



Historic England

ANNUAL REPORT & ACCOUNTS

2021-22

HC 870



Historic England

Annual Report and Accounts 2021–22

Presented to Parliament pursuant to
paragraph 13(4) of Schedule 3 to the
National Heritage Act 1983.

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Hi!
ORMSKIRK

Hi! CULTURE

Hi!
ORMSKIRK

SAY HI
TO HISTORY

LOVE TO

DOROTHY F

 Pedestrian
Zone
At any time
No loading
7 pm - 7 am
10 am - 4 pm

Ormskirk High Street Heritage Action Zone

CHAIRMAN'S INTRODUCTION

“Our Vision at Historic England is for a heritage that is valued, celebrated and shared by everyone: a historic environment that people will connect with, learn from and that we are proud to pass on to future generations.”

Our strategy, **Championing Heritage, Improving Lives**, which we launched this year, sets out how we will realise this vision: using the power and potential of our country's rich historic environment to bring communities together, and to energise and equip people to be more involved in supporting the places they care about.

We know at Historic England that looking after, and investing in, our historic places has proven benefits: from supporting heritage skills, boosting civic pride and improving wellbeing, to increasing tourism. We believe also that heritage has a vital role in addressing national priorities, including levelling-up economic opportunity, as well as global challenges such as climate change.

2021-22 has been a busy and rewarding year for Historic England:

- We continued to work with the Government and partners to deliver the **Culture Recovery Fund**, helping to secure and revitalise vulnerable heritage sites and organisations across the country.
- Our ongoing **High Streets Heritage Action Zone (HAZ)** programme provided much-needed support, helping to bring vacant space back into use and energising our high streets as COVID-19 restrictions eased, with art, stories and cultural activities.
- We extended our much-valued **Heritage Schools** programme, which has now reached more than 1.7 million pupils, and we continued to create and offer more vocational training and employment opportunities.
- We were delighted to launch our **Heritage Building Skills Programme**, a major five-year training and apprenticeships programme in the North of England, generously funded by a £4.3 million grant from the Hamish Ogston Foundation, helping to build heritage capacity and resilience.

- We published our **Climate Change Strategy**, setting out how we will work as an organisation and with partners to help the sector address the challenges of climate change. We also published our Carbon Reduction Plan, confirming our own carbon reduction commitments and our roadmap to carbon net zero by 2040.
- I was delighted to speak at the inaugural **Culture and Heritage Capital** conference in March 2022, part of a long-term project, led by the Department for Digital, Media, Culture and Sport (DCMS), to establish a universally accepted standard for measuring the social and economic impact of cultural and heritage assets.

Looking ahead to 2022–23 and beyond, we will seek to work with the cultural and heritage sectors, the Government and others to champion the historic environment and to help the country address the major challenges of our times. **Partnership working** will be key, whether it is through collaborating with other Government Arm's Length Bodies (ALBs) on Levelling Up Fund projects and UK Shared Prosperity Fund investment plans, or taking forward the main priorities and actions identified in the Heritage Sector Resilience Plan 2022–24 to ensure we have a robust and resilient heritage sector.

The **Levelling Up and Regeneration Bill**, published in May 2022, has implications for Historic England and for the historic environment, both in terms of the vital role that heritage will have in levelling up and through the proposed changes to the planning system. Historic England will continue to work constructively with Government officials on the significant detail to be added through secondary legislation and guidance as the Bill progresses.

The **English Heritage Trust** is recovering well from the pandemic and I would like to thank its Trustees, the senior

management, staff and volunteers for the significant role they have played in this. The licence under which the Trust cares for the National Heritage Collection has been extended by two years until 2025. We will continue to work closely to support the Trust on its trajectory of financial self-sufficiency.

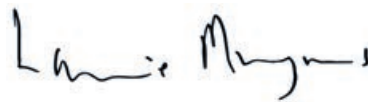
“

On behalf of my fellow Commissioners, I would like to thank Historic England’s staff for their continuing professionalism, dedication and passion throughout an exceptionally busy and challenging year.

I would also like to thank my fellow Commissioners together with the volunteers who provide their valuable expertise to our advisory committees and panels. It has

been a huge relief to be able to meet face to face again after so many virtual meetings. It has also been a particular pleasure to reconnect with each other and staff across our regions, and to see at first-hand how Historic England is making a real difference to people and places.

I am also most grateful to Alex Balfour and Victoria Harley, whose Commission terms ended in 2021-22, for their considerable contributions over the past seven years. I am pleased that we will continue to benefit from Victoria’s expertise and practical wisdom through her continuing membership of our Historic Estate Conservation Committee.



Sir Laurie Magnus
Chairman, Historic England



The new visitor experience at Shrewsbury Flaxmill Maltings

SECTION 1

PERFORMANCE REPORT



Blythe Hill Tavern, listed for its historic interior in a joint initiative with the Campaign for Real Ale (CAMRA)

1. PERFORMANCE REPORT

This section sets out our organisational objectives and challenges and summarises how we have performed during the year. It comprises an overview of our work and key risks, a summary and analysis of our performance, and concludes with a selection of our achievements during 2021–22.

About Historic England

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

Our Purpose

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

Our Vision

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

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

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

Our Values

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

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

We save historic places

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

We ensure our advice and evidence serve people and places well

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

We build skills, knowledge, confidence and motivation

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

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

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

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

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

We support the English Heritage Trust

We are responsible to the Government for the care and operation of the National Heritage Collection – over 400 historic sites and monuments under the nation's ownership or protection – which are managed on our behalf by the English Heritage Trust. We support English Heritage in its care and maintenance of the collection and have helped it reach its goal of financial self-sufficiency with additional funding to help the organisation through lockdown.



The interior of the Blythe Hill Tavern

Chief Executive's Overview of 2021-22

We have performed well in delivering our statutory functions and strategic objectives in 2021-22, despite the challenges of COVID-19. We have continued to work with the Government and partners to help the sector recover as fully as possible from the impact of the pandemic, and to ensure it remains resilient to face future challenges.

- Our ambitious future strategy, **Championing Heritage, Improving Lives**, sets out how we plan to achieve our vision through our own work and with partners. Building on lessons learned from our response to the pandemic, it is a flexible strategy, able to adapt to factors beyond our control should they arise, such as fluctuations in funding and social changes. We also refreshed our Corporate Plan for 2021-22 and refined a suite of priority performance indicators that are more representative of our vision and aspirations, and which link more closely to our objectives and anticipated outcomes.
- The incredible cross-organisational effort to deliver the **Culture Recovery Fund (CRF)**, including the Heritage Stimulus Fund (HSF), continued in 2021-22. Although this work required a significant diversion of our resources, it did not interrupt the delivery of our core planning, listing, research and engagement services, and our teams kept audiences informed and engaged through a stream of inspired communications. Delivered in partnership with the National Lottery Heritage Fund, over £140 million was allocated through 1,151 Culture Recovery Fund for Heritage awards during 2020-21 and 2021-22, and over £90 million in addition was awarded by Historic England directly through the HSF over the same period.
- To help build **heritage capacity and resilience**, we have continued to create more vocational routes into the sector and have supported other employers to offer these roles, ensuring that they are available to a diverse range of people. With generous support from the Hamish Ogston Foundation, this year we recruited the first 18 participants to our £4.3 million five-year Heritage Building Skills Programme, developing expertise and skills across a range of disciplines in the North of England.
- Our £95 million **High Streets Heritage Action Zones (HAZ)** programme made real progress in its second year, working with local partners and communities and using the historic environment as a catalyst for economic and cultural recovery and growth. Almost £38 million of capital spend has now been invested and we are starting to see the impact of the programme on the ground with vacant space reused, historic buildings restored and repaired, and improved public realm projects transforming high streets for local communities and visitors. The High Streets HAZ **Cultural Programme** has also flourished; over £2.2 million has been distributed in grants, reconnecting people to their high streets – and to each other – through film, music, animation, performance and photography.

Key Issues and Risks for Historic England

- The pandemic and other national and global events have affected the **deliverability of some key work programmes** to original plans and budgets. In particular, we have been monitoring risks associated with delivery partner capacity, energy and construction costs, and supply chains across our key programmes, including High Streets HAZs.
- A legacy of under-funding means some of our **core IT systems** need replacing. The strains on our IT systems have been compounded by a significant increase in stakeholder expectations and demand, and a greater reliance on digital technology as a result of the pandemic. It will be a careful balancing act to manage our digital transformation ambitions with our limited financial and staff resources, while ensuring we continue to deliver our statutory functions and comply with Government legislation and guidance around digital accessibility, cyber security and data standards.



The Electric Palace Cinema, Harwich, following restoration works partly funded by the Cultural Recovery Fund

- The **English Heritage Trust** cares for the National Heritage Collection under a licence from Historic England, which has been extended by two years to 2025. The Trust's current financial position is stronger than was anticipated when the pandemic was at its peak, but we will continue to work closely with the Trust and monitor the agreed performance indicators to ensure it meets its target of financial self-sufficiency.
- **Contested heritage** – historic objects, structures, buildings or places where the associated stories or meanings have become challenged – can be an emotive subject. Our policy of 'retain and explain' has gained widespread support, although each case presents its own circumstances and complexities. The number of planning and listing cases we have been involved with so far is relatively small, but they are complicated, resource intensive, and sometimes high-profile, posing operational and reputational risks.
- **Climate change** is a global risk for which we must all take responsibility. It is imperative we work together to manage the impact of climate change and to promote the historic environment's role in climate change mitigation and adaptation. Our Carbon Reduction Plan and Climate Change Strategy set out how we will achieve our ambitious target of carbon net zero by 2040, and how we will help to drive net-zero commitments from others in the heritage sector.

More detail about how we monitor and manage our risks is set out in the Governance Statement within the Accountability Report.

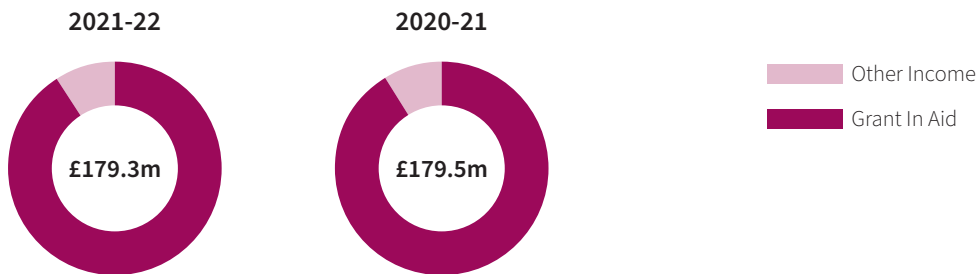
Duncan H. Wilson

Duncan Wilson
Chief Executive

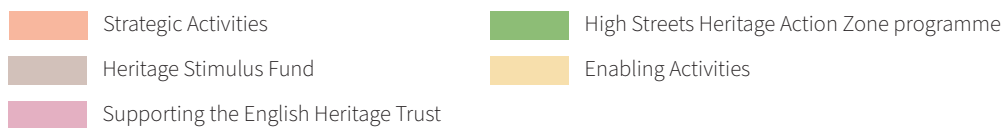
Summary of Financial Performance

The following charts summarise our sources of income and how we allocate our resources to deliver our strategic objectives and activities.

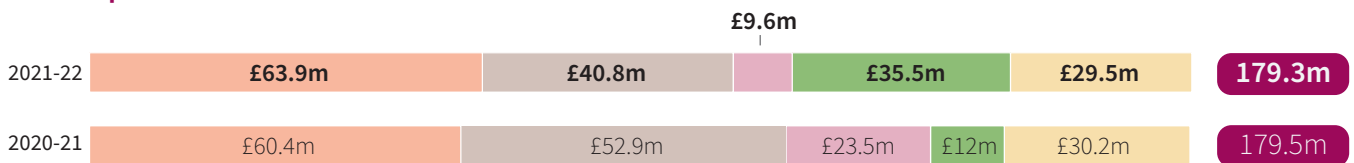
Total Income



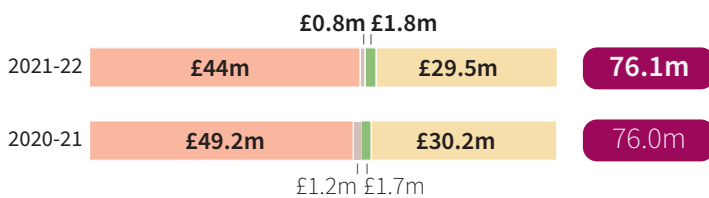
Key Activities



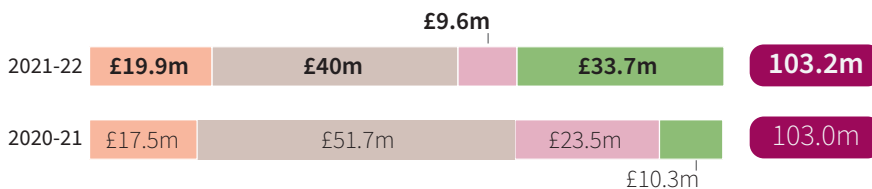
Total Expenditure



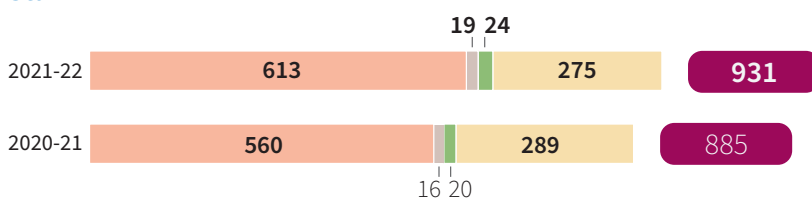
Expenditure (excluding Grants & EHT)



Expenditure (of Grants & EHT Subsidy)



Staff FTE



Performance against Key Measures

DCMS Framework Agreement – 2021–22 Progress Report

Historic England has a Framework Agreement with our sponsor Department which sets out the way DCMS expects our organisations to work together and the priority areas for delivery. The table below summarises our progress against DCMS’s priorities and agreed performance indicators, which are expanded on elsewhere in the Performance Report.

DCMS Framework Agreement Priority: Continue and enhance Historic England’s leadership role to guide local authorities and the wider sector; sharing expertise, building capacity and driving improvements to self-sufficiency, while supporting the pandemic recovery plan for the heritage sector

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> • Number of strategic collaborative research funding partnerships that deliver HE Corporate Plan objectives • Strength of research partnerships (knowledge generation/ knowledge sharing/skills & methods exchanged) • Number of assets added to or modified within Warden (and thus ready for transmission to Local Authority HERs) • The proportion of HE recommended Local Plan policy amendments accepted by councils • Ranking of HE digital offer based on the Sitemorse survey 	<ul style="list-style-type: none"> • We received over £218,000 in external research funding and produced over 70 events, exhibitions, publications and guidance documents based on our research. • Grants from external research bodies are currently funding 28 strategic collaborative research funding partnerships supporting the delivery of our Corporate Plan objectives. • Through an Arts & Humanities Research Council (AHRC) funded Collaborative Doctoral Partnership (CDP) programme, and in collaboration with UK universities, Historic England and the English Heritage Trust co-supervise three PhD studentships that respond to our research priorities. • We are the lead partner for the £3m AHRC-funded project: Unpath’d Waters: Marine and Maritime Collections in the UK, which will link up and improve access to marine and maritime data and collections in the UK. • Almost 1,500 monument records were created and added to our research recording system (Warden) to be transferred to the network of Historic Environment Records (HERs). More than 900 records were added directly to local authority HERs as a result of Historic England grant-aided research. • Over 200 local authorities requested Local Plan advice from us. Since October 2021, we have been able to track new Local Plans, enabling us to evaluate the issues and recommendations we have raised, and giving us a better understanding of how local authorities are adopting our advice. • Our website is now ranked in the top ten for Government and public bodies (tenth out of 291), and is the highest-ranking heritage-related website, as assessed by the Sitemorse survey, which measures websites for compliance with accessibility, functionality and links, code quality, performance and brand.

DCMS Framework Agreement Priority: Prioritise contributions to the place and levelling up agendas, including heritage high streets

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> • Number of Heritage at Risk sites removed from the Register as a result of being brought back into positive economic or social use • Grant spend % per region 	<p>We removed 233 sites from the Heritage at Risk (HAR) Register for positive reasons in 2021 (181 in 2020). 92 sites were repaired or consolidated; 88 received grants; 44 benefited from improved management; and nine saw their vulnerability or threat removed.</p> <p>The regional distribution of the £13.6m grant spend on Heritage at Risk in 2021–22 was:</p> <ul style="list-style-type: none"> • East of England 12.5% • London & the South East 24.9% • Midlands 22.4% • North East & Yorkshire 15.9% • North West 10.1% • South West 14.2% <p>56% of the £3.25m Heritage Stimulus Fund grants for heritage at risk was awarded to Levelling Up Tier 1 areas, and 44% to Tier 2 areas.</p> <p>A Grants Review project is underway to develop and implement an effective and simplified grants programme, to help ensure that funding is awarded where it creates the most impact and public value.</p> <p>In the second year of the High Streets Heritage Action Zone programme, capital spend was £36.8m (£43.8m over years 1–2). Outputs to date include:</p> <ul style="list-style-type: none"> • 5,700sqm of vacant or under-used commercial floor space back in use, and 2,500sqm of new commercial space created • 56 shop fronts reinstated • 136 heritage assets repaired • 4 residential units brought back into use and one new unit created • Nearly 200 feasibility and research studies produced • 115 planning and design guides created • 385 public events, 2,200 engagement activities and 300+ consultation events • 114 artworks or installations

DCMS Framework Agreement Priority: Develop an action plan for Historic England to reach carbon net zero before 2040 and help to drive net zero commitments from organisations within the heritage sector

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> Greenhouse gas emissions in tonnes and by cost Waste volumes and disposal routes in tonnes and by cost 	<p>Historic England is committed to achieving net zero by 2040. We believe this is an ambitious, credible and achievable target.</p> <p>Our Carbon Reduction Plan establishes our baseline and sets out our approach to achieving net zero, including our near- and longer-term targets:</p> <p>Our Climate Change Strategy sets out our approach to the climate crisis in terms of our vision and aims, work and activities, and proposals for working with the heritage sector and key stakeholders to combat climate change.</p> <p>2021–22 data:</p> <ul style="list-style-type: none"> Greenhouse gas emissions – 1,370 tonnes Greenhouse gas emissions by Cost – £699,000 Waste volume and disposal – 63 tonnes Waste volume and disposal by cost – £27,000 <p>More detail is provided elsewhere in the Sustainability Report.</p>

DCMS Framework Agreement Priority: Increased diversity and inclusion, increased participation, and building on Historic England’s leadership role to help develop a truly diverse sector that boosts public engagement

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> Attendance figures for the Heritage Schools teacher and trainee teacher training events Number of external training opportunities created Number of training opportunities taken up by content type RepTrack (benchmarking) survey score 	<p>We are progressing our Strategy for Diversity, Inclusion & Equality 2020–23, which includes actions to help develop more diversity within our own workforce and support others across the sector to do the same.</p> <p>Through our role as a Kickstart Gateway organisation, 32 sector employers provided 85 paid work placements to unemployed young people in 2021–22. Just under 25% of participants that we know of progressed immediately into work or full-time education following their placement.</p> <p>There were over 500 applications to our Everyday Heritage grants programme, focused on working-class heritage; the biggest response to any Historic England grant call.</p> <p>We provided a fully online training programme in 2021–22, delivering 83 events, with 4,200 training opportunities. The programme included a suite of climate-change training events, in partnership with the Climate Heritage Network, in the run-up to COP26.</p> <p>Despite the continued impact of the pandemic on schools, attendance at Heritage Schools training events increased in 2021–22 by nearly 18%, with 3,300 attendees.</p> <p>Our latest Reptrak (reputation benchmarking) survey score of 77.5 represents an increase of 0.2 on the previous year and is significantly higher than the UK public sector average (66.2). We have moved from tenth to seventh place of the 200 organisations measured.</p>

DCMS Framework Agreement Priority: Continue to drive improvements to the planning system, as well as actively engaging in the energy efficiency agenda as it relates to the historic environment

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> • Number of formal government consultations responded to • Number of consultation responses scoring one or more ‘greens’ under the traffic light assessment of degree to which final Government publication reflected HE comments 	<p>We responded formally to 11 Government consultations (four from BEIS, three from DLUHC, two from Defra and two from the Home Office). Of the two consultations that the Government has responded to formally (and can therefore be assessed), both scored ‘amber’, indicating ‘some change’ in terms of reflecting Historic England’s consultation response.</p> <p>Historic England continued to engage constructively with DLUHC and DCMS throughout 2021–22 on planning reforms and the possible impact on heritage, ensuring that heritage will remain a consideration in delivering Government priorities, including the levelling up agenda and energy efficiency.</p> <p>Our input to the development of the Levelling Up and Regeneration Bill has yielded some significant positive impacts. Changes set out in the Bill, published in May 2022, amount to a significant strengthening of heritage protections in the planning system, including enhanced enforcement powers for listed building works and statutory underpinning for HERs.</p>

DCMS Framework Agreement Priority: Support and monitor English Heritage Trust’s financial sustainability following recent emergency funding awards, and continue to monitor the conservation deficit of the National Heritage Collection

2021–22 Performance Measures	2021–22 Performance Summary
<ul style="list-style-type: none"> • Overall financial surplus/deficit (gross and net of GIA support) • Expenditure on regular maintenance and capital repair 	<p>The overall 2021–22 financial position for the English Heritage Trust was:</p> <p>Including restricted funding</p> <ul style="list-style-type: none"> • Gross – £3.5m surplus (20–21 – £9m deficit) • Net – £31.9m net deficit (20–21 – £25.7m deficit) <p>Excluding restricted funding</p> <ul style="list-style-type: none"> • Gross – £1.5m deficit (20–21 – £8.1m surplus) • Net – £14.0m deficit (20–21 – £19.0m deficit) <p>Expenditure on the Conservation Maintenance Programme was £12.3m. £8.3m was from the £52m New Model conservation grant and £3.7m from the Heritage Stimulus Fund. The remainder was from other sources.</p> <p>Maintenance spend was £14m, the highest spend since 2015.</p>

Performance against other performance indicators in 2021–22

The table below summarises our progress against other priorities and performance indicators, which are expanded on elsewhere in the Performance Report.

Measure	2021–22	2020–21	2019–20
Changes to the National Heritage List for England (additions, amendments or deletions)	6,738	5,651	8,700
Historic sites added to Historic Environment Records	3,903	4,618	2,100
Pre-application proposals advised on	2,031	1,891	2,285
Planning casework advised on	18,704	15,904	17,423
Total value of grants given ¹	£93.5m	£79.58m	£23.45m
Number of Heritage at Risk sites removed from the Register for positive reasons	233	181	310
Teachers and other educators attending Heritage Schools training	3,287	2,794	3,256
Training opportunities delivered ²	4,209	9,741	2,411
Advice and guidance public downloads ³	114,650	157,436	124,100
Views of our digital archive ⁴	4.0m	8.9m	5.1m
Online views of the National Heritage List for England ⁵	11.6m	11.3m	9.0m
Visits to our website ⁶	8.7m	10.2m	7.76m
Media coverage ⁷	34,030	21,594	12,958
Social media followers	504,649	449,439	348,375
Newsletter subscribers	30,497	28,969	26,859
RepTrak™ (reputation benchmarking) survey score	77.5	77.3	79.2

¹Grant-giving in 2021–22 and 2020–21 was above usual levels due to the emergency COVID-19 grant programmes and the High Street HAZ programme.

²The 2020–21 figure reflects the entirely online training programme delivered in the first year of the pandemic, reaching 9,750 ‘live’ delegates (and a further 25,700 views of recordings). 2019–20 and 2021–22 figures represent the number of combined in-person and digital delegates.

³This measure is highlighted due to uncertainty in download figures across all years. Work to improve and fix the potential errors in this measure is ongoing.

⁴A cookie notification / opt-out was added to the Historic England website from February 2021, which has affected our ability to record accurate visit and view numbers. Users who decline cookies do not have their activity tracked. Although year-on-year-comparison figures show a drop, this does not reflect actual performance.

⁵See Note 4.

⁶See Note 4.

⁷A switch in media coverage monitoring provider midway through 2019–20 has resulted in more extensive and precise monitoring.

Highlights of 2021–22

With the gradual lifting of COVID-19 restrictions, our staff were able to resume site visits, re-connect with colleagues and stakeholders face to face, and see the tangible impact of our work in places across the country. The following section reflects some of the diverse and important work we delivered in 2021–22 and highlights some of our achievements in pursuing our strategic objectives.

Strategic Objective: Save historic places and enable them to thrive for future generations

We saw some amazing progress in 2021–22 across our **High Streets Heritage Action Zone** (HAZ) programme, with the schemes continuing to play an important role in the post-COVID-19 recovery. We worked closely with lead partners to help re-shape original scheme designs, and many of our partners not only rose to the original challenge but also seized the opportunity to deliver additional projects.

Our original **Heritage Action Zone** (HAZ) programme launched in 2017–18, and the Round 1 schemes completed their fifth and final year of delivery in 2021–22. Almost £24 million has been invested in the ten schemes, including £3.5 million of private funding. Other achievements include training for over 700 staff and 500 volunteers, 78 heritage buildings repaired or restored, 26 housing units brought back into active use and more than 100 new or amended listings. The findings and recommendations from our pilot evaluation of two Round 1 schemes are informing the ongoing Rounds 2 and 3, and the High Streets HAZ programme.

Our **Heritage at Risk** programme identifies the sites most at risk of being lost through neglect, decay or inappropriate development, and it helps us understand the overall state of England’s historic environment. Our regional teams work with owners, community groups, developers and other stakeholders to find solutions for these ‘at risk’ historic places, providing advice, guidance and resources. 130 places were added to the **Heritage at Risk Register** in 2021, but we were pleased to be able to remove 233 sites, many having been saved through the hard work and dedication of local community groups and volunteers, despite the considerable additional challenges of the pandemic.



School children in Sunderland Heritage Action Zone

Our **Heritage at Risk grants** help owners look after these important places. The grants vary in amount, and the projects can take from a few months to several years to complete. Importantly, these grants are often a catalyst for securing the future of a site and can give confidence to other funders. We gave grant aid of £9.8 million in 2021–22 to sites on the Register, and a further £4.8 million was awarded to heritage sites at risk through the Culture Recovery Fund. These grants not only helped with emergency repairs, they have also helped protect the livelihoods of the skilled craft workers who restore and sustain these much-loved historic places.

Below are a few examples of the projects we were proud to support in 2021–22:

- As part of the HAZ in Sunderland, we awarded a repair grant of £184,000 for **Phoenix Hall**, the oldest surviving purpose-built masonic lodge in England still in use by the Freemasons, and one of only two Grade I

listed buildings in Sunderland. The grant to the Queen Street Heritage Trust will fund vital repairs to the roof, joinery and masonry, as well as the interior, including the distinctive chequered floor. The works will include ‘hard-hat tours’ and heritage skills training activities.

- The much-loved Grade II* **Electric Palace Cinema in Harwich** re-opened in 2022 after a two-year restoration project. Built in 1911, and one of the country’s oldest surviving purpose-built cinemas, it had been on the Register since 2019. Working in partnership with the National Lottery Heritage Fund, we provided £475,000 (including £151,000 from the Culture Recovery Fund) toward the cinema’s £1.5 million restoration, which included asbestos removal and partial replacement of the auditorium floor.
- The latest phase of repair and restoration work at **Wingfield Station, Derbyshire**, has been funded through £483,000 in Heritage at Risk and Heritage Stimulus Fund grant funding. Built in 1839–40, Wingfield is among the first purpose-built passenger railway stations in the world and has Grade II* listed status in recognition of its national significance. In private ownership – and at risk – for many years, in 2019 we supported the local authority in pursuing a Compulsory Purchase Order, and we also encouraged Derbyshire Historic Building Trust (DHBT) to work up a conversion project and secure finance to be able to take on the building.
- A great example of partnership working – and community engagement – was the £114,000 match funding we provided to the National Trust for its **Wessex Hillforts and Habitats** project. The project included setting up a group of ‘Hillfort Hero’ volunteers, who carry out condition monitoring to inform repairs. This has helped to improve the condition of 13 of these Iron Age hillforts, and four have now been removed from the Heritage at Risk Register. The project also supported the production of the Wessex Hillforts digital visitors guide, expanding digital capacity and widening access to and understanding of these remarkable landscapes.
- The Grade I listed **Temple Works in Leeds** had been on the Heritage at Risk Register since 2008. Famous for its striking Egyptian architecture, this former Victorian flax-spinning mill was awarded a Heritage Stimulus Fund grant of £636,000 to secure the roof, and we also

provided a further £400,000 for urgent repairs to the Counting House, which will showcase plans to turn the site into a new home for the British Library in the North of England.

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

This year we added a further 284 historic places to the List, ranging from the wreck of a First World War prototype D-class submarine off the Dartmouth coast, to sections of late 18th-century mud walls in Whittlesey, Cambridgeshire, built to avoid a Government tax on brick and tiles. Each site that is added has its own unique, fascinating story. Here are a few examples of the wide-ranging additions we made during the year:

- The iconic Skerne railway bridge in Darlington, County Durham, built for the opening of the Stockton & Darlington Railway in 1825. Listed at Grade I, it is believed to be the oldest railway bridge still carrying regular passenger trains in the world, and one of only seven Grade I listed railway bridges in England.
- The Brown Jug, which was listed at Grade II, is a much-loved pub in Broadstairs, Kent. Originally constructed as a farm cottage in the 18th century, it has seen multiple phases of development that remain visible in the surviving historic fabric, yet it retains its original, simple, two-room floor plan.
- Listed at Grade II, we added a rare 1930s survival of an early police telephone kiosk in Newtown Linford, Leicestershire. Rendered largely obsolete from the 1960s onwards (as home telephones became more commonplace), police boxes are now very rare in England. This Leicestershire box is also of a distinctive size, shape and design type not seen in other policing areas.
- One of the most poignant listings was the Shoreham Memorial Cross in Sevenoaks, Kent, constructed at the suggestion of a local father who lost his two sons in the First World War. The 30m cross, carved from the chalk of the North Downs, was dug by parishioners and designed to be seen from the village war memorial.

Listing entries also helped to mark key anniversary dates during the year, including Armistice Day and the 70th anniversary of the Festival of Britain. The latter included the upgrading of two churches built for, or inspired by, the festival. Other sites, including London's Royal Festival Hall and Barbara Hepworth's famous *Contrapuntal Forms* sculpture, now in Harlow, Essex, had their list entries updated to officially recognise their connections with the festival.

We added a **virtual dive trail** for the *Stirling Castle* scheduled wreck to our website. There are now 17 dive trails that use innovative technologies, such as multi-image photogrammetric recording and virtual reality techniques, enabling the public to explore clear 3D images of these protected underwater sites.

We released a new-look and more user-friendly List, and also upgraded the interface for our **Enriching the List** initiative, which has seen over 220,000 contributions made by 3,600 users since it was launched five years ago.

Strategic Objective: Ensure our advice and evidence results in well-informed decisions that serves people and places well

We continued our collaboration with DCMS, the Arts and Humanities Research Council (AHRC), Arts Council England (ACE) and others on the **Culture and Heritage Capital (CHC) Framework**, a long-term project to ensure that cultural and heritage assets and services are properly valued as part of policy-making and investment decisions. In March 2022 we marked the first 12 months of this important initiative with a well-attended virtual conference, hosted by the Heritage Minister.

We have been working closely with Government departments to help establish **practical responses to contested heritage issues**, including tools and guidance for planning authorities and owners to help them deal with cases when they arise. We have also been developing staff guidance and training so that our people are confident and feel supported in advising on contested heritage casework and engaging with stakeholders.

We continued to work closely with planning authorities, owners and developers at the Local Plan and pre-application stages, providing advice, support and – where necessary – challenge. On average, we are consulted on

over 20,000 **applications for planning permission and listed building consent** each year.

This year, our Development Advice teams were involved in Examinations in Public for a number of **Major Infrastructure Projects**, including power stations and major highways, where there were potential issues involving the setting of heritage assets, demolition of designated buildings or implications for archaeological sites.

Some of the development proposals we are consulted on are of international significance, such as our work advising Highways England on the detailed design of the A303 Stonehenge scheme. Others have been contentious: in November 2021, the Government refused permission for the construction of the 305m-tall 'Tulip' tower in the City of London. The Minister supported the findings of the planning inspector, who agreed with our assessment that the Tulip would have a harmful impact on heritage and, in particular, the extraordinary significance of the Tower of London World Heritage Site.

We published a wide range of **advice and guidance** during the year, including two Historic England Advice Notes (HEANs) on listed building consent and tall buildings. We also updated our advice on preventing and responding to metal theft from churches. We consulted on a new document, *Planning and Archaeology*, and are preparing new guidance on temporary structures in historic places and an updated advice note on climate change.

Our popular series of free #TechnicalTuesdays **lunchtime webinars** covered a huge range of historic building topics, including craft skills, timber-framed buildings and the installation of fire alarms in historic structures. Audiences continue to grow, with 2,700 participants in 2021–22.

Engaging with the historic environment has a proven positive impact on people's quality of life. Our **Strategy for Wellbeing and Heritage 2022–2025**, published in April 2022, sets out our ongoing commitment to developing new partnerships and approaches to wellbeing, and how we will enhance the social impact of our programmes and communicate the value of heritage. Our first national webinar on heritage and social prescribing, in partnership with National Academy of Social Prescribing, has helped support the development of a range of projects across the country, including a health and wellbeing programme as part of the Kirkham High Street HAZ in Lancashire.

Strategic Objective: Work with people to build the skills, knowledge, confidence and motivation to fight for, and look after, their historic environment

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

Due to the ongoing COVID-19 restrictions in 2021–22, we offered an **entirely digital programme of training**, delivering 4,200 training opportunities. The move away from face-to-face training also provided the opportunity to build our own resilience and enhance our capabilities, and the research we commissioned into best practice for e-learning in the heritage sector is helping to shape the ongoing transformation of our training programmes.

Our **Heritage Protection Commission (HPC) grant programme** funded a broad range of research, skills and capacity-building projects this year, including: modelling the survival and condition of archaeological remains at Flag Fen to inform a management strategy; investigation into the impact of tall buildings on the historic environment; and production of a code of good conduct in research. Our 2021–22 grant programme spend was £2.68 million across 116 new awards.

We provided over £1 million through our **National Capacity-Building (NCB) grants** to support trusts, societies and other heritage bodies on projects that build capacity and reduce risk to the historic environment. Examples include a grant to the Youth United Foundation, which works directly with 1.5 million young people, providing them with skills and experiences, and a grant to the Network of Military Aviation Museums to develop and strengthen its network of military aviation heritage settings across England.

The COVID-19 pandemic brought into sharper focus the heritage skills gaps that are threatening the sector's future productivity. We have set the corporate ambition of **building heritage capacity and resilience** through our three-tier vocational training model, with apprenticeships at its heart.

The **Hamish Ogston Heritage Building Skills programme** represents the largest initiative to date. The first 18 recruits have been appointed, building their skills across a range of disciplines from stained glazing to millwrighting, and a five-week summer school took place at Wentworth Woodhouse, South Yorkshire. The early success of the programme and positive coverage has led to a number of conversations with other trusts and foundations who are keen to understand more fully – and potentially fund – Historic England's work in building heritage-sector skills.



Stowey Castle, Somerset, following the clearance of vegetation and subsequent removal from the Heritage at Risk Register

Our first cohort of **Historic Environment Advice Assistant apprentices** completed their training in 2021–22, with eight of the nine apprentices successfully passing their end point assessment and five gaining a distinction. The second cohort of 12 apprentices, from organisations across the sector, began in October 2022. To date, our role as a gateway organisation for the Government's **Kickstart Scheme** has helped direct nearly £400,000 of funding into the sector and enabled us to support 32 sector organisations to offer 85 paid work placements to unemployed young people during the year.



The Counting House of Temple Works, Leeds. A Cultural Recovery Fund grant which enabled critical project development work during the Covid-19 pandemic

Strategic Objective: Improve our digital capability to open our collections, assets, knowledge and expertise to everyone

As well as ensuring our digital resources and platforms are fully accessible, we have also focused on making **improvements to our webpages** to make them more user-friendly. We have improved the user experience and discoverability of content on the Historic England website and have been improving content design to make our resources more accessible to everyone.

There has been good progress in **making even more of our heritage data accessible**, including to our heritage sector colleagues. In the last year, almost 4,000 records were added to the network of Historic Environment Records (HERs), which are a vital source of information, not only for local planning purposes, but also to anyone interested in the archaeology, built heritage and history of an area.

The **Historic England Archive** is one of the largest accessible archives in the UK. With over 1.6 million photographs, plans and drawings searchable for free online, it is a fantastic way of encouraging participation with our heritage. We were delighted to be able to re-open our public search room and library in June 2021 and, as COVID-19 safety measures were eased, make more visitor slots available and broaden the range of material available to view. We welcomed almost 400 visitors and responded to more than 4,600 enquiries. The **photography team**

scanned over 8,000 items, including 2,771 images, to support the Heritage Schools programme. Over 3,500 prints from the US Air Force large format collection were digitised and will soon be available on our Aerial Photography Explorer (APEX) platform, described below.

Each year our aerial reconnaissance programme discovers hundreds of sites hidden beneath the soil, revealed as cropmarks seen from the air. They include fascinating remains of burial monuments, such as round barrows, and former farms and fields associated with ancient settlements. Our work to unleash the value of this research took a major step forward this year with the launch of our digital **Aerial Archaeology Mapping Explorer** tool, which allows users for the first time ever to explore our country's archaeology using the results of over 30 years of aerial photographs and other aerial sources.

In March 2022 we also launched our **Aerial Photography Explorer (APEX) platform**, the culmination of a four-year cross-organisational project, which enables the public to access over 400,000 aerial images from the Historic England Archive on a map-based viewer. Usage statistics and media interest has been phenomenal. In the first three days the number of users looking at Archive material increased by 560 per cent, and over 250,000 people accessed the APEX map. Media coverage helped the project reach an estimated 225 million people through national television, radio and print media.

Strategic Objective: Engage diverse audiences and achieve an inclusive workforce, ensuring that the historic environment is for everyone

We are sharing an increasing amount of our work digitally to engage as many people as possible. We have consistently delivered growth across all our **social media channels**, generating 54 million impressions (a 34 per cent year-on-year increase) and we increased our followers across our social media channels by 12 per cent, to more than 500,000. Our social media campaign celebrating LGBTQ+ History Month in February 2022 resulted in 1.7 million impressions and 65,000 engagements alone.

Much of our **engagement work** in 2021–22 was focused on promoting the Culture Recovery Fund emergency funding package across our digital channels and in the media. We shared and celebrated the funding with over 30 case studies and films, which gained 16 million views and 46 million impressions from our social media posts. Our #UncoverMore campaign for the Culture Recovery Fund was shortlisted for Marketing & Communications Campaign of the Year at the 2022 Museums and Heritage Awards.

Through the **High Streets Heritage Action Zone Cultural Programme** we are delivering one of the biggest ever community-led arts and heritage programmes in more than 60 high streets in England. The programme is reconnecting communities to their high streets, and to one another, with projects covering a wide range of activity from poetry to film, animation and music, performance and photography. More than 800 people told us what they loved about their high streets as part of our #HighStreetLove campaign, and we will be using these insights to help focus our future campaigns.

In partnership with Historic Environment Scotland, we were successful in obtaining a £250,000 award from the Arts and Humanities Research Council (AHRC) to run a range of **community-led place-based pilot projects**. Our role is to act as a research hub for the programme: distributing grants, delivering and evaluating a capacity-building programme, building networks and promoting the research of partners. With ACE, NLHF and Sport England, we are also one of the lead partners for the Government's £7 million **Volunteering Futures Fund**, supporting a range of cross-culture-sector partnerships with programme and capacity funding for inclusive volunteering projects.

Our **Heritage Schools** programme engages children in the art of discovery, helping them develop an understanding of their local heritage and its significance, and encouraging communities to become more involved in the life of the school. Despite the continued disruption to schools as a result of the pandemic, an additional 256 new schools took part in the programme this year, bringing the total number of individual schools participating to nearly 2,000. Attendance at virtual and face-to-face training events continues to average at 3,000 per year, with the benefits reaching an estimated 1.7 million pupils since 2012.

Our partnerships with local heritage and cultural providers resulted in a range of **new resources for schools** this year, including heritage trails and migration stories. We collaborated with multi-award-winning folk group, The Young'uns, and six Heritage Schools on a project to create a series of new folk songs inspired by each of the towns' rich history. We have also been developing Heritage Schools projects in several of our High Street Heritage Action Zones.

We continue to receive excellent feedback about the impact on pupils, with 99 per cent of teachers agreeing that learning about local heritage improved pupils' sense of place, and 87 per cent agreeing that learning about local heritage raised pupils' aspirations.

Enabling Activity: Organise ourselves to be efficient, accountable and to reflect the people and places we serve

As a public body, we continually try to identify ways to improve our own efficiency and accountability, and to better reflect the public we serve.

We continue to **diversify our income**. We received £463,000 from our fundraising efforts to match-fund programmes and projects, and we exceeded our 2021–22 earned income budget, bringing in £2.4 million from business areas, including our Archive, and advice and analysis to external parties. We also completed a number of office estate projects, including sub-letting of some of our properties, and now share space with other DCMS ALBs, including the Arts Council and VisitBritain. We have renegotiated agreements for all the shared services provided to, and received from, the English Heritage Trust for a further three years to 2025.

Our **IMT and Facilities Management** teams continued to deliver technological and other improvements to support the business and our people through another demanding year. Most of our staff continued with a 'hybrid' model of working in 2021–22, with a mix of office-based, site-based and remote working. We also upgraded core systems to meet cyber essentials requirements, respond to new statutory and business requirements, and support our Digital Engagement team.

We progressed work on our **Grants Management System** (GMS) portal, which enables grant recipients to provide monitoring information online. It is the first step toward a more user-friendly 'one-stop shop', which will make our grants processes less time consuming and more efficient for both applicants and our internal teams.

We delivered more than 120 **training sessions** to over 1,000 staff across a broad spectrum of topics and provided over 80 virtual 'lunch and learn' talks to more than 4,000 staff. We launched a comprehensive online compliance training programme and an online induction event for the 100+ new staff who joined us during lockdown.

Historic England is committed to supporting **good mental health and wellbeing**. Working with our people, we have been implementing our Mental Health and Wellbeing Action Plan, which includes a training programme, a network of Mental Health First Aiders and Champions, and a programme of awareness-raising events. We were proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index for the fourth year running, recognising our long-term investment in improving mental health and wellbeing at work. This has been particularly important as we continued to support our people through the challenges of the pandemic.

Historic England – and the wider sector – needs to do much more to reflect and represent the full diversity of our communities. We are committed to **inclusion, diversity and equality of opportunity** in our work and across our workforce. ***Our Strategy for Diversity, Inclusion & Equality 2020–23***, sets out our ambition and the measurable targets that we hold ourselves to.

We've continued to provide **early careers opportunities** for young people and others who want to move into the heritage sector, and we have taken steps to ensure

that these opportunities have reached a diverse range of people, including those from lower socio-economic backgrounds, people who have disabilities, and people from ethnic groups that are under-represented in our workforce. We hosted 23 six-month Kickstart paid placements and recruited five apprentices during the year. We also provided three-day virtual work experience opportunities for 90 young people, helping them make important connections and encouraging them to consider careers in the heritage sector.

Enabling Activity: Support the English Heritage Trust in its care and maintenance of the National Heritage Collection and moving toward its goal of financial self-sufficiency

Historic England is responsible to the Government for the care and operation of the National Heritage Collection, which is carried out under a licence by the English Heritage Trust.

English Heritage continued its recovery from the pandemic throughout 2021–22 with a strong focus on cash preservation. With Government COVID-19 restrictions remaining in place until July 2021, inbound and domestic tourism remained significantly below pre-pandemic levels. Despite this, income, excluding the New Model subsidy and COVID-19 grants, recovered to £99.9 (2020–21: £64.3 million), with a total income of £116.6 million (2020–21: £99.8million).



We were proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index for the fourth year running, recognising our long-term investment in improving mental health and wellbeing at work.

Under the New Model arrangement, English Heritage received £9.9million of tapering subsidy in 2021–22 (2020–21: £11.0 million), the last year in which such funding will be received. The Trust also benefited from £6.7 million of Heritage Stimulus Fund grant funding, retail, leisure and hospitality grants, and furlough support as part of the Government's COVID-19 support measures (2020–21:

£24.4 million). Tight controls remained in place, with total expenditure of £125.7 million (2020–21: £96.2 million), including £8.3 million use of the £80 million New Model grant on conservation works (2020–21: £4.6 million). English Heritage made a net unrestricted deficit of £1.5 million for the year. Unrestricted cash at 31 March 2022 was £53.6 million (2020–21: £55.3 million). As a result of the pandemic, financial sustainability is expected to be delayed from March 2023 by three years, but there is no assumption that any further annual grant aid from the Government will be required.

The Trust's 2021–22 position was:

- Visitor numbers = **4.2 million** (1.9 million in 2020–21)
- Membership recruitment = **422,000** (182k in 2020–21)
- 707,000 renewals (4.5 per cent increase on budget)
- Total income = **£116.6 million** (£99.8 million in 2020–21) Includes **£16.7 million** (£35.4 million in 2020–21) from grants, COVID-19 support programmes and the subsidy
- Trading surplus = **£31.2 million** (£14.4 million in 2020–21)
- Volunteer roles = **4,232** (4,018 in 2020–21)

Historic England's oversight role is supported by the work of the Historic Estate Conservation Committee (HECC), which monitors and advises Commission on the conservation and maintenance of the properties in the collection. The HECC comprises a number of Historic England Commissioners and independent experts, as well as English Heritage observers. The HECC's programme of site visits to National Heritage Collection properties resumed in 2021–22, following a pause as a result of the pandemic. The committee also met throughout the year, receiving updates on the Trust's Sustainable Conservation Strategy & Asset Management Plan (SCAMP), sustainable conservation standards, the Conservation Maintenance Programme and the Trust's Collections Conservation Programme.

Other Matters

We are committed to continuous improvement, ranging from the expert advice and guidance we provide, to our engagement with the public and stakeholders, or 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 inclusive decision-making through stakeholder engagement.

We have a zero-tolerance policy for any form of modern slavery, coerced labour or human trafficking within our own business and our supply chains, or among grant recipients. Our Modern Slavery Transparency Statement can be found in full on our webpages. In 2020–21, we received no alerts regarding suspect incidents of modern slavery via our whistleblowing mechanisms.

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

We are committed to directing our resources to where they will have the greatest social value and impact and measuring the public benefit of all our activities. Our Corporate Plan and strategic activities are underpinned by a suite of outcome-led performance measures, to enable us to monitor and demonstrate the 'real-world' benefits and impact of our work.

Like all public bodies, we remain mindful of risk and uncertainty, and continue to keep our objectives, performance indicators and corporate risks under review and, when necessary, update them to reflect changes to our operating environment.



Solar panels fitted on the roof of Gloucester Cathedral

2021–22 Sustainability Report

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

Historic England strongly supports urgent climate action and believes that heritage is part of the solution. Reducing carbon emissions is a key focus for us, both in terms of our own business practices and as a sector leader in researching and promoting the role that the historic environment has in climate change mitigation and adaptation.

We published our **Climate Change Strategy** in March 2022, which sets out our approach to the climate crisis in terms of our vision and aims, work and activities, and proposals for working with the heritage sector, stakeholders and the Government to combat climate change.

Our **Carbon Reduction Plan**, published in 2021–22, sets out our baseline data (based on our 2019–20 emissions) and the actions we will take to achieve net zero by 2040. The plan is inclusive of both near-term and longer-term targets:

- By 2030 we aim to have achieved a 46 per cent reduction across Scopes 1–3
- By 2040 we aim to have achieved at least a 90 per cent reduction across Scopes 1–3
- The remaining ~10% emissions will be neutralised through verified offsetting schemes within the UK.

We recognise that we will need to make improvements as an organisation to help us achieve our goals. To meet our 2030 target of 46% reduction in emissions, we will be focusing on the following areas of our operations:

- Reducing Scope 1 and 2 emissions
- Reducing emissions associated with our purchased goods and services, and capital goods
- Reducing our emissions through sustainable travel
- Improving waste management at our offices
- Reducing emissions by improving data accuracy and setting targets.

Key focus areas will include: our procurement processes; sourcing more sustainable materials, products and services; embedding re-use schemes; waste-management procedures and targets (including food waste); reducing emissions through sustainable travel and hybrid working; and implementing a comprehensive digital and IT strategy. More detail about the projects that will help us deliver our ambition are set out in our Carbon Reduction Plan:

<https://historicengland.org.uk/content/docs/about/carbon-reduction-plan>

Greenhouse Gas Emissions

	2018-19	2019-20	2020-21	2021-22
Non-Financial Indicators (tCO2e: tonnes of CO2 equivalent)¹				
Total gross emissions for scopes 1 & 2 ²	1,383	1,211	409	1,122
Total net emissions for scopes 1 & 2 (i.e. fewer reductions, e.g. green tariffs)	1,383	1,211	409	462
Gross emissions scope 3 business travel	647	472	42	60
Other scope 3 emissions measured	-	-	-	-
Related Energy Consumption (kWh: kilowatt hour)				
Electricity: non-renewable	3,323,212	3,199,985	46,842	20,733
Electricity: renewable	-	-	2,354,881	3,092,719
Gas	2,402,731	2,136,787	2,164,268	2,395,431
LPG	-	-	-	-
Other	-	-	-	-
Financial Indicators				
Expenditure on energy	£512k	£509k	£428k	£536k
CRC licence expenditure (2010 onwards)	£25k	-	-	-
CRC income from recycling payments	-	-	-	-
Expenditure on accredited offsets (e.g. GCOF)	-	-	-	-
Expenditure on official business travel	£1,263,000	£1,181,000	£80,663	£162,407

¹The scopes and conversion rates are set out in the UK Government conversion factors for company reporting guidelines issued by BEIS/Defra and available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018>

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

As far as possible, actual data has been used to calculate greenhouse gas emissions. Where this has not been possible, estimations have been extrapolated from the actual data. As well as the switch to renewable tariffs, the impact of COVID-19 on energy use at our offices and on business-related travel is reflected in the figures above. The increases in emissions in 2021-22 reflects the return to offices and increased staff travel as COVID-19 restrictions were eased.

Waste Management

		2018-19	2019-20	2020-21	2021-22
Non-Financial Indicators (tonnes)					
Total waste		298	301	53	62
Hazardous waste:	Total	-	-	0.5	-
Non-hazardous waste	Landfill	178	170	31	6
	Reused/recycled	120	131	22	22
	Incinerated/energy from waste	-	-	-	34
Financial indicators					
Total deposit cost		£26k	£27k	£27k	£16k
Hazardous waste – total deposit cost		-	-	£460	-
Non-hazardous waste	Landfill	£14k	£14k	£12k	£1k
	Reused/recycled	£12k	£13k	£14k	£10k
	Incinerated/energy from waste	-	-	-	£5k

Tight waste-management procedures are in place through contract management at our offices, and the roll-out of new ways of working across our estate has seen a longer-term reduction in waste in terms of both volume and cost. Although offices were closed for part of 2021–22, collection costs were still incurred.

We are working toward the following Greening Government Commitment waste targets:

- Reduce the amount of waste going to landfill to less than 5 per cent of overall waste
- Increase the proportion of our waste that is recycled to at least 70 per cent of overall waste
- Remove single use plastic from the office estate
- Report on the introduction and implementation of re-use schemes
- Reduce paper use by at least 50 per cent.

As part of the cyclical programme of improvements to our estate, we have made a conscious effort to remove single-use plastics from offices; for example, by providing reusable mugs, cutlery and glassware for staff to use. Data on construction and refurbishment projects has not been collected or managed centrally until now.

Although re-use schemes have been used on an ad hoc basis previously, one focus area for the coming years will be to increase our re-use of IT and office equipment.

Finite Resource Consumption – Water and Paper

		2018–19	2019–20	2020–21	2021–22
Non-Financial Indicators (m3)					
Water consumption	Supplied	10,063	9,428	5,044	2,445
	Abstracted	–	–	–	–
Financial Indicators					
Water supply costs		£22k	£18k	£10k	£2.2k
Non-Financial Indicators (Reams)					
A3 paper		252	297	3	35
A4 paper		5,025	4,375	219	593
Financial Indicators					
A3 and A4 paper combined		£14k	£11k	£821	£2,087

Water usage is reflective of individual employee needs in maintaining their health and welfare. We continue to explore new systems to reduce water usage at our offices. Paper consumption reflects that many of our people were working digitally for the majority of 2021–22.

Sustainability and Procurement

As a public body, Historic England is obliged to follow the relevant public procurement regulations to ensure we achieve value for public money in a transparent, open and fair manner. While always ensuring best value for money, procurement can play a vital role in delivering socially responsible policy objectives, including sustainability.

We support sustainable and ethical procurement. As part of the selection process, suppliers bidding for contracts worth more than £5 million are required to submit their plans for achieving carbon net zero by 2050, and to set out the environmental management measures they have in place, and which will be in effect and utilised during the performance of the contract. During procurement exercises, where appropriate, 10 per cent of the evaluation score is allocated to how suppliers' proposals will address themes from the Government's Social Value Model, including fighting climate change.

Long-Term Expenditure Trends

	Actuals					Budgeted	
	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
Grants	20.1	20.2	23.5	79.6	65.2	21.4	14.3
Regions	15.4	15.0	15.2	16.6	16.4	16.4	17.2
Policy and Evidence	11.9	12.0	12.4	12.8	12.5	14.1	14.2
Public Engagement	5.9	6.1	6.8	7.6	5.0	7.8	7.9
Business Improvement	3.0	2.9	3.3	3.5	4.0	4.1	4.0
Shrewsbury Flaxmill Maltings	5.1	4.5	6.2	2.2	1.6	2.7	1.2
High Streets Projects	-	-	0.6	1.7	35.5	27.1	19.6
Corporate/Support Services to HE	16.1	17.7	10.2	10.1	14.7	20.5	19.7
Depreciation, Amortisation & Impairment	6.0	6.2	7.7	13.2	6.6	9.3	9.3
Expenditure Relating to Core Historic England Activities	83.5	84.6	85.9	147.3	161.5	123.4	107.4
Corporate and Support Service to Third Parties	10.8	8.1	7.6	8.2	8.2	6.8	6.7
Subsidy to The English Heritage Trust	14.7	13.8	13.2	23.5	9.6	1.4	0.5
Expenditure Relating to Services Provided to Third Parties	25.5	21.9	20.8	31.7	17.8	8.2	7.2
Totals	109.0	106.5	106.7	179.0	179.3	131.6	114.6
Corporate/Support Services to HE	16.1	17.7	10.2	10.1	14.7	20.5	19.7
Depreciation, Amortisation & Impairment	6.0	6.2	7.7	13.2	6.6	9.3	9.3
Expenditure Relating to Core Historic England Activities	83.5	84.6	85.9	147.3	161.5	123.4	107.4
Corporate and Support Service to Third Parties	10.8	8.1	7.6	8.2	8.2	6.8	6.7
Subsidy to The English Heritage Trust	14.7	13.8	13.2	23.5	9.6	1.4	0.5
Expenditure Relating to Services Provided to Third Parties	25.5	21.9	20.8	31.7	17.8	8.2	7.2
Totals	109.0	106.5	106.7	179.0	179.3	131.6	114.6



Volunteers undertaking vegetation clearance at Gannow Green Medieval moated site in Coventry

Our Position at the Close of the Year

Historic England received £162.9 million (2020–21: £163.9million) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £112.5 million (2020–21: £82.2 million) of which £93.3 million (2020–21: £59.2 million) was earned income from commercial activities. Net expenditure for the group was £174.7 million (2020–21: £161.3 million), while Historic England showed net expenditure of £164.1 million (2020–21: £164.7 million). English Heritage made an unrestricted operating deficit in the year of £2.1 million (2020–21: surplus of £8.1 million).

Adoption of the Going Concern Basis

Historic England is principally reliant on funding from the Department for Digital, Culture, Media and Sport (DCMS). The Framework Agreement relating to 2021–22 remains in place while we await the final agreement reflecting the 2021 Spending Review settlement.

COVID-19 continued to have some impact in 2021–22 on the Historic England Group, in particular, on the English Heritage Trust. The Trust's financial position has been subject to close monitoring, and the English Heritage Trustees and Directors of English Heritage Trading Limited are satisfied that it remains appropriate for both entities to adopt the going concern basis in preparing their financial statements.

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

Duncan H. Wilson

Duncan Wilson

Chief Executive and Accounting Officer
28 November 2022

SECTION 2

ACCOUNTABILITY REPORT

Grimes Graves for new visitor interpretation, taken for English Heritage Trust as part of the Shared Service Agreement

2. ACCOUNTABILITY REPORT

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

Corporate Governance Report

The Corporate Governance Report summarises our governance arrangements, explains how they support the achievement of our objectives and gives an assessment of their effectiveness.

Directors' Report

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

Commissioners and Executive Team Members

Sir Laurie Magnus was appointed Chairman of Historic England on 1 September 2013. Details of his remuneration and that of Duncan Wilson, the Chief Executive, along with other Commissioners and senior staff who served between 1 April 2021 and 31 March 2022 can be found in the Remuneration and Staff Report.

The terms of reference and membership of the 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
- ensure that Historic England conducts its dealings with the community in an open, responsive and accountable manner.

Register of Interests

We maintain a record of declarations of interest made by Commissioners, which includes company directorships. A copy of the current Register of Interests, and the guidance we ask members to follow, is available here:

www.historicengland.org.uk/about/who-we-are/commission/dois

All Commissioners, committee members and members of the Executive Team are asked to review their Register of Interest entries twice a year. We also seek declarations of potential conflicts at each meeting in relation to the business on the agenda. Where there is a material conflict, the individual does not participate in proceedings.

Fraud and Personal Data Related Incidents

Historic England suffered no material fraud losses during 2021–22. All losses, including immaterial amounts and failed attempts (for example phishing emails), were reported to DCMS in accordance with our Framework Agreement. No significant losses of information took place and no reports were made to the Information Commissioner’s Office during 2021–22.

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
- prepare the financial statements on a going concern basis.

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

Disclosure of Relevant Audit Information

As Accounting Officer and in conjunction with the Commissioners and Executive Team, I have taken all the steps that ought to have been taken to make ourselves aware of any relevant audit information and to establish that the National Audit Office is aware of that information. I am not aware of any audit information of which the National Audit Office is unaware.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

The Governance Statement, for which I take personal responsibility as Accounting Officer, provides an overview of Historic England's governance arrangements and how they support the achievement of our aims and objectives. The statement also explains how we comply with good governance principles and how we make sure the effectiveness of our governance arrangements is appropriately reviewed and challenged.

Scope of Responsibility

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

How We Are Accountable

Accountability to Ministers and Parliament is maintained in accordance with the Framework Agreement and through my role as Accounting Officer. A draft Framework Agreement was in effect from 1 April 2021. An updated Agreement, reflecting Historic England's confirmed Spending Review settlement, came into effect from 2022–23.

We report regularly to DCMS on our performance against the Framework Agreement and I hold regular meetings with senior DCMS staff, as do other members of the Executive Team.

As a public body, we must demonstrate to the Government the ongoing need for our functions, and show that we are accountable, efficient and effective in how we deliver our work. We underwent a Tailored Review, which reported in 2020. The findings were positive and gave a strong endorsement of the work we do. Our published response to the findings commits us to adopting all the recommendations identified in the review, and we report our progress to DCMS.

Historic England will be subject to the Government's Public Bodies Review programme, which was introduced in April 2022 and replaces the Tailored Review programme.

Commission, as our governing body, establishes the overall strategic direction of the organisation and our corporate aims, which are published in our Strategy and Corporate Plan. The plan also describes how we deliver our vision, aims and objectives, and the indicators we use to measure our performance.

Commission contributes to the development of the organisation's corporate priorities and objectives through discussions at its meetings. It also approves Historic England's Strategy and Corporate Plan.

It receives a summary of performance at each of its meetings, which includes updates on strategic, operational and financial performance, and a dashboard of key indicators.

The Audit and Risk Assurance Committee receives detailed updates on performance against our Corporate Plan and our performance indicators twice a year, and Commission receives an overview of performance at year-end.

Each year, Commission reviews its effectiveness and a summary of the findings is shared with DCMS. In line with best practice, an externally facilitated review is due to take place in 2022–23.

As board members of a public body, Commissioners are obliged to observe various Government requirements and standards in their role, notably the Cabinet Office's Code of Conduct for board members of public bodies, which includes the Seven Principles of Public Life, or 'Nolan Principles'.

Commissioners are appointed by DCMS. All Commissioner appointments follow the recruitment process set out in the Cabinet Office's Governance Code for Public Appointments.

On appointment, Commissioners sign terms and conditions that commit them to abiding by Historic England's Conduct Guidance for Commissioners, which sets out the various requirements and standards applicable to the role (within the context of Historic England's business and governance arrangements), including the Nolan Principles.

The Chairman holds one-to-one appraisal meetings with each Commissioner annually. Commission also carries out an annual review of the Chair's performance, which is led by the Chair of the Remuneration and Appointments Committee. The Chair also has an annual appraisal meeting with the DCMS Director of Arts, Heritage & Tourism.

Scope of Responsibility

Day to day management of the organisation rests with me as the Chief Executive and Accounting Officer. I delegate authority to my direct reports to incur expenditure and make decisions in accordance with our Scheme of Delegations, and the limits set out in the Framework Agreement and our Finance Manual.

Historic England is accountable to the Government for the care and maintenance of the National Heritage Collection, which is managed on our behalf by the English Heritage Trust under an operating licence, which has recently been extended to 2025.

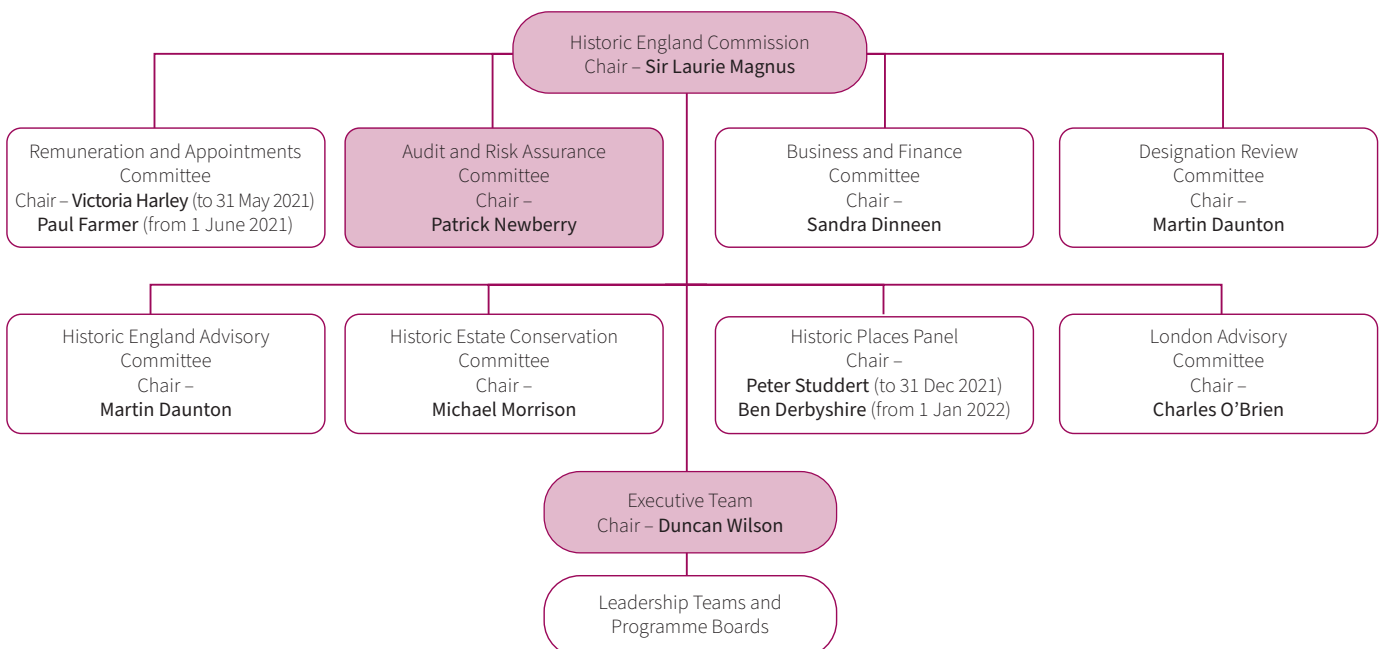
How We Are Accountable

The Executive Team considers organisational performance and financial management information on a regular basis. It reviews the corporate risk register on a monthly basis. I also hold regular meetings with each of my direct reports, at which I seek assurances on performance and risk management.

Two members of the Historic England Commission are also English Heritage Trustees. The Commission's oversight of the Trust is supported by the work of the Historic Estate Conservation Committee (HECC), which has two English Heritage Trust observers. During 2021–22, HECC carried out its business through committee meetings and a programme of visits to sites within the National Heritage Collection. It produces an annual report to Commission.

A report on the Trust's financial and non-financial performance is a standing item at each Commission meeting. Regular bilateral meetings between Historic England and the English Heritage Trust are held at Chairman, Chief Executive and officer level. The Chair of our Audit and Risk Assurance Committee also meets regularly with his English Heritage Trust counterpart, and an Historic England Commissioner sits on the Trust's Remuneration & Appointments Committee.

Our Governance Structure during 2021–22



Our System of Governance

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

- **Commission** is Historic England's governing body, comprising non-executive Commissioners appointed by the Secretary of State for Digital, Culture, Media and Sport. It establishes the overall strategic direction of Historic England and ensures that our statutory responsibilities are carried out. Commission is responsible for oversight and monitoring of performance and ensuring the highest standards of corporate governance. In order to support it in its role, Commission routinely receives reports, prepared by the Executive Team, on key operational and risk areas, strategy and policy, and financial and non-financial performance, as well as detailed reports from its specialist sub-committees at each meeting. Minutes of Commission meetings are publicly available on our website.
- 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 reports on risk management at each of its meetings and reports on corporate performance twice a year. The Committee has oversight of governance arrangements generally.
- The **Executive Team**, which I chair, comprises the group directors, who report to me. Each is accountable for the achievement of the aims and the management of the risks that are wholly or partly the responsibility of their group. The Executive Team is responsible for establishing control arrangements and for ensuring that these operate as intended.
- Two further Commission sub-committees help manage our internal business. The Business and Finance Committee oversees our financial strategy and the overall financial management of Historic England, and the Remuneration and Appointments Committee approves my remuneration, agrees my objectives as Chief Executive and monitors my performance against them. It reviews the membership requirements of Commission and its committees and advises on our overall human resources strategy, including inclusion and diversity policies. More information on the role of the Remuneration and Appointments Committee can be found in the Remuneration and Staff Report.
- There are various specialist non-executive committees that advise staff and the Commission on strategy, policy and casework matters. These include: the Historic England Advisory Committee; the London Advisory Committee; the Historic Estate Conservation Committee; the Designation Review Committee; and the Historic Places Panel. Details of committee membership and individuals' expertise are published on Historic England's webpages. Minutes of sub-committee meetings are standing items at Commission meetings.
- Terms of Reference for these groups and their membership are reviewed routinely as part of our governance monitoring arrangements, to ensure they remain fit for purpose and reflect our operating environment. There is a rolling programme of self-assessments and effectiveness reviews, and the main committees report a summary of their conclusions to Commission.

Membership of and Attendance at Commission and Business Committee meetings

Details of Commission membership and attendance during 2021–22 are detailed in the table below.

Commissioner	Commission	Audit and Risk Assurance Committee	Business and Finance Committee	Remuneration and Appointments Committee
Sir Laurie Magnus (Chair)	5/5		3/3	1/1
Alex Balfour ¹	1/1		0/0	
Nicholas Boys Smith ²	4/5	3/3	2/2	
Martin Daunton	4/5			
Sandie Dawe ³	5/5	4/4	3/3	
Benjamin Derbyshire	5/5			
Sandra Dinneen	5/5	3/4	3/3	
Paul Farmer	5/5			1/1
Helena Hamerow	5/5			
Victoria Harley ⁴	1/1			1/1
Michael Morrison	4/5			
Patrick Newberry	5/5	4/4	3/3	1/1
Susie Thornberry	4/5			1/1
Richard Upton	5/5			
Sue Wilkinson ⁵	4/5			0/1
Independent Audit & Risk Assurance Committee members				
Simon Judge ⁶		2/2		
Shri Mukundagiri		4/4		
Peter Kane ⁷		2/3		

During 2021–22, in addition to its formal scheduled business meetings, video-conference catch-up calls were arranged to keep commissioners up to date on issues. We were pleased to be able to re-commence Commission's schedule of regional visits, which had been paused due to the pandemic, with a two-day visit to Great Yarmouth and Lowestoft in October 2021.

¹Term ended 31 May 2021

²Term ended 31 December 2021

³Appointed to the Business & Finance Committee from 1 July 2020 and to the Audit & Risk Assurance Committee from 28 April 2021

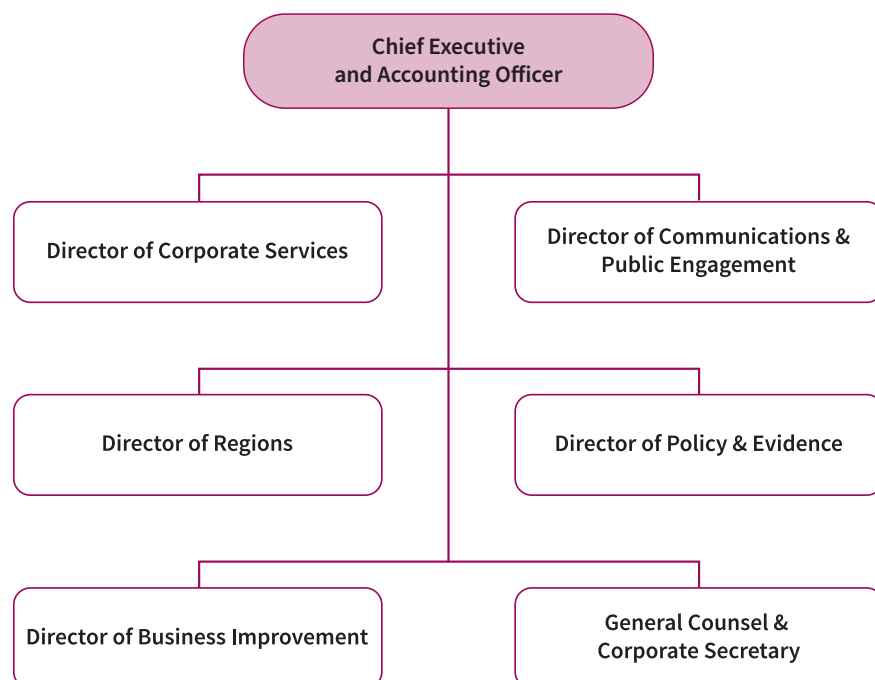
⁴Term ended 31 May 2021

⁵Appointed to the Remuneration & Appointments Committee from 1 June 2021

⁶Appointment on the Audit & Risk Assurance Committee ended 23 October 2022

⁷Appointed to the Audit & Risk Assurance Committee from 1 August 2021

Executive Team in 2021–22



The Executive Team comprises the Chief Executive and those directors who report directly to me. During the pandemic and as far as practicable, it met every day, with one longer meeting reserved for more substantive items. Since early 2022, it has met three times a week. When a group director is unavailable for a meeting, a member of their leadership team attends in their place.

Executive Team member during 2021–22	Term of membership	Meeting attendance
Duncan Wilson, Chief Executive	01 April 2021 – 31 March 2022	32/42
Michael Bishop, Director of Business Improvement	01 April 2021 – 31 March 2022	37/42
Meryl Hayward, Director of Corporate Services	01 April 2021 – 31 March 2022	35/42
Claudia Kenyatta, Director of Regions	01 April 2021 – 31 March 2022	26/42
Amy Pitts, Director of Communications & Public Engagement	01 April 2021 – 31 March 2022	34/42
Ian Morrison, Director of Policy and Evidence	01 April 2021 – 31 March 2022	34/42
Andrew Wiseman, General Counsel & Corporate Secretary	01 April 2021 – 31 March 2022	37/42

The Audit and Risk Assurance Committee in 2021–22

Commission has established an Audit and Risk Assurance Committee to support it, and to support 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
- the effectiveness of anti-fraud and whistleblowing arrangements.

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

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

The Committee's membership comprises Commissioners and independent members who have a broad range of experience including finance, risk management and governance. The Committee reports to Commission following each of its meetings. It also prepares an annual report to me as Accounting Officer and to Commission, summarising the work it has undertaken during the year and its conclusions.

The Audit and Risk Assurance Committee met on four occasions during 2021–22, its business covering a broad range of matters including the following:

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

- Regular reports and assurances from management and the Government Internal Audit Agency (GIAA) in relation to risk management, control and governance arrangements.
- Standing items including mid-year and year-end reporting on corporate performance against strategic aims and measures; the monitoring and mitigation of corporate risks and the organisation's risk appetite statement; the management of operational risks relating to health and safety, fire and business continuity; and operational risk performance, including accidents and incidents, fraud and loss, whistleblowing and sickness.
- Specific reports and assurances on high-risk operational and business areas, including: the Heritage Action Zone (HAZ) and High Street HAZ programmes; the performance of the English Heritage Trust; and information assurance and compliance, including reports on the organisation's approach to cyber security and information management.
- Regular reports on finance matters, including updates relating to accounting policies and a report on the Quinquennial Valuation of Property, Plant and Equipment.
- The Registers of Interests for Commissioners, Committee and Executive Team members. It also reviewed a summary of hospitality given and received by the Chairman and Chief Executive.
- Various discussions relating to the production and approval of the 2020–21 Annual Report and Accounts; briefings on the 2021–22 financial statements and accounting policies included elsewhere in this publication; and early drafts of the Performance and Accountability reports.
- Updates on the ongoing impact of, and business response to, the COVID-19 pandemic.
- In line with good practice, the Committee also reviewed and approved its terms of reference during 2021–22. It routinely undertakes a review of its effectiveness; the next review is due in 2022–23. The Committee was given the opportunity to comment on and challenge the assurances made in this Governance Statement.

Risk Management at Historic England

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

The Executive Team considers the overall level of risk appetite that the organisation is prepared to accept, which is reviewed and approved by the Audit and Risk Assurance Committee. The risk appetite statement for 2021–22 is set out in the table below.

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

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

Risks in 2021–22

The risk register is a living document, and the risk descriptions, mitigations and scores are adjusted as appropriate during the year to reflect changes in our operating environment. Throughout 2021–22, the risks considered to pose the greatest threat to the delivery of our corporate objectives (based on post-mitigation likelihood and impact scores) were:

- processes and infrastructure (including IT) becoming unfit for purpose (business)
- the relationship with the English Heritage Trust, the success of the New Model and the Trust meeting its financial objectives (business)
- failure of the High Street HAZ programme (business)
- damage to our corporate reputation, professional credibility and expertise (business).

In light of Russia’s violation of Ukraine’s territorial integrity in February 2022 and subsequent financial sanctions, we undertook an assessment to identify potential exposure. There are no concerns regarding the Russian sanctions or with any suppliers.

Two risks that were added in 2020–21 – risk of Culture Recovery Fund failure and risks related to the pandemic – were managed effectively and their post-mitigation scores reduced. No new corporate risks were added to the risk register in 2021–22.

My own views of the risks that could impact on the achievement of our objectives are summarised in the Overview Section of the Performance Report.

Independent Assurance

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

The Government Internal Audit Agency (GIAA) provides internal audit services to Historic England. An Internal Audit Charter between GIAA and Historic England sets out the

purpose, authority and responsibilities of internal audit, which is endorsed annually by the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee reviewed the charter at its June 2021 meeting and agreed that no material changes to the charter were required for 2021–22.

The Internal Audit Plan for 2021–22 was approved formally by the Audit and Risk Assurance Committee in March 2021, although the plan was kept under review throughout the year in order to respond to any changing priorities or emerging risks. The Audit and Risk Assurance Committee and the Executive Team were kept updated on changes, progress against the 2021–22 plan, and key emerging findings and assurances, and monitored the progress in implementing the actions agreed by management.

The Internal Audit team carried out cyclical assurance activity in all major areas of Historic England’s operations, with the following identified as high-priority areas in terms of forming the 2021–22 Opinion: grants; payments; DCMS shared services controls; information assurance; and data integrity. All resulted in moderate assurance reports, meaning that our established controls remain adequate and are operating as intended.

The remainder of the plan was focused on areas of change and key projects, where risks can be more difficult to manage. These included: the Inclusion, Diversity & Equality Action Plan; the Sustainability Agenda; Development Advice; the High Streets Heritage Action Zone (HAZ) programme; and Apprentices. Overall, in each case arrangements were found to be proportionate and effective.

COVID-19 Emergency Funding and Other Grant-making

Grant-making was a major area of focus in 2020–21. In addition to Historic England’s existing grant programmes and the High Street HAZ programme grant funding, almost £40 million of grants were distributed in 2021–22 through three COVID-19-related schemes. GIAA focused its work on providing ongoing assurance that key controls over the assessment, award and payment processes for these schemes were adequate and operating as intended, and that risks associated with the granting of public finances were suitably mitigated.

The assurance work found that processes had been followed, awards had been made in accordance with scheme requirements, proportionate checks had been

carried out, and payments were made timeously and on completion of works. Testing confirmed that all awards had been made within the scope of the relevant scheme and followed agreed assessment processes.

GIAA also validated Historic England’s self-assessment against the Cabinet Office Government Grants Management Function Grants Standard (GovS 015) prior to submission to DCMS. The Internal Audit review verified a score of 90 per cent, which is at the top-end of ‘Better’ on the Cabinet Office’s four-point scoring scale (Developing / Good / Better / Best). The 2021–22 score was a significant improvement on the 2020–21 score of 73 per cent and compares favourably to the 69 per cent average for ALBs.



On the basis of the reviews completed during the year, the Head of Internal Audit’s opinion for 2021–22 is that Historic England continues satisfactorily to identify, assess and mitigate risks, and that there are no pervasive control weaknesses that could lead to an unacceptable level of risk being carried. This constitutes a ‘moderate’ assurance in accordance with the GIAA Criteria.

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 via the Chair of the Audit and Risk Assurance Committee. We also signpost independent sources of advice on whistleblowing, such as the Public Concern at Work charity.

Open Government and Freedom of Information

Historic England is subject to the public sector freedom of information regime. Much of our information is available on our website as part of our ongoing commitment to transparency and accountability. 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 2021–22 we responded to 384 requests for information under this legislation (395 in 2020–21).

Information Security and Compliance

Historic England is committed to the secure storing, handling and sharing of the information we hold, in order to maximise its value to our business and to mitigate reputational, legal and financial risks from potential loss, theft, misuse or inappropriate disclosure.

We have a dedicated Corporate Information Management Group that is responsible for the leadership, corporate oversight and progress monitoring of corporate information management, the General Data Protection Regulation (GDPR) and cyber security.

We are required to provide assurance to DCMS that the necessary measures are in place to operate to a good level of compliance with GDPR, and to meet cyber security standards (including compliance against the Government Functional Standard for Security, Cyber Essentials and the Departmental Security Health Check-Lite).

- The Functional Standard for Security (GovS:007) sets out the security arrangements that Government organisations should have in place. In 2021 Historic England engaged a security consultant to complete a gap analysis of our performance against the GovS:007 standard, and actions are underway to address the recommendations.
- Following a significant number of system upgrades and other infrastructure work, Historic England was granted Cyber Essentials accreditation in October 2021. While reaccreditation is very welcome, changes to the scheme implemented from January 2022 will make future reaccreditation more challenging. Although upgrades and new processes are being implemented, several business systems that passed the 2021 standards will not pass in 2022 due to expiry of support for their operating systems.

- We report annually to DCMS on compliance with security standards, using the Cabinet Office’s Departmental Security Health Check-Lite, a self-assessment tool aimed specifically at Arm’s Length Bodies. It assesses compliance with cyber security, personnel security, physical security and incident management.

Historic England is compliant with public records legislation, having been granted permission by the Lord Chancellor’s Advisory Council to retain legacy records, while a backlog is addressed. Nine-hundred and twenty-three priority records were identified, assessed and transferred to the National Archives in 2021–22.

Monitoring the Effectiveness of Governance in 2021–22

As Accounting Officer, I have responsibility for the effectiveness of our system of governance. My views on the effectiveness of Historic England’s governance were discussed with the Executive Team and the Audit and Risk Assurance Committee during the year. Throughout 2021–22 I was assured as to its effectiveness by:

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

Executive Team directors have also confirmed to me that, to the best of their knowledge and belief, and based on the assurances they have been given, Historic England maintained a sound system of governance during the year, while managing risks and safeguarding 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 via group directors
- the quality of data provided to the Board
- the business of Commission and its committees
- 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 2021–22

A satisfactory system of governance was in place at Historic England for the financial year ending 31 March 2022 and up to the date of approval of the 2021–22 Annual Report and Accounts. It accorded with HM Treasury guidance, including the *Corporate Governance Code of Good Practice 2017* and the revised *Management of Risks – Principles and Concepts* (The Orange Book), in so far as these are applicable to Historic England as an Arm's Length Body.

The governance system we had in place has provided me, as the Accounting Officer, with adequate assurance that Historic England is making the best use of its resources in achieving its aims, while managing risks to an appropriate degree. I believe the system of governance was fit for purpose in 2021–22 and remains so. My fellow Executive Team members and Commission support this view.



Duncan Wilson

Chief Executive and Accounting Officer
28 November 2022

Remuneration and Staff Report

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

Remuneration Report

Remuneration Policy

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

Remuneration and Appointments Committee

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

- demonstrate that reward and remuneration is considered by a Committee which has no personal interest in the outcome of its advice and which gives due regard to the interests of the public and the financial health of the organisation
- 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 usually meets twice a year. The Committee is chaired by a Commissioner (who is not the Chairman of the Commission) and comprises no fewer than five members, all of whom are Commissioners or independent external members. In accordance with Historic England's published

appointment's policy, members of the Committee are appointed by the Chairman of Commission, following consultation with (and approval by) Commissioners.

Since 1 June 2021, the Committee has been chaired by Paul Farmer (having been chaired by Victoria Harley up to 31 May 2021). The Committee met once during 2021–22 and comprised 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 members are participants in the organisation's Performance Related Pay Scheme for senior managers, which allows for awards of up to 7.5 per cent of salary, assessed every year against annual targets and objectives. Following the end of the financial year, the Chief Executive assesses the performance of the other Executive Team members against their annual targets and objectives, and his recommendations are put forward to Human Resources and the Remuneration and Appointments Committee.

Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2020	Appointments ended since 1 April 2020	2021–22 £'000	2020–21 £'000
The Chair of the Commission				
Sir Laurie Magnus			35–40	35–40
Current Commissioners				
Professor Martin Daunton			5–10	5–10
Sandie Dawe			0–5	0–5
Benjamin Derbyshire			0–5	0–5
Sandra Dinneen			0–5	5–10
Paul Farmer			0–5	0–5
Professor Helena Hamerow			0–5	0–5
Michael Morrison			0–5	0–5
Patrick Newberry			0–5	0–5
Susie Thornberry			0–5	0–5
Richard Upton			0–5	0–5
Susan Wilkinson			0–5	0–5
Former Commissioners				
Alex Balfour		31 May 2021	0–5	0–5
Nicholas Boys Smith		31 Dec 2021	0–5	0–5
Victoria Harley		31 May 2021	0–5	0–5
Rosemarie MacQueen		31 Dec 2020	–	0–5
Charles O'Brien		31 Dec 2020	–	5–10

- Commissioners' emoluments wholly related to basic fees in respect of their duties as Commissioners and as Chairs of Advisory Committees. No Commissioner received any performance-related fees.
- All Commissioners' appointments are non pensionable. Commissioners' emoluments are set by DCMS.
- Charles O'Brien, whose Commissioner term ended on 31 December 2020, continues to serve as chair of the London Advisory Committee and receives an emolument of £3,150 per annum for this role.

Single Total Figure of Remuneration for Executive Team

The following information has been subject to audit:

	Salary		Performance Award		Pension Benefits ¹		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Team as at 31 March 2022								
Duncan Wilson	125-130	125-130	15-20	15-20	17	63	160-165	205-210
Chief Executive								
Meryl Hayward	100-105	100-105	0-5	0-5	22	31	130-135	135-140
Director of Corporate Services								
Claudia Kenyatta	95-100	95-100	0-5	5-10	19	44	120-125	145-150
Director of Regions								
Ian Morrison	95-100	95-100	0-5	0-5	20	44	120-125	145-150
Director of Policy and Evidence								
Michael Bishop	75-80	70-75	0-5	5-10	31	29	110-115	105-110
Director of Business Improvement								
Amy Pitts	80-85	80-85	0-5	0-5	33	33	115-120	115-120
Director of Communications and Public Engagement								
Andrew Wiseman	85-90	85-90	0-5	5-10	34	34	125-130	125-130
General Counsel and Corporate Secretary								

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

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The data presented is based on accrued payments made by Historic England and thus recorded in these accounts. Performance awards are based on performance levels attained and are made as part of the annual appraisal process. Due to the timing of the appraisal process, awards reported in 2021-22 relate to performance in 2020-21 and comparative bonuses reported for 2020-21 relate to the performance in 2019-20.

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
	2022	2022	2022	2022	2022	2021	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Team as at 31 March 2022							
Duncan Wilson³	80–85	–	0–2.5	–	1,455	1,405	15
Chief Executive							
Meryl Hayward	25–30	75–80	0–2.5	–	659	609	9
Director of Corporate Services							
Claudia Kenyatta	40–45	–	0–2.5	–	631	588	3
Director of Regions							
Ian Morrison	35–40	75–80	0–2.5	–	703	658	5
Director of Policy and Evidence							
Michael Bishop	10–15	–	0–2.5	–	103	86	9
Director of Business Improvement							
Amy Pitts	10–15	–	0–2.5	–	111	93	10
Director of Communications and Public Engagement							
Andrew Wiseman	15–20	–	0–2.5	–	239	205	23
General Counsel and Corporate Secretary							

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

¹Balances as at 31 March 2022.

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

³MyCSP disclosed an error in the presentation of the linked final salary results for 31/3/2021. The 2021 CETV has been corrected.

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

Cash Equivalent Transfer Value

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

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

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

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

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

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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 (2020–21: £nil).

The Chief Executive was the highest-paid employee. His total emoluments for the year of £145,501 comprise basic salary of £128,001 and a performance related award of £17,500. Members of the Executive Team were eligible for a performance-related award.

Fair Pay Disclosure (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower-quartile, median and upper-quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Historic England in the financial year 2021–22 was £145,000–£150,000 (2020–21: £145,000–£150,000). This was 4.05 times (2020–21: 3.99) the median remuneration of the workforce, which was £36,397 (2020–21: £36,467). In 2021–22, no employees received remuneration in excess of the highest-paid director (2020–21: nil). Remuneration ranged from £15,650 to £145,501 (2020–21: £16,324–£145,501).

There has been no change in the total remuneration of the highest-paid director since 2020–21. Total employee remuneration has decreased 1.23 per cent since 2020–21. The decrease is attributable to staff changes.

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.

	2021–2022	2020–2021
Band of highest-paid director's total remuneration (£'000)	145–150	145–150
Median remuneration (£)	36,397	36,467
Ratio	4.05	3.99
25th percentile remuneration (£)	29,911	–
Ratio	4.93	–
75th percentile remuneration (£)	42,708	–
Ratio	3.45	–

Historic England Staff Report

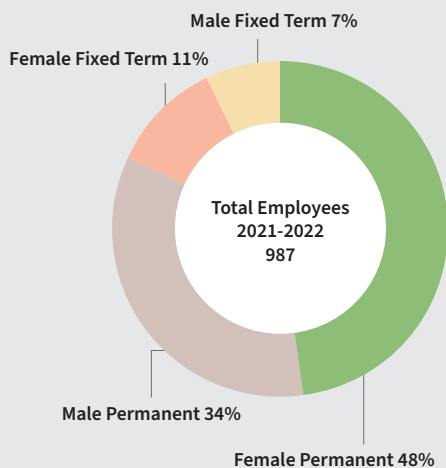
Organisational Headcount and Demographic Profile as at 31 March 2022

Current employee headcount stands at 987 employees (2020–21: 968). Fixed-term contracts account for 17.7 per cent of the general population (2020–21: 14 per cent) with the remaining 82.3 per cent employed on a permanent basis. The gender split of the organisation remains more strongly represented by women at 59 per cent. Our Executive Team is made up of three women and four men.

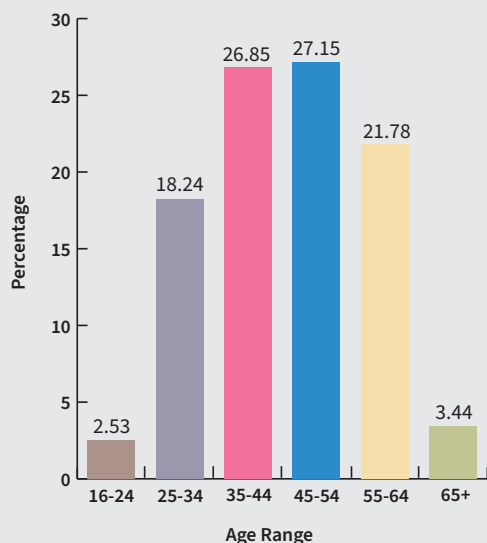
We have an ongoing action plan to reduce our gender pay gap. This has led to our mean pay gap reducing from 13.4 per cent in April 2017 to 9.1 per cent in April 2021. More information about this is available on our website

www.historicengland.org.uk

Employee Composition



Demographic Profile



Equality and Diversity

Historic England recognises the importance of equality and the need to increase the diversity of our workforce. As part of our Inclusion, Diversity and Equality Strategy, some of the main areas we are focusing on are as follows:

- **Ethnicity** – Black, Asian and Minority Ethnic employees remain particularly under-represented at Historic England at 5 per cent of the population (50 employees). The under-representation remains particularly acute in our heritage specialist roles and we have published an action plan to address this and other areas of under-representation. This figure has only improved slightly from last year, but the long-term trend is upwards and we are continuing to work on this.
- **Age** – Employees under the age of 25 remain significantly under-represented at 2.53 per cent of the population (2020–21: 1.65%), although our early-careers team continue to work to address this. We took part in the Government's Kickstart placements scheme to provide support to young people at risk of long-term unemployment and are undertaking a review of our employer brand, which includes looking at how we can engage with and attract a diverse range of talent.
- **Gender** – We have a positive gender balance in our senior level roles, with balanced representation of women in roles from our Band C roles through to our Executive Team. Further work is still needed to improve the representation of men in support and administrative roles.
- **Sexual Orientation** – Of those disclosing their sexual orientation, 6.3 per cent (61 employees) have identified as lesbian/gay/bisexual/other (2020–21: 5.8 per cent, 53 employees). This improvement reflects work that we have been doing to create a supportive and welcoming environment, working with our Pride staff network.
- **Disability** – 5.6 per cent of the population (55 employees) have declared a disability (2020–21: 4.8 per cent, 47 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. We have been working to attract more disabled people into the organisation and to give more people the confidence to confidentially share with us that they have a disability. These activities have led to this increase.

Further information about how we promote equality and diversity can be found on our website in our published Inclusion, Diversity & Equality Strategy.

Health and Safety

In 2021–22 there were 13 work-related accidents (2020–21: 5), none of which were reportable to the Health and Safety Executive (HSE) (2020–21: 0). The overall figure is higher than the previous year due to the change in working patterns as we emerged out of lockdown following the COVID-19 pandemic, with more employees deciding to return to the office and conduct site visits. We have a current health and safety policy and risk register. The effectiveness of all 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 achieved Disability Confident Level 2 accreditation (Disability Confident Employer) in 2021, which evidences our ongoing commitment in this regard (with some key areas of focus including making our recruitment processes as inclusive as possible and offering disability awareness training). If an employee develops a disability during their employment, then we make extensive efforts to maintain employment, training and career development. We operate a Disability at Work policy that describes this. We also have a disability network group, which provides expert feedback and advice to Historic England on disability-related matters.

Sickness Absence

The average working days lost per person for Historic England employees is 5.48 for the financial year 2021–22, which is an increase on the previous year (4.76). The Chartered Institute of Personnel and Development's Annual Health and Wellbeing Survey (2020) reports the latest average sickness absence rate as 5.8 days lost per person.

Career Management and Training

Historic England recognises the importance of developing our staff and managers to enable us to deliver our plan and fulfil our mission and to ensure that our staff are productive and happy. We have a range of training programmes to provide a clear learning pathway from aspiring manager to executive. Our Personal Development Review (PDR) has a section dedicated to career aspirations (and how these might be achieved). We held career development training sessions to focus on this element in more detail.

Mental Health and Wellbeing

Our work to improve and protect the mental health and wellbeing of our people has been recognised with a Gold Award from the Mind Workplace Wellbeing Index for the fourth consecutive year. We have a dedicated network of Mental Health First Aiders, as well as a network of Mental Health Champions, who campaign to raise awareness of mental health issues at a local level. Throughout the pandemic and in recognition of the challenges presented, we have taken a flexible, supportive approach and implemented a range of initiatives such as mental health days, a re-prioritisation exercise to look at which work we could postpone to enable people to cope during lockdowns and through home-schooling, and virtual office yoga sessions.

Union Relationship

We have a constructive and long-standing working relationship with the Prospect trade union. There were 27 employees who were relevant union representatives during 2021–22 (FTE equivalent of 25.0).

Percentage of Time Spent on Facility Time	Number of Employees
0%	10
1–50%	17
51–99%	0
100%	0

Percentage of Pay Bill spent on Facility Time	
Total cost of facility time	£23,808
Total pay bill	£47,578,831
Percentage of the total pay bill spent on facility time	0.05%

754 hours were spent on trade union activities by employees who were relevant union officials during the year 2021–22.

Employee Numbers

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

	2021 – 2022				2020 – 2021			
	Historic England			Total	Group Total	Historic England		Group Total
	Permanently Employed	Fixed-term Contracts	Agency Staff			Total	Total	
Policy & Evidence	190	25	–	215	215	194	194	
Public Engagement	115	11	2	128	128	122	122	
Regions Group	297	22	1	320	320	310	310	
Corporate Services	179	8	3	190	190	187	187	
Business Improvement	59	15	–	74	74	67	67	
Shrewsbury Flaxmill Maltings	3	1	–	4	4	5	5	
The English Heritage Trust	–	–	–	–	1,165	–	1,264	
Total Employee Numbers	843	82	6	931	2,096	885	2,149	
Total Costs (£'000)	44,973	2,345	261	47,579	95,631	46,082	89,224	
Employee numbers included in the above who have been engaged on capital	13	–	–	13	15	17	23	

Employee Costs

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

Group	2021-2022			2020-2021		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Wages and Salaries	1,384	72,189	73,573	1,540	67,765	69,305
Social Security Costs	154	6,806	6,960	166	6,266	6,432
Pension Costs	227	13,270	13,497	279	12,780	13,059
Redundancy and Severance Costs	-	997	997	-	177	177
Agency Staff Costs	-	604	604	-	296	296
Total Employee Costs	1,765	93,866	95,631	1,985	87,284	89,269

In 2021-22 there were three outward secondments (2020-21: 3).

Historic England	2021-2022			2020-2021		
	Capital £'000	Revenue £'000	Total £'000	Capital £'000	Revenue £'000	Total £'000
Wages and Salaries	522	33,812	34,334	724	32,908	33,632
Social Security Costs	57	3,539	3,596	82	3,434	3,516
Pension Costs	140	8,906	9,046	196	8,577	8,773
Redundancy and Severance Costs	-	342	342	-	125	125
Agency Staff Costs	-	261	261	-	36	36
Total Employee Costs	719	46,860	47,579	1,002	45,080	46,082

In 2021-22 there were three outward secondments (2020-21: 3). During the year, 55 consultants were employed (2020-21: 56) to whom £331,258 was paid in the year (2020-21: £307,298).

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 2021–22 Historic England had one 'off payroll' engagement that falls within the criteria set out in the Alexander Review of 2012, with regards to tax arrangements of senior public appointees. Historic England follows 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	
	2021–22	2020–21	2021–22	2020–21	2021–22	2020–21
Less than £10,000	2	2	–	2	2	4
£10,000 to £25,000	–	–	2	2	2	2
£25,000 to £50,000	2	–	2	–	4	–
£50,000 to £100,000	–	–	–	1	–	1
£100,000 to £150,000	–	–	–	–	–	–
Greater than £150,000	–	–	–	–	–	–
Total Number of Exit Packages	4	2	4	5	8	7
Total Resource Cost (£'000)	72	10	113	111	185	121

¹No staff member left under Voluntary Exit terms in the 2021–22 financial year. Four staff members left under Voluntary Redundancy terms in the 2021–22 financial year. They received total compensation payments of £113,000.

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

Civil Service Pensions

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

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

Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with pensions increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into Alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to Alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final-salary sections of the PCSPS having those benefits

based on their final salary when they leave Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of Classic, Premium, Classic Plus, Nuvos and Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium. In Nuvos a member builds up a pension based on 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 per cent 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 per cent. 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 2021–22, employers' contributions of £8,978,000 were payable to the PCSPS (2020–21: £8,675,000) at one of four rates in the range 4.6–8.05 per cent (2020–21: 4.6–8.05 per cent) of pensionable pay, based on salary bands. Employer's contributions into the PCSPS in respect of the Executive Team totalled £204,000 (2020–21: £202,000). Nobody (2020–21: nobody) retired early on ill-health grounds.

The partnership pension account is an occupational defined contribution pension arrangement which is part

of the Legal & General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

Employers' contributions of £82,000 (2020–21: £87,000) were paid to one or more of a panel of appointed stakeholder pension providers for the partnership pension.

Parliamentary Accountability

Regularity of Expenditure

The Accounting Officer confirms the regularity of all expenditure incurred through his statement elsewhere in this Accountability Report.

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

	2022						2021					
	Historic England			Group			Historic England			Group		
	Losses	Special Payments	Total	Losses	Special Payments	Total	Losses	Special Payments	Total	Losses	Special Payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amounts Accrued	47	6	53	115	14	129	(6)	2	(4)	12	36	48
Amounts Written Back	(1)	–	(1)	(1)	–	(1)	–	(3)	(3)	–	(3)	(3)
Total Net Losses and Special Payments	(46)	6	(52)	114	14	128	(6)	(1)	(7)	12	33	45

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

£784,000 has been raised in the year as a result of the Enhanced Advisory Service (2020–21: £651,000). Income is higher than last year, predominantly as the effects of a changed pricing structure introduced on 1 April 2019 work through. The target for the year was £747,000 (2020–21: £787,000).

Income is invoiced at full cost recovery according to Managing Public Money guidelines. Therefore, the income received is equivalent to the costs incurred and thus no subsidies or overcharging occurs. During the year we have reviewed our standard hourly rate and maintained our existing pricing to support sector recovery.

Income raised this year relates to 234 completed (invoiced) cases (2020–21: 250). Unit costs charged are per the invoice amount. Our average case price this year was £3,352 (2020–21 £2,604).

No other material income from fees and charges was received during the financial year (2019–20: £nil). This information has been subject to audit.

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of International Accounting Standard 37, Historic England also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. In 2021–22, we recognised no remote contingent liabilities (2020–21: £nil). This information has been subject to audit.



Duncan Wilson

Chief Executive and Accounting Officer
28 November 2022

The Certificate and Report of the Comptroller & 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 and its Group for the year ended 31 March 2022 under the National Heritage Act 1983. The financial statements comprise the Historic Buildings and Monuments Commission for England and its Group's:

- Statement of Financial Position as at 31 March 2022
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Historic Buildings and Monuments Commission for England and its Group's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public

Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Historic Buildings and Monuments Commission for England and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Historic Buildings and Monuments Commission for England and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Historic Buildings and Monuments Commission for England and its Group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for the Historic Buildings and Monuments Commission for England and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern

basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Heritage Act 1983.

In my opinion, based on the work undertaken in the course of the audit:

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

with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Historic Buildings and Monuments Commission for England and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Historic Buildings and Monuments Commission for England 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commissioners and the Accounting Officer for the financial statements

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

- maintaining proper accounting records
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view

- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error
- assessing the Historic Buildings and Monuments Commission for England and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Historic Buildings and Monuments Commission for England and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance, including the design of the Historic Buildings and Monuments Commission for England and its Group's accounting policies.
- inquiring of management, the Historic Buildings and Monuments Commission for England's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Historic Buildings and Monuments Commission for England and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Historic Buildings and Monuments Commission for England and its Group's controls relating to the Historic Buildings and Monuments Commission for England's compliance with the National Heritage Act 1983 and Managing Public Money.
- discussing among the engagement team, including significant component audit teams, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Historic Buildings and Monuments Commission for England and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in

management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Historic Buildings and Monuments Commission for England and its Group's framework of authority as well as other legal and regulatory frameworks in which the Historic Buildings and Monuments Commission for England and its Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Historic Buildings and Monuments Commission for England and its Group. The key laws and regulations I considered in this context included the National Heritage Act 1983, Managing Public Money, employment law and pensions legislation and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

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

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

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

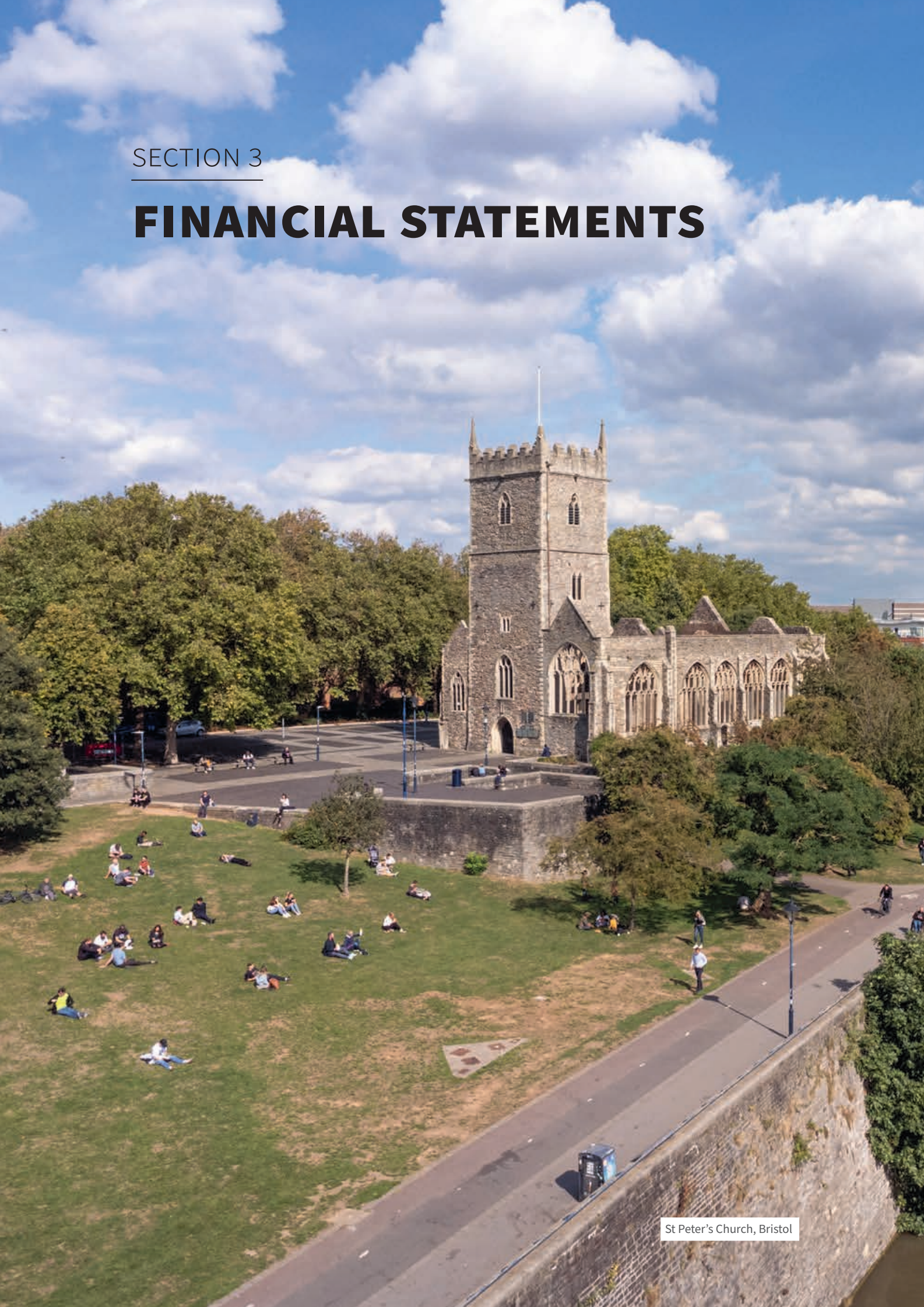
Gareth Davies

Comptroller and Auditor General
2 December 2022

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

SECTION 3

FINANCIAL STATEMENTS



3. FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2022

	Note	2021-2022		2020-2021	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income					
Revenue from Contracts with Customers	2, 3	9,651	91,112	9,190	56,978
Earned Income	2, 4	159	2,168	121	2,260
Other Operating Income	2, 5	6,626	19,249	6,283	22,967
Total Income		16,436	112,529	15,594	82,205
Expenditure					
Grants	2, 6	(96,588)	(92,891)	(79,584)	(76,994)
Staff Costs	2, 12	(46,860)	(93,866)	(45,080)	(87,284)
Running Costs	2, 7	(16,253)	(64,878)	(14,948)	(47,517)
Commercial Activities Costs	2, 8	(311)	(10,959)	(294)	(4,061)
Subsidy Expenditure	2f	(9,636)	-	(23,450)	-
Depreciation, Amortisation and Impairment	2, 14-17	(6,569)	(12,486)	(13,174)	(20,213)
Other Expenditure	2, 9	(3,105)	(10,598)	(2,454)	(5,907)
Total Expenditure		(179,322)	(285,678)	(178,984)	(241,976)
Financing					
Finance Income	2f	2	2	4	4
Finance Costs	2f	(1,263)	(1,519)	(1,290)	(1,557)
Net Finance (Cost)		(1,261)	(1,517)	(1,286)	(1,553)
Net Expenditure for the Financial Year		(164,147)	(174,666)	(164,676)	(161,324)
Other Comprehensive Expenditure					
Net Gain on Revaluation of Non-Current Assets	14-17	15,616	16,985	4,271	8,652
Total Comprehensive Expenditure for the Financial Year		(148,531)	(157,681)	(160,405)	(152,672)

Details of Grant In Aid received by Historic England are disclosed in the Statement of Changes in Taxpayer's Equity. Income and expenditure relates to continuing activities. The Notes to the Financial Statements at Section 4 form part of the financial statements.

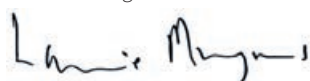
Statement of Financial Position as at 31 March 2022

	Note	2022		2021	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Non-Current Assets					
Property, Plant and Equipment	15	91,165	139,440	88,775	133,080
Heritage Assets	17	93,173	93,503	82,959	83,289
Right of Use Assets	16	19,823	32,632	20,167	33,751
Intangible Assets	14	4,311	7,737	3,303	5,739
Lease Receivables	22	-	-	25	25
Investments	35	75,929	-	85,617	-
Total Non-Current Assets		284,401	273,312	280,846	255,884
Current Assets					
Inventories	20	-	5,769	-	6,219
Trade and Other Receivables	21	13,355	16,819	12,404	15,820
Lease Receivables	22	25	25	98	98
Investments	19, 26	-	5,018	-	7,059
Cash and Cash Equivalents	23	4,312	75,728	421	85,312
Total Current Assets		17,692	103,359	12,923	114,508
Total Assets		302,093	376,671	293,769	370,392
Current Liabilities					
Trade and Other Payables	27	(18,049)	(49,046)	(13,118)	(46,864)
Provisions	29	-	(285)	-	(148)
Obligations Under Leases	26	(1,448)	(2,035)	(1,399)	(2,006)
Total Current Liabilities		(19,497)	(51,366)	(14,517)	(49,018)
Total Assets Less Current Liabilities		282,596	325,305	279,252	321,374
Non-Current Liabilities					
Trade and Other Payables	28	(219)	(2,776)	(217)	(2,151)
Obligations Under Leases	26	(24,312)	(36,154)	(25,602)	(38,012)
Other Borrowings	30	-	(23,400)	-	(23,400)
Total Non-Current Liabilities		(24,531)	(62,330)	(25,819)	(63,563)
Total Assets Less Liabilities		258,065	262,975	253,433	257,811
Taxpayers' Equity					
Financial Asset Reserve	35	75,929	-	85,617	-
Revaluation Reserve		128,080	135,474	115,210	121,235
General Reserve		53,872	125,643	52,422	134,848
Earmarked Funds	32	184	184	184	184
Endowment Funds		-	1,674	-	1,544
Total Taxpayers' Equity		258,065	262,975	253,433	257,811

The Notes to the Financial Statements at Section 4 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 28 November 2022 by:



Duncan Wilson
Chairman



Sir Laurie Magnus
Chairman

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022		2021	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
Cash Flows From Operating Activities					
Net Income/(Expenditure)		(164,147)	(174,666)	(164,676)	(161,324)
Depreciation, Amortisation and Impairment Charges	14-17	6,569	12,486	13,174	20,213
(Profit)/Losses on Disposal of Non-Current Assets	14-17	5	3	11	(93)
(Increase)/Decrease in Inventories	20	-	450	-	656
(Increase)/Decrease in Trade and Other Receivables	21	(951)	(999)	(2,637)	(1,855)
Increase/(Decrease) in Trade and Other Payables	27,28	4,933	2,807	2,418	6,318
Increase/(Decrease) in Provisions	29	-	137	-	146
Investment Income		-	(53)	-	(153)
(Increase)/Decrease in Lease Receivables	22	98	98	91	91
Increase/(Decrease) in Lease Payables	26	(1,241)	(1,829)	(1,268)	(2,460)
Interest Payable for Lease Liabilities		1,263	1,519	1,290	1,557
Interest Receivable for Lease Receivables		(2)	(2)	(4)	(4)
Net Cash Outflow from Operating Activities		(153,473)	(160,049)	(151,601)	(136,908)
Cash Flows from Investing Activities					
(Purchase)/Disposal of Investments		-	2,041	-	19,622
Investment Income	5	-	53	-	153
Purchase of Property, Plant and Equipment and Heritage Assets	15, 17	(5,803)	(12,950)	(9,967)	(24,278)
Purchase of Intangible Assets	14	(1,256)	(2,826)	(1,179)	(2,759)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	14, 15	-	-	-	113
Net Cash Flows from Investing Activities		(7,059)	(13,682)	(11,146)	(7,149)
Cash Flows from Financing Activities					
Government Grant In Aid		162,850	162,850	163,905	163,905
Right of Use Assets Additions	16	(166)	(186)	(14)	(1,374)
Right of Use Assets Disposals	16	-	-	-	1,180
Cash Inflows from Culture Recovery Fund Loan	30	-	-	-	23,400
Capital Grant In Kind		3,000	3,000	-	-
Interest Payable for Lease Liabilities		(1,263)	(1,519)	(1,290)	(1,557)
Interest Receivable for Lease Receivables		2	2	4	4
Net Cash Flows from Financing Activities		164,423	164,147	162,605	185,558
Net Increase/(Decrease) in Cash and Cash Equivalents		3,891	(9,584)	(142)	41,501
Cash and Cash Equivalents at the Beginning of the Year		421	85,312	563	43,811
Cash and Cash Equivalents at the End of the Year		4,312	75,728	421	85,312

The Notes to the Financial Statements at Section 4 form part of the financial statements.

Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2022

	General Reserve	Revaluation Reserve	Earmarked Funds	Endowment Fund	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020	132,010	112,940	228	1,398	246,576
Grant in Aid Received	163,905	-	-	-	163,905
Income/(Expenditure) for the Year	(161,426)	-	(44)	146	(161,324)
Net Gain on Revaluation of Non-Current Assets	-	8,652	-	-	8,652
Other Income/(Expenditure)	2	-	-	-	2
Transfer Between Reserves	357	(357)	-	-	-
Balance at 31 March 2021	134,848	121,235	184	1,544	257,811
Grant in Aid Received	162,850	-	-	-	162,850
Income/(Expenditure) for the Year	(174,796)	-	-	130	(174,666)
Net Gain on Revaluation of Non-Current Assets	-	16,985	-	-	16,985
Other Income/(Expenditure)	(5)	-	-	-	(5)
Transfer Between Reserves	2,746	(2,746)	-	-	-
Balance at 31 March 2022	125,643	135,474	184	1,674	262,975

The Notes to the Financial Statements at Section 4 form part of the financial statements.

Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2022

	General Reserve	Revaluation Reserve	Earmarked Funds	Financial Asset Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020	52,801	111,287	228	82,048	246,364
Grant in Aid Received	163,905	-	-	-	163,905
Income/(Expenditure) for the Year	(164,632)	-	(44)	-	(164,676)
Net Gain on Revaluation of Non-Current Assets	-	4,271	-	-	4,271
Other Income/(Expenditure)	-	-	-	3,569	3,569
Transfer Between Reserves	348	(348)	-	-	-
Balance at 31 March 2021	52,422	115,210	184	85,617	253,433
Grant in Aid Received	162,850	-	-	-	162,850
(Expenditure) for the Year	(164,147)	-	-	-	(164,147)
Net Gain on Revaluation of Non-Current Assets	-	15,616	-	-	15,616
Other Income	1	-	-	(9,688)	(9,687)
Transfer Between Reserves	2,746	(2,746)	-	-	-
Balance at 31 March 2022	53,872	128,080	184	75,929	258,065

The Notes to the Financial Statements at Section 4 form part of the financial statements.

SECTION 4

NOTES TO FINANCIAL STATEMENTS

Knowle House Farm Barn, Reapsmoor,
Derbyshire, following grant-funded repair work

4. NOTES TO FINANCIAL STATEMENTS

1. Statement of Accounting Policies

a. Accounting Convention

The financial statements have been prepared in accordance with the 2021–2022 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted and interpreted for the public sector context.

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

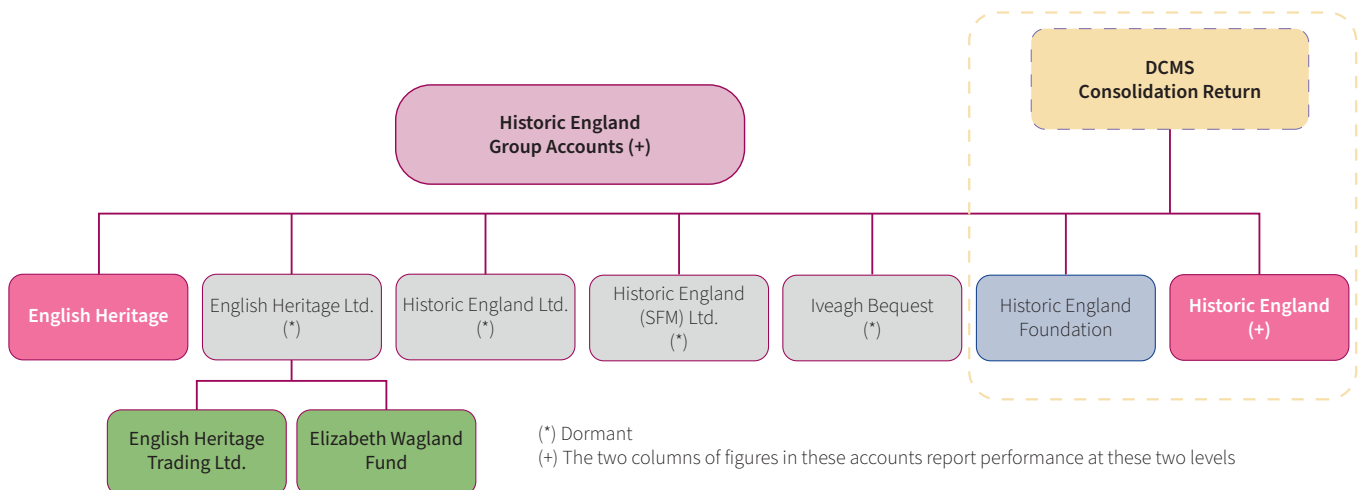
The financial statements have been prepared under the historical cost convention, modified for the revaluation of property, plant and machinery, IT equipment, furniture and fittings, intangible assets, right-of-use assets, heritage assets and inventories where material.

HBMCE (trading as Historic England) is the sole member of The English Heritage Trust (trading as English Heritage), which has been consolidated from 12 December 2014, when it became part of the Historic England group. English Heritage Trading Limited, a subsidiary undertaking of English Heritage, continued trading throughout the year ended 31 March 2021 and is also consolidated.

The Historic England Foundation was incorporated on 16 January 2017 and is a charitable subsidiary of Historic England. Historic England (Shrewsbury Flaxmill Maltings) Ltd was incorporated on 14 March 2022 and is a subsidiary of Historic England. In the financial year 2021/22 the company was dormant but will provide services to visitors to the Shrewsbury Flaxmill Maltings when it opens in September 2022. Historic England Limited is a dormant subsidiary of Historic England and English Heritage Limited is a dormant subsidiary of English Heritage.

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

Organisational Structure and Reporting Groups



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

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

c. Value Added Tax

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

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

d. Revenue from Contracts with Customers

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

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

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

e. Government Grant in Aid Receivable

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

Historic England accounts for its expenditure on an accruals basis, thus incurring liabilities during a year which may not need to be satisfied by cash payments until future financial years. Government Grant in Aid is recognised on a cash basis. Government Grant in Aid receivable is credited to the General Reserve.

The 2021 Spending Review confirmed the baseline and uplift government grant funding for Historic England until 31 March 2025, subject to annual business planning as well as savings and efficiency directives.

f. Other Grants Receivable

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

g. Grants Payable

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

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

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

h. Intangible Assets

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

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

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

i. Property, Plant and Equipment

Operational Land & Buildings and Dwellings

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

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

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

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

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

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

With the exception of major refurbishments and items with a net book value of less than £50,000, all land and buildings held on the Statement of Financial Position are

subject to a full professional valuation every five years. Major refurbishments are not separately valued, as they are indistinguishable from the underlying asset, but they are depreciated over a shorter useful economic life than the underlying asset.

Assets with a value of less than £50,000 are revalued each type with reference to relevant indices published by the Building Cost Information Service as at 31 March. A full quinquennial revaluation of assets with a value more than £50,000 was undertaken as at 31 March 2021 by the following professionally qualified external valuers: Avison Young (UK) Limited and Powis Hughes. All valuations have been performed in accordance with Royal Institute of Chartered Surveyors 'Red Book' principles.

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

Historic England acknowledges the uncertainty that the ongoing COVID-19 crisis may have on the valuation of fixed assets at the date of the accounts. As at 31 March 2021 some property markets started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

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

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

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

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

In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 the importance of the 31 December 2020 valuation date is highlighted for all professional valuations.

Management considers that the valuations provided are an appropriate basis on which to determine the property's fair value at the date of reporting.

Where possible, assets are valued at fair value. Where there is no available market information due to the specialised nature of the asset, depreciated replacement cost valuation is used. The specialised nature may be a result of the size or location of the assets. A depreciated replacement cost valuation represents the current cost of replacing an asset with a 'like for like' equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. Asset that are valued using the depreciated replacement cost approach include visitor centres.

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

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

Plant & Machinery, Information Systems and Furniture & Fittings

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

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

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

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

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

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

Assets Under Construction

Assets under construction comprise expenditure on the creation or enhancement of non-current assets not brought into use at the Statement of Financial Position date.

Reclassifications are made from assets under construction to the relevant category of non current assets when the asset is brought into use.

j. Rights of Use Assets

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

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

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

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

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

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

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

k. Heritage Assets

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

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

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

Historic England does not consider that reliable cost or valuation information can be obtained for the vast majority of items held as heritage land and buildings. Owing to the incomparable nature of many of the assets, conventional

valuation approaches lack sufficient reliability. If valuations could be obtained, the costs would be onerous compared with the additional benefits derived by Historic England and the users of the accounts.

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

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

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

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

Heritage Artefacts and Archives

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

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

Further information on the acquisition, disposal, management and preservation of Historic England's heritage assets is given in notes 17 and 18.

Heritage Assets Under Construction

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

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

In line with the eight-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 eight-year programme, or if earlier when the £52million is spent, the underlying heritage assets will be revalued, resulting in the transfer of assets under construction to the relevant category of non-current assets.

l. Donated Assets

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

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

m. Depreciation and Amortisation

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

These are as follows:

Intangible Assets

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

Property, Plant and Equipment

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

Refurbishments

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

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

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

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

n. Investments

Non-current financial assets are held at fair value. Any unrealised gain at 31 March 2022 is taken directly to reserves.

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

o. Inventories

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

p. Leases

Historic England accounts for leases in line with IFRS 16. Historic England and its subsidiaries operate within the framework of common accounting policies across the Historic England Group. Decisions made in Historic England and its subsidiaries are made within the framework of these common policies.

Historic England Group has expanded the definition of a lease to include arrangements with nil consideration. Peppercorn leases are examples of these and these are defined by HMT as lease payments significantly below market value. On initial recognition these assets are valued at fair value. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded as grant in kind income on the SoCNE. Historic England group has elected not to recognise right of use assets and lease liabilities for the following leases:

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

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

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

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

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

As a Lessee

Right of Use Assets

Historic England Group recognises a right of use asset and lease liability at the commencement date. Further information on the movements of Historic England's right of use assets is given in note 16.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT. The HMT discount rates were 0.91 per cent in the 2021 calendar year and 0.95 per cent for the 2022 calendar year.

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

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

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease (unless the Group is reasonably certain not to terminate early).

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

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

As a Lessor

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

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

The National Collection which is licensed to English Heritage Trust has not been recognised as an IFRS16 lease as it does not meet the definition of a lease and is an intercompany lease.

When Historic England sub-leases a lease and is therefore an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. Historic England assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. Historic England Group recognises lease payments under operating leases as income on a straight line basis over the length of the lease terms.

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 cash on deposit.

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

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

In accordance with the provisions of the FReM, the Earmarked Funds have been accounted for in line with the Charities' Statement of Recommended Practice (SORP) 2019.

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.

Historic England's reporting segments include:

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

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

- English Heritage Trust
- Historic England Foundation

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

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

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

Business Improvement enables Historic England to maximise its public value.

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

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

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 (1.30) per cent 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.

Valuation of non-current assets

The value of the Group's property, plant and equipment, right of use assets and intangibles are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

Extension options

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

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 within the Accountability Report. The commissioners have reviewed the latest financial forecasts and are satisfied that Historic England continues to adopt the going concern basis in preparing its financial statements. Government funding has been agreed for three years to the end of 2024–25 through the 2021 Spending Review process.

The Trustees of The English Heritage Trust and Directors of English Heritage Trading Limited have reviewed the latest financial forecasts and are satisfied that it remains appropriate for both entities to adopt the going concern basis in preparing their financial statements and hence it is appropriate for the Historic England Group accounts to be prepared on a going concern basis.

2. Statement of Operating Expenditure by Operating Segment

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

a) Regions Group

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	881	881	732	732
Other Operating Income	148	148	-	-
Total Income	1,029	1,029	732	732
Expenditure				
Grants	(45,123)	(45,123)	(20,511)	(20,511)
Staff Costs	(16,059)	(16,059)	(15,624)	(15,624)
Running Costs	(733)	(558)	(741)	(570)
Commercial Activities Costs	(7)	(7)	-	-
Other Expenditure	(348)	(348)	(244)	(244)
Total Expenditure	(62,270)	(62,095)	(37,120)	(36,949)
Regions Group Net Expenditure	(61,241)	(61,066)	(36,388)	(36,217)

Income has been received from a Service Level Agreement with the English Heritage Trust and from Enhanced Advisory Services. Expenditure incurred include grants being given and expenditure incurred on providing services for development advice, listing, partnerships and project work. As a result of the High Street Heritage Action Zone grant schemes that were administered by Historic England during 2021-22, the value of grant expenditure has increased significantly from 2020-21.

b) Policy & Evidence

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	1,145	174	1,089	162
Other Operating Income	1,052	1,052	427	427
Total Income	2,197	1,226	1,516	589
Expenditure				
Grants	(448)	(448)	-	-
Staff Costs	(10,952)	(10,952)	(10,387)	(10,387)
Running Costs	(1,901)	(1,901)	(1,772)	(1,772)
Commercial Activities Costs	(160)	(160)	(107)	(107)
Depreciation, Amortisation and Impairment	(191)	(191)	(219)	(219)
Other Expenditure	(878)	(878)	(581)	(581)
Total Expenditure	(14,530)	(14,530)	(13,066)	(13,066)
Policy & Evidence Net Expenditure	(12,333)	(13,304)	(11,550)	(12,477)

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

c) Public Engagement

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Income				
Revenue from Contracts with Customers	275	181	169	77
Other Operating Income	1,109	1,109	77	77
Total Income	1,384	1,290	246	154
Expenditure				
Grants	(2,501)	(2,501)	(858)	(858)
Staff Costs	(6,244)	(6,244)	(5,897)	(5,897)
Running Costs	(1,192)	(1,192)	(1,334)	(1,334)
Commercial Activities Costs	(135)	(135)	(166)	(166)
Depreciation, Amortisation and Impairment	(285)	(285)	(236)	(236)
Other Expenditure	(276)	(276)	(232)	(232)
Total Expenditure	(10,633)	(10,633)	(8,723)	(8,723)
Public Engagement Net Expenditure	(9,249)	(9,343)	(8,477)	(8,569)

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

d) Business Improvement

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Income				
Revenue from Contracts with Customers	59	20	4	4
Other Operating Income	34	34	-	-
Total Income	93	54	4	4
Expenditure				
Grants	(45,436)	(41,668)	(58,142)	(55,193)
Staff Costs	(3,422)	(3,422)	(3,072)	(3,072)
Running Costs	(562)	(562)	(313)	(313)
Commercial Activities Costs	(7)	(7)	(1)	(1)
Other Expenditure	(215)	(215)	(108)	(131)
Total Expenditure	(49,642)	(45,874)	(61,636)	(58,710)
Business Improvement Net Expenditure	(49,549)	(45,820)	(61,632)	(58,706)

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.

During 2020–21 the Cultural Recovery Fund and Heritage Stimulus Fund grant schemes which were administered by Historic England. The schemes have wound down during 2021–22, grant expenditure has decreased as a result.

e) Shrewsbury Flaxmill Maltings

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Income				
Other Operating Income	4,248	4,248	5,254	5,254
Total Income	4,248	4,248	5,254	5,254
Expenditure				
Grants	(80)	(80)	(73)	(73)
Staff Costs	(263)	(263)	(306)	(306)
Running Costs	(1,256)	(1,256)	(1,851)	(1,851)
Commercial Activities Costs	(2)	(2)	(20)	(20)
Depreciation, Amortisation and Impairment	(50)	(50)	(50)	(50)
Other Expenditure	(30)	(30)	(15)	(15)
Total Expenditure	(1,681)	(1,681)	(2,315)	(2,315)
Shrewsbury Flaxmill Maltings Net Income/ (Expenditure)	2,567	2,567	2,939	2,939

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

During 2021–22 expenditure on Shrewsbury Flaxmill Maltings was concentrated on capital works. The value of overall expenditure on the project is therefore not fully reflected within the Statement of Comprehensive Net Expenditure, with expenditure also disclosed in the Statement of Financial Position and as Assets under Construction in Note 15.

f) Corporate Services

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Income				
Revenue from Contracts with Customers	7,291	862	7,196	527
Earned Income	159	159	121	121
Other Operating Income	35	35	525	225
Total Income	7,485	1,056	7,842	873
Expenditure				
Grants	(3,000)	(3,000)	(9,794)	(9,794)
Staff Costs	(9,920)	(9,920)	(8,937)	(9,021)
Running Costs	(10,609)	(11,135)	(23,450)	-
Subsidy Expenditure	(9,636)	-	(12,669)	(12,669)
Depreciation, Amortisation and Impairment	(6,043)	(6,043)	(1,274)	(1,129)
Other Expenditure	(1,358)	(1,333)	-	-
Total Expenditure	(40,566)	(31,431)	(56,124)	(32,613)
Financing				
Finance Income	2	2	4	4
Finance Costs	(1,263)	(1,263)	(1,290)	(1,290)
Net Finance Cost	(1,261)	(1,261)	(1,286)	(1,286)
Corporate Services Net Expenditure	(34,342)	(31,636)	(49,568)	(33,026)

Revenue comprises Service Level Agreement income from the English Heritage Trust as well as provision of finance services to the DCMS. The expenditure incurred included the provision of central services and the cost of running the offices. Subsidy expenditure is paid to the English Heritage Trust as part of the New Model agreement, Historic England provides English Heritage Trust with tapering annual revenue payments that contributes toward English Heritage Trust meeting its objective of becoming financially self-sufficient.

During 2021/22 Historic England transferred a capital asset with a £3 million net book value to the Government Property Agency. In line with the Government Consolidated Budgeting Guidance, Historic England have recognised a £3 million capital grant in kind to offset the asset transfer in 'Grant Expenditure'.

g) The English Heritage Trust

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Revenue from Contracts with Customers	-	88,994	-	55,476
Earned Income	-	2,009	-	2,139
Other Operating Income	-	12,181	-	16,708
Total Income	-	103,184	-	74,323
Expenditure				
Grants	-	(71)	-	(30)
Staff Costs	-	(47,006)	-	(42,204)
Running Costs	-	(48,274)	-	(32,656)
Commercial Activities Costs	-	(10,648)	-	(3,767)
Depreciation, Amortisation and Impairment	-	(5,917)	-	(7,039)
Other Expenditure	-	(7,506)	-	(3,565)
Total Expenditure	-	(119,422)	-	(89,261)
Financing				
Finance Income	-	-	-	-
Finance Costs	-	(256)	-	(267)
Net Finance Income/(Cost)	-	(256)	-	(267)
The English Heritage Trust Net Income/(Expenditure)	-	(16,494)	-	(15,205)

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

h) Historic England Foundation

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Income				
Other Operating Income	-	442	-	276
Total Income	-	442	-	276
Expenditure				
Grants	-	-	-	(329)
Other Expenditure	-	(12)	-	(10)
Total Expenditure	-	(12)	-	(339)
Historic England Foundation Net Income (Expenditure)	-	430	-	(63)

The balances included for The Historic England Foundation represent the values consolidated into the Group accounts. Note 35d provides the full financial results for the organisation for the year, prior to consolidation.

i) Reconciliation between Operating Segments and SoCNE

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Regions Group	(61,241)	(61,066)	(36,388)	(36,217)
Policy & Evidence	(12,333)	(13,304)	(11,550)	(12,477)
Public Engagement	(9,249)	(9,343)	(8,477)	(8,569)
Business Improvement	(49,549)	(45,820)	(61,632)	(58,706)
Shrewsbury Flaxmill Maltings	2,567	2,567	2,939	2,939
Corporate Services	(34,342)	(31,636)	(49,568)	(33,026)
The English Heritage Trust	-	(16,494)	-	(15,205)
Historic England Foundation	-	430	-	(63)
Total Net Expenditure per the Statement of Comprehensive Net Expenditure	(164,147)	(174,666)	(164,676)	(161,324)

3. Revenue from Contracts with Customers

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Shared Service Income	8,238	777	8,159	471
Admission Income	-	23,025	-	8,667
Advertising and Licencing	-	570	22	467
Archive and Lecture Fees	173	165	73	74
Commercial Sales Income	59	20,269	27	8,331
Enhanced Advisory Services	785	785	652	651
Hospitality and Events	-	2,750	-	777
Membership Income	-	41,737	-	36,853
Other Revenue	396	1,034	257	687
Total Revenue from Contracts with Customers	9,651	91,112	9,190	56,978

4. Earned Income

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Other Earned Income	-	37	22	529
Commission	-	623	-	352
Rents	159	1,508	99	1,379
Total Earned Income	159	2,168	121	2,260

5. Other Operating Income

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Grants Receivable				
National Lottery Heritage Fund Grants	4,923	7,334	3,548	6,049
European Union Grants	-	178	-	-
Other Grants	1,668	6,864	2,506	12,075
Total Grants Receivable	6,591	14,376	6,054	18,124
Donations and Sponsorship	35	3,393	64	3,485
Other Operating Income	-	1,427	165	1,205
Interest Receivable	-	53	-	153
Total Other Operating Income	6,626	19,249	6,283	22,967

6. Grants

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Buildings and Monuments	52,502	48,809	64,392	61,470
Capacity Building	2,805	2,805	5,101	5,101
Conservation Areas	32,405	32,405	4,782	4,782
Historic Environment	2,348	2,371	2,086	2,087
Management Agreements	183	183	250	250
Maritime	327	327	289	289
Other	3,018	2,991	2,684	3,015
Asset Transfer: Gift In Kind	3,000	3,000	-	-
Total Grants	96,588	92,891	79,584	76,994

As a result of the High Street Heritage Action Zone grant schemes that were administered by Historic England during 2021–22, the value of grant expenditure has increased significantly from 2020–21.

During 2021–22 Historic England transferred a capital asset with a £3million net book value to the Government Property Agency. In line with the Government Consolidated Budgeting Guidance, Historic England have recognised a £3million asset transfer grant in kind to offset the asset transfer in 'Grant Expenditure'.

7. Running Costs

	2021-2022		2020-2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
IT Equipment and Services	6,494	8,655	5,690	7,563
Marketing and Branding	536	10,687	657	7,299
Monument Works and Maintenance	-	6,005	616	4,358
Office Rent and Charges	957	1,431	805	1,077
Lease Payments	238	888	149	259
Other Office Costs	497	355	617	534
Site Maintenance	2,184	22,232	1,913	16,092
Technical Advice	4,772	11,901	4,405	8,559
Utilities	575	2,724	96	1,776
Total Running Costs	16,253	64,878	14,948	47,517

8. Commercial Activities' Costs

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Cost of Sales	111	7,956	68	3,140
Event Production	200	2,656	226	924
Inventory Provision Expense	-	166	-	(140)
Inventory Write-Off	-	181	-	137
Total Commercial Activities' Costs	311	10,959	294	4,061

9. Other Expenditure

	2021-2022		2020-2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Administrative Costs	479	2,447	210	770
Audit Fee	77	174	88	179
Operational Costs	1,143	4,952	747	2,945
Other	591	1,227	693	923
(Gain)/Loss on Disposal on Non-Current Assets	3	3	13	(93)
Staff-Related Costs	812	1,795	703	1,183
Total Other Expenditure	3,105	10,598	2,454	5,907

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 2022 (2021: nil). English Heritage, as a registered charity, is entitled to certain tax exemptions on income and surpluses on any trading activities carried out in furtherance of the charity's primary objectives.

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

11. Auditor's Fees

	2021-2022	2020-2021
	Group	Group
	£'000	£'000
Auditor's remuneration and expenses for statutory audit work:		
Historic England	77	88
The English Heritage Trust	75	70
English Heritage Trading Limited	14	13
Historic England Foundation	8	8
Total Auditor's Fees for the Financial Year	174	179

During the year no member of the Historic England group purchased any non-audit services from its auditor, the National Audit Office (2020-2021: nil)

12. Staff Costs

	2021-2022			2020-2021		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Wages and Salaries	1,384	72,189	73,573	1,540	67,765	69,305
Social Security Costs	154	6,806	6,960	166	6,266	6,432
Pension Costs	227	13,270	13,497	279	12,780	13,059
Redundancy and Severance Costs	-	997	997	-	177	177
Agency Staff Costs	-	604	604	-	296	296
Total Employee Costs	1,765	93,866	95,631	1,985	87,284	89,269

	2021-2022			2020-2021		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Historic England						
Wages and Salaries	522	33,812	34,334	724	32,908	33,632
Social Security Costs	57	3,539	3,596	82	3,434	3,516
Pension Costs	140	8,906	9,046	196	8,577	8,773
Redundancy and Severance Costs	-	342	342	-	125	125
Agency Staff Costs	-	261	261	-	36	36
Total Employee Costs	719	46,860	47,579	1,002	45,080	46,082

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 and finance shared service provision.

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

Arts Council England	Historic England Foundation	National Heritage Memorial Fund
British Library	National Lottery Heritage Fund	Tate Gallery
British Museum		

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

Allerdale Borough Council	Hambleton District Council	Norwich City Council
Barnsley Metropolitan Borough Council	Haringey London Borough Council	Nottingham City Council
Barrow-in-Furness Borough Council	Harrow London Borough Council	Plymouth City Council
Bath & North East Somerset Council	Hartlepool Borough Council	Reading Borough Council
Bournemouth, Christchurch and Poole Council	Hastings Borough Council	Rochdale Borough Council
Bedford Unitary Authority	Herefordshire Council	Rossendale Borough Council
Birmingham City Council	High Peak Borough Council	Sandwell Metropolitan Borough Council
Blackpool Borough Council	High Speed Two (HS2) Limited	Selby District Council
Breckland District Council	Highways England	Shropshire Unitary Authority
Brent London Borough Council	Hinckley and Bosworth Borough Council	South Hams District Council
British Tourist Authority	HM Revenue & Customs	South Kesteven District Council
Bromley London Borough Council	Hounslow London Borough Council	South Somerset District Council
Burnley Borough Council	Isle of Wight Council	Southend-on-Sea Borough Council
Cabinet Office	Kent County Council	Southwark London Borough Council
Cabinet Office: Civil Superannuation	Kettering Borough Council	Stoke-on-Trent City Council
Calderdale Metropolitan Borough Council	Kings Lynn and West Norfolk Borough Council	Suffolk County Council
Cheshire West and Chester Unitary Authority	Kingston upon Hull City Council	Sunderland City Metropolitan Borough Council
City of York Council	Kirklees Metropolitan Council	Surrey County Council
Cornwall Unitary Authority	Knowsley Metropolitan Borough Council	Swindon Borough Council
Council of the Isles of Scilly	Lake District National Park Authority	Tameside Metropolitan Borough Council
County Durham Unitary Authority	Lancaster City Council	Tendring District Council
Coventry City Council	Leeds City Council	Tewkesbury Borough Council
Craven District Council	Leicester City Council	Thanet District Council
Croydon London Borough Council	Lincoln City Council	Tower Hamlets London Borough Council
Darlington Borough Council	Lincolnshire County Council	Wakefield City Council
Dartmoor National Park Authority	Medway Council	Waltham Forest London Borough Council
Department for Environment, Food and Rural Affairs	Mid Devon District Council	West Lancashire District Council
Derby City Council	Middlesbrough Council	Wigan Metropolitan Borough Council
Devon County Council	Ministry of Housing, Communities & Local Government	Worcestershire County Council
Dudley Metropolitan Borough Council	Museum of London	Wyre Borough Council
East Suffolk Council	Natural England	Tewkesbury Borough Council
East Sussex County Council	Newark and Sherwood District Council	Thanet District Council
Eden District Council	Norfolk County Council	Tower Hamlets London Borough Council
Essex County Council	North East Lincolnshire Council	Wakefield City Council
Fylde Borough Council	North Norfolk District Council	Waltham Forest London Borough Council
Gloucester City Council	North Northamptonshire Council	West Lancashire District Council
Gloucestershire County Council	North Somerset Council	West Suffolk Council
Gosport Borough Council	North Tyneside Metropolitan Borough Council	Wigan Metropolitan Borough Council
Government Internal Audit Agency	North York Moors National Park Authority	Wiltshire Unitary Authority
Great Yarmouth Borough Council	Northumberland Unitary Authority	Worcestershire County Council
Greenwich London Borough Council		Worthing Borough Council
		Wyre Borough Council

13. Related Party Transactions and Connected Bodies *continued*

Material Transactions with Related Party Interests

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

Commissioners

- Sir Laurie Magnus, Chair of Historic England, is a member of the investment panel of the National Heritage Memorial Fund, which received £15,000 for a seconded member of staff.
- The wife of Martin Daunton is a Cambridgeshire County councillor. The Council received £8,000 in grant funding.
- Mr Ben Derbyshire's sister-in-law, Anna Eavis, is a trustee of Leeds Castle Foundation, which received £640,000 in grant funding. She is also a member of Salisbury Cathedral Fabric Advisory Committee. The cathedral received £4,000 in grant funding.
- Mr Paul Farmer is the Chief Executive of Mind, which received £3,000 for participation in the workplace wellbeing index.
- Professor Helena Hamerow is a director of Oxford Archaeology, which paid £2,500 for reproduction fees and received £24,000 in grant funding.
- Mr Patrick Newberry is a trustee of the Georgian Group, which received £51,000 in grant funding. He is also chairman of the Cornish Buildings Group, which received £2,000 in grant funding. He is also a member of Truro Cathedral Fabric Advisory Committee. The cathedral received £5,000 in grant funding. His wife is chair of the fundraising committee for St Sampson's Church, South Hill, which received £6,000 in grant funding.
- Ms Sue Wilkinson is deputy chair of the Churches Conservation Trust, which received £2,156,000 in grant funding. She is also a trustee of the Canal and River Trust, which received £1,669,000 in grant funding.

Senior Staff

- Ms Catherine Dewar, Climate Change Programme Director, is a trustee of the Macclesfield Silk Heritage Trust, which received £6,000 in grant funding.
- Mr Duncan McCallum, Strategy and Listing Director, is a trustee and since January 2022 vice-chair of the Society for the Protection of Ancient Buildings, which received £150,000 of grant funding.
- Mr Barney Sloane, National Specialist Services Director, was a trustee of the Society of Antiquaries of London until June 2021, which received £2,000 in grant funding.
- Mr Duncan Wilson, Chief Executive, is a trustee of Chatham Historic Dockyard Trust, which received £6,000 in grant funding. His son is the Assistant Private Secretary to DCMS Lords Minister. The DCMS paid £162,532,000 in Grant in Aid and £767,000 for finance shared services.
- Mr Andrew Wiseman, General Counsel and Corporate Secretary, is a member of the Law Society Planning & Environmental Law Sub-Committee. The Law Society received £2,000 for advertising and course fees.

No other commissioners, trustees, key management personnel or other related party have undertaken any material related party transactions with Historic England during the year. Compensation for members of the Executive Team have been disclosed in the Remuneration and Staff Report, which starts on page 46.

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

14. Intangible Assets

	Software Licences £'000	System Development £'000	Assets Under Construction £'000	Total £'000
Group				
Cost or Valuation				
At 1 April 2021	2,845	11,740	1,300	15,885
Additions	259	68	2,499	2,826
Disposals	(54)	(97)	-	(151)
Impairments	(1)	(27)	-	(28)
Reclassifications	-	1,359	(588)	771
Revaluations	(49)	(178)	-	(227)
At 31 March 2022	3,000	12,865	3,211	19,076
Amortisation				
At 1 April 2021	2,626	7,520	-	10,146
Charge in Year	247	1,292	-	1,539
Disposals	(54)	(97)	-	(151)
Revaluations	(48)	(147)	-	(195)
At 31 March 2022	2,771	8,568	-	11,339
Carrying Amount at 31 March 2021	219	4,220	1,300	5,739
Carrying Amount at 31 March 2022	229	4,297	3,211	7,737

All intangible assets are owned outright (2021: all).

	Software Licences £'000	System Development £'000	Assets Under Construction £'000	Total £'000
Group				
Cost or Valuation				
At 1 April 2020	2,617	10,890	1,173	14,680
Additions	145	194	2,420	2,759
Disposals	-	(1,973)	-	(1,973)
Reclassifications	-	2,293	(2,293)	-
Revaluations	83	336	-	419
At 31 March 2021	2,845	11,740	1,300	15,885
Amortisation				
At 1 April 2020	2,375	8,248	-	10,623
Charge in Year	172	976	-	1,148
Disposals	-	(1,973)	-	(1,973)
Revaluations	79	269	-	348
At 31 March 2021	2,626	7,520	-	10,146
Carrying Amount at 31 March 2020	242	2,642	1,173	4,057
Carrying Amount at 31 March 2021	219	4,220	1,300	5,739

14. Intangible Assets *continued*

	Software Licences £'000	System Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost or Valuation				
At 1 April 2021	1,525	8,192	637	10,354
Additions	53	-	1,203	1,256
Disposals	(54)	(97)	-	(151)
Reclassifications	-	1,215	(476)	739
Revaluations	(25)	(126)	-	(151)
Impairments	(1)	(16)	-	(17)
At 31 March 2022	1,498	9,168	1,364	12,030
Amortisation				
At 1 April 2021	1,369	5,682	-	7,051
Charge in Year	124	828	-	952
Disposals	(54)	(97)	-	(151)
Revaluations	(25)	(108)	-	(133)
At 31 March 2022	1,414	6,305	-	7,719
Carrying Amount at 31 March 2021	2,894	13,874	637	17,405
Carrying Amount at 31 March 2022	84	2,863	1,364	4,311

All intangible assets are owned outright (2021: all).

	Software Licences £'000	System Development £'000	Assets Under Construction £'000	Total £'000
Historic England				
Cost or Valuation				
At 1 April 2020	1,337	8,350	1,163	10,850
Additions	145	-	1,034	1,179
Disposals	-	(1,973)	-	(1,973)
Reclassifications	-	1,560	(1,560)	-
Revaluations	43	255	-	298
At 31 March 2021	1,525	8,192	637	10,354
Amortisation				
At 1 April 2020	1,177	6,894	-	8,071
Charge in Year	151	545	-	696
Disposals	-	(1,973)	-	(1,973)
Revaluations	41	216	-	257
At 31 March 2021	1,369	5,682	-	7,051
Carrying Amount at 31 March 2020	160	1,456	1,163	2,779
Carrying Amount at 31 March 2021	2,894	13,874	637	3,303

15. Property, Plant and Equipment

	Operational Land & Buildings	Dwellings	Plant & Machinery	Information Systems	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Cost or Valuation							
At 1 April 2021	130,408	2,816	20,518	9,541	8,104	21,420	192,807
Additions	379	-	747	-	178	11,646	12,950
Disposals	(3,041)	-	(605)	-	(521)	-	(4,167)
Impairments	657	9	104	(29)	5	-	746
Reclassifications	11,784	-	971	1,259	-	(14,785)	(771)
Revaluations	8,254	171	1,627	(139)	94	-	10,007
At 31 March 2022	148,441	2,996	23,362	10,632	7,860	18,281	211,572
Depreciation							
At 1 April 2021	32,467	383	14,031	7,113	5,733	-	59,727
Charge in Year	6,980	134	1,504	967	376	-	9,961
Disposals	(41)	-	(600)	-	(520)	-	(1,161)
Revaluations	2,347	29	1,290	(136)	75	-	3,605
At 31 March 2022	41,753	546	16,225	7,944	5,664	-	72,132
Carrying Amount at 31 March 2021	97,941	2,433	6,487	2,428	2,371	7,262	118,922
Carrying Amount at 31 March 2022	106,688	2,450	7,137	2,688	2,196	18,281	139,440

	Operational Land & Buildings	Dwellings	Plant & Machinery	Information Systems	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Cost or Valuation							
At 1 April 2020	143,610	2,897	20,213	6,780	7,470	7,263	188,233
Additions	3,152	-	2,989	2,646	281	15,210	24,278
Disposals	(513)	(54)	(767)	(102)	(119)	-	(1,555)
Impairments	(5,037)	(32)	(117)	-	(4)	-	(5,190)
Reclassifications	523	(20)	30	-	520	(1,053)	-
Revaluations	(11,327)	25	(1,830)	217	(44)	-	(12,959)
At 31 March 2021	130,408	2,816	20,518	9,541	8,104	21,420	192,807
Depreciation							
At 1 April 2020	43,794	1,053	14,904	6,349	5,402	-	71,502
Charge in Year	5,969	145	1,403	659	345	-	8,521
Disposals	(553)	(54)	(754)	(102)	(116)	-	(1,579)
Reclassifications	(138)	-	-	-	138	-	-
Revaluations	(16,605)	(761)	(1,522)	207	(36)	-	(18,717)
At 31 March 2021	32,467	383	14,031	7,113	5,733	-	59,727
Carrying Amount at 31 March 2020	99,816	1,844	5,309	431	2,068	7,262	116,730
Carrying Amount at 31 March 2021	97,941	2,433	6,487	2,428	2,371	7,262	133,080

15. Property, Plant and Equipment *continued*

	Operational Land & Buildings	Dwellings	Plant & Machinery	Information Systems	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historic England							
Cost or Valuation							
At 1 April 2021	100,471	2,675	14,153	7,319	5,848	9,842	140,308
Additions	184	-	282	-	-	5,337	5,803
Disposals	(3,041)	-	(233)	-	(521)	-	(3,795)
Impairments	250	-	61	(12)	1	-	300
Reclassifications	1,016	-	-	1,259	-	(3,014)	(739)
Revaluations	6,733	171	1,193	(116)	72	-	8,053
At 31 March 2022	105,613	2,846	15,456	8,450	5,400	12,165	149,930
Depreciation							
At 1 April 2021	29,304	372	10,792	6,336	4,729	-	51,533
Charge in Year	3,580	131	583	558	187	-	5,039
Disposals	(41)	-	(230)	-	(520)	-	(791)
Revaluations	2,006	29	1,003	(115)	61	-	2,984
At 31 March 2022	34,849	532	12,148	6,779	4,457	-	58,765
Carrying Amount at 31 March 2021	71,167	2,303	3,361	983	1,119	9,842	88,775
Carrying Amount at 31 March 2022	70,764	2,314	3,308	1,671	943	12,165	91,165
	Operational Land & Buildings	Dwellings	Plant & Machinery	Information Systems	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historic England							
Cost or Valuation							
At 1 April 2020	115,889	2,652	15,897	6,010	5,678	2,345	148,471
Additions	815	-	489	1,139	27	7,497	9,967
Disposals	(511)	(54)	(554)	(22)	(107)	-	(1,248)
Impairments	(2,548)	-	(69)	-	(1)	-	(2,618)
Reclassifications	(287)	-	-	-	287	-	-
Revaluations	(12,887)	77	(1,610)	192	(36)	-	(14,264)
At 31 March 2021	100,471	2,675	14,153	7,319	5,848	9,842	140,308
Depreciation							
At 1 April 2020	39,627	1,026	11,976	5,915	4,565	-	63,109
Charge in Year	4,116	139	685	253	180	-	5,373
Disposals	(553)	(54)	(541)	(22)	(107)	-	(1,277)
Reclassifications	(121)	-	-	-	121	-	-
Revaluations	(13,765)	(739)	(1,328)	190	(30)	-	(15,672)
At 31 March 2021	29,304	372	10,792	6,336	4,729	-	51,533
Carrying Amount at 31 March 2020	76,262	1,626	3,921	95	1,113	2,345	85,362
Carrying Amount at 31 March 2021	71,167	2,303	3,361	983	1,119	9,842	88,775

15. Property, Plant and Equipment *continued*

Capital expenditure contracted for as at 31 March 2022 but not provided for in the financial statements amounted to £2,737,000 for Historic England (2021: £4,527,000) and £9,062,000 for the Group (2021: £9,237,000). Those commitments relating to tangible non-current assets amounted to £2,715,000 for Historic England (2021: £4,453,000) and £8,227,000 for the Group (2021: £9,005,000) and those relating to intangible non-current assets amounted to £22,000 for Historic England (2021: £74,000) and £835,000 for the Group (2021: £232,000). Total non-current asset acquisitions in the year were funded, to their fair value, by:

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Government Grant	3,830	5,898	2,419	1,043	1,903
Non-government Grant	-	1,273	138	126	-
Donations	-	-	13	-	-
Lottery Funding	2,904	3,548	1,187	-	-
Asset Sale Proceeds	-	-	-	-	17
IFRS 16 Right Of Use Assets funded by government grant	166	14	6,687	-	-
Other	325	427	-	-	41
Total Non-Current Acquisitions	7,225	11,160	10,444	1,169	1,961

Historic England's obligations under leases are disclosed in note 26; note 16 discloses Historic England's Right Of Use assets. All other property, plant and equipment is either held under guardianship or owned outright by Historic England (2020–21: all).

The transfers from Assets under Construction to other non-current asset categories represent assets which were started in previous years and have been completed in the year. These include the Windows 10 project, various office fit-outs and the various Application Development Programme projects.

The ownership of the Cambridge office was transferred to the Government Property Agency during March 2022. The asset had a net book value of £3,000,000. In recognising the transfer, a £3,000,000 capital Grant in Kind is shown within the accounts, in line with the agreed accounting treatment.

16. Right of Use Assets

	Operational Land & Buildings	Plant & Machinery	Total
	£'000	£'000	£'000
Group			
Cost or Valuation			
At 1 April 2021	36,168	278	36,446
Additions	175	10	185
Disposals	(144)	(26)	(170)
Impairments	552	-	552
Revaluations	568	-	568
At 31 March 2022	37,319	262	37,581
Depreciation			
At 1 April 2021	2,469	226	2,695
Charge in Year	2,308	52	2,360
Disposals	(144)	(26)	(170)
Revaluations	64	-	64
At 31 March 2022	4,697	252	4,949
Carrying Amount at 31 March 2021	33,699	52	33,751
Carrying Amount at 31 March 2022	32,622	10	32,632

16. Right of Use Assets *continued*

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

	Operational Land & Buildings	Plant & Machinery	Total
	£'000	£'000	£'000
Historic England			
Cost or Valuation			
At 1 April 2021	21,085	66	21,151
Additions	166	-	166
Disposals	(144)	(7)	(151)
Impairments	552	-	552
Revaluations	519	-	519
At 31 March 2022	22,178	59	22,237
Depreciation			
At 1 April 2021	925	59	984
Charge in Year	1,510	7	1,517
Disposals	(144)	(7)	(151)
Revaluations	64	-	64
At 31 March 2022	2,355	59	2,414
Carrying Amount at 31 March 2021	20,160	7	20,167
Carrying Amount at 31 March 2022	19,823	-	19,823

16. Right of Use Assets *continued*

	Operational Land & Buildings	Plant & Machinery	Total
	£'000	£'000	£'000
Historic England			
Cost or Valuation			
At 1 April 2020	31,139	52	31,191
Additions	-	14	14
Impairments	(2,173)	-	(2,173)
Revaluations	(7,881)	-	(7,881)
At 31 March 2021	21,085	66	21,151
Depreciation			
At 1 April 2020	2,564	47	2,611
Revaluations	(3,482)	-	(3,482)
At 31 March 2021	925	59	984
Carrying Amount at 31 March 2020	28,575	5	28,580
Carrying Amount at 31 March 2021	20,160	7	20,167

17. Heritage Assets

	Land & Buildings	Dwellings	Artefacts & Archives	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Group					
Cost or Valuation					
At 1 April 2021	22,995	8,704	18,536	33,054	83,289
Impairments	98	6	-	-	104
Revaluations	1,768	549	-	7,793	10,110
Carrying Amount at 31 March 2022	24,861	9,259	18,536	40,847	93,503
At 1 April 2020	21,492	7,596	18,536	28,903	76,527
Impairments	(438)	(21)	-	-	(459)
Revaluations	1,941	1,129	-	4,151	7,221
Carrying Amount at 31 March 2021	22,995	8,704	18,536	33,054	83,289

17. Heritage Assets *continued*

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
Historic England					
Cost or Valuation					
At 1 April 2021	22,996	8,704	18,205	33,054	82,959
Impairments	98	6	-	-	104
Revaluations	1,768	549	-	7,793	10,110
Carrying Amount at 31 March 2022	24,862	9,259	18,205	40,847	93,173
-					
At 1 April 2020	21,493	7,596	18,205	28,903	76,197
Impairments	(438)	(21)	-	-	(459)
Revaluations	1,941	1,129	-	4,151	7,221
Carrying Amount at 31 March 2021	22,996	8,704	18,205	33,054	82,959

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.

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Cost of Acquisition	-	-	-	-	-
Value Acquired by Donation	-	-	13	-	-
Revaluations/(Impairments) Recognised	10,214	6,762	4,765	16,101	14,631
Heritage Assets Charged to Expenditure in Year	35	59	14	10	3

The group has recognised £7.793million (2021: £4.151million) of revaluations of heritage assets. This represents expenditure by English Heritage in line with the £80million New Model grant from government. Historic England capitalises any elements of this expenditure which meets the capitalisation policy outlined in notes 1h-1m.

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

All land and buildings are subject to a full professional valuation every five years. A full quinquennial valuation was last undertaken during the year ended 31 March 2021.

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

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

Heritage assets charged to the Statement of Comprehensive Net Expenditure amounted to £35,000 and was revenue in nature (2021: £59,000)

18. Further Information on Heritage Assets

Land and Buildings – Pure Heritage Assets

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

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

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

During the year, no heritage assets were donated (including donations in lieu of tax) to Historic England (2021: £nil). There were no disposals of heritage land and buildings during the year, or in the previous year.

Historic Artefacts

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

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

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

Donated artefacts received during the year had a value of £nil (2021: £nil). There were no disposals of artefacts during the year, or in the previous year.

19. Current Assets Investment

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
At 1 April	-	7,059	-	26,681
In Year Movement	-	(2,041)	-	(19,622)
At 31 March	-	5,018	-	7,059

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

Historic England Groups investment priorities changed quite substantially during 2020–21.

Previously, Historic England Group held cash in longer-term deposits to generate the maximum interest income while still meeting the day-to-day cash requirements.

However, with uncertainties remaining, cash availability has been prioritised and more funds were moved to instant access or short-term deposits.

20. Inventories

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Inventories	-	5,769	-	6,219
Inventories are stated after the following:				
Inventory Provision Expense	-	166	-	(140)
Inventory Write-Off	-	181	-	137
Total Inventory Adjustment for the Year	-	347	-	(3)

21. Trade and Other Receivables

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Trade Receivables	506	986	479	769
Value Added Tax	2,021	2,194	4,252	4,458
Prepayments and Accrued Income	4,913	11,956	6,446	9,812
Other Receivables	38	1,683	59	781
Amount owed by Subsidiary Undertaking	5,877	-	1,168	-
Total Trade and Other Receivables	13,355	16,819	12,404	15,820

22. Lease Receivables

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after 31 March 2022.

	2022		2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Lease receivables for the following periods comprise:				
Land and Buildings				
Not Later than One Year	25	25	98	98
Between One and Five Years	-	-	25	25
Total Undiscounted Lease Payments Receivable	25	25	123	123
Unearned Finance Income	-	-	-	-
Net Investment in the Lease	25	25	123	123

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

23. Cash and Cash Equivalents

	2022		2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Balance at 1 April	421	85,312	563	43,811
Net Change in Cash and Cash Equivalents Balances	3,891	(9,584)	(142)	41,501
Balance at 31 March	4,312	75,728	421	85,312
The following balances at 31 March were held with:				
Cash				
Government Banking Service	4,180	13,516	285	20,622
Commercial Banks	132	37,342	136	48,074
Total Cash	4,312	50,858	421	68,696
Cash Equivalents				
Commercial Banks	-	24,870	-	16,616
Balance at 31 March	4,312	75,728	421	85,312

24. New Model Grant

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

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

The remaining balance of the £80million New Model grant is held by English Heritage in a government banking service account. At 31 March 2022, the balance of this account was £10,233,000 (2021: £19,499,000), with cumulative expenditure since 1 April 2015 split as follows:

	2022	2021
	£'000	£'000
Element of spend of £80million government grant		
1. £52million	44,588	36,288
2. £18million	18,000	18,000
3. £10million	7,179	6,213
4. Unspent	10,233	19,499
Total	80,000	80,000

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 investments as at 31 March 2022.

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 2022, English Heritage held short-term deposits with institutions with low-risk credit ratings, amounting to £5,018,000 (2021: £7,059,000).

a) Liquidity Risk

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

b) Interest Rate Risk

Historic England and the Group's long-term financial liabilities relate solely to provisions (note 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:

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Finance Assets				
Trade and Other Receivable	6,421	2,669	1,706	1,550
Current Asset Investment	-	5,018	-	7,059
Cash and Cash Equivalents	4,312	75,728	421	85,312
	10,733	83,415	2,127	93,921
Financial Liabilities				
Trade and Other Payables	(6,720)	(3,426)	(4,916)	(8,195)
Bank Loans and Overdrafts	-	(23,400)	-	(23,400)
	(6,720)	(26,826)	(4,916)	(31,595)

26. Lease Liability

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

	2022		2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Lease Liabilities for the following periods comprise:				
Land and Buildings				
Not Later than One Year	1,443	2,006	1,391	1,943
Between One and Five Years	5,938	8,150	5,719	7,953
Later than Five Years	18,370	27,992	19,874	30,027
Total Land and Buildings	25,751	38,148	26,984	39,923
Other				
Not Later than One Year	5	29	8	63
Between One and Five Years	4	12	9	32
Later than Five Years	-	-	-	-
Total Other	9	41	17	95
Present Value of Lease Liabilities	25,760	38,189	27,001	40,018

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

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

27. Trade and Other Current Payables

	2022		2021	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Payables	247	3,044	1,745	7,900
Accruals	8,998	20,986	6,972	18,164
Deferred Income	482	21,561	281	18,701
Income Tax and Social Security	904	1,658	921	1,602
Pensions	945	1,413	28	202
Other Payables	13	383	3	295
Amount Owed to Subsidiary Undertaking	6,460	-	3,168	-
Total Trade and Other Payables	18,049	49,046	13,118	46,864

28. Other Non-Current Payables

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Pensions	219	219	217	217
Deferred Income	-	2,086	-	1,931
Other Payables	-	3	-	3
Accrued Interest	-	468	-	-
Total Other Non-Current Payables	219	2,776	217	2,151

29. Provisions

	Historic England			Group		
	Early Retirement & Restructuring	Legal & Constructive Obligations	Total	Early Retirement & Restructuring	Legal & Constructive Obligations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	-	-	-	-	148	148
Provided in the Year	-	-	-	-	137	137
Provisions Released in the Year	-	-	-	-	-	-
Provisions Utilised in the Year	-	-	-	-	-	-
Balance at 31 March 2022	-	-	-	-	285	285
Balance at 1 April 2020	-	-	-	-	2	2
Provided in the Year	-	-	-	-	146	146
Provisions Released in the Year	-	-	-	-	-	-
Provisions Utilised in the Year	-	-	-	-	-	-
Balance at 31 March 2021	-	-	-	-	148	148

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. Other Non-Current Borrowings

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Bank Loans and Overdrafts	-	23,400	-	23,400
Total Other Non-Current Borrowings	-	23,400	-	23,400

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

31. Commitments

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Capital Commitments				
Not Later than One Year	2,737	8,725	4,527	9,237
Later than One Year and not Later than Five Years	-	337	-	-
Later than Five Years	-	-	-	-
	2,737	9,062	4,527	9,237
Other Financial Commitments				
Not Later than One Year	14,930	38,332	12,969	25,728
Later than One Year and not Later than Five Years	3,456	3,558	650	650
Later than Five Years	-	-	-	-
	18,386	41,890	13,619	26,378
Total Capital and Other Financial Commitments	21,123	50,952	18,146	35,615

Both cancellable and non-cancellable commitments are included.

32. Earmarked Funds

	2022		2021	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Earmarked Funds are made up of the following:				
Philanthropy Funds	184	184	184	184
Total Earmarked Funds	184	184	184	184

Philanthropy Funds represent unrestricted donations given to Historic England.

33. Contingent Liabilities

Various outstanding claims existed at 31 March 2022. Provision has been made in the accounts for the year ended 31 March 2022 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 £40,000 of contingent liabilities (2021: £308,000), of which £nil (2021: £nil) relate to Historic England.

34. Contingent Assets

Certain transactions of Historic England Group are exempt from VAT and consequently the Group is classified as partially exempt. During 2021–22 the group have reviewed their agreed partial exemption calculation and as a result have proposed to HMRC a change in the treatment of a number of elements of input VAT used to calculate the amount of VAT that can be reclaimed. Depending on any new agreement of the partial exemption calculation agreed with HMRC, this may give rise to a repayment of VAT to the group. This amount cannot be quantified at the current time and therefore no receipt has been recognised during the financial year. (2021 Contingent Asset: £155,000).

35. Subsidiary Undertakings

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

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

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

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

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

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

	2022	2021
	£'000	£'000
Income and Expenditure Resources		
Total Incoming Resources	116,044	99,767
Total Resources Expended	(125,651)	(96,214)
Net Income for the Year	(9,607)	3,553
Reconciliation of Funds		
Total Funds Brought Forward	85,185	81,632
Total Funds Carried Forward	75,578	85,185
	2022	2021
	£'000	£'000
Net Assets as at 31 March		
Non-Current Assets	45,980	42,193
Current Assets	99,271	106,578
Creditors: Amounts Falling Due Within One Year	(43,433)	(38,106)
Creditors: Amounts Falling Due After More Than One Year	(26,240)	(25,480)
Net Assets	75,578	85,185
Restricted	17,122	24,639
Unrestricted	58,456	60,546
Funds	75,578	85,185

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.

35. Subsidiary Undertakings *continued*

d) Historic England Foundation

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

	2022	2021
	£'000	£'000
Income and Expenditure Resources		
Total Incoming Resources	(494)	(303)
Total Resources Expended	(575)	(362)
Net Income for the Year	(81)	(59)
Reconciliation of Funds		
Total Funds Brought Forward	432	491
Total Funds Carried Forward	351	432
	2022	2021
	£'000	£'000
Net Assets as at 31 March		
Current Assets	359	465
Current Liabilities	(8)	(33)
Net Assets	351	432
Retained Funds	351	432

e) Historic England (Shrewsbury Flaxmill Maltings) Limited

Historic England is the sole member of Historic England (Shrewsbury Flaxmill Maltings) Limited, a company established in March 2022. The company was dormant during the year and is intended to provide services to visitors to Shrewsbury Flaxmill Maltings when it opens in September 2022.

f) 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.

36. Events After the Reporting Period

There were no reportable events between 31 March 2022 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.

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

SECTION 5

OUR SUPPORTERS



Cleveland Pools, Bath, following restoration works funded by the National Lottery Heritage Fund, Historic England and other partners

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 31 March 2022.

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

Allchurches Trust

Walker Trust

Wolfson Foundation

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



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