular.

As a statutory body, the legislative context that we operate in is also critical to our success in championing and protecting England's historic environment, so any changes to the National Planning Policy Framework, and planning policy more generally, are also significant risks to our effectiveness. Reductions in Local Authority capability in planning and conservation disciplines is a related risk at a time when public funding remains stretched.

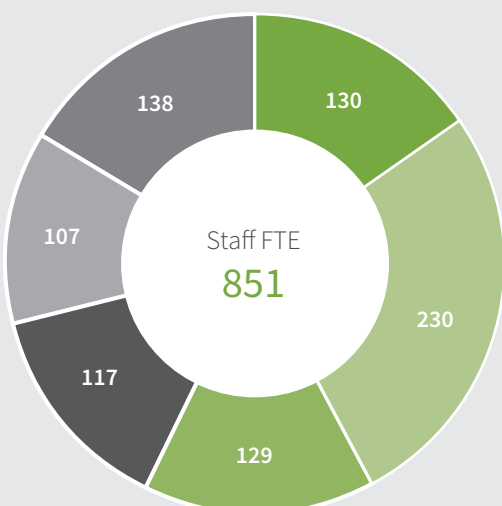
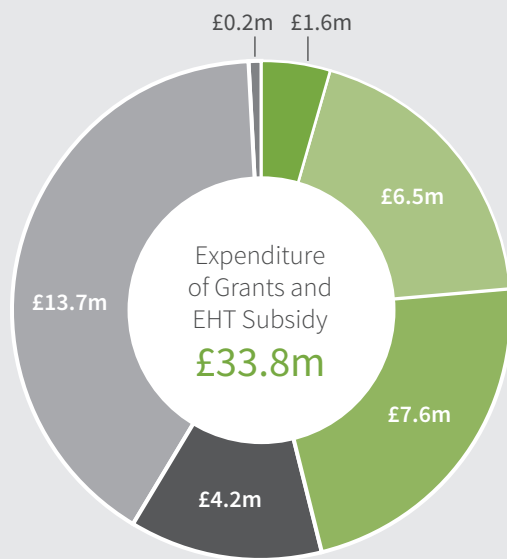
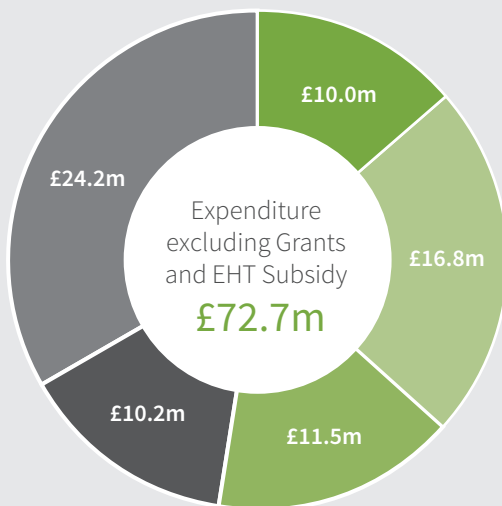
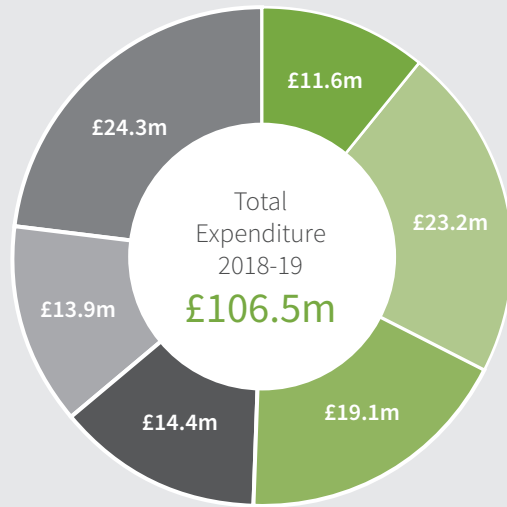
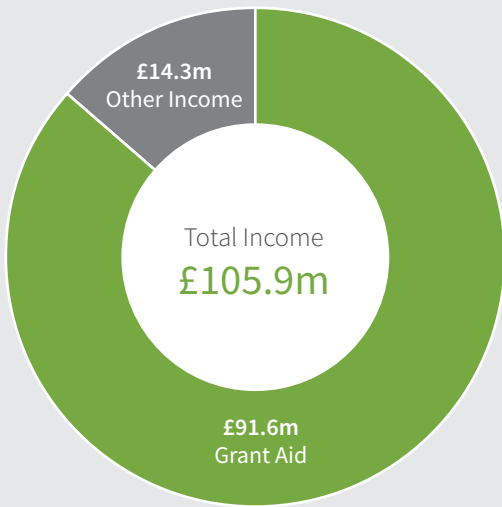
The success of the English Heritage Trust on its path to self-sufficiency, and as custodian of the National Heritage Collection of sites and monuments, is very important to the future prospects of Historic England as its parent body. Changes in England's domestic and overseas tourism are therefore an important factor.

Our major regeneration project at Shrewsbury Flaxmill Maltings has so far delivered the restoration of the Main Mill on time and on budget, with substantial financial support from the National Lottery Heritage Fund and other donors. We now enter a different but no less critical phase, when we will be looking to complete the restoration and renovation of the main building, find tenants for it, and engage with partners over the future of the surrounding development land.

Overall, our reputation as a resolute defender of this country's extraordinary heritage is the most significant factor in our continued success. That will depend on how we manage these and other risks and deliver on our overall objective as a champion and protector of England's historic environment.

More detail about how we monitor and manage our risks is set out in the Governance Statement that starts on page 26.

Performance Summary



Corporate Aims

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

Performance Analysis

This section describes how we have performed in the pursuit of our Corporate Aims and in relation to the Performance Indicators from our 2018-21 Corporate Plan.

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. An overview of our performance against those priorities starts on page 16.

Highlights of the Year

Championing

Our award-winning Heritage Schools programme, which helps school children develop an understanding of their local heritage and its significance, continued to grow in 2018-19. Since launching in 2012, the programme has reached more than 700,000 children, and a record 3,500 teachers and educators attended Heritage School training events this year.

700,000 children reached through the Heritage Schools programme

The programme included events to mark the centenaries of the end of the First World War and the Representation of the People Act. Children's work from Heritage Schools in Manchester and Oldham was exhibited at Manchester Central Library, with some pieces now held in the archive of the Suffrage Centenary at the Pankhurst Centre in Manchester.

In September 2018, the Historic England Commission met with children from Hudson Road Primary School in Sunderland, where the Chairman presented pupils and staff with a Heritage Schools Award for their work on a 'Heritage Alphabet' display and book, as part of the Sunderland Heritage Action Zone (HAZ). An Education Pack for the HAZ and training for teachers will ensure that this work will continue to have a legacy in the area.

Evaluation data is consistently positive about the programme's impact on both teachers and pupils. As well as teachers agreeing overwhelmingly that the programme increased their own and pupils' awareness and understanding of local heritage, secondary benefits include an increase in children's pride in their local area, improved self-esteem and the valuable opportunities the programme creates for building relationships within local communities.

We increased our positive action heritage training placement scheme in 2018-19, with 20 young people who identify as having Black, Asian or other Minority Ethnic (BAME) heritage or mixed heritage, gaining skills and experience for a career in the sector by working with Historic England and six other partner organisations.

Work on our *Another England* programme, which celebrates and commemorates the contribution of Black and Asian heritage and migration to the built environment, included the *Human Stories: Another England* photographic exhibition at the NOW Gallery in London, and a partnership with the Stephen Lawrence Charitable Trust on the *Connecting People and Places* research project, which aims to identify and celebrate the built environment within the context of BAME local communities and heritage.

Historic England has a vital role in promoting public understanding of historic places and encouraging discussion about how they are interpreted. This can sometimes include parts of our history that are uncomfortable or shameful by today's standards. We partnered with Intelligence Squared on its *Revere or Remove?* debate and contributed at other events on contested heritage at Leicester and Bristol Universities. We produced a Policy Statement explaining our position in favour of contemporary responses to contested heritage that do not lead to the removal or significant alteration of protected sites or monuments, and we also published guidance and a checklist for planning authorities, which are the decision-making bodies in most cases.

Our *Immortalised* season explored how, why and who we remember in our streets, buildings and spaces. It looked in particular at why many lives, including those of women, the working classes and people of colour, are much less likely to be represented. The programme involved a design competition to find new ways of remembering events and people in the public realm, an immersive exhibition, and a public appeal to help identify little-known memorials, which brought to light a number of inspirational and poignant local stories from around the country.

The Historic England Archive is an incredible resource, with over one million photographs, plans and drawings searchable for free online. As part of our continuing programme of digitisation and cataloguing, this year we created features and curated collections including a focus on women photographers, some of whose work we featured in the Archive's Heritage Open Day 'Extraordinary Women' display.

A fantastic team of Archive volunteers contributed over 1,300 hours this year, working on projects including the rehousing of material, and on our collection of over 30,000 stained glass images. Our 'virtual' volunteers also contributed over 1,800 hours, adding images from the Archive to the National Heritage List for England.

over **3,100** hours
work contributed
by Archive volunteers

Thanks to a successful application to the John Laing Charitable Trust to fund our *Breaking New Ground* project, more than 10,000 images from the John Laing plc photographic collection will be made available to the 1.3million people who currently use the Archive across the world. The project also includes educational resources and schools visits, inter-generational outreach work, films and conservation.

100 years after the first British women got the vote, women's history is still under-represented. Throughout 2018, to commemorate the centenary of the Representation of the People Act, our *HerStories* campaign researched, highlighted and re-listed places that played a part in the struggle for suffrage and subsequent gender equality. Forty-one places across England at the centre of suffragette action were officially recognised as such on the National Heritage List for England (the List), including a Bristol hall where suffragettes hired professional boxers to stop medical students from interrupting Mrs Pankhurst's speeches, and the Birmingham school that charmed two suffragettes into leaving a note on the blackboard saying they couldn't bear to set it on fire.

We concluded our four-year programme commemorating the centenary of the First World War by publishing *Legacies of the First World War*, which highlighted the physical remains left across England by the First World War. More than 2,500 war memorial entries were added to, or amended on, the List, and we worked in partnership with the War Memorials Trust, the Imperial War Museum, Civic Voice, as well as volunteers and school children across the country, to better understand these important local landmarks and protect them for the future. Eleven of the memorials were nominated for listing by children taking part in the Heritage Schools programme.

Our *Irreplaceable: a History of England in 100 Places* campaign sought the public's help to create a list of the 100 places that tell the remarkable story of England and its impact on the world. There were more than 100,000 downloads of the *100 Places* podcast, which won a Silver Award at the 2018 British Podcast Awards. It was our first major public-facing campaign, sponsored by specialist insurer, Ecclesiastical, and reached more than 87% of all UK adults through national and regional media coverage. The campaign concluded in December 2018 with the publication of *A History of England in 100 Places*.

Other campaigns and media coverage that captured the public's imagination during the year included the high quality cropmarks revealed by the hot, dry summer of 2018, with our aerial archaeology team discovering many previously unknown sites. This was our most successful news story of all time with more than 20,000 views and was featured prominently on BBC News.

The graffiti left behind by 3rd-century Roman soldiers quarrying stone near Hadrian's Wall was also a popular story, and garnered international media coverage. As part of a project in partnership with archaeologists from Newcastle University, the inscriptions, which included a caricature of a commanding officer as well as names, ranks and military units of some of the soldiers, were recorded through online 3D models, enabling the public to view them for the first time since a path partially collapsed in the early 1980s.

Protecting through the Listing and Planning System

The National Heritage List for England (the List) is the official register of all nationally protected historic buildings and sites in England. Encompassing buildings, monuments, battlefields, shipwrecks, designed landscapes and World Heritage Sites, it records the extraordinarily varied built heritage of our country, and offers protection so that these places can continue to be appreciated for years to come. The List is curated by Historic England on behalf of DCMS. In November 2018, we advised the Government on revisions to the *Principles of Selection for Listed Buildings*, which sets out the criteria and principles that it applies when deciding whether a building is of special architectural or historic interest, and should therefore be added to the List.

Our *Enriching the List* programme, launched in 2012, invites the public to share with us its knowledge and pictures of listed places so we can record important facts and sometimes even unlock the secrets of places. To date, there have been almost 48,500 contributions, and we anticipate that, by June 2019, 20% of the List will have been enriched. We have produced step-by-step guides for members of the public, and specifically for teachers, to help encourage children to discover more about their local heritage and community and to see their work added to the official List.

In 2018-19 the List reached 400,000 entries, with the addition of the purpose-built flagship office for the Raleigh Cycle Company in Nottingham, listed at Grade II. In December 2018, our annual national overview, *23 Remarkable Places*, highlighted a rich selection of unique sites from the additions made to the List during the year. These included a former lifeboat house in Walton-on-the-Naze, Essex built in 1884 (Grade II), representing the crucial role played by the Royal National Lifeboat Institution (RNLI) in saving lives at sea since the 19th century. The List entry recognises not only the important part played by the local community in raising funds for the site, but also includes charming details of the official opening of the lifeboat house and the boat launch ceremony.

over **48,000** entries
to our Enriching the
List programme

Another list addition was the Tidal Observatory at Newlyn, Cornwall (Grade II), which, in the early 20th century, became the principal place for establishing Mean Sea Level for the entire country. For the past 100 years, the observatory has contributed key tidal data to studies in oceanography, geology and climate change. Two very different but equally fascinating ships also earned protected status in 2018-19: the Camber Sands wreck near Rye, East Sussex and the Tankerton wreck near Whitstable, Kent. The latter is the only known surviving medieval shipwreck in south-east England and provides important evidence of late medieval shipbuilding techniques as well as the copper industry along the north Kent coast.

Following on from our 2015-16 study of inter-war pubs, our researchers looked at pubs from the post-war era (1954 until the mid-1980s). During this time, pubs were constructed in their thousands in areas such as new housing estates and cities damaged by wartime bombing, as the English pub became for the first time a fully accepted social amenity, with features such as family rooms and car parks. In May 2018, we recommended five pub listings from around the country, among them the themed Centurion in Bath, which features a large bronze figure of a Roman centurion on its exterior; and the Crumpled Horn in Swindon, designed by the notable architect Roy Wilson-Smith around the theme of 'The House that Jack Built' nursery rhyme.

As part of the Great Exhibition of the North celebrations, the iconic Tyne Bridge between Newcastle and Gateshead was upgraded to Grade II*. We also hosted an exhibition, *Spirit of the North*, at Bessie Surtees House in Newcastle, focused around a series of images produced by

photographer John Kippin, which celebrate Northern spirit and capture iconic historic places such as the Grade II* Tees Transporter Bridge and the Grade II Salford Lads Club. The accompanying podcast series delved into the history of landmark buildings and sites across the North, with local voices touching on music, industry, nature and transport to explore the concept of the 'Spirit of the North'.

Most changes to buildings and land in England are managed through the Planning System. It guides decisions on proposed changes to historic buildings and places, including those that have been protected through designation. During the year, we continued to work closely with government and heritage sector partners to identify and implement improvements to the heritage protection system, commissioning research and drafting guidance to help deliver appropriate changes.

In July 2018, the Government published a revised version of its National Planning Policy Framework (NPPF), which sets out how its planning policies should be applied. We produced briefings and guidance, including a short film, to highlight particular changes to the NPPF in relation to heritage, and we engaged closely with the Ministry for Housing, Communities and Local Government (MHCLG) officials in their redrafting of the Planning Practice guidance, which underpins the NPPF, to try to ensure it took the historic environment into account appropriately.

In England, Building Preservation Notices (BPNs) are the main means of interim protection, whereby a building is treated as if it were listed whilst we carry out an assessment. In November 2018, we updated our guidance on BPNs and launched a two-year pilot scheme to explore the benefits of indemnification by us of local authorities against the risk of compensation claims. The aim of the pilot and the updated advice encourages the use of the tools already at the disposal of local authorities to reduce the number of regrettable stories we read about where valuable, historic buildings are demolished before they can be assessed or protected.

We promoted discussion and engagement on this important issue through a series of webinars, and our Training team also provided sessions for local planning staff to learn more about other enforcement powers available to them to help protect heritage at risk, such as Urgent Works and Repairs Notices.

Match-funding and Financial Incentives to Protect Places

Our Heritage at Risk programme sees our regional teams working with owners, friends groups, developers and other stakeholders to find solutions for 'at risk' historic places and sites, by providing advice, guidance and resources. Having published our first Register of Buildings at Risk in 1998, we celebrated 20 years of the programme in November 2018.

We have given around £50million in grant to help repair some of the 2,000 buildings that were on that first register, and over two thirds have now been saved, including 24 that were removed from the Register in 2018. It is a mark of some success that so many former buildings at risk now host successful businesses, whilst others provide much-needed housing, education facilities, or thriving community centres to be enjoyed by generations to come. However, buildings continue to be added to the Register, too.

20 years of the Heritage at Risk programme

Our grants help owners look after some of the most important buildings, monuments and designed landscapes in the country. We also help fund research so we can understand and care for the historic environment better. This year we spent £20.2 million across our grant schemes. The grant offers vary in amount, and the projects can take from a few months to several years to complete. The following are just a few examples of the projects we have been working on this year:

- ▶ Wentworth Woodhouse is a Grade I listed country house situated to the north east of Rotherham, South Yorkshire. Constructed mainly during the 18th century, the house has over 200 rooms, many with exceptional decoration and plasterwork. We have managed a £7.6million grant on behalf of DCMS for essential repairs to the main house and its most significant associated buildings, focusing on making the buildings waterproof and stable to protect the magnificent interiors and ensure that the buildings can be restored to new uses. We have also provided architectural and business management support advice to the Wentworth Woodhouse Preservation Trust.
- ▶ Grant-aided repairs to the roof of the Spanish Hall, part of the extensive Grade II* complex that forms the Winter Gardens in Blackpool, were completed in 2018-19. The Spanish Hall was built in 1930 and is a highlight of the Winter Gardens' Olympia complex, featuring elaborate 3D plasterwork depicting Spanish villages and landscapes. The roof repairs were funded in partnership with Blackpool Council, with Historic England contributing £500,000 to this £1.25million project.
- ▶ 47 Guildford Street, Luton, otherwise known as the 'Hat Works', is the oldest listed hat factory in the town. Our emergency repair grant helped Luton Culture turn this and other buildings in the Plaiters' Lea conservation area into a cultural quarter, now known as 'The Hat District'. As well as celebrating the area's history, it will also provide creative spaces for the businesses of the future. Hat Works has also recently received £100,000 from the Wolfson Museum and Galleries Fund.
- ▶ The Grade II* Electric Palace Cinema in Harwich is one of the earliest purpose-built cinemas from the silent screen era to survive. The cinema has been owned and managed through a charitable trust since 1980. Their programme of restoration work (funded by the National Lottery Heritage Fund) was forced to stop when there was an unexpected find of asbestos, but we were able to provide an emergency grant to help cover the additional costs, making sure that the restoration work could be completed as planned and the cinema reopened to the public.
- ▶ We funded and resourced a two-year project at the Grade I Brancepeth Castle in County Durham. The programme included £400,000 of emergency repairs, considerable research and innovative public engagement, which included members of the public being invited to 'have a go' at repairing medieval stone rubble walling, stone carving and creating traditional roof details in lead sheeting. Nearly 200 people attended a public talk to hear about the research funded by Historic England.
- ▶ We provided a £660,000 repair grant for repairs to the Gala pool roof of Moseley Road Baths in Birmingham. The municipal baths, with their lavish terracotta decoration, were opened in 1907 as an addition to the Free Library, forming a group of public buildings. The threat of closure has now been averted with a swimming group taking over the pool operation until 2021.

England's textile mills, once the workshop of the world, were the original Northern Powerhouse. They are fundamental to the history, culture and landscape of northern England but, sadly, these historic mills are being lost at a rapid rate, with many more standing empty and neglected. Our cross-regional *Engines of Prosperity* programme promotes the reuse of vacant and underused textile mill buildings, and there were a number of positive stories from 2018-19. West Yorkshire Combined Authority now recognises the mills in its area as strategic assets and has created a Historic Buildings Strategy Group, and Oldham Council will be commissioning a Mills Strategy to prioritise the reuse of mills to deliver growth.

We have supported a number of mill owners in securing repairs and new uses, including at the Grade II Newsome Mill in Huddersfield, and the Grade II* Leigh Spinners Mill in Wigan, arguably the last great cotton mill to have been built in England, and a well-loved and distinctive landmark in the local skyline. The engine house, still housing its steam engine, has been restored and is now open to the public once a week. A £252,000 grant has contributed to vital repairs to waterproof the building, which has helped attract new tenants including a number of sports facilities, supported by funding from Sport England.

As of June 2019, there will be 20 Heritage Action Zones (HAZ) across the country, where we are working with local people and partners to unleash the power in England's historic environment to create sustainable economic growth and improve quality of life in villages, towns and cities. Each HAZ is unique, with the following being just a small selection of the range of projects we are working on:

- ▶ Elsecar is a Model Industrial Village at the heart of the Wentworth Estate. The three-year partnership with Barnsley Council includes a full Historic Area Assessment to enhance what we know about the site, and to understand how residents and visitors experience the village. There is a regular programme of events, including activities for schools, and interest in the former works and the village has grown both locally and regionally. An area of land to the north-west of Elsecar has been returned to protected Green Belt status in light of our research identifying it as archaeologically fundamental to the understanding of coal mining and iron working in South Yorkshire.
- ▶ The Nottingham HAZ, in partnership with the city council, has already secured the repair and sustainable ongoing use of the Grade II* charitable Bromley House Library, and the repair and reuse of the Grade II Birkin building, a former lace factory. Our listing and survey teams have worked in the city's market place area and on Nottingham's vast resource of rock-cut caves, and the first historic shop front reinstatement has now been completed on Market Street.
- ▶ Working with Durham County Council, we established the Bishop Auckland HAZ to be a significant player in the town's future, as part of the Brighter Bishop Auckland Regeneration Partnership, and alongside The Auckland Project's multi-million pound creation of a visitor destination at Auckland Castle and Park. As part of a project for vacant buildings in a key location between the town and the Castle, we provided a £50,000 Repair Grant towards the conservation and re-use of the Grade II* West Mural Tower, part of the Auckland Castle estate. We have delivered a range of listing and research projects including a Historic Area Assessment and building assessments, and are also influencing the research agenda and archaeological investigation at Auckland Castle.
- ▶ In Sutton, we completed a listing review with five new listings and five updated entries, including two to Grade II*, and have overseen the successful delivery of a Historic Area Assessment. These projects, along with the ongoing Partnership Grant Scheme, will better reveal the heritage significance of this major south London town centre.
- ▶ With our partners at the London Borough of Southwark, we have employed a project officer to develop the Walworth HAZ. Photographic surveys, including aerial photography, have started along with scoping of research work to consider the significance of social

housing and former market gardens, as well as potential grants projects.

- ▶ The second year of the Sunderland HAZ continued to reap extraordinary and inspiring results. Partnership work with the Tyne and Wear Preservation Trust and Sunderland City Council resulted in the transfer of ownership of 170-175 High Street West, after over a decade of being derelict and at risk. We funded emergency repairs and parts of the building are now open and being used by the innovative culture hub Pop Recs in conjunction with Sunderland Culture. Renovation of the buildings is being carried out in conjunction with Sunderland College to promote skills and training, and the site will also feature as a case study in a European research project. We engaged with local communities, included linking with the Sunderland Tall Ships event in July 2018, and partnered with Great Places to open up unused buildings for pop-up exhibitions. A 'Look Up' campaign used local bus stops to encourage people to notice the historic streetscape around them.
- ▶ *Weston-super-Mare: the town and its seaside heritage*, was published in March 2019 and was a significant milestone in the Weston HAZ. The publication was the culmination of a research project that also created a gazetteer of all Weston's historic streets, which in turn informed the establishment of new conservation areas, a conservation management plan and a characterisation study.
- ▶ We secured a £70,000 grant from Highways England to investigate the Southern Blockhouse in Hull, a 16th-century artillery fort built on the orders of Henry VIII, which forms part of a series of defensive structures on the eastern bank of the river. Past archaeological excavations had established good survival of elements of these defences and the 17th-century Citadel that incorporated them. The aim is to develop the Southern Blockhouse as a visitor attraction, providing a stepping stone between the popular visitor attraction 'The Deep' and Hull Old Town; in turn stimulating and supporting economic regeneration and developing the city's Old Town as a world-class visitor destination and a place to live and work.

Strengthening National Capacity and Resilience of the Heritage Sector

We provide training and guidance to help local authorities, heritage professionals, owners and voluntary organisations look after England's heritage. We train people whose work directly or indirectly impacts on historic sites and buildings, on subjects ranging from government policies, to practical, technical and specialist skills. Courses we offer include HELM (Historic Environment Local Management); Essentials, designed for local authority planners and early entrants to historic environment services; and Heritage Practice courses, for heritage practitioners.

In 2018-19 we continued to develop the training we offer to other public authorities and specialists in the sector, and started an evaluation of our pilot approach to blended learning, which combines face-to-face and online training. We have pioneered the development of the Heritage Workspace, an online collaborative working space to support peer-to-peer learning, project delivery and partnership.

All our advice is free online and printed versions of our advice publications are available to buy. We issued a wide range of advice and guidance documents during the year, including *A Guide to Historic Environment Records (HERs) in England*, which sets out how a HER host authority can ensure that their records are kept up-to-date and meet the requirements of the NPPF. Other topics included *Energy Efficiency in Historic Buildings* and *Insuring Historic Buildings and Other Heritage Assets*. We have also updated our *Streets for All* guidance, which offers practical advice for public realm improvement projects in historic locations and has had more than 750 downloads since it was refreshed. We also prepared guidance on conservation area management, neighbourhood plans, minerals and archaeology, and conserving terraced housing.

Our Collaborative Doctoral Partnerships programme, in partnerships with the Arts and Humanities Research Council (AHRC), saw two more early career researchers receive their PhDs in heritage-focused projects this year. Three new post-graduate students also started their studies, co-supervised by our expert staff. We have been successful in an application to the AHRC to extend the scheme for a further cohort in 2019-20 to allow us to help develop the future specialist workforce.

Partnering with Plymouth University, we won our first major research grant as a Public Sector Research Establishment and were awarded £150,000 funding to employ an archaeobotanist for two years. The multidisciplinary and innovative project will use palaeological and archaeobotanical data from the UK to reconstruct long-term land-use change.

In December 2018, we received a generous £471,000 grant from Allchurches Trust to support heritage apprenticeships at Historic England. Based around the new Historic Environment Advice Assistant apprenticeship, the award will directly fund the recruitment of six new apprentices across the country.

A heritage skills programme, supported by the Andrew Lloyd Webber Foundation, is being delivered during the construction works at Shrewsbury Flaxmill Maltings and covers a wide range of expertise and skills. Work placements and training events used the site itself as a tool for learning. We also ran bespoke group visit and behind the scenes tours, attracting groups that are underrepresented in construction and heritage.

In partnership with the National Police Chiefs' Council, the Crown Prosecution Service and others across the heritage and law enforcement sectors, Historic England set up the Heritage Crime Programme. Through guidance, briefings, workshops and online scenario training, we continued to broaden general awareness of the need to tackle heritage crime, and were pleased to note the two successful prosecutions relating to the unlawful removal of metal from historic wrecks, and for stealing historic roofing lead from church buildings. Heritage and the historic environment have also been recognised in the new national strategies for Rural Affairs and Wildlife Crime.

Our engagement on international heritage issues continued to develop during 2018-19, with closer ties with a range of countries. Our work with the British Council has been particularly productive in the past year. We have partnered with them to conduct research into the concept of Cultural Heritage for Inclusive Growth and this new project, due to be completed by March 2020, will seek to collate evidence of best practice examples that demonstrate the multitude of ways that heritage contributes to community, identity, and to economic and social development. We also provided advice on the Cultural Protection Fund, run by the British Council, to support heritage resilience in conflict zones; and we have developed a license to cover translation of our written guidance and training materials to support heritage organisations abroad.

Historic England provides advice to the Government on its obligations relating to world heritage. We work closely with DCMS to help it meet its international obligations to identify, protect, preserve, promote and transmit the Outstanding Universal Value of World Heritage Sites in England for the benefit of this and future generations. In particular, we have provided advice on the reconciliation of world heritage values with new development at World Heritage Sites such as Cornwall and West Devon Mining Landscapes; Liverpool; Stonehenge, Avebury and Associated Sites; and the Palace of Westminster and Westminster Abbey and St Margaret's Church. We have offered advice and support to the University of Manchester in its work on the nomination of the Jodrell Bank Observatory for inscription on the World Heritage List, a decision on which is expected in July 2019.

Oversight of the National Heritage Collection cared for by English Heritage

2018-19 was the Trust's fourth year of operation under the eight-year licence from Historic England. It had a positive year, achieving its overall targets. Its outturn was a net surplus of £8.8million, an improvement of £7.5million on 2017-18. It invested £41million in the conservation and maintenance of the National Heritage Collection, and welcomed nearly 6.4million visitors to the staffed sites. In detail, English Heritage saw:

- ▶ steady progress in numbers of admissions (6.4million to paid for sites, in line with last year) and membership (1.04million, up 8%);
- ▶ continued improvement in admissions and membership related income (£70.5million, up 9%);
- ▶ retail and catering income growth (£23.9million, up 3%);
- ▶ slight decrease in income from donations, legacies, licensing, sponsorship and advertising (£7.6m, down 4%); and
- ▶ reduction in expenditure (2%) and income growth (4%).

Conservation highlights from the year include the £3.6million restoration of the Iron Bridge in Shropshire and the vital repairs to the masonry at Pevensey Castle and Carisbrooke Castle. The Trust spent £500,000 to repair the ancient walls of Silchester Roman Town, and stabilised Byland Abbey's fragile masonry. At Pendennis Castle, the castle's Mk III 1943 anti-aircraft gun was repainted, rewaxed and reinstalled on a new platform, where it is being fired regularly by volunteers. These repairs were made possible thanks to donors to the Trust's *Save Our Cannons* campaign. The conservation maintenance teams played their part in the preparations for the Armistice Centenary, carrying out deep cleans of the Cenotaph on Whitehall, and the Machine Gun Corps Memorial and the Royal Artillery Memorial, both at Hyde Park Corner, London.

Of the £80million capital grant from Government, English Heritage has now spent 54% of the £52million allocated to conservation repairs; and 79% of the £28million allocated to improved visitor facilities, with four years of the licence remaining.

Improving Financial and Organisational Resilience and Accountability

In 2018-19 we began a significant piece of work – our Application Development Programme (ADP) – to replace ageing legacy IT systems. Phase I has been focused on our core business areas of planning and listing. We are also using the ADP as an opportunity to embed new ways of working, utilising agile and lean principles. To help improve our engagement with online audiences, we migrated our corporate website onto a new Content Management System. As part of this significant project, we were also able to improve accessibility and compatibility with modern browsers.

We have renewed our collaboration agreement with the Getty Conservation Institute who are building a new IT platform for Historic Environment Records (HERs) based on their internationally recognised Arches system. Our own Greater London Historic Environment Record (GLHER) is now being migrated to the new system, which will improve accessibility and will be more user-friendly. Given that about 26% of planning applications have a heritage dimension, information held in HERs is essential for well-informed planning and development decisions.

As part of our Change Programme, we disposed of two offices that were surplus to requirements: in Northampton by means of a break clause; and in Guildford by means of a sub-lease. We have consolidated our regional teams to establish a new Midlands team in Birmingham, and a London and South East team based in the City, which has provided valuable opportunities for closer working and sharing expertise. We have acquired new offices for our South West regional team in the heart of Bristol within a conservation area. The new space will provide almost 6,000 sq ft of open-plan space, furthering our roll-out of agile working principles. Re-configuration of our head office in Swindon has improved the working environment there.

To help with our fundraising ambitions we have now established and registered our Charity, the Historic England Foundation, which will enable the Philanthropy team to administer its income. The team has achieved 75% of its £1million fundraising target for the Main Mill and Kiln project at Shrewsbury Flaxmill Maltings; and 2018-19 saw us surpass £2million in pledged income across the breadth of our fundraising portfolio.

Our Finance teams contributed towards the development of the successful Business Cases to government for major projects including the Historic High Streets initiative and Shrewsbury Flaxmill Maltings. Developments and upgrades to our finance systems this year have allowed us to enhance reporting and maximise cost savings. To deliver ongoing efficiencies, we have also introduced new and fairer expenses policies for staff that reflect corporate requirements whilst encouraging more efficient use of resources.

At Historic England, we are committed to supporting good mental health and wellbeing. With expert advice from Mind and Time to Change, we developed our Mental Health and Wellbeing Action Plan in conjunction with staff. We were very proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index in 2018-19, which recognised our long-term investment in improving mental health and wellbeing at work. Amongst our achievements are our 20 Mental Health First Aiders, who have been trained to provide confidential advice to people who are experiencing poor mental health. We also have a strong group of Mental Health Champions who lead anti-stigma and awareness raising activities. Colleagues have also shared a range of different personal mental health stories, which has been a powerful tool in breaking the stigma and has given more people the confidence to talk about their mental health.

Performance against our Key Performance Indicators in 2018-19

Measure	2018-19	2017-18	2016-17
Number of visits to our website	6.55m	5.53m	4.40m
Media coverage (<i>national/regional articles or broadcasts</i>)	4,923	3,335	2,269
Social media followers	314,800	252,250	215,300
Newsletter subscribers ¹	26,000	81,000	80,900
Teachers and other educators attending Heritage Schools training	3,503	3,123	2,935
RepTrak™ survey score ²	78.6	77.3	78.4
% of adults surveyed for DCMS's <i>Taking Part</i> that had participated in the historic environment:	72.8%	74.2%	73.2%
▶ % of BAME adults surveyed that had participated:	54.2%	58.1%	57.3%
▶ % of adults surveyed from a lower socio-economic group:	61%	61.7%	61%
▶ % of adults surveyed with a limiting illness or long-term disability:	68.5%	70%	68%
Changes to the National Heritage List for England (additions, amendments or deletions)	11,000	10,200	10,200
Historic sites added to Historic Environment Records ³	7,300	6,000	4,500
Pre-application proposals advised on*	2,500	2,700	3,200
% of requests for HE advice processed within agreed deadlines*	99.7%	99.6%	99.9%
Planning casework advised on ⁴	17,900	21,000	22,200
Total cost of grants given	£20.2m	£20.1m	£19.9m
Number of Heritage at Risk sites removed from the Register for positive reasons ⁵	318	387	435
Advice and guidance public downloads ⁶	112,000	138,000	135,000
Research publications public downloads ⁷	367,500	196,000	151,000
Views of our digital Archive ⁸	6.3m	7.8m	16.7m
Online views of the National Heritage List for England*	8.1m	7.5m	6.8m
Training opportunities delivered ⁹	3,000	3,200	3,700

1 Drop in newsletter subscribers due to General Data Protection Regulations coming into force in May 2018. A successful re-engagement programme retained 30% of subscribers (compared to the average of 10% reported by email service provider Adestra).

2 UK average score for a public service body is 65.7.

3 18-19 figure significantly over the annual target (5,000) but averages out over the last two years (at 5,630 p.a.) This is due to the nature of our projects that usually straddle the financial year.

4 Drop mainly due to a significant decrease in LBCs and a smaller reduction in Planning Permission.

5 Reflects 2018 whole year figures (trend data reflects 2017 and 2016 data).

6 Direct year-on-year comparison not possible and no data available for Oct-Nov 2018 due to IT system issues.

7 Increase due to Twitter campaigns, digitisation of additional 600 legacy reports, and new map interface.

8 In May 2017 the 'Britain from Above' site was rebuilt using a newer version of its content management system. This revealed that earlier data (collected from October 2015) had been over-recorded by well over 100% due to incorrect application of the analytics tracking code. Consequently figures for 'Britain from Above' are lower since June 2017.

9 Drop due to a) Heritage Practice Training – contract with University of Leicester (delivery partner) ending, replaced with in-house pilot but does not have permanent staff resource; b) webinars – shift in webinar capacity toward blended learning with webinar element and staff secondment; and c) Essentials – not an actual drop but reflects scheduling/recording across FYs.

*indicates a KPI that is reported to DCMS as part of the Management Agreement monitoring.

Management Agreement Progress Report

Priorities for DCMS	Performance Summary
<p>Protect the English Heritage New Model</p>	<p>The English Heritage Trust has been operating the National Heritage Collection for four of the eight years of its licence. We have continued to support the Trust through tapering income subsidy and have been monitoring the performance of its duties (which has been satisfactory) under the operating licence and grant conditions.</p> <p>Our monitoring role is supported and informed by the work of the Historic Estate Conservation Committee (HECC), with visits during the year to sites including Lincoln Medieval Bishops' Palace, Pevensey Castle, Marble Hill House and Temple Church, Bristol. The Trust has adopted a new Sustainable Conservation Strategy and Asset Management Plan, which has been endorsed by HECC.</p> <p>Despite a difficult start to 2018-19 due to the poor weather at Easter and the exceptionally hot summer, the Trust picked up performance and final visitor numbers for the year were 6,372,000 (less than 1% below budget).</p> <p>In 2017-18, the level of 'shared services' provided between Historic England and the Trust was reviewed. As a result of the consequent reduction in services, the Service Level Agreement charge to the English Heritage Trust reduced from £10.8million in 2017-18 to £8.1m in 2018-19. It will further reduce to £7.8million in 2019-20.</p>
<p>Protect statutory services to government, the wider sector and the public</p>	<p>We have maintained our substantial engagement in the listing and planning system.</p> <p>This year, we made 1,841 recommendations for designation to the Secretary of State with an acceptance rate of 99.9% (In 2017-18 there were 2,198 recommendations and a 100% acceptance rate).</p> <p>As part of the four-year programme of First World War commemorations, which ended on 11 November 2018, we added – or amended – entries for 2,614 war memorials on the National Heritage List for England.</p> <p>We were consulted on over 20,000 planning cases and over 950 Local Plans and Strategic Environmental Assessments. We responded to 99.7% of planning cases within the agreed deadline.</p>
<p>Protect, as far as possible, grants for emergency repairs to the fabric of historic sites at risk</p>	<p>Excluding our own contribution to Shrewsbury Flaxmill Maltings, we gave Historic Building grants of £11.6million in 2018-19. (£11.2million in 2017-18)</p>
<p>Review funding and working relationships with the amenity societies to ensure a balance between accessing expertise and financial efficiency</p>	<p>Our National Capacity Building (NCB) grants are offered to activities and projects that strengthen the ability of the sector to reduce risk to the historic environment. The 2018-19 NCB grant spend was £1million (In 2017-18 it was £1.4million, which reflects a number of grants given as part of the First World War Memorial Programme).</p> <p>We have introduced quarterly reporting and end of year evaluation to enable us to assess the balance between financial efficiency and projects meeting their aims and objectives. Payments, reporting and evaluation plans were in place for the 25 live National Capacity Building grants during 2018-19, including for the Historic Chapels Trust work on Investigating Sustainability, which received a grant of nearly £200,000.</p>
<p>Work with DCMS to diversify revenue streams. In particular:</p> <ul style="list-style-type: none"> ▶ develop Historic England's commercial offer at home and abroad; ▶ pursue philanthropic approaches to generate revenue, which will complement grant-in-aid funding; and, ▶ work with the National Lottery Heritage Fund to develop new models for drawing in wider sources of funding in support of heritage. 	<p>Total non-government income was £14.3million. Of this, £8.6million came from shared services to English Heritage and DCMS.</p> <p>£3.2million of the total non-government income related to Shrewsbury Flaxmill Maltings, and was effectively a straight pass through of National Lottery Heritage Fund and other grants.</p> <p>The National Lottery Heritage Fund (formerly Heritage Lottery Fund) is the main funder of the c.£28million major restoration of Shrewsbury Flaxmill Maltings. The programme remains on schedule and within budget. Historic England has raised more than 75 per cent of its own £1million fundraising target for Shrewsbury Flaxmill Maltings.</p> <p>Our Earned and Other Operating Income was £4.1million, of which £652,000 was from Enhanced Advisory Services, including a number of Service Level Agreements relating to national infrastructure projects. During 2018-19, we initiated new arrangements to better reflect full cost recovery.</p> <p>Our Philanthropy Team had exceeded its 2018-19 income target by the mid-year point. This included a £375,000 grant from the John Laing Charitable Trust for our <i>Breaking New Ground</i> project.</p> <p>As part of our High Streets Heritage Action Zones, we are working with the National Lottery Heritage Fund on a cultural programme to engage people in the life and history of their high streets. We are also working more generally with Arts Council England.</p>

Priorities for DCMS	Performance Summary
Work with DCMS to engage internationally, especially with high priority countries as indicated by Government	<p>Our international activities align with the government's Soft Power agenda. We continue to grow our international reputation and strengthen relationships with other heritage bodies such as the Getty Institute for Conservation, ICCROM and UN agencies beyond UNESCO.</p> <p>We support targeted exchanges with government priority countries, including China. We had a number of exchanges in 2018-19 including ongoing work following the successful 'Wall to Wall' symposium.</p> <p>The Historic England Chief Executive sits on the British Council's Cultural Protection Fund Advisory Board. We have provided disaster preparedness advice, training and expertise and are frequently approached to support post disaster salvage and recovery (most recently following the Notre-Dame fire). We are exploring, with the British Council and DCMS, additional funding for disaster preparedness (e.g. British Overseas Territories in the Caribbean database training), post-disaster stabilisation projects and emergency technical assistance, which would complement the existing Cultural Protection Fund.</p> <p>In August 2018, the Chief Executive attended the International Culture Summit Cultural Protection Roundtable, which brought together Ministers of Culture from across the Commonwealth. In May 2019, he attended the annual European Heritage Heads Forum in Stockholm.</p>
Give high priority to supporting the delivery of the outcomes of the Cultural White Paper	<p>As of June 2019, there are 20 Heritage Action Zones (HAZ) and we are using this successful delivery model for the High Street HAZ programme, having been allocated £55m specifically for heritage-focused schemes to help halt and reverse the decline of the high street.</p> <p>In its recent publication, <i>Connected Growth</i>, DCMS drew heavily on our evidence base to set out how its sectors are central to the country's economic future and how they make 'liveable places', specifically how they can deliver the objectives of the Government's Industrial Strategy.</p>
Continue to bear down on administration costs, to enable a larger portion of the funds provided by government to be used on core services	<p>We continue to reduce accommodation costs by sub-letting space to other public bodies, consolidating our teams and disposing of the resulting surplus offices. We reduced the number of regions in our structure and closed our Guildford and Northampton offices during the year. We are embedding more agile ways of working and have revised our staff travel and expenses policy to encourage more efficient use of resources. As a central part of our Change Programme, we have developed a Public Value Framework to make sure that everything we do is focused on public value outcomes.</p>
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 the provision of new housing in historic areas, as well as community and local government issues.	<p>Working closely with DCMS, we have provided extensive advice to the Ministry for Housing, Communities and Local Government (MHCLG) on heritage matters in the emerging National Planning Policy Framework (published July 2018) and engaged closely with MHCLG officials in their redrafting of the Planning Practice guidance.</p> <p>We are working with MHCLG on developing strategies for delivering sustainable local growth and how best to bring their local growth teams closer to our regional teams. The High Streets HAZ programme provides a good opportunity to test how we might deliver more joined up strategies at a local level.</p>
Defra: 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. Supporting delivery of Defra's Rural Productivity Plan and National Parks Plan to include assisting with government's commitments made on increasing apprenticeships in rural areas and in National Parks.	<p>To assist DCMS discussions with Defra on domestic food, farming and environmental policy after EU exit, we supported DCMS engagement with the 25 Year Environment Plan and the Health and Harmony consultation.</p> <p>After two years of discussion, provision for cultural heritage has been secured in the Agriculture Bill. The Bill includes a proposal to fund the conservation of cultural heritage via the post-Brexit successor to the Common Agricultural Policy.</p> <p>Defra's draft Environment Bill sets out how the Government will maintain environmental standards as the UK leaves the EU, develop the vision of the 25 Year Environment Plan, and create the independent Office for Environmental Protection. The historic environment is not included in the majority of the provisions within the draft Bill, which could have longer-term and much wider consequences for the treatment of heritage in comparison to the natural environment. We are working with DCMS and Defra officials to reiterate the case for its inclusion.</p>

Sustainability Report

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

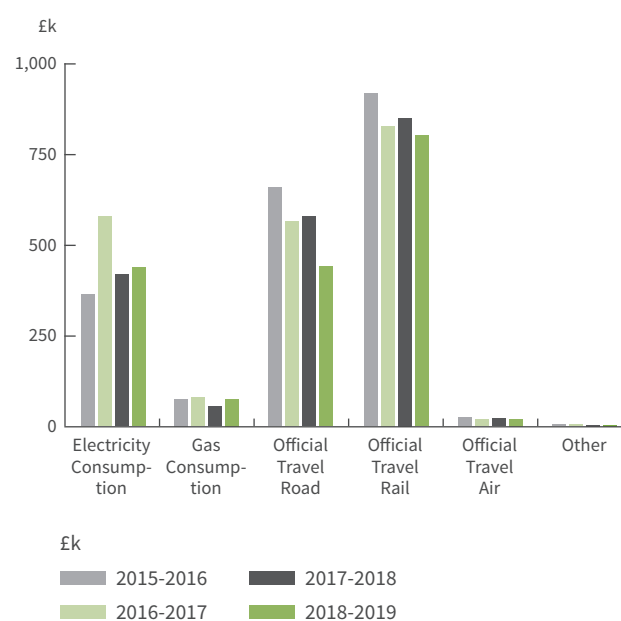
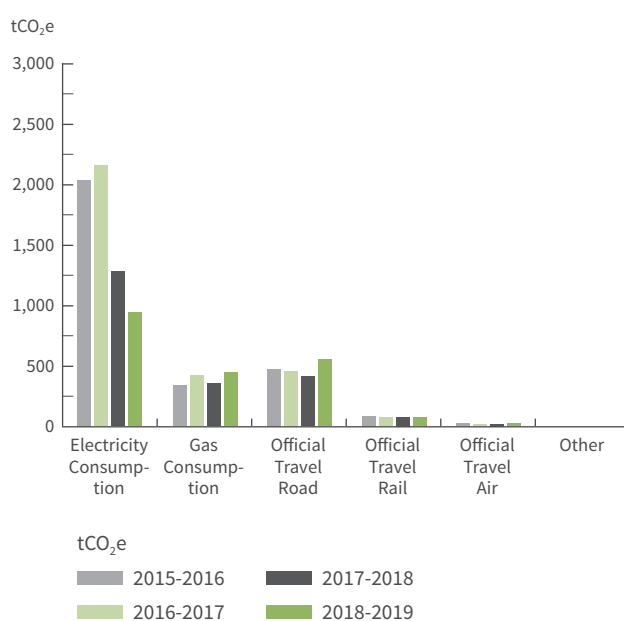
Greenhouse Gas Emissions

	2015-16	2016-17	2017-18	2018-19
Non-Financial Indicators (tCO₂e: tonnes of CO₂ equivalent)¹				
Total Gross Emissions for Scopes 1 & 2 ²	2,380	2,571	1,635	1,383
Total Net Emissions for Scopes 1 & 2 (i.e. less reductions – e.g. green tariffs)	2,380	2,571	1,635	1,383
Gross Emissions Scope 3 Business Travel	576	537	506	647
Other Scope 3 Emissions Measured	-	-	-	-
Related Energy Consumption (kWh: kilowatthour)				
Electricity: Non-Renewable	4,414,481	5,222,681	3,644,194	3,323,212
Electricity: Renewable	-	-	-	-
Gas	1,843,784	2,279,064	1,922,904	2,402,731
LPG	-	-	-	-
Other	-	-	-	-
Financial Indicators				
Expenditure on Energy	£438k	£633k	£472k	£512k
CRC License Expenditure (2010 onwards)	£40k	£34k	£30k	£25k
CRC Income from Recycling Payments	-	-	-	-
Expenditure on Accredited Offsets (e.g. GCOF)	-	-	-	-
Expenditure on Official Business Travel	£1,604k	£1,414k	£1,451k	£1,263k

6 The scopes and conversion rates are set out in the UK Government conversion factors for Company Reporting guidelines issued by BEIS/ Defra and available via at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018>.

7 Scopes 1 and 2 relate to emissions from sources owned or controlled by Historic England or from the consumption of purchased energy.

Greenhouse Gas Emissions in Tonnes and by Cost



Actual data is used as far as possible to calculate greenhouse gas emissions, but where it has not been possible estimations have been extrapolated from the actual data.

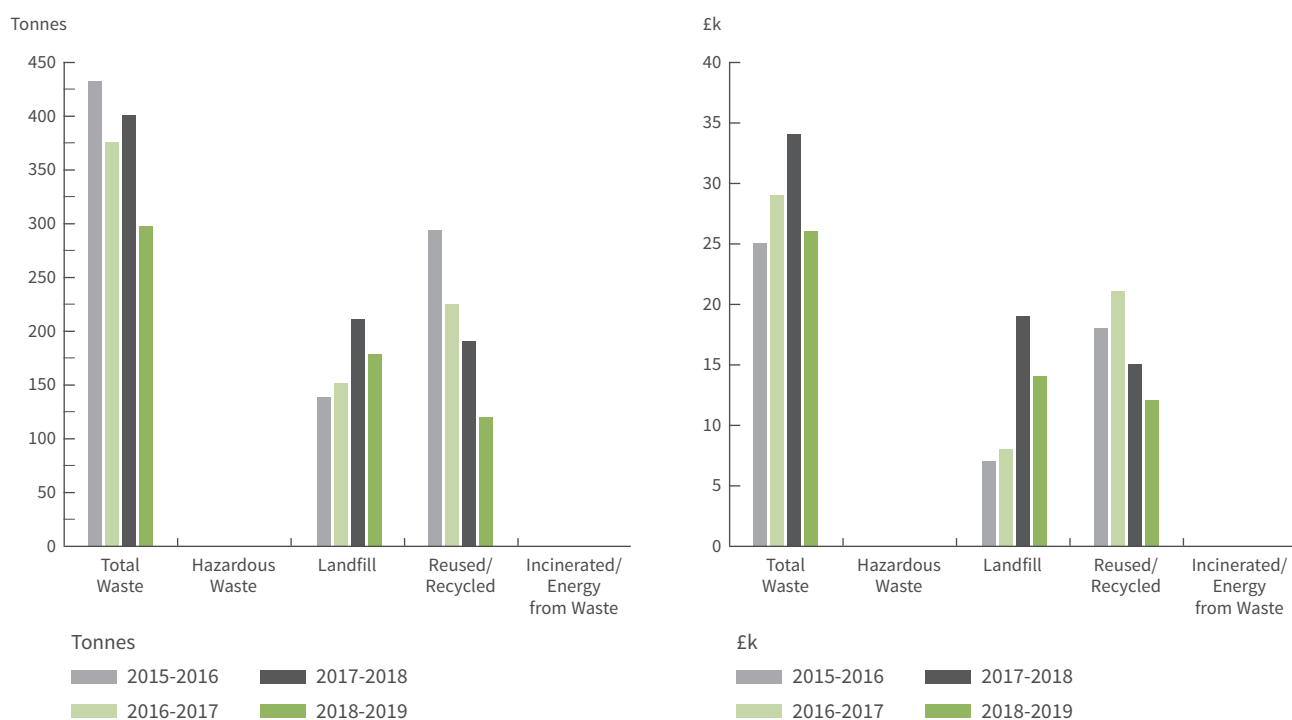
Historic England uses smart meters installed across all energy types to control and manage energy usage. This continues to contribute to the decrease in greenhouse gas emissions for Scopes 1 & 2.

This year has seen an increase in the amount of business travel as a result of the Change Programme. This has led to an increase in the greenhouse gas emissions, although the cost has decreased following revisions to our expenses policy. As a result of the organisational restructure, business travel will reduce from 2019-20.

Waste

	2015-16	2016-17	2017-18	2018-19
Non-Financial Indicators (tonnes)				
Total waste	432	376	401	298
Hazardous waste	Total	-	-	-
	Landfill	138	151	211
Non-hazardous waste	Reused/Recycled	294	225	190
	Incinerated/energy from waste	-	-	-
Financial Indicators				
Total disposal cost	£25k	£29k	£34k	£26k
Hazardous waste – Total disposal cost				
	-	-	-	-
Non-hazardous waste	Landfill	£7k	£8k	£19k
	Reused/Recycled	£18k	£21k	£15k
	Incinerated/energy from waste	-	-	-

Waste Volumes and Disposal Routes in Tonnes and by Cost



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

Water – Finite Resource Consumption

		2015-2016	2016-2017	2017-2018	2018-2019
Non-Financial Indicators (m³)					
Water Consumption	Supplied	8,729	10,006	9,591	10,063
	Abstracted	-	-	-	-
Financial Indicators					
Water Supply Costs		£25k	£22k	£21k	£22k

We are exploring new systems that can reduce the flow of water being used within our offices. Usage is reflective of individual employee needs in maintaining their health and welfare.

Paper – Finite Resource Consumption

		2015-16	2016-17	2017-18	2018-19
Non-Financial Indicators (Reams)					
A3 Paper		680	325	345	252
A4 Paper		6,380	6,567	7,385	5,025
Financial Indicators					
A3 Paper		£1k	£1k	£2k	£1k
A4 Paper		£11k	£18k	£17k	£13k

Of the total paper we purchase, there has been an increase (from 69% to 75%) of the use of environmentally friendly supplies, with our biggest users targeted to switch to recycled paper. IT solutions have been successfully utilised to help reduce paper consumption in relation to corporate meetings.

Performance on Other Matters

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

We have a zero tolerance policy for any form of modern slavery, coerced labour or human trafficking within our own business, our supply chains or amongst grant recipients. In 2018-19, we received no alerts regarding suspect incidents of modern slavery via our whistleblowing mechanisms. Our Modern Slavery Transparency Statement can be found in full on our webpages.

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

As reported elsewhere, in 2018-19 we worked on making our organisation more focused on public benefit and on directing our resources to where they will have the greatest public impact. We have developed a new Corporate Plan, objectives and a suite of outcome-led performance measures, which will enable us to monitor and demonstrate the public benefits and social impact of our work and our impact on the historic environment. We are mindful of risk and uncertainty and will 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

	2014-2015 £m	2015-2016 £m	2016-2017 £m	2017-2018 £m	2018-2019 £m	2019-2020 £m	2020-2021 £m
Grants	19.4	19.4	19.9	20.1	20.2	18.6	15.5
Regional Delivery	15.8	15.4	15.3	15.6	15.1	15.6	16.5
Policy and Evidence	11.5	12.0	12.0	11.9	12.0	12.3	12.7
Public Engagement	6.1	6.0	5.8	6.1	6.4	7.1	6.7
Business Improvement	3.0	2.3	2.3	2.8	2.6	2.6	2.2
Shrewsbury Flaxmill Maltings	1.9	2.5	1.5	5.1	4.5	1.9	1.9
Corporate/Support Services to HE	27.7	17.6	16.4	16.1	17.9	17.6	16.1
National Collections	72.2	-	-	-	-	-	-
Depreciation, Amortisation and Impairment	7.8	9.0	6.9	6.0	6.2	8.0	8.0
Expenditure Relating to Core Historic England Activities	165.4	84.2	80.1	83.7	84.9	83.7	79.6
Corporate/Support Service to Third Parties	-	10.9	11.8	10.8	8.1	7.8	7.9
Subsidy to The English Heritage Trust	-	15.8	14.7	14.4	13.5	12.4	10.0
Grant to The English Heritage Trust	80.0	-	-	-	-	-	-
Expenditure Relating to Services Provided to Third Parties	80.0	26.7	26.5	25.2	21.6	20.2	17.9
Totals	245.4	110.9	106.6	108.9	106.5	103.9	97.5

Our Position at the Close of the Year

Historic England received £91.6million (2017-18: £89.1million) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £114.1million (2017-18: £107.2million), of which £101.9million (2017-18: £96.1million restated) was earned income from commercial activities. Net expenditure for the group was £82.1million (2017-18: £90.9million), while Historic England showed net expenditure of £92.1million (2017-18: £92,230,000). English Heritage made an unrestricted operating surplus in the year of £9.2million (2017-18: £7.4million).

Adoption of the Going Concern Basis

The Annual Report and Accounts has been prepared on a going concern basis. The organisation is principally reliant on funding from the Department for Digital, Culture, Media and Sport with whom we have an agreement on funding until 2020.

Duncan Wilson
Chief Executive
20 June 2019



2 Accountability Report

2 Accountability Report

Overview

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

Corporate Governance Report

The Corporate Governance Report summarises the governance arrangements we have in place, how these support the achievement of our objectives and 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 4.

Commissioners and Executive Team Members

Historic England's Chairman, Sir Laurie Magnus, was appointed on 1 September 2013. Details of his remuneration and that of Duncan Wilson, the Chief Executive, along with other Commissioners and senior staff, can be found in the Remuneration and Staff Report that starts on page 34. Full lists of Commissioners and Executive Team members who served between 1 April 2018 and 31 March 2019 are included in the Governance Statement and the Remuneration and Staff Report.

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

Responsibilities of Commissioners

The key responsibilities of Commissioners are to:

- ▶ ensure that the statutory responsibilities of Historic England are undertaken;
- ▶ provide expert advice and guidance on heritage matters;
- ▶ establish the overall strategic direction of Historic England;
- ▶ oversee and monitor the planned performance against strategic objectives and targets;
- ▶ ensure the highest standards of probity are used in the administration and use of funds and maximise the economical, efficient and effective use of resources for the public good;
- ▶ ensure the highest standards of corporate governance and ensure the Commission acts within all statutory and regulatory requirements;
- ▶ ensure, through the Chief Executive, that the Commission, as employer, acts in accordance with all relevant legislation and best practice; and
- ▶ ensure that Historic England conducts its dealings with the community in an open, responsive and accountable manner.

Register of Interests

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

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

Fraud and Personal Data Related Incidents

Historic England suffered no material fraud losses during 2018-19. 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 2018-19.

Audit Arrangements

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

Statement of Commissioners' and Accounting Officer's Responsibilities

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

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

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

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

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

Disclosure of Relevant Audit Information

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

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

Governance Statement

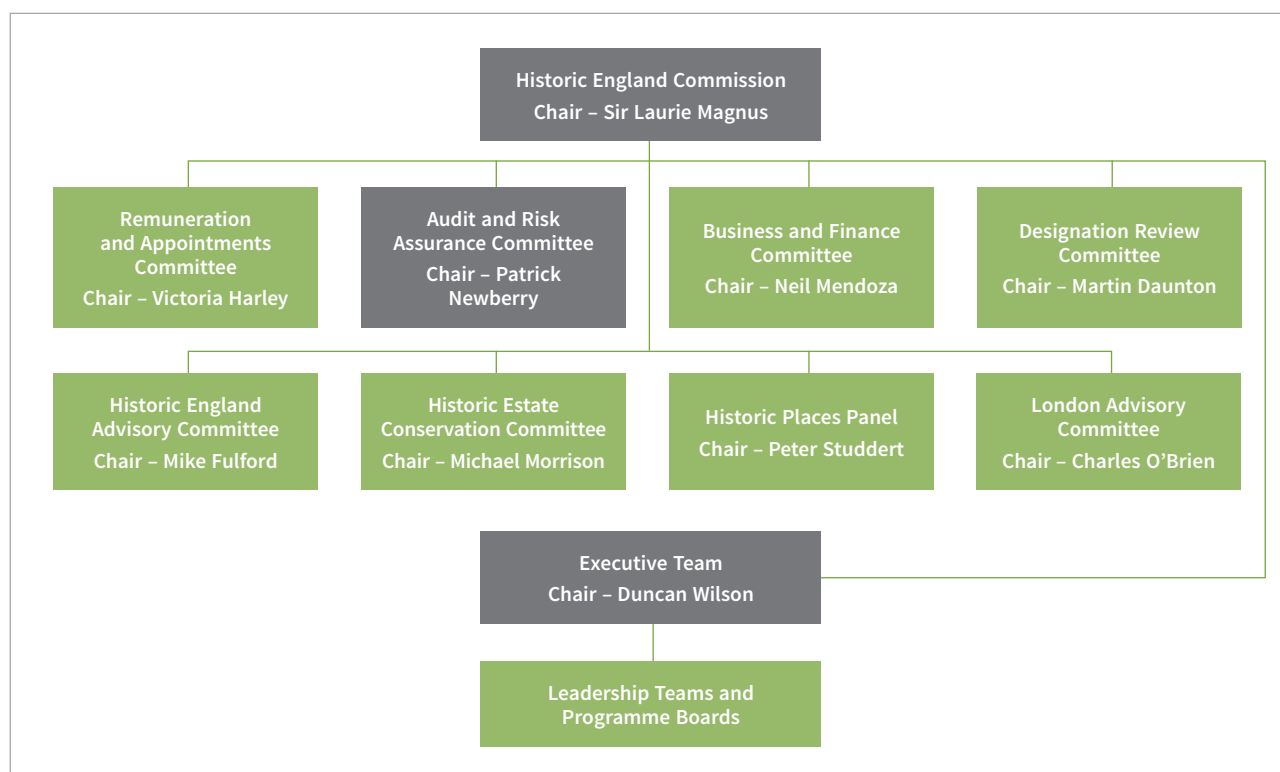
Purpose of the Governance Statement

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

Scope of Responsibility	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. ▶ We report twice a year to DCMS on our performance against the Management Agreement priorities and I hold regular meetings with senior DCMS staff, as do other members of the Executive Team. ▶ As a public body we are required to undergo a Tailored Review once during the lifetime of a Parliament. The purpose of the review is to challenge and seek assurance of the continuing need, efficiency and good governance of our organisation. DCMS launched its Tailored Review of Historic England on 28 March 2019.
<ul style="list-style-type: none"> ▶ Commission, as our governing body, establishes the overall strategic direction of the organisation and our corporate aims. These are published in our Corporate Plan, which also describes how we go about delivering these aims and the indicators of success that we measure our performance against. 	<ul style="list-style-type: none"> ▶ Commission receives a performance summary at each of its meetings that reports on strategic, operational and financial performance. ▶ On behalf of Commission, the Audit and Risk Assurance Committee receives twice-yearly updates on performance against our Corporate Plan aims and performance indicators.
<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 must 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 their 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 costs and make decisions in accordance with our Scheme of Delegations, and the limits set out in the Management Agreement and our Finance Manual. 	<ul style="list-style-type: none"> ▶ The Executive Team considers a summary of organisational performance and financial management information each month. ▶ I also hold regular one to one meetings with each of my direct reports to seek assurances on performance and risk management.

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 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.
- ▶ The Audit and Risk Assurance Committee supports Commission and me in my role as Accounting Officer in discharging our responsibilities for maintaining sound risk-management, control and governance arrangements. It receives half-yearly reports on corporate performance, including the management of risks, and has oversight of governance arrangements generally. More detail about the work of the Committee during 2018-19 can be found on page 30.
- ▶ The Executive Team, which I chair, comprises the Group Directors who report to me. Each Group Director is accountable for the achievement of the aims and the management of the risks that are wholly or partly the responsibility of their Group. The Executive Team is responsible for establishing control arrangements and for ensuring that these operate as intended.
- ▶ Two further committees help manage our internal business: the Business and Finance Committee oversees our financial strategies and the overall

financial management of Historic England. The Remuneration and Appointments Committee approves my remuneration, agrees my objectives as Chief Executive and monitors my performance against them. It reviews the membership requirements of Commission and its committees and advises on our overall Human Resources strategy, including our diversity and inclusion policies. More information on the role of the Remuneration and Appointments Committee can be found in the Remuneration and Staff Report on page 34.

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

Membership and Attendance

Details of membership and attendance during 2018-19 are detailed in the following tables.

Attendance at Commission and Business Committee Meetings

Commissioner	Commission	Audit and Risk Assurance Committee	Business and Finance Committee	Remuneration and Appointments Committee
Sir Laurie Magnus (Chair)	6/6	n/a	4/4	2/2
Paul Baker ¹	4/5	n/a	n/a	n/a
Sally Balcombe ²	0/1	n/a	1/1	0/1
Alex Balfour	4/6	n/a	1/4	n/a
Nicholas Boys Smith	6/6	4/5	3/4	n/a
Martin Daunton	5/6	n/a	n/a	n/a
Sandra Dinneen	2/6	4/5	3/4	n/a
Paul Farmer	5/6	n/a	n/a	2/2
Mike Fulford	4/6	n/a	n/a	n/a
Victoria Harley	4/6	n/a	n/a	2/2
Rosemarie MacQueen	5/6	n/a	n/a	n/a
Neil Mendoza ³	4/6	1/1	4/4	n/a
Michael Morrison	6/6	n/a	n/a	n/a
Patrick Newberry	5/6	5/5	4/4	2/2
Charles O'Brien	6/6	n/a	n/a	n/a
Susie Thornberry	4/6	n/a	n/a	1/2
Richard Upton ⁴	2/6	n/a	n/a	n/a
Independent members				
Simon Judge	n/a	4/5	n/a	n/a
Shri Mukundagiri	n/a	5/5	n/a	n/a

1 Commissioner term ended 31 December 2018.

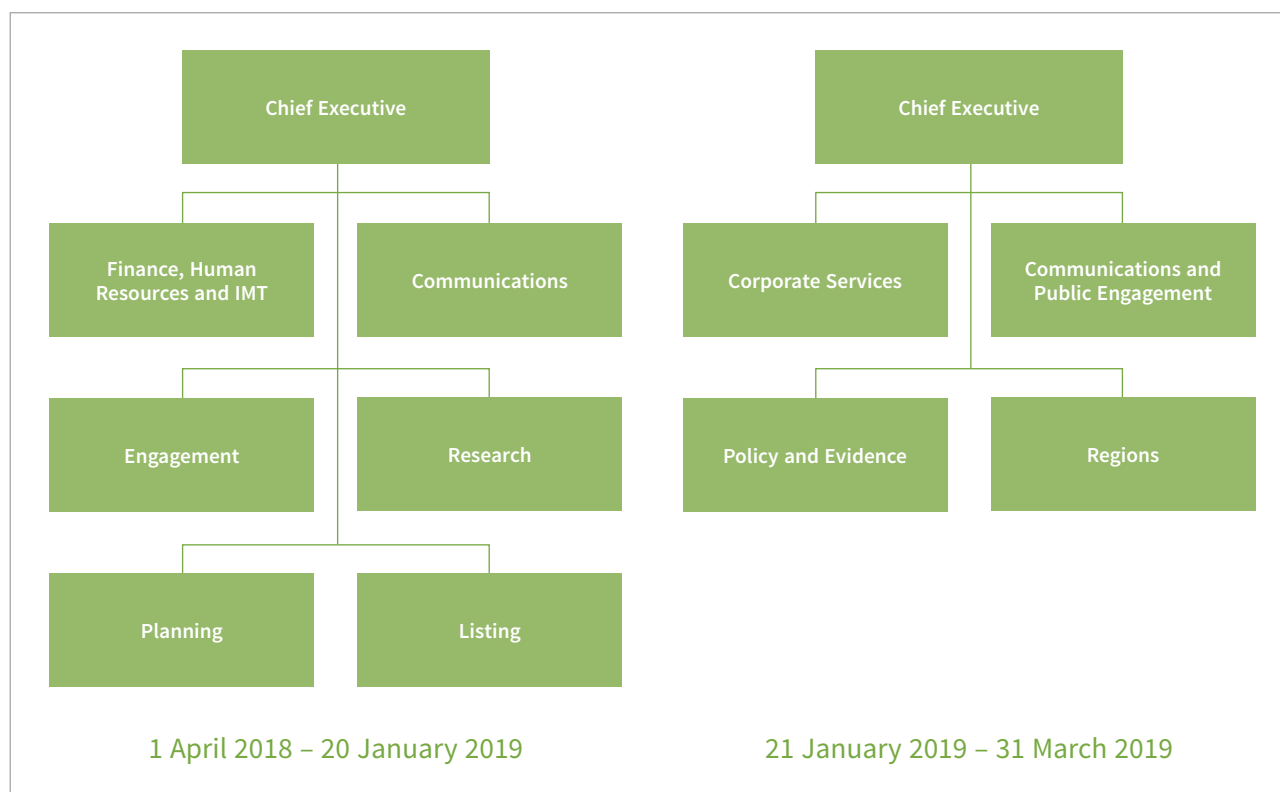
2 Commissioner term (and term as Chair of Business and Finance Committee) ended 31 May 2018.

3 Audit and Risk Assurance Committee term ended 12 April 2018; became Chair of Business and Finance Committee from 1 June 2018.

4 On sabbatical August-December 2018.

In addition to the six formal meetings in 2018-19, Commissioners also participated in two two-day regional site visits. Commission also met once with the English Heritage Trust to discuss matters of mutual interest.

Historic England had an organisational restructure during 2018-19, which changed the composition of the Executive Team:



The Executive Team meets, as far as it is practicable, on a weekly basis. When a Group Director is absent for a meeting, a senior member of their team attends in their place.

Attendance at Executive Team Meetings

Executive Team member during 2018/19	Term of membership	Meeting attendance
Duncan Wilson – Chief Executive	01 April 2018 – 31 March 2019	38/45
Gillian Grayson – Interim Director of Listing	01 April 2018 – 20 Jan' 2019	31/35
Meryl Hayward – Director of Corporate Services	01 April 2018 – 31 March 2019	40/45
Claudia Kenyatta – Director of Regions	24 Sept' 2018 – 31 March 2019	22/24
Deborah Lamb – Deputy Chief Executive and Director of Engagement	01 April 2018 – 31 March 2019	39/45
Carol Pyrah – Assistant Director of Planning/Interim Director of Regional Delivery	01 April 2018 – 20 Jan' 2019	28/35
Celia Richardson – Director of Communications and Public Engagement	01 April 2018 – 30 Nov' 2018	25/31
Sarah Ryle – Director of Communications and Public Engagement	07 Jan' 2019 – 31 March 2019	12/12
Dermot (Barney) Sloane – Interim Director of Research	01 April 2018 – 20 Jan' 2019	32/35
Ian Morrison – Director of Planning/Director of Policy and Evidence	01 April 2018 – 31 March 2019	42/45

The Audit and Risk Assurance Committee in 2018-19

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

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

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

In practice, the Committee carries out its work by testing 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 in finance, risk management and governance. The Committee reports to Commission following each of its meetings, and prepares an annual report to me as Accounting Officer and to Commission, summarising the work it has undertaken during the year and its conclusions.

The Audit and Risk Assurance Committee met on five occasions during 2018-19, its business covering a broad range of matters including the following:

- ▶ The NAO's audit plans, progress and findings. The Committee has also held discussions with the NAO without members of the executive present.
- ▶ Regular reports and assurances from management in relation to risk management, control and governance arrangements, including six-monthly reporting on: corporate performance against strategic aims and measures; the monitoring and mitigation of corporate risks; 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.
- ▶ The organisation's Risk Appetite statement and the format of the Corporate Risk Register and its associated scoring matrix.
- ▶ Specific reports and assurances on key areas of operational and business risk, including: the Change Programme; the Tailored Review; Shrewsbury Flaxmill Maltings; cyber security; and compliance with the General Data Protection Regulation.

- ▶ Various updates on the performance of the English Heritage Trust, including presentations from the Trust's Chief Financial Officer on financial performance and the potential impact of Brexit, and from the Head of Estates on the Conservation Maintenance Programme. In order to strengthen accountability between the two organisations, the Chair of the Committee also receives the Trust's Audit and Risk Committee (ARC) meeting papers and meets regularly with the Trust's ARC Chair.
- ▶ Updates on investigations into a potential fraud incident at the English Heritage Trust, which arose as a result of a whistleblowing action late in the 2017-18 year-end period. Both the Trust and Internal Audit examined the incident for evidence of loss or fraud and related control weaknesses. It was concluded that there was no material financial loss; however, the Trust reported the matter to the Charity Commission.
- ▶ The Registers of Interests for Commission, committee and Executive Team members. It also reviewed a summary of hospitality given and received by the Historic England Chairman and Chief Executive.
- ▶ Detailed briefings on the 2018-19 financial statements and accounting policies included elsewhere in this publication; and drafts of the Performance and Accountability Reports.

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

The Committee continually reviews the business it considers and how it exercises its functions. At its November 2018 meeting, the Committee agreed that it should carry out regular 'deep dive' reviews of critical business and risk areas, including oversight of the English Heritage Trust. In line with good practice, the Committee also reviewed and updated its Terms of Reference during 2018-19.

In 2019-20, the Committee is scheduled to undertake a comprehensive independent review and evaluation of its effectiveness.

Risk Management

Historic England's approach to risk management aims to control risk to a reasonable level, rather than eliminate all risk. The Executive Team considers the overall level of risk appetite that the organisation is prepared to accept, which is reviewed and approved by the Audit and Risk Assurance Committee annually. The Risk Appetite statement for 2018-19 is set out in the table opposite.

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

Risk Appetite	Description	Area of Historic England Activity
High	HE will take opportunities that have an inherent high risk.	
Moderate	HE is willing to accept higher well-judged and understood risks.	<ul style="list-style-type: none"> ▶ Promoting the value and enjoyment of the historic environment ▶ Providing expert advice and information ▶ Commercial and fundraising activities ▶ Managing staff performance ▶ Administration
Modest	HE is willing to accept some risks.	<ul style="list-style-type: none"> ▶ Provision of Shared Services to the English Heritage Trust ▶ 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 Performance
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. Both the Executive Team and the Audit and Risk Assurance Committee formally consider the corporate risk register and our performance against corporate objectives at least twice during the year. Commission also reviews performance and risk reporting at year-end.

In liaison with the Audit and Risk Assurance Committee, which has overall responsibility for reviewing our systems and processes for identifying, assessing and managing risk, we undertook a comprehensive review of our approach to risk management during 2018-19. The first stage was the development of a new corporate risk register format, with the inclusion of more detail about controls and mitigation, to enable those responsible for risk management to focus on the residual risk and identify and monitor trends. We also developed a more sophisticated scoring matrix to

reflect current good practice. Group and Programme-level risk registers will follow the same format and approach to risk scoring to facilitate the escalation and down-grading of risk management to the appropriate level.

During 2018-19, 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 changes to law, policy and resources that could have an adverse impact on the protection of heritage; and, as our most significant capital project, failure to deliver the Shrewsbury Flaxmill Maltings programme. Page 6 of the Performance Report summarises my own views of the risks that could impact on the achievement of our objectives.

Independent Assurance

Internal Audit is an independent objective assurance activity designed to add value and improve our operations. Its main purpose is to provide 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 adds value by providing risk and control advice and recommendations for improvement of our existing arrangements, and on new arrangements that we are considering.

In October 2018, Historic England's internal audit team transferred under TUPE to the Government Internal Audit Agency (GIAA), and internal audit services have since been supplied by GIAA. This arrangement has maintained a continuity of service and flexibility, while having the additional benefit of added resilience and access to specialist expertise. The commissioning and delivery of the internal audit service provided by GIAA is documented in more detail in a Memorandum of Understanding (MoU) between Historic England and GIAA.

The Audit and Risk Assurance Committee endorsed the 2018-19 Internal Audit Plan in April 2018, and throughout the year it has received reports on progress against the plan and key emerging findings and assurances. The Committee also monitors the progress made in implementing the resulting actions as agreed by management.

In 2018-19, the Internal Audit team carried out reviews in areas including: shared service provision to DCMS; controls around Heritage at Risk grant provision; the listing, designation and registration processes; follow-up work on the previous gateway review for the Shrewsbury Flaxmill Maltings programme; anti-fraud, bribery and corruption arrangements; GDPR compliance; arrangements for monitoring and evaluating the Heritage Action Zone (HAZ) programme; and work on the organisational Change Programme.

On the basis of the reviews completed during the year, the Head of Internal Audit's opinion is that our overall framework of governance, risk management and control in 2018-19 continued to operate effectively to identify and mitigate risks to the aims and objectives of Historic England. This constitutes a moderate assurance in accordance with the GIAA criteria. This is equivalent to the adequate assurance given by Historic England Internal Audit in recent preceding periods.

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 we signpost independent sources of advice on whistleblowing, such as the Public Concern at Work charity.

Open Government and Freedom of Information

Historic England is subject to the public sector freedom of information regime. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 provide a general right of access to all types of recorded information held by public authorities. In 2018-19 we responded to 385 requests for information under this legislation. As part of our ongoing commitment to transparency and accountability, much of our information is available via our website.

Information Security and Compliance

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

The implementation of the General Data Protection Regulation (GDPR) in May 2018 and the Data Protection Act 2018 has increased the risks associated with poor information management and security. A 2018-19 Internal Audit report on GDPR compliance noted that, whilst Historic England has made considerable progress in this area and that the net risk of a major GDPR breach was low, there were a number of areas for improvement.

Management has developed an action plan, informed in part by a mapping exercise using the DCMS Risk Maturity Model, to enhance the adequacy and effectiveness of the framework of governance, risk management and control. This includes the establishment of a new group with responsibility for leadership and monitoring the progress of corporate information management, GDPR and cyber security.

During 2018-19, Internal Audit also carried out a validation exercise on management's self-assessment against the Government's Security Policy Framework, which sets out the standards, best practice guidelines and approaches that are required to protect UK government assets. The review provided a moderate overall assurance opinion.

We were awarded Cyber Essentials certification in 2017-18, which means our IT security is compliant with the government's digital strategy. We were successfully re-accredited in 2018-19, demonstrating our ongoing commitment to digital security.

Monitoring the Effectiveness of Governance in 2018-19

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

Throughout 2018-19 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 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.

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

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

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

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

Conclusion on Corporate Governance in 2018-19

A satisfactory system of governance was in place at Historic England for the financial year ending 31 March 2019 and up to the date of approval of the 2018-19 Annual Report and Accounts. It accorded with HM Treasury guidance, including the *Corporate Governance Code of Good Practice 2017*, in so far as it is 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 2018-19 and remains so. My fellow Executive Team members and Commission support this view. I am further assured in this view by an Internal Audit report which provides assurance that the Governance Statement is properly supported by evidence.



Duncan Wilson
Chief Executive and Accounting Officer
20 June 2019

Remuneration and Staff Report

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

Remuneration Report

Remuneration Policy

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

Remuneration and Appointments Committee

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

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

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

The Committee determines the frequency of its meetings in order to ensure that the remit of the Committee is fulfilled, but is scheduled to meet at least twice a year. The Committee is chaired by a Commissioner (but not the Chairman of the Commission) and comprises no fewer than five members, at least three of whom must be Commissioners (including the Chairman of Commission). Members of the Committee are appointed by the Chairman of the Commission, following consultation with (and approval by) Commissioners.

The Committee is chaired by Victoria Harley and met twice in 2018-19. It comprises five Commissioners, including the Committee Chair.

Executive Team Contracts

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

The only employee with a contractual performance bonus arrangement is the Chief Executive. The bonus is payable for the achievement of specific performance targets and objectives and is a maximum of £17,500 per annum. Following the end of each financial year the Remuneration and Appointments Committee assess the Chief Executive's performance against his annual targets and objectives and determines the rate of his performance related bonus.

The remaining Executive Team Directors are participants in the organisation's Performance Related Pay Scheme for senior managers, which allows for awards of up to 7.5% of salary, assessed against annual targets and objectives 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.

Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2017	Appointments ended since 1 April 2017	2018-2019 £'000	2017-2018 £'000
The Chair of the Commission				
Sir Laurie Magnus			40	40
Current Commissioners				
Mr Alex Balfour			4	4
Mr Nicholas Boys Smith			4	4
Professor Martin Daunton			4	4
Ms Sandra Dinneen	1 Jan 2018		4	1
Mr Paul Farmer	1 Jan 2018		4	1
Professor Mike Fulford			8	8
Mrs Victoria Harley			4	4
Mrs Rosemarie MacQueen MBE			4	4
Mr Neil Mendoza			4	4
Mr Michael Morrison			4	4
Mr Patrick Newberry	1 Jan 2018		4	1
Mr Charles O'Brien			8	8
Ms Susie Thornberry	1 Jan 2018		4	1
Mr Richard Upton	1 Jan 2018		4	1
Former Commissioners				
Mr Paul Baker		31 Dec 2018	3	4
Ms Sally Balcombe		31 May 2018	-	-
Mr Martin Moore		30 Jun 2017	-	1
Baroness Young of Hornsey OBE		31 Jul 2017	-	1

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

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

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

Advisory Committee and Panel Members

Charles Wilson, who was not a Commissioner, chaired the Historic England Urban Panel during 2017-18 and received an emolument of £2,000. The Panel now renamed the Historic Places Panel, was chaired by Peter Studdert in 2018-19. He is not a Commissioner and received no emolument.

Single Total Figure of Remuneration for Executive Team

The following information has been subject to audit:

	Salary		Performance Award		Pension Benefits ¹		Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Executive Team as at 31 March 2019								
Duncan Wilson OBE Chief Executive	120-125	120-125	15-20	15-20	43	26	180-185	165-170
Meryl Hayward ² Director of Corporate Services	100-105	95-100	5-10	5-10	28	47	130-135	145-150
Claudia Kenyatta ³ Director of Regions	45-50	–	–	–	21	–	65-70	–
Deborah Lamb OBE ⁴ Director of Engagement	105-110	105-110	0-5	–	39	9	145-150	110-115
Ian Morrison ⁵ Director of Policy and Evidence	90-95	65-70	0-5	–	103	206	200-205	270-275
Sarah Ryle ⁶ Director of Communications and Public Engagement	20-25	–	–	–	6	–	25-30	–
Executive Team serving during 2018/19								
Gillian Grayson ⁷ Interim Director of Listing	50-55	35-40	0-5	–	97	18	150-155	55-60
Carol Pyrah ⁸ Interim Director of Regional Delivery	70-75	70-75	–	0-5	24	30	95-100	100-105
Celia Richardson ⁹ Former Director of Communications	60-65	85-90	5-10	5-10	24	34	90-95	125-130
Dermot Sloane ¹⁰ Interim Director of Research	70-75	5-10	0-5	–	79	8	150-155	15-20
Executive Team serving during 2017/18								
Roger Bowdler ¹¹ Former Director of Listing	–	25-30	–	–	–	12	–	35-40
Michael Harlow ¹² Former Corporate Secretary	–	65-70	–	0-5	–	22	–	90-95
Chris Smith ¹³ Former Director of Planning	–	20-25	–	–	–	8	–	25-30
Stephen Trow ¹⁴ Former Director of Research	–	85-90	–	–	–	80	–	165-170

Notes

- The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. This figure is provided by MyCSP, the pension scheme administrator.
- Director of Finance, HR and IMT to 20 January 2019. Director of Corporate Services from 21 January 2019.
- Director of Regions from 24 September 2018.
- Director of Engagement to 31 March 2019.
- Director of Planning to 20 January 2019. Director of Policy and Evidence from 21 January 2019. Values for 2018 have been restated following update of figures from MyCSP.
- Director of Communications and Public Engagement from 7 January 2019.
- Interim Director of Listing from 5 March 2018 to 20 January 2019.
- Assistant Director of Planning until 31 May 2018. Interim Director of Regional Delivery from 1 June 2018 to 20 Jan 2019.
- Director of Communications until 30 November 2018.
- Interim Director of Research from 26 February 2018 to 20 January 2019.
- Director of Listing until 31 March 2018. On the Executive Team until 31 July 2017.
- Corporate Secretary from 26 February 2016 to 4 January 2018.
- Director of Planning until 18 May 2017.
- Director of Research until 31 March 2018.

'Salary' includes gross salary; overtime; reserved rights to London weighting or London 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 2018-19 relate to performance in 2017-18 and comparative bonuses reported for 2017-18 relate to the performance in 2016-17.

Pension Benefits for Executive Team

The following information has been subject to audit:

	Accrued pension at pension age ¹	Total lump sum at pension age ¹	Real annual increase in pension at pension age	Real annual increase in lump sum at pension age	CETV ²		Real annual increase in CETV
	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2019 £'000
Executive Team as at 31 March 2019							
Duncan Wilson OBE Chief Executive	65-70	-	2.5-5	-	1,200	1,058	37
Meryl Hayward³ Director of Corporate Services	20-25	65-70	0-2.5	2.5-5	504	426	27
Claudia Kenyatta⁴ Director of Regions	30-35	-	0-2.5	-	469	411	10
Deborah Lamb OBE⁵ Director of Engagement	60-65	-	2.5-5	-	1,188	1,035	37
Ian Morrison⁶ Director of Policy and Evidence	25-30	75-80	5-7.5	7.5-10	554	420	77
Sarah Ryle⁷ Director of Communications and Public Engagement	0-5	-	0-2.5	-	6	2	3
Executive Team serving during 2018/19							
Gillian Grayson⁸ Interim Director of Listing	20-25	60-65	2.5-5	7.5-10	478	353	82
Carol Pyrah⁹ Interim Director of Regional Delivery	20-25	45-50	0-2.5	-	383	322	7
Celia Richardson¹⁰ Former Director of Communications	5-10	-	0-2.5	-	84	59	11
Dermot Sloane¹¹ Interim Director of Research	30-35	-	2.5-5	-	591	460	76
Executive Team serving during 2017/18							
Roger Bowdler¹² Former Director of Listing	-	-	-	-	-	582	-
Michael Harlow¹³ Former Corporate Secretary	-	-	-	-	-	252	-
Chris Smith¹⁴ Former Director of Planning	-	-	-	-	-	548	-
Stephen Trow¹⁵ Former Director of Research	-	-	-	-	-	847	-

Notes

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

1 Balances as at 31 March 2019.

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

3 Director of Finance, HR and IMT to 20 January 2019. Director of Corporate Services from 21 January 2019.

4 Director of Regions from 24 September 2018.

5 Director of Engagement to 31 March 2019.

6 Director of Planning to 20 January 2019. Director of Policy and Evidence from 21 January 2019. Values for 2018 have been restated following update of figures from MyCSP.

7 Director of Communications and Public Engagement from 7 January 2019.

8 Interim Director of Listing from 5 March 2018 to 20 January 2019.

9 Assistant Director of Planning until 31 May 2018. Interim Director of Regional Delivery from 1 June 2018 to 20 Jan 2019.

10 Director of Communications until 30 November 2018.

11 Interim Director of Research from 26 February 2018 to 20 January 2019.

12 Director of Listing until 31 March 2018. On the Executive Team until 31 July 2017.

13 Corporate Secretary from 26 February 2016 to 4 January 2018.

14 Director of Planning until 18 May 2017.

15 Director of Research until 31 March 2018.

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

Real increase in the value of the CETV

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

Emoluments

The following information has been subject to audit. Emoluments include gross salary, performance related awards and any other allowance to the extent that they are subject to UK taxation. This report is based on payments made by Historic England and thus recorded in these accounts. No benefits-in-kind were paid during the year (2017-18: £nil).

The Chief Executive was the highest paid employee. His total emoluments for the year of £141,000 comprise basic salary of £123,500 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 2018-19 was £140,000-£145,000 (2017-18: £135,000-£140,000). This was 3.96 times (2017-18: 3.99) the median remuneration of the workforce, which was £35,676 (2017-18: £34,464).

In 2018-19, no employees received remuneration in excess of the highest paid director (2017-18: nil). Remuneration ranged from £15,000 to £141,000 (2017-18: £15,000-£140,000).

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

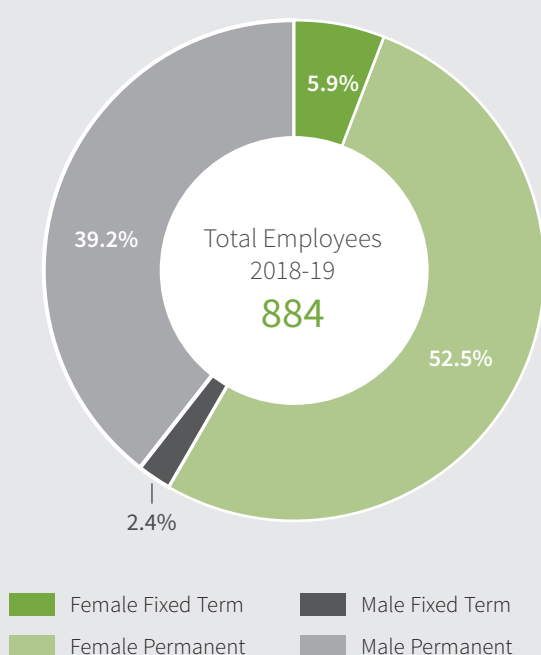
Historic England Staff Report

Organisational Headcount and Demographic Profile (as at 31 March 2019)

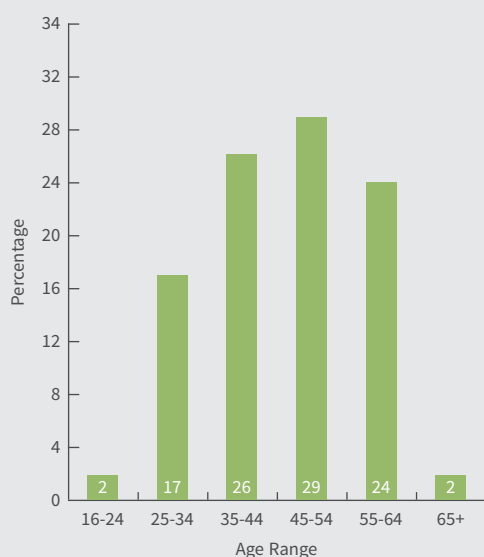
Current Employee Headcount stands at 884 employees (2017-18: 918). Fixed Term Contracts account for 8.3% of the general population (2017-18: 6.7%) with the remaining 91.7% employed on a permanent basis.

The Gender Split of the organisation remains more strongly represented by females at 57.7%. Our Executive Team is made up of 3 women and 2 men.

Employee Composition



Demographic Profile



Equality and Diversity

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

- **Ethnicity – BAME** (Black, Asian and Minority Ethnic) employees remain particularly under-represented at Historic England at 5% of the population (44 employees). The under-representation is particularly acute in our heritage specialist roles and we have published an action plan to address this and other areas of under-representation.
- **Age** – Employees under the age of 25 are significantly under-represented at 2.0% of the population.
- **Gender** – The gender balance at Director and senior management level has significantly improved over the last two years, with women now equally represented. Further work is still needed to improve the representation of men in roles in support and administrative roles.
- **Sexual Orientation** – Of those disclosing their sexual orientation, 3.7% (33 employees) have identified as Lesbian/Gay/Bisexual/Other (2017-18: 5.3%, 36 employees).
- **Disability** – 3.7% of the population (33 employees) have declared a disability (2017-18: 4%, 36 employees). We believe that there is under-reporting in disability status and are encouraging more people to disclose this to help us to measure equality and our performance.

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

Health and Safety

In 2018-19 there were 34 work-related accidents (2017-18: 25), 3 of which were reportable to the Health and Safety Executive (HSE) (2017-18: nil). The increase is a result of continued improved reporting. We have a current health and safety policy and risk register. The effectiveness of all of our operational risk management policies and practices is reviewed regularly.

Disability

Historic England aims to increase participation by disabled people. Full and fair consideration is given to applications for employment from disabled people where they have appropriate skills to perform the job. We participate in the Disability Confident scheme. 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 5.2 for the financial year 2018-19, being a decrease of 0.57 days on the previous year. The Chartered Institute of Personnel and Development's Annual Health and Wellbeing Survey (2019) reports the average as 5.9 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.

Mental Health and Wellbeing

Our work to improve the mental health and wellbeing of our people has been recognised with a Gold Award from the Mind Workplace Wellbeing Index. As part of our ongoing action plan, during 2018-19 we carried out various awareness-raising activities, including mental health and wellbeing sessions and staff training. We also have 20 members of staff who are now trained as mental health first aiders.

Employee Numbers

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

	2018-2019				Restated 2017-2018		
	Historic England			Group	Historic England	Group	
	Permanently Employed	Fixed Term Contracts	Agency Staff	Total	Total	Total	Total
Policy & Evidence	179	10	1	190	190	192	192
Public Engagement	102	8	2	112	112	104	104
Regional Delivery	273	17	1	291	291	304	304
Corporate Services	191	16	2	209	209	224	224
Business Improvement	43	2	-	45	45	47	47
Shrewsbury Flaxmill Maltings	4	-	-	4	4	3	3
The English Heritage Trust	-	-	-	-	1,191	-	1,042
Total Employee Numbers	792	53	6	851	2,042	874	1,916
Total Costs (£'000's)	40,345	1,428	273	42,046	83,201	40,999	82,300
Employee numbers included in the above who have been engaged on capital projects:	2	1	-	3	9	8	19

The prior year employee numbers have been restated after review of the underlying data revealed inaccuracies in previously reported figures.

Union Relationship

We have a constructive and long-standing working relationship with the Prospect trade union. There were 42 employees who were relevant union representatives during 2018-19 (FTE equivalent of 40.4).

Percentage of Time Spent on Facility Time	Number of Employees
0%	23
1-50%	19
51%-99%	0
100%	0

Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£28,353
Total Pay Bill	£41,230,419
Percentage of the Total Pay Bill Spent on Facility Time	0.07%

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

Employee Costs

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

	2018-2019			Restated 2017-2018		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Group						
Wages and Salaries	378	64,303	64,681	705	61,678	62,383
Social Security Costs	42	5,801	5,843	69	5,712	5,781
Pension Costs	50	9,803	9,853	103	10,051	10,154
Redundancy and Severance Costs	–	1,515	1,515	–	2,735	2,735
Agency Staff Costs	351	958	1,309	175	1,072	1,247
Total Employee Costs	821	82,380	83,201	1,052	81,248	82,300

2017-18 figures have been restated to be net of outward secondments and to exclude certain capital staff costs, relating to prior years. In 2018-19 there were 2 outward secondments (2017-18: 5).

	2018-2019			Restated 2017-2018		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Historic England						
Wages and Salaries	88	31,008	31,096	283	30,258	30,541
Social Security Costs	9	3,140	3,149	29	3,157	3,186
Pension Costs	18	6,155	6,173	59	6,149	6,208
Redundancy and Severance Costs	–	1,355	1,355	–	611	611
Agency Staff Costs	–	273	273	58	395	453
Total Employee Costs	115	41,931	42,046	429	40,570	40,999

2017-18 figures have been restated to be net of outward secondments and to exclude certain capital staff costs, relating to prior years. In 2018-19 there were 2 outward secondments (2017-18: 5).

During the year, 83 consultants were employed (2017-18: 74) to whom £158,259 was paid in the year (2017-18: £165,841).

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 2018-19 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	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Less than £10,000	1	–	3	5	4	5
£10,000 to £25,000	2	1	–	2	2	3
£25,000 to £50,000	1	–	6	3	7	3
£50,000 to £100,000	–	–	5	3	5	3
£100,000 to £150,000	–	–	–	–	–	–
Greater than £150,000	–	–	–	–	–	–
Total Number of Exit Packages	4	1	14	13	18	14
Total Resource Cost (£'000)	78	20	619	432	697	452

Notes

¹ 1 staff member left under Voluntary Exit terms in the 2018-19 financial year. They received a compensation payment of £75,000. 13 staff members left under Voluntary Redundancy terms in the 2018-19 financial year. They received compensation payment of £544,000.

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

Exit payments (including ex gratia payments) not covered by the CSCS are made to the employee directly by Historic England.

Civil Service Pensions

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

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

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

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, alpha, premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated

broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

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

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

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

For 2018-19, employers' contributions of £6,091,000 were payable to the PCSPS (2017-18 £6,150,000) at one of four rates in the range 4.6% to 8.05% (2017-18: 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 £181,000 (2017-18: £193,000).

No persons (2017-18: no persons) retired early on ill-health grounds.

The partnership pension account is a stakeholder pension arrangement. The employer contributions are age-related and range between 8% and 14.75% (2017-18: 8% and 14.75%) of pensionable pay, paid into a stakeholder pension product chosen by the employee from a panel of providers. 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 £33,000 (2017-18: £79,000) were paid to one or more of a panel of appointed stakeholder pension providers for the partnership pension.

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

Parliamentary Accountability

Regularity of Expenditure

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

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

	2019 Historic England			2019 Group			2018 Historic England			2018 Group		
	Losses £'000	Special	Total £'000	Losses £'000	Special	Total £'000	Losses £'000	Special	Total £'000	Losses £'000	Special	Total £'000
		payments £'000			payments £'000			payments £'000				
Amounts accrued	8	40	48	150	57	207	23	23	46	388	45	433
Amounts written back	-	(2)	(2)	(1)	(2)	(3)	-	(1)	(1)	-	(1)	(1)
Total Net Losses and Special Payments	8	38	46	149	55	204	23	22	45	388	44	432

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

£652,000 has been raised in the year as a result of the Enhanced Advisory Service (2017-18: £494,000).

The target for the year was £770,000 (2017-18: £460,000).

Our average case price has been reasonably consistent year-on-year, with the average Listing case costing £2,260 per case and Pre-application advice £1,091 per case.

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 introduced a new administration charge for all Listing cases in order to better reflect the full cost of providing the service, as well as a review of our standard hourly rate to ensure this reflects the full cost.

Unit costs charged are per the invoice amount. Income raised this year relates to 131 completed (invoiced) cases (2017-18: 92).

No other material income from fees and charges was received during the financial year (2017-18: £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 2018-19, we recognised £55,000 of remote contingent liabilities (2017-18: nil). This information has been subject to audit.



Duncan Wilson
Chief Executive and Accounting Officer
20 June 2019

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 for England (Historic England) for the year ended 31 March 2019 under the Heritage Act 1983. The financial statements comprise: the Group and Historic England Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- ▶ the financial statements give a true and fair view of the state of the group's and of Historic England's affairs as at 31 March 2019 and of the group's and Historic England's net expenditure for the year then ended; and
- ▶ the financial statements have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

Opinion on Regularity

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

Basis of Opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of Historic England in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions Relating to Going Concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and Historic England's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Commissioners and Accounting Officer for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and Historic England's internal control.
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

Other Information

The Commissioners and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information

and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on Other Matters

In my opinion:

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

Matters on Which I Report by Exception

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

- ▶ adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- ▶ the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- ▶ I have not received all of the information and explanations I require for my audit; or
- ▶ the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General
8 July 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



3 Financial Statements

3 Financial Statements

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2019

	Note	2018-2019		Restated and re-presented 2017-2018	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income					
Revenue from Contracts with Customers	2, 3	10,264	99,112	13,001	94,375
Earned Income	2, 4	352	2,797	282	1,703
Other Operating Income	2, 5	3,721	12,235	3,434	11,086
Total Income		14,337	114,144	16,717	107,164
Expenditure					
Grants	2, 6	20,232	20,230	20,133	20,131
Staff Costs	2, 12	41,931	82,380	40,570	81,248
Running Costs	2, 7	18,528	57,580	22,144	61,510
Commercial Activities' Costs	2, 8	811	14,165	677	13,785
Subsidy Expenditure	2f	13,508	-	14,383	-
Depreciation, Amortisation and Impairment	2, 14, 15, 16	6,189	8,452	5,991	7,688
Other Expenditure	2, 9	5,274	13,819	5,049	13,664
Total Expenditure		106,473	196,626	108,947	198,026
Net Expenditure for the Financial Year		(92,136)	(82,482)	(92,230)	(90,862)
Other Comprehensive Expenditure					
Net Gain/(Loss) on Revaluation of Non-Current Assets	14, 15, 16	17,510	17,726	15,608	16,220
Total Comprehensive Expenditure for the Financial Year		(74,626)	(64,756)	(76,622)	(74,642)

The prior year figures have been re-presented to reflect categories of expenditure rather than the internal segmental reporting structure. The income balances have also been re-presented as a result of the changes required under the adoption of IFRS 15. There has been a restatement of prior year income and expenditure figures as a result of the consolidation of The Historic England Foundation, which was not audited until after the signing of the prior year accounts. In addition, a balance relating to a service level agreement payment has been moved from the prior year Subsidy Expenditure into Other Expenditure to more accurately reflect the nature of that expenditure. There is £nil net effect on total Net Expenditure as a result of these restatements.

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

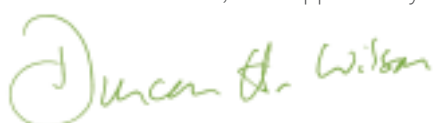
Income and expenditure relates to continuing activities. The notes on pages 54 to 86 form part of the financial statements.

Statement of Financial Position as at 31 March 2019

	Note	2019		2018	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Non-Current Assets					
Property, Plant and Equipment	15	94,254	122,101	98,169	118,363
Heritage Assets	16	71,419	71,749	55,317	55,648
Intangible Assets	14	2,004	3,558	1,729	3,055
Investments	34	77,486	–	68,113	–
Total Non-Current Assets		245,163	197,408	223,328	177,066
Current Assets					
Held For Sale Assets	22	40	40	40	40
Inventories	20	187	7,121	167	7,617
Trade and Other Receivables	21	6,210	10,740	5,389	8,402
Investments	19, 25	–	14,918	–	2,773
Cash and Cash Equivalents	23	5,893	57,882	1,187	65,782
Total Current Assets		12,330	90,701	6,783	84,614
Total Assets		257,493	288,109	230,111	261,680
Current Liabilities					
Trade and Other Payables	27	16,055	45,551	14,966	45,770
Provisions	29	20	21	52	96
Obligations Under Finance Leases	26	566	566	566	566
Total Current Liabilities		16,641	46,138	15,584	46,432
Total Assets Less Current Liabilities		240,852	241,971	214,527	215,248
Non-Current Liabilities					
Trade and Other Payables	28	234	2,091	226	2,179
Provisions	29	–	–	19	19
Obligations Under Finance Leases	26	6,726	6,726	6,755	6,755
Total Non-Current Liabilities		6,960	8,817	7,000	8,953
Total Assets Less Liabilities		233,892	233,154	207,527	206,295
Taxpayers' Equity					
Financial Asset Reserve	34	77,486	–	68,113	–
Revaluation Reserve		104,306	105,382	86,848	87,698
General Reserve		51,887	127,246	52,428	118,367
Endowment Funds		–	313	–	92
Earmarked Funds	31	213	213	138	138
Total Taxpayers' Equity		233,892	233,154	207,527	206,295

The notes on pages 54 to 86 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 20 June 2019 by:



Duncan Wilson
Chief Executive



Sir Laurie Magnus
Chairman

Statements of Cash Flows for the Year Ended 31 March 2019

	Note	2019		2018	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cash Flows From Operating Activities					
Net Income/(Expenditure) Before Transfers		(92,136)	(82,482)	(92,230)	(90,862)
Depreciation, Amortisation and Impairment Charges	14, 15, 16	6,189	8,452	5,991	7,688
(Profit)/Losses on Disposal of Non-Current Assets	14, 15, 16	39	51	51	44
(Increase)/Decrease in Inventories	20	(20)	496	2	(1,032)
(Increase)/Decrease in Trade and Other Receivables	21	(821)	(2,338)	(28)	3,126
Increase/(Decrease) in Trade and Other Payables	27, 28	1,097	(307)	330	3,044
Increase/(Decrease) in Provisions	29	(51)	(94)	(102)	(68)
Donated Asset Addition		-	-	(42)	(292)
Investment Income		(16)	(254)	-	(89)
Finance Lease Payable	26	(29)	(29)	(26)	(26)
Net Cash Outflow from Operating Activities		(85,748)	(76,505)	(86,054)	(78,467)
Cash Flows from Investing Activities:					
Interest Received		16	254	-	89
Purchase of Investments	19	-	(12,145)	-	(1,533)
Purchase of Property, Plant and Equipment and Heritage Assets	15, 16	(500)	(9,864)	(1,468)	(9,559)
Purchase of Intangible Assets	14	(669)	(1,247)	(500)	(937)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	14, 15	-	-	22	34
Net Cash Flows from Investing Activities:		(1,153)	(23,002)	(1,946)	(11,906)
Cash Flows from Financing Activities:					
Government Grant In Aid		91,607	91,607	89,122	89,122
Net Cash Inflow from Financing Activities:		91,607	91,607	89,122	89,122
Net Increase/(Decrease) in Cash and Cash Equivalents		4,706	(7,900)	1,122	(1,251)
Cash and Cash Equivalents at the Beginning of the Year		1,187	65,782	65	67,033
Cash and Cash Equivalents at the End of the Year		5,893	57,882	1,187	65,782

The notes on pages 54 to 86 form part of the financial statements.

Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2019

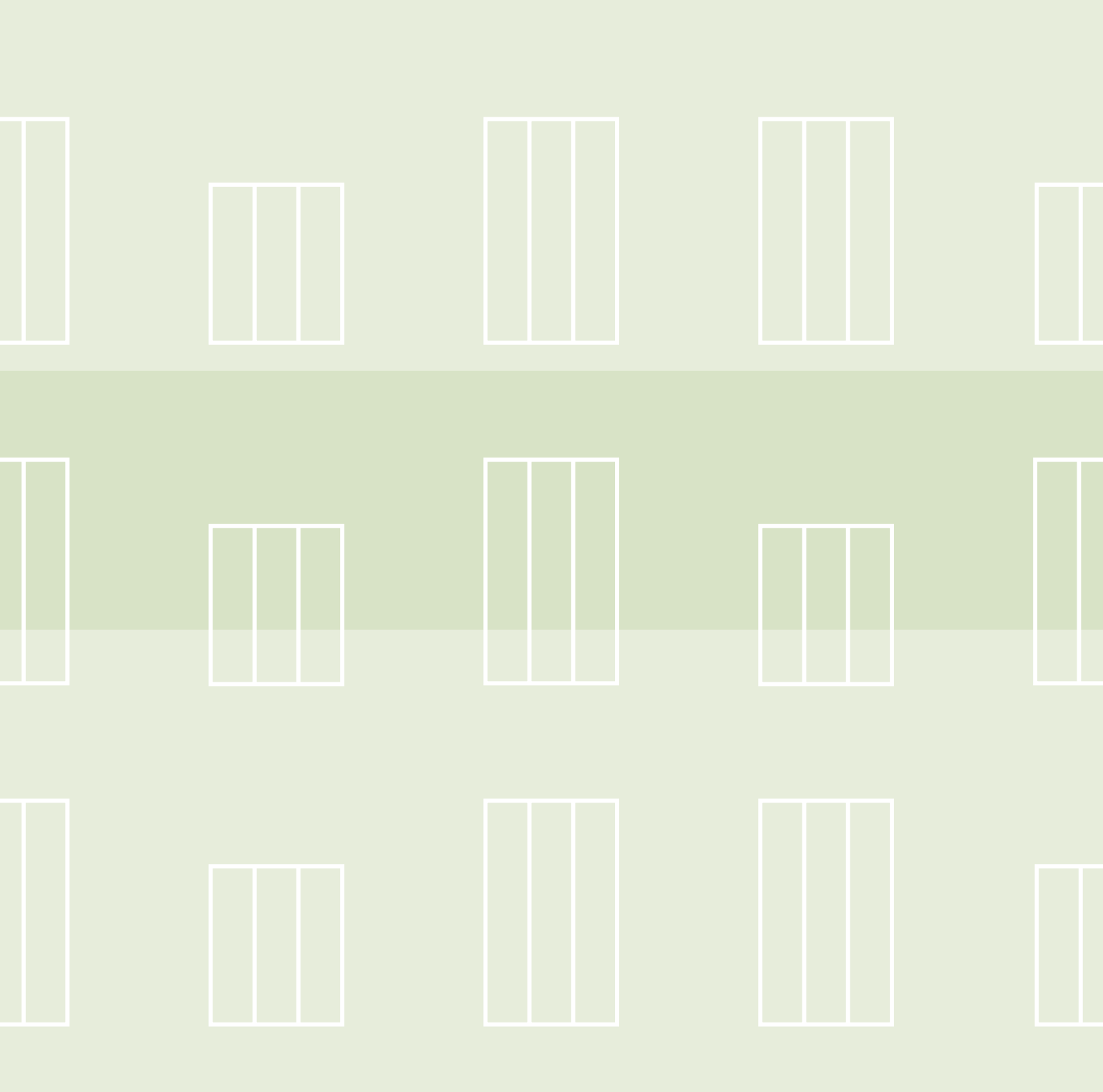
	General Reserve £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Endowment Fund £'000	Total Reserves £'000
Balance at 31 March 2017	125,511	66,383	26	-	191,920
Grant in Aid Received	89,122	-	-	-	89,122
Income/(Expenditure) for the Year	(91,066)	-	112	92	(90,862)
Net Gain on Revaluation of Non-Current Assets	-	16,220	-	-	16,220
Other Income/(Expenditure)	(138)	33	-	-	(105)
Transfer Between Reserves	(5,062)	5,062	-	-	-
Balance at 31 March 2018	118,367	87,698	138	92	206,295
Grant in Aid Received	91,607	-	-	-	91,607
Income/(Expenditure) for the Year	(82,778)	-	75	221	(82,482)
Net Gain on Revaluation of Non-Current Assets	-	17,726	-	-	17,726
Other Income/(Expenditure)	8	-	-	-	8
Transfers between Reserves	42	(42)	-	-	-
Balance at 31 March 2019	127,246	105,382	213	313	233,154

The notes on pages 54 to 86 form part of the financial statements.

Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2019

	General Fund £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Financial Asset Reserve £'000	Total Reserves £'000
Balance at 31 March 2017	60,743	66,145	26	66,246	193,160
Grant in Aid Received	89,122	-	-	-	89,122
Income/(Expenditure) for the Year	(92,342)	-	112	-	(92,230)
Net Gain on Revaluation of Non-Current Assets	-	15,608	-	-	15,608
Other Income/(Expenditure)	-	-	-	1,867	1,867
Transfer Between Reserves	(5,095)	5,095	-	-	-
Balance at 31 March 2018	52,428	86,848	138	68,113	207,527
Grant in Aid Received	91,607	-	-	-	91,607
Income/(Expenditure) for the Year	(92,211)	-	75	-	(92,136)
Net Gain on Revaluation of Non-Current Assets	-	17,510	-	-	17,510
Other Income/(Expenditure)	11	-	-	9,373	9,384
Transfers between Reserves	52	(52)	-	-	-
Balance at 31 March 2019	51,887	104,306	213	77,486	233,892

The notes on pages 54 to 86 form part of the financial statements.



4 Notes to the Financial Statements

4 Notes to the Financial Statements

1 Statement of Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with the 2018-2019 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.

Historic England prepares its accounts in line with the Accounts Direction issued by the Secretary of State for DCMS on 18 April 2019. A copy of the direction can be obtained from Historic England, The Engine House, Fire Fly Avenue, Swindon, SN2 2EH.

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. They have been applied consistently in dealing with items that are considered material to the accounts.

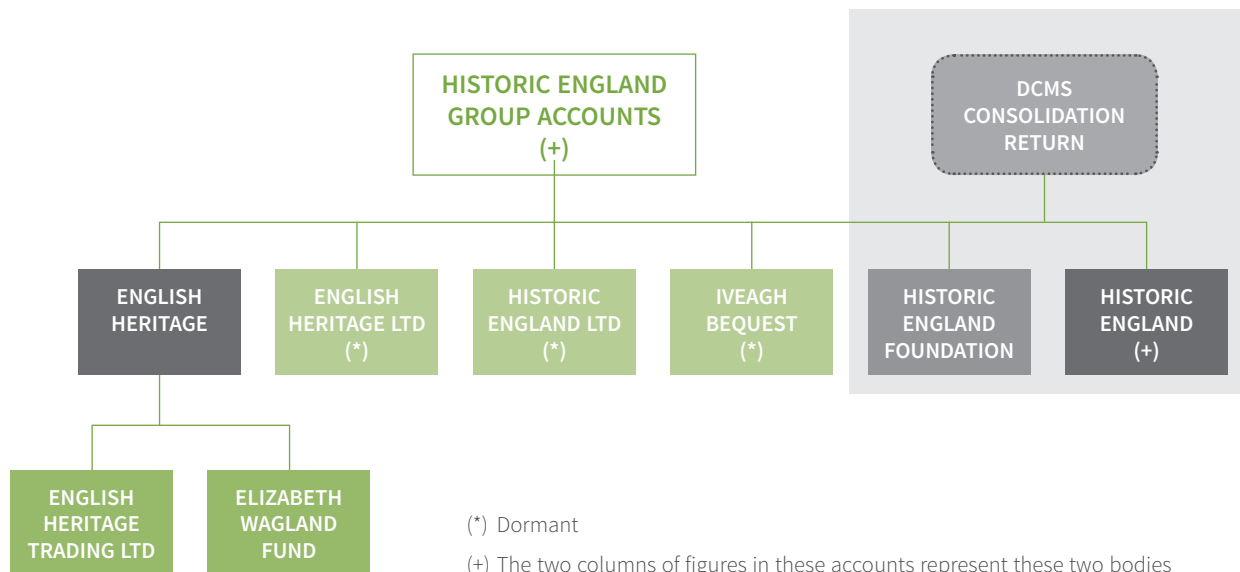
The financial statements have been prepared under the historical cost convention, modified for the revaluation of property, plant and machinery, IT equipment, furniture and fittings, intangible assets, heritage assets and inventories where material.

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 2019 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, The Historic England Foundation, Historic England Limited, English Heritage Limited and the Iveagh Bequest.

Organisation Structure and Reporting Groups



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

In line with the Government FRM 2018-19, we have adopted IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers), effective 1st January 2018.

The impact of these new reporting standards has been minimal, details of which are shown in note 3.

In adopting these standards, we have applied the practical expedients;

- ▶ in paragraph 121 of IFRS 15, we are not disclosing information about remaining performance obligations having expected durations of one year or less
- ▶ in paragraph 94 of IFRS 15, we recognise incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets are one year or less.

As a result of the adoption of IFRS 15, Historic England has re-presented some of its income as Revenue from Contracts with Customers. This is disclosed in Note 3. There has been no financial impact on prior year results, simply a re-presentation of balances into the newly required headings.

Historic England will be early adopting IFRS 16 (Leases) with effect from 1 April 2019.

The organisation has a number of building and vehicle leases which fall for treatment under IFRS 16. Also, as Historic England consolidates non-IFRS reporting bodies including The English Heritage Trust, the impact of any leases held by those organisations has been considered for consolidation purposes.

All building and vehicle lease agreements have been reviewed in detail to determine their potential impact on the financial statements of Historic England and group from 1 April 2019. Details are disclosed in note 35.

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 and is credited to the General Reserve.

The 2015 Spending Review confirmed the government grant funding for Historic England until 31 March 2020.

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 noncurrent 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 1j.

Operational (heritage) land and buildings, which, in addition to being held by the Historic England group in pursuit of its overall objectives, are also used for revenue generating or other non-heritage purposes, are professionally valued and held on the Statement of Financial Position within Heritage Assets.

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

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

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

Assets with a value of less than £50,000 are revalued with reference to relevant indices published by the Building Cost Information Service as at 31 March. A full quinquennial revaluation of assets with a value more than £50,000 was undertaken as at 31 March 2016 by the following professionally qualified external valuers: Bilfinger GVA, Turner &

Holman, RNJ Partnership, Mildred Howells, Bare Leaning and Bare, and Press & Starkey. All valuations have been performed in accordance with Royal Institute of Chartered Surveyors (RICS) '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.

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.

Depreciated replacement cost valuations are performed on a rolling programme. In 2018-19 depreciated replacement cost valuations were performed by Historic England's professionally qualified internal quantity surveyor and Mildred Howells a professionally qualified external valuer in accordance with Royal Institute of Chartered Surveyors (RICS) 'Red Book' principles.

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 uses three *de minimis* thresholds:

- ▶ **£10,000:** for the purchase of a separately identifiable asset which will be used by HE 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. Transfers are made from assets under construction to the relevant category of non-current assets when the asset is brought into use.

j) **Heritage Assets**

Historic England has four classes of heritage assets, which are held in pursuit of its overall objectives in relation to the enjoyment and preservation of heritage. The classes are accounted for as follows:

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

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

Historic England does not consider that reliable cost or valuation information can be obtained for the vast majority of items held as heritage land and buildings as, owing to the incomparable nature of many of the assets, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Historic England and the users of the accounts. Historic England does not therefore recognise those assets on its Statement of Financial Position, other than recent acquisitions where a reliable valuation is possible. Expenditure on these assets, where it does not result in the creation of a new operational heritage asset, is charged to the Statement of Comprehensive Net Expenditure as it is incurred.

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

One of the conditions underpinning the transfer of day-to-day responsibility for the management of the National Heritage Collection to English Heritage on 1 April 2015, and the accompanying receipt of £80million in order to perform essential work on the backlog of conservation defects, was a requirement for heritage assets identified as being in need of rectification works to be professionally valued prior to work commencing. A rolling programme

of valuations is being conducted each year prior to work commencing. The valuation work has been performed by Powis Hughes, Chartered Surveyors.

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

Heritage Artefacts and Archives

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

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 16 to 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.

k) 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 FRoM, 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 their value for tax purposes.

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

l) 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

Assets held under finance 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.

m) Financial Assets

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

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

n) 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.

o) Inventories

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

p) Leases*Finance Leases*

Assets held under finance leases are recognised as assets of Historic England at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a consistent rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Contingent rent is recognised directly in the Statement of Comprehensive Net Expenditure as incurred.

Operating Leases

Operating lease costs are charged to the Statement of Comprehensive Net Expenditure as incurred.

q) 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 on-demand deposits.

r) Pension Costs

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

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

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

Historic England also operates a by-analogy scheme to the PCSPS for the previous Chairmen. Both schemes satisfy the requirements of applicable accounting standards (see Remuneration and Staff Report on page 43).

s) 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 Expenditure as they are incurred. Any transfer of revenue to support capital programmes is recognised in the Statement of Comprehensive Expenditure as it is incurred.

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

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

t) 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, and have been amended during the 2018-19 financial year so as to better reflect the organisational structure.

Historic England's reporting segments include:

- ▶ Regional Delivery
- ▶ 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

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

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

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

Business Improvement enables Historic England to maximise its public value.

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

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

u) 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.

v) 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.

w) Preparation of the Accounts on a Going Concern Basis

In adopting the going concern basis for preparing the financial statements, the Commissioners have considered the activities and principal risks set out in the Governance Statement on page 26. The Commissioners have reviewed the latest financial forecasts and are satisfied that Historic England continues to adopt the going concern basis in preparing its financial statements.

2 Statement of Operating Expenditure by Operating Segment

The prior year figures have been re-presented to reflect the management structure reported internally within Historic England on a monthly basis that has been amended during 2018/19. There is a £nil impact on prior year figures as a result of this re-presentation.

a) Regional Delivery

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	1,453	692	1,799	580
Other Operating Income	42	42	13	13
Total Income	1,495	734	1,812	593
Expenditure				
Grants	9,719	9,719	11,916	11,916
Staff Costs	13,493	13,493	13,868	13,868
Running Costs	859	694	899	685
Commercial Activities' Costs	4	4	12	12
Other Expenditure	763	763	850	850
Total Expenditure	24,838	24,673	27,545	27,331
Regional Delivery Net Expenditure	(23,343)	(23,939)	(25,733)	(26,738)

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

b) Policy & Evidence

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	760	220	767	179
Earned Income	2	2	1	1
Other Operating Income	-	-	(31)	(31)
Total Income	762	222	737	149
Expenditure				
Grants	11	11	4	4
Staff Costs	9,470	9,470	9,298	9,298
Running Costs	1,267	1,267	1,304	1,304
Commercial Activities' Costs	71	71	84	84
Depreciation, Amortisation and Impairment	188	188	161	161
Other Expenditure	1,231	1,231	1,212	1,212
Total Expenditure	12,238	12,238	12,063	12,063
Policy & Evidence Net Expenditure	(11,476)	(12,016)	(11,326)	(11,914)

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

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	508	407	534	423
Earned Income	2	2	3	3
Other Operating Income	109	80	98	98
Total Income	619	489	635	524
Expenditure				
Grants	147	122	221	191
Staff Costs	4,818	4,818	4,496	4,496
Running Costs	550	550	719	719
Commercial Activities' Costs	521	521	369	369
Depreciation, Amortisation and Impairment	213	213	214	214
Other Expenditure	471	471	513	513
Total Expenditure	6,720	6,695	6,532	6,502
Public Engagement Net Expenditure	(6,101)	(6,206)	(5,897)	(5,978)

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

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	288	281	238	217
Other Operating Income	290	290	19	19
Total Income	578	571	257	236
Expenditure				
Grants	10,324	10,324	7,992	7,992
Staff Costs	1,935	1,935	1,862	1,862
Running Costs	232	232	438	438
Commercial Activities' Costs	183	183	162	150
Other Expenditure	277	277	293	293
Total Expenditure	12,951	12,951	10,747	10,735
Business Improvement Net Expenditure	(12,373)	(12,380)	(10,490)	(10,499)

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.

e) Shrewsbury Flaxmill Maltings

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	1	1	-	-
Other Operating Income	3,225	3,225	3,197	3,197
Total Income	3,226	3,226	3,197	3,197
Expenditure				
Grants	31	31	-	-
Staff Costs	227	227	256	256
Running Costs	4,197	4,197	4,853	4,853
Commercial Activities' Costs	32	32	1	1
Depreciation, Amortisation and Impairment	17	17	17	17
Other Expenditure	25	25	29	29
Total Expenditure	4,529	4,529	5,156	5,156
Shrewsbury Flaxmill Maltings Net Expenditure	(1,303)	(1,303)	(1,959)	(1,959)

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

Expenditure contracted for as at 31 March 2019 but not provided for in the financial statements amounted to £7,244,000 in relation to the Shrewsbury Flaxmill project.

f) Corporate Services

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	7,254	565	9,663	778
Earned Income	348	348	278	165
Other Operating Income	55	55	138	219
Total Income	7,657	968	10,079	1,162
Expenditure				
Staff Costs	11,988	11,988	10,790	10,789
Running Costs	11,423	11,313	13,931	13,835
Commercial Activities' Costs	-	-	49	50
Subsidy Expenditure	13,508	-	14,383	-
Depreciation, Amortisation and Impairment	5,771	5,771	5,599	5,599
Other Expenditure	2,507	2,508	2,152	2,000
Total Expenditure	45,197	31,580	46,904	32,273
Corporate Services Net Expenditure	(37,540)	(30,612)	(36,825)	(31,111)

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

g) The English Heritage Trust

	2018-2019		2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	–	96,946	–	92,198
Earned Income	–	2,445	–	1,534
Other Operating Income	–	8,119	–	7,571
Total Income	–	107,510	–	101,303
Expenditure				
Grants	–	23	–	28
Staff Costs	–	40,449	–	40,679
Running Costs	–	39,327	–	39,676
Commercial Activities' Costs	–	13,354	–	13,119
Depreciation, Amortisation and Impairment	–	2,263	–	1,697
Other Expenditure	–	8,533	–	8,762
Total Expenditure	–	103,949	–	103,961
The English Heritage Trust Net Income/(Expenditure)	–	3,561	–	(2,658)

The balances included for The English Heritage Trust represent the values consolidated into the Group accounts. Note 34a provides the full financial results for the organisation for the year, prior to consolidation.

h) Historic England Foundation

	2018-2019		Restated 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Other Operating Income	–	424	–	–
Total Income	–	424	–	–
Expenditure				
Other Expenditure	–	11	–	5
Total Expenditure	–	11	–	5
Historic England Foundation Net Income/(Expenditure)	–	413	–	(5)

The balances included for The Historic England Foundation represent the values consolidated into the Group accounts. Note 34d provides the full financial results for the organisation for the year, prior to consolidation.

i) Reconciliation between Operating Segments and SoCNE

	2018-2019		Restated 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Regional Delivery	(23,343)	(23,939)	(25,733)	(26,738)
Policy & Evidence	(11,476)	(12,016)	(11,326)	(11,914)
Public Engagement	(6,101)	(6,206)	(5,897)	(5,978)
Business Improvement	(12,373)	(12,380)	(10,490)	(10,499)
Shrewsbury Flaxmill Maltings	(1,303)	(1,303)	(1,959)	(1,959)
Corporate Services	(37,540)	(30,612)	(36,825)	(31,111)
The English Heritage Trust	–	3,561	–	(2,658)
Historic England Foundation	–	413	–	(5)
Total Net Expenditure per the Statement of Comprehensive Net Expenditure	(92,136)	(82,482)	(92,230)	(90,862)

The nature of the restatement is explained in the Statement of Comprehensive Net Expenditure on page 48.

3 Revenue from Contracts with Customers

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Shared Service Income	8,589	507	11,504	728
Admission Income	-	31,632	-	30,275
Advertising and Licencing	20	524	14	714
Archive and Lecture Fees	417	417	369	369
Commercial Sales Income	320	24,314	267	23,855
Enhanced Advisory Services	652	652	494	494
Hospitality and Events	-	2,399	-	3,039
Membership Income	13	37,748	32	33,831
Other Revenue	253	919	321	1,070
Total Revenue from Contracts with Customers	10,264	99,112	13,001	94,375

2017-2018 income has been re-presented in line with the adoption of IFRS 15.

4 Earned Income

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Other Earned Income	292	1,077	230	181
Commission	-	583	-	465
Rents	60	1,137	52	1,057
Total Earned Income	352	2,797	282	1,703

2017-2018 income has been re-presented in line with the adoption of IFRS 15.

5 Other Operating Income

	2018-2019		Restated and re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Grant Income				
National Lottery Heritage Fund Grants	3,076	4,316	3,235	3,983
European Union Grants	-	23	-	2
Other Grants	497	946	55	1,558
Total Grant Income	3,573	5,285	3,290	5,543
Donations and Sponsorship	84	6,642	137	5,427
Other Operating Income	48	54	7	27
Interest Receivable	16	254	-	89
Total Other Operating Income	3,721	12,235	3,434	11,086

Transfers have been combined within Grant Income to more accurately reflect their nature. 2017-2018 income has been re-presented in line with the adoption of IFRS 15. There has been a restatement of prior year group income as a result of the consolidation of The Historic England Foundation, which was not audited until after the signing of the prior year accounts.

6 Grants

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Buildings and Monuments	11,604	11,604	10,079	10,079
Capacity Building	3,749	3,749	4,380	4,380
Conservation Areas	175	175	410	410
Historic Environment	3,778	3,780	4,434	4,434
Management Agreements	523	523	601	601
Maritime	307	307	161	161
Other	96	92	68	66
Total Grants	20,232	20,230	20,133	20,131

2017-2018 figures have been re-presented to more accurately reflect the nature of expenditure.

7 Running Costs

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
IT Equipment and Services	5,142	6,188	6,350	7,802
Marketing and Branding	513	10,563	712	10,713
Monument Works and Maintenance	524	4,990	398	3,991
Office Rent and Charges	208	1,218	1,188	1,817
Operating Lease Payments	2,781	4,429	4,286	6,007
Other Office Costs	817	611	720	534
Site Maintenance	4,279	20,195	4,528	22,090
Technical Advice	3,766	7,241	3,391	6,338
Utilities	498	2,145	571	2,218
Total Running Costs	18,528	57,580	22,144	61,510

2017-2018 figures have been re-presented to more accurately reflect the nature of expenditure.

8 Commercial Activities' Costs

	2018-2019		Re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cost of Sales	215	10,093	174	9,637
Event Production	612	3,998	451	3,831
Inventory Provision Expense	(23)	37	46	110
Inventory Write-Off	7	37	6	207
Total Sales and Event Costs	811	14,165	677	13,785

2017-2018 figures have been re-presented to more accurately reflect the nature of expenditure.

9 Other Expenditure

	2018-2019		Restated and re-presented 2017-2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Administrative Costs	1,278	2,860	1,364	3,375
Audit Fee	65	145	60	139
Operational Costs	2,312	7,485	2,377	7,181
Other	771	1,386	448	1,171
(Gain)/Loss on Disposal on Non-Current Assets	30	42	52	45
Staff Related Costs	818	1,901	748	1,753
Total Other Expenditure	5,274	13,819	5,049	13,664

2017-2018 figures have been re-presented to more accurately reflect the nature of expenditure. There has been a restatement of prior year as a result of the consolidation of The Historic England Foundation, which was not audited until after the signing of the prior year accounts. In addition, a balance relating to a service level agreement payment has been moved from the prior year Subsidy Expenditure into Other Expenditure to more accurately reflect the nature of that expenditure.

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 2019 (2018: nil). English Heritage Trust, as a registered charity, is entitled to certain tax exemptions on income and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives. English Heritage Trading Limited will be making a gift aid donation of its distributable profits within 9 months of the financial year ended 31 March 2019. This gift aid relief utilised means it has suffered nil taxation charge (2018: nil) as it had no taxable profits.

11 Auditor's Fees

	2018-2019 £'000	Restated 2017-2018 £'000
Auditor's remuneration and expenses for statutory audit work:		
Historic England	65	60
The English Heritage Trust	63	63
English Heritage Trading Limited	11	11
Historic England Foundation	6	5
Total Auditor's Fees	145	139

During the year no non-audit services were purchased from the National Audit Office (2017-2018: nil). There has been a restatement of prior year as a result of the consolidation of The Historic England Foundation, which was not audited until after the signing of the prior year accounts.

12 Staff Costs

	2018-2019			Restated 2017-2018		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Group						
Wages and Salaries	378	64,303	64,681	705	61,678	62,383
Social Security Costs	42	5,801	5,843	69	5,712	5,781
Pension Costs	50	9,803	9,853	103	10,051	10,154
Redundancy and Severance Costs	–	1,515	1,515	–	2,735	2,735
Agency Staff Costs	351	958	1,309	175	1,072	1,247
Total Employee Costs	821	82,380	83,201	1,052	81,248	82,300

2017-18 figures have been restated to be net of outward secondments and to exclude certain capital costs, relating to prior years. In 2018-19 there were 2 outward secondments (2017-18: 5).

	2018-2019			Restated 2017-2018		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Historic England						
Wages and Salaries	88	31,008	31,096	283	30,258	30,541
Social Security Costs	9	3,140	3,149	29	3,157	3,186
Pension Costs	18	6,155	6,173	59	6,149	6,208
Redundancy and Severance Costs	–	1,355	1,355	–	611	611
Agency Staff Costs	–	273	273	58	395	453
Total Employee Costs	115	41,931	42,046	429	40,570	40,999

2017-18 figures have been restated to be net of outward secondments and to exclude certain capital costs, relating to prior years. In 2018-19 there were 2 outward secondments (2017-18: 5).

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

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, staff secondments 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	BBC
British Library	Heritage Lottery Fund

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

Cabinet Office	Environment Agency
Forestry Commission	Government Internal Audit Agency
High Speed Two (HS2) Limited	Highways England
HM Revenue and Customs	Natural England
Network Rail	

Material Transactions with Related Party Interests

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

Commissioners

- ▶ Sir Laurie Magnus, Chair of Historic England, is a trustee of Windsor Leadership Trust which received £2,000 for membership fees. He is also a trustee of Allchurches Trust which owns 100% of Ecclesiastical Insurance Group which paid £20,000 for sponsorship, £18,000 for events and £10,000 for publications. He is also a member of the investment panel of the National Heritage Memorial Fund which paid £1,000 for project monitoring.
- ▶ Mr Paul Farmer is the Chief Executive of Mind which received £74,000 for the provision of training courses.
- ▶ Mr Michael Morrison is a partner at Purcell which received £8,000 for the preparation of reports and which paid £1,000 for training and reproduction fees.
- ▶ Mr Patrick Newberry is the Chairman of Cornish Buildings Group which received £1,000 in conference fees. He is also a trustee of the Georgian Group which received £41,000 in grant funding.
- ▶ Ms Susie Thornberry is Assistant Director of Imperial War Museums which paid £5,000 for advice services and received £135,000 for exhibition services. In addition, Imperial War Museums Trading Ltd received £1,000 for reproduction fees.
- ▶ Ms Sally Balcombe, former commissioner, is the Governor of the Museum of London. Museum of London Archaeology received grant funding of £39,000 during the year and paid £11,000 for reports.

Senior Staff

- ▶ Ms Carol Pyrah, Former Assistant Director of Planning, is a trustee of the Churches Conservation Trust which received £52,000 of funding through the Heritage Schools programme and £34,000 for training. They also paid £15,000 for room hire. Ms Pyrah's partner, Colin Dobinson, received £17,000 in grant funding.

Where grants have been received by a related party, the individual connected with that party was not involved in the grant-making decision process.

No other Commissioners, trustees, key managerial staff or other related party have undertaken any material related party transactions with Historic England during the year.

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 of Valuation				
At 1 April 2018	2,529	11,552	1,428	15,509
Additions	121	56	1,070	1,247
Disposals	(91)	(159)	–	(250)
Reclassifications	–	1,549	(1,549)	–
Revaluations	8	41	–	49
At 31 March 2019	2,567	13,039	949	16,555
Amortisation				
At 1 April 2018	2,198	10,256	–	12,454
Charged in Year	177	562	–	739
Disposals	(82)	(159)	–	(241)
Revaluations	8	37	–	45
At 31 March 2019	2,301	10,696	–	12,997
Carrying Amount at 31 March 2018	331	1,296	1,428	3,055
Carrying Amount at 31 March 2019	266	2,343	949	3,558

All Intangible assets are owned outright (2018: all).

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Group				
Cost of Valuation				
At 1 April 2017	2,508	11,264	566	14,338
Additions	13	–	924	937
Disposals	(52)	–	–	(52)
Impairments	–	2	–	2
Reclassifications	–	62	(62)	–
Revaluations	60	224	–	284
At 31 March 2018	2,529	11,552	1,428	15,509
Amortisation				
At 1 April 2017	1,990	9,318	–	11,308
Charged in Year	204	719	–	923
Disposals	(51)	–	–	(51)
Revaluations	55	219	–	274
At 31 March 2018	2,198	10,256	–	12,454
Carrying Amount at 31 March 2017	518	1,946	566	3,030
Carrying Amount at 31 March 2018	331	1,296	1,428	3,055

14 Intangible Assets *continued*

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

All intangible assets are owned outright (2018: all).

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost of Valuation				
At 1 April 2017	1,237	9,831	478	11,546
Additions	13	–	487	500
Disposals	(52)	–	–	(52)
Reclassifications	–	62	(62)	–
Revaluations	29	213	–	242
At 31 March 2018	1,227	10,106	903	12,236
Amortisation				
At 1 April 2017	1,167	8,506	–	9,673
Charged in Year	48	609	–	657
Disposals	(52)	–	–	(52)
Revaluations	30	199	–	229
At 31 March 2018	1,193	9,314	–	10,507
Carrying Amount at 31 March 2017	70	1,325	478	1,873
Carrying Amount at 31 March 2018	34	792	903	1,729

15 Property, Plant & Equipment

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

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Group							
Cost of Valuation							
At 1 April 2017	118,474	2,774	18,183	6,781	6,846	5,708	158,766
Additions	645	–	266	63	14	8,571	9,559
Disposals	(2,979)	–	(390)	(199)	(28)	–	(3,596)
Impairments	592	–	1	1	(12)	–	582
Reclassifications	7,736	–	230	98	64	(8,128)	–
Revaluations	10,222	267	159	161	(69)	–	10,740
At 31 March 2018	134,690	3,041	18,449	6,905	6,815	6,151	176,051
Depreciation							
At 1 April 2017	28,993	490	11,550	5,315	4,367	–	50,715
Charged in Year	4,937	156	1,321	628	490	–	7,532
Disposals	(2,978)	–	(315)	(198)	(28)	–	(3,519)
Revaluations	2,698	61	116	141	(56)	–	2,960
At 31 March 2018	33,650	707	12,672	5,886	4,773	–	57,688
Carrying Amount at 31 March 2017	89,481	2,284	6,633	1,466	2,479	5,708	108,051
Carrying Amount at 31 March 2018	101,040	2,334	5,777	1,019	2,042	6,151	118,363

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

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Historic England							
Cost of Valuation							
At 1 April 2017	112,211	2,562	15,152	6,455	5,682	726	142,788
Additions	6	-	226	63	14	1,159	1,468
Disposals	(2,979)	-	(338)	(199)	(28)	-	(3,544)
Impairments	592	-	-	1	(6)	-	587
Reclassifications	1,710	-	-	98	-	(1,808)	-
Revaluations	9,599	246	111	153	(61)	-	10,048
At 31 March 2018	121,139	2,808	15,151	6,571	5,601	77	151,347
Depreciation							
At 1 April 2017	28,502	484	9,792	5,096	3,799	-	47,673
Charged in Year	4,132	150	825	610	387	-	6,104
Disposals	(2,978)	-	(267)	(198)	(28)	-	(3,471)
Revaluations	2,649	60	77	134	(48)	-	2,872
At 31 March 2018	32,305	694	10,427	5,642	4,110	-	53,178
Carrying Amount at 31 March 2017	83,709	2,078	5,360	1,359	1,883	726	95,115
Carrying Amount at 31 March 2018	88,834	2,114	4,724	929	1,491	77	98,169

15 Property, Plant & Equipment *continued*

Total acquisitions in the year were funded, to their fair value, by:

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Government Grant	1,043	1,903	812	3,332	4,854
Non-government Grant	126	–	–	57	719
Donations	–	–	–	–	15
Lottery Funding	–	–	–	13	719
Asset Sale Proceeds	–	17	29	9	3,161
Other	–	41	65	–	–

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 Swindon office fit out, the 'Digital Archive Replacement Technology' project and the 'Content Management System' project.

Refurbishment and interpretation assets with a cost of £1,267,000 and nil net book value have been disposed of in the year at English Heritage sites. These disposals were the result of English Heritage undertaking new refurbishment and interpretation works during the year, specifically at Ranger's House and Whitby Abbey.

Historic England's obligations under finance leases (note 26) are secured by the lessors' title to the leased assets, which have a carrying value of £8,300,000 (2018: £8,382,000) within land and buildings excluding dwellings. All other property, plant & equipment is either under guardianship of or owned outright by Historic England (2018: all).

16 Heritage Assets

Group	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Cost of Valuation					
At 1 April 2018	19,386	7,211	8,457	20,594	55,648
Impairments	29	2	–	–	31
Revaluations	1,291	110	10,079	4,590	16,070
Carrying Amount at 31 March 2019	20,706	7,323	18,536	25,184	71,749
At 1 April 2017	17,628	6,576	8,165	14,385	46,754
Additions	–	–	292	–	292
Impairments	173	10	–	–	183
Revaluations	1,585	625	–	6,209	8,419
Carrying Amount at 31 March 2018	19,386	7,211	8,457	20,594	55,648

16 Heritage Assets *continued*

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Historic England					
Cost of Valuation					
At 1 April 2018	19,386	7,211	8,126	20,594	55,317
Impairments	29	2	-	-	31
Revaluations	1,292	110	10,079	4,590	16,071
Carrying Amount at 31 March 2019	20,707	7,323	18,205	25,184	71,419
At 1 April 2017	17,628	6,576	8,084	14,385	46,673
Additions	-	-	42	-	42
Impairments	173	10	-	-	183
Revaluations	1,585	625	-	6,209	8,419
Carrying Amount at 31 March 2018	19,386	7,211	8,126	20,594	55,317

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.

	2019 £'000	Restated 2018 £'000	Restated 2017 £'000	2016 £'000	2015 £'000
Cost of Acquisition	-	-	-	71	640
Value Acquired by Donation	-	292	-	10	15
Revaluations/(Impairments) Recognised	16,101	8,602	14,631	7,510	(1,130)
Heritage Assets Charged to Expenditure in Year	10	14	3	23	35

Prior year revaluation/(impairments) recognised have been restated to disclose the total of all revaluations and impairments.

Revaluations:

Artefact & Archive revaluations related to £10,079,000 of historic artefacts (including replicas) which were donated through the Acceptance in Lieu scheme during the year ended 31 March 2019 (2018: £nil).

The 2019 historic artefacts donated in lieu of tax, were donated to Historic England with the imposed restriction that the historic artefacts must be kept at Audley End.

The group has recognised £4.590million (2018: £6.209million) of revaluations of heritage assets under construction. 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 1i-1j.

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

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

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

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

Heritage asset charged to the Statement of Comprehensive Net Expenditure amounted to £10,000 and was revenue in nature (2018: £14,000).

17 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.

Historic Artefacts

As part of the National Heritage Collection, Historic England manages about 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 £10,079,000 (2018: £42,000). There were no disposals of artefacts during the year, or in the previous year.

18 Conservation and Management

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

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

Total group expenditure on site maintenance of £20,195,000 was incurred during the year ended 31 March 2019 (2018: £22,090,000). Further information is provided in the separate publication Conservation Principles, Policies and Guidance, which is now located on the Historic England website. This sets out the framework within which historic estates are managed as well as the thinking that guides Historic England's advice to others. Further information in relation to the work of The English Heritage Trust can be found on the website www.english-heritage.org.uk.

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

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

19 Current Assets Investments

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
At 1 April	–	2,773	–	1,240
New Investments in Year	–	12,145	–	1,533
At 31 March	–	14,918	–	2,773

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

20 Inventories

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Inventories	187	7,121	167	7,617
Inventories are stated after the following:				
Inventory Provision Expense	(23)	37	46	110
Inventory Write-Off	7	37	6	162
Total Inventory Adjustments for the Year	(16)	74	52	272

21 Trade and Other Receivables

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Receivables	1,674	2,275	558	1,163
Value Added Tax	1,951	1,931	864	732
Prepayments and Accrued Income	2,026	5,049	2,907	5,516
Other Receivables	151	1,485	31	991
Amount owed by Subsidiary Undertaking	408	–	1,029	–
Total Trade and Other Receivables	6,210	10,740	5,389	8,402

22 Assets Classified as Held for Sale

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Held for Sale Assets	40	40	40	40

The asset classified as held for sale at 31 March 2018 and 31 March 2019 is land at Birdoswald. The asset is held at the lower of the carrying amount and the fair value less costs to sell.

23 Cash and Cash Equivalents

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Balance at 1 April	1,187	65,782	65	67,033
Net Change in Cash and Cash Equivalents Balances	4,706	(7,900)	1,122	(1,251)
Balance at 31 March	5,893	57,882	1,187	65,782
The following balances at 31 March were held with:				
Cash				
Government Banking Service	5,748	38,586	1,035	41,374
Commercial Banks	145	13,334	152	14,302
Total Cash	5,893	51,920	1,187	55,676
Cash Equivalents				
Commercial Banks	-	5,962	-	10,106
Balance at 31 March	5,893	57,882	1,187	65,782

24 New Model Grant

The remaining balance of the £80million New Model grant is held by English Heritage in a Government Banking Service account. At 31 March 2019, the balance of this account was £29,927,000 (2018: £40,158,000), with expenditure split as follows:

The £80million grant has been split into three elements. £52million is for addressing the most urgent top three categories of conservation defects, £18million is for new commercial capital investments, such as visitor facilities and infrastructure and £10million is for updating presentation and interpretation of small and medium sites that would not normally qualify for commercial investment.

	2019 Cumulative £'000	2018 Cumulative £'000
Element of spend of £80million government grant		
£52million	28,035	23,007
£18million	17,553	13,506
£10million	4,485	3,329
	50,073	39,842

25 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 cash investments as at 31 March 2019.

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 2019, English Heritage held short-term deposits with institutions with low risk credit ratings, amounting to £14,918,000 (2018: £2,773,000).

We have reviewed the impact of IFRS 9 (Financial Instruments) and have determined that there are no material impacts as a result of this change in accounting standard.

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 29), 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:

	2019		2018	
	Historic England	Group	Historic England	Group
Financial Assets				
Trade and Other Receivables	2,233	3,760	1,618	2,154
Current Asset Investments	-	14,918	-	2,773
Cash and Cash Equivalents	5,893	57,882	1,187	65,782
	8,126	76,560	2,805	70,709
Financial Liabilities				
Trade and Other Payables	(3,822)	(9,732)	(3,031)	(7,419)
	(3,822)	(9,732)	(3,031)	(7,419)

26 Obligations Under Finance Leases

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

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Obligations under finance leases for the following periods comprise:				
Land and Buildings				
Not Later than One Year	566	566	566	566
Between One and Five Years	2,266	2,266	2,266	2,266
Later than Five Years	19,257	19,257	19,823	19,823
	22,089	22,089	22,655	22,655
Less Interest in Element	(14,797)	(14,797)	(15,334)	(15,334)
Present Value of Obligations	7,292	7,292	7,321	7,321

Contingent rents are calculated as the increases in rental costs as a result of rent reviews. During the year, £281,000 of contingent rents have been paid (2018: £281,000).

Historic England leases some of its property, plant & equipment under finance leases. The Engine House building and the Historic England Archive facility lease transfers the risks and rewards of ownership to Historic England. The 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 finance lease policy is disclosed in note 1q.

Net lease liabilities repayable within one year were £566,000 (2018: £566,000), in the second to fifth years inclusive £1,878,000 (2018: £1,878,000) and after five years £4,849,000 (2018: £4,877,000).

Historic England's obligations under finance leases are secured by the lessors' rights over the leased asset disclosed above.

27 Trade and Other Current Payables

	2019		Re-presented 2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Payables	2,522	9,377	2,784	7,038
Accruals	10,973	19,752	10,158	22,536
Deferred Income	426	14,605	266	13,440
Income Tax and Social Security	809	1,432	837	1,416
Pensions	25	161	674	1,056
Other Payables	53	224	133	284
Amount Owed to Subsidiary Undertaking	1,247	-	114	-
Total Trade and Other Payables	16,055	45,551	14,966	45,770

Prior year figures have been re-presented to provide more clarity of detail.

28 Other Non-Current Payables

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Pensions	216	216	226	226
Deferred Income	18	1,872	-	1,950
Other Payables	-	3	-	3
Total Trade and Other Payables	234	2,091	226	2,179

29 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 2018	69	2	71	69	46	115
Provided in the Year	-	-	-	-	-	-
Provisions Released in the Year	-	-	-	-	(43)	(43)
Provisions Utilised in the Year	(49)	(2)	(51)	(49)	(2)	(51)
Balance at 31 March 2019	20	-	20	20	1	21
Balance at 1 April 2017	150	23	173	150	33	183
Provided in the Year	-	-	-	-	34	34
Provisions Released in the Year	(3)	(12)	(15)	(3)	(12)	(15)
Provisions Utilised in the Year	(78)	(9)	(87)	(78)	(9)	(87)
Balance at 31 March 2018	69	2	71	69	46	115

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

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

30 Operating Lease Commitments

Total future minimum lease payments under operating leases are given in the table below for each of the following periods, split between land and buildings and other.

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Land and Buildings				
Not later than one year	2,239	3,722	1,937	3,535
Later than one year and not later than five years	8,524	14,145	7,383	13,483
Later than five years	25,573	40,926	26,130	46,962
	36,336	58,793	35,450	63,980
Other				
Not later than one year	60	127	64	143
Later than one year and not later than five years	26	76	87	137
Later than five years	-	-	-	-
Total Operating Lease Commitments	36,422	58,996	35,601	64,260

The majority of leases relate to property rentals and are subject to rent reviews. During the year ended 31 March 2019 payments under operating leases totalled £2,781,000 for Historic England (2018: £3,772,000) and £4,429,000 for the group (2018: £5,493,000).

31 Earmarked Funds

	2019		2018	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Earmarked Funds are made up of the following:				
Other Funds	44	44	-	-
Philanthropy Funds	169	169	138	138
Total Earmarked Funds	213	213	138	138

Other Funds of £90,000 have been received from Highways England towards Archaeological Evaluation Costs, with £44,400 remaining at 31 March. Philanthropy Funds represent unrestricted donations given to Historic England.

32 Contingent Liabilities

Various outstanding claims existed at 31 March 2019. Provision has been made in the accounts for the year ended 31 March 2019 for those outstanding liabilities which will probably require settlement, and where the amount of the liability can be reliably estimated (note 29).

Under IAS 37, the Historic England group has identified £295,500 of contingent liabilities (2018: £163,000), of which £nil (2018: £50,000) relate to Historic England.

33 Contingent Assets

There have been no contingent assets recognised in the year ended 31 March 2019 (2018: £nil).

34 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 elimination of inter-company transactions on consolidation.

	2019 £'000	2018 £'000
Income and Expended Resources		
Total Incoming Resources	120,794	116,003
Total Resources Expended	(111,807)	(114,136)
Net Income for the Year	8,987	1,867
Reconciliation of Funds		
Total Funds Brought Forward	68,113	66,246
Total Funds Carried Forward	77,100	68,113
	2019 £'000	2018 £'000
Net Assets as at 31 March		
Non-Current Assets	29,732	21,848
Current Assets	80,411	80,441
Creditors: Amounts Falling Due Within One Year	(31,141)	(32,182)
Creditors: Amounts Falling Due After More Than One Year	(1,902)	(1,994)
Net Assets	77,100	68,113
Restricted	34,091	43,290
Unrestricted	43,009	24,823
Funds	77,100	68,113

b) English Heritage Limited

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

c) Historic England Limited

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

d) Historic England Foundation

Historic England is the sole member of The Historic England Foundation, a company established in 2017. The Historic England Foundation was awarded £25,000 in grants during 2018-19 from Historic England. The results of The Historic England Foundation for the year are shown below. These differ to the disclosure in Note 2h due to elimination of inter-company transactions on consolidation. There has been a restatement of prior year as a result of the consolidation of The Historic England Foundation, which was not audited until after the signing of the prior year accounts.

34 **Subsidiary Undertakings** *continued*

	2019 £'000	Restated 2018 £'000
Incoming and Expended Resources		
Total Incoming Resources	449	30
Total Resources Expended	(63)	(35)
Net Income for the Year	386	(5)
Reconciliation of Funds		
Total Funds Brought Forward	-	5
Total Funds Carried Forward	386	-
	2019 £'000	2018 £'000
Net Assets as at 31 March		
Current Assets	448	35
Current Liabilities	(62)	(35)
Net Assets	386	-
Retained Earnings	386	-

e) **The Iveagh Bequest**

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

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

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

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

35 New IFRS issued but not yet effective

IFRS 16 (Leases) will be initially applied from 1 April 2019 by Historic England and its reporting group.

Historic England and its reporting group will apply IFRS 16 using the modified retrospective approach – as permitted by the FReM adaptations – and therefore the comparative information will not be restated and will continue to be reported under IAS 17. The cumulative effect of adopting IFRS 16 will be recognised as an adjustment to equity as at 1 April 2019.

On transition to IFRS 16, Historic England and its reporting group will apply the practical expedient to grandfather the assessment of which transactions are leases, i.e. Historic England and its reporting group will apply IFRS 16 only to contracts that were previously identified as leases; contracts that were not identified as leases under IAS 17 will not be reassessed.

As a lessee, under IAS 17 Historic England and its reporting group have classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all its risks and rewards incidental to ownership of the underlying asset.

Under IFRS 16 Historic England and its reporting group will recognise a right of use asset and a lease liability for each lease. The right of use assets will be subsequently depreciated and a lease liability interest charge will be recognised.

Historic England and its reporting group will not recognise right of use assets and lease liabilities for short term leases that have a non-cancellable lease term of 12 months or less. Historic England and its reporting group will recognise the lease payments associated with these leases as an expense on a straight line basis over the lease term.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right of use asset and the lease liability at 1 April will be determined as the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Historic England and its reporting group lease many assets including land, buildings and vehicles.

We have presented below the estimated impact which the adoption of IFRS 16 will have on the entity's financial statements in the 2019-20 financial year:

Right Of Use Assets Previously Classified As Operating Leases

	Historic England			Group		
	Property £'000	Vehicles £'000	Total £'000	Property £'000	Group Vehicles £'000	Total £'000
Statement of Financial Position						
Right of Use Asset at 1 April 2019	17,863	62	17,925	25,122	155	25,277
Lease Liability at 1 April 2019	(17,863)	(62)	(17,925)	(25,122)	(155)	(25,277)
Statement of Comprehensive Net Expenditure						
19/20 Depreciation Expected	1,410	36	1,446	2,043	80	2,123
19/20 Interest Expense Expected	356	1	357	500	3	503
19/20 Rental Payment Expected	1,609	37	1,646	2,240	82	2,322

35 New IFRS issued by but not yet effective *continued*

Right Of Use Assets Previously Classified As Finance Leases

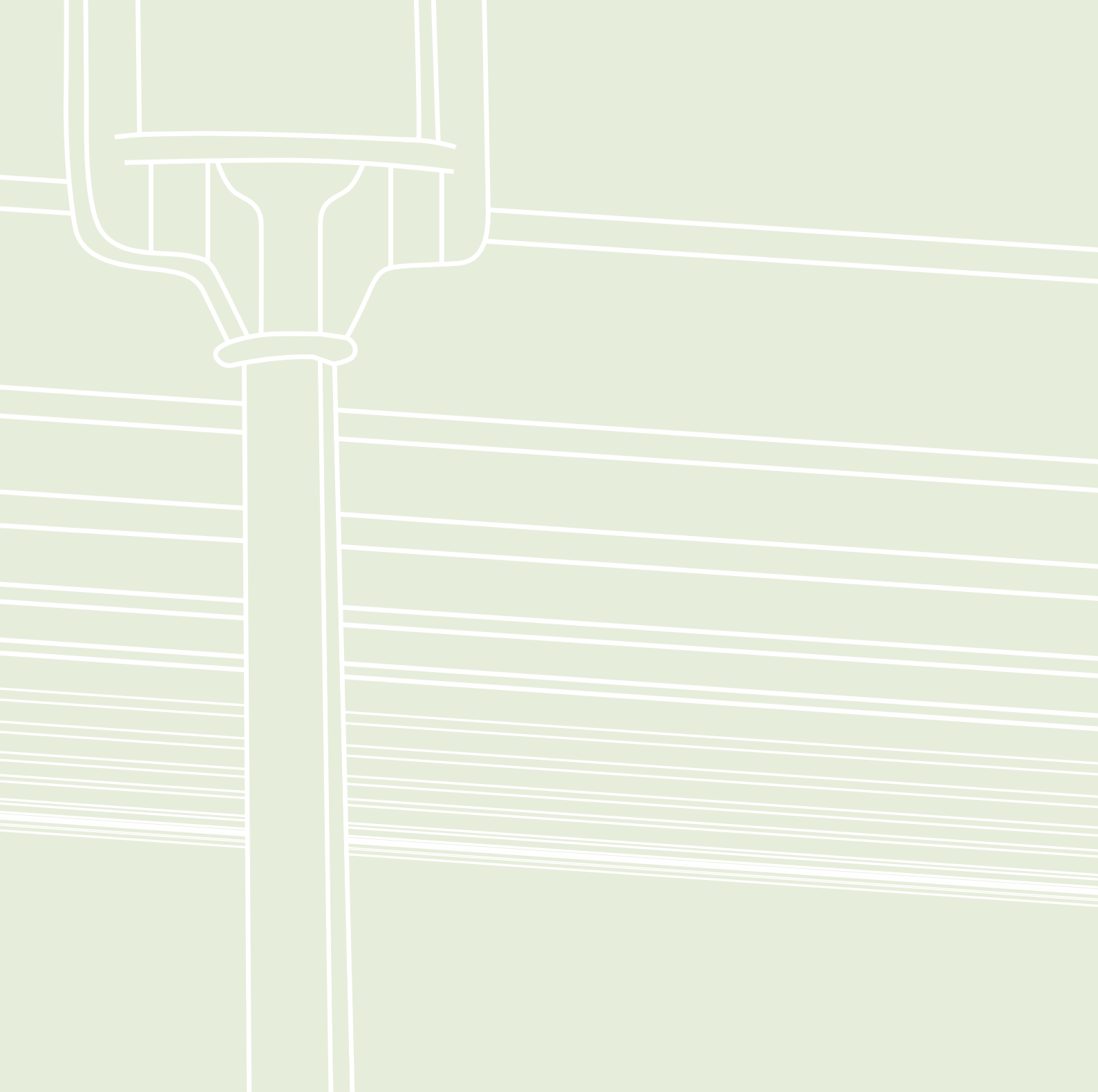
	Historic England			Group		
	Property £'000	Vehicles £'000	Total £'000	Property £'000	Group Vehicles £'000	Total £'000
Statement of Financial Position						
Increased/(Decreased) Right of Use Asset at 1 April 2019	5,978	–	5,978	5,978	–	5,978
(Increased)/Decreased Lease Liability at 1 April 2019	(5,978)	–	(5,978)	(5,978)	–	(5,978)
Statement of Comprehensive Net Expenditure						
Increased/(Decreased) Depreciation Expected – 2019/20	151	–	151	151	–	151
Increased/(Decreased) Interest Expense Expected – 2019/20	521	–	521	521	–	521

Peppercorn Leases

	Historic England			Group		
	Property £'000	Vehicles £'000	Total £'000	Property £'000	Group Vehicles £'000	Total £'000
Statement of Financial Position						
Increased/(Decreased) Right of Use Asset at 1 April 2019	–	–	–	490	–	490
(Increased)/Decreased Lease Liability at 1 April 2019	–	–	–	(81)	–	(81)
Statement of Comprehensive Net Expenditure						
Increased/(Decreased) Depreciation Expected – 2019/20	–	–	–	26	–	26
Increased/(Decreased) Interest Expense Expected – 2019/20	–	–	–	2	–	2

36 Events After the Reporting Period

There were no reportable events between 31 March 2019 and the date the accounts were authorised for issue. The financial statements were authorised for issue on the date they were certified by the Comptroller and Auditor General.



5 Our Supporters

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 2019. The following have given amounts of, or worth, £1,000 or more:

Allchurches Trust
Andrew Lloyd Webber Foundation
Ecclesiastical Insurance plc
The John Laing Charitable Trust
Keymer
National Lottery Heritage Fund
The Pilgrim Trust
Selectaglaze
The Walker Trust
The Wellcome Trust

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



Historic England

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