

**Response from
The Heritage Alliance**

CHAPTER 3: THE CHARITY

1. The consultation outlines the benefits of the new model for the National Heritage Collection. Do you (please tick the appropriate box):

- Strongly agree with the proposed benefits
- Somewhat agree with the proposed benefits
- Somewhat disagree with the proposed benefits
- Strongly disagree with the proposed benefits
- **Neither agree or disagree**
- Don't know

2. If you either strongly or somewhat disagree with the proposed benefits why is this?

The Heritage Alliance is the lead body for the independent heritage sector. It brings together 93 organisations which between them, through members, trustees, staff and volunteers, demonstrate a passionate commitment to our heritage by some 6.3 million people.

As things stand, the consultation document does not contain sufficient information for us to be able to categorically state our position on the proposal. But we are happy to indicate which areas we are most supportive of, and which cause us concern.

As the principal representative body for the heritage sector, The Heritage Alliance welcomes these aspects of the proposed restructuring:

- We are open about the principle of separation, understanding that cumulative and disproportionate cuts to English Heritage have demanded a radical approach. We recognise the risk of doing nothing.
- We welcome that the sites in the National Heritage Collection will remain in public ownership and guardianship with the obligation, amongst others, to provide free educational visits.
- We welcome the Government's explicit recognition that investing in repair, maintenance and interpretation is the best strategy to prevent the terminal decline of our valuable - and irreplaceable - heritage assets.

It was evident, however, from the Members' discussion at our AGM in December 2013 that we can not fully endorse the proposals for the following reasons:

2.1. Financial viability

The investment of £80m may be based on English Heritage's Asset Management Plan but the figures given are insufficient for third parties to reach a judgement on the

charity's financial viability by 2022/23. Some of the claims on the income figures lack detail. For example, we can only assume that predicted visitor income takes account of the free entry afforded by increased membership. There is no such thing as a free volunteer so here again it is the net gain that is important. It is not clear how the figure of £83m from third parties is reached. We question why financial predictions for 2026/27 (membership, visitors and fundraising) are used since they are not pertinent to the financial self sufficiency by 2022/3 unless the charity expects to borrow against that prediction. We very much expect the Charity to reclaim VAT on the £52m repair bill which otherwise, at 20%, would reduce the Treasury's funding by £10.4m.

Although it is not specifically mentioned in this consultation, the fact that there are other charities recently and successfully established in the sector – Historic Royal Palaces and Canal & River Trust, for example – has attracted some media comment. However, these bodies have a very different asset base and have taken time and funds to realise their ambitions so should not be seen as quick-fix exemplars.

What is clear is that the financial model depends on future government funding as stated in 3.16 '... the Commission will not be able to confirm the future level of funding for the charity until its own funding position is confirmed in future funding settlements'.

2.2. Risk of failure

The case for financial independence by 2023 and beyond being so uncertain, the Alliance suggests measures to mitigate risk must be given priority. Worst case scenarios must be addressed and contingency plans drawn up.

Most of all we would want to avoid any financial shortfall affecting the tapering of Grant in Aid and therefore on the slender resourcing of Historic England.

R1. We recommend that the £80m is paid over to the charity in one lump sum to avoid any change of heart and to allow the charity to benefit from the interest/investment potential.

Termination issues will be dealt with under the Funding Agreement while the Licence will provide for regular monitoring of the charity's performance. The measures of success in 3.29 are not sufficient robust to provide the only criteria. Under what circumstances the Commission (HMBCE) would take back some or all the properties is a key issue or even, how a market solution might be considered, and has not been addressed satisfactorily.

2.3. Visitor focus

The inherent nature of the properties, many of which were taken on as a 'last resort' for their heritage interest - not chosen to be attractive or accessible, poses a huge challenge. The Collection in itself illustrates the changing nature of state intervention. Establishing the National Heritage Collection as a self-financing charity repurposes it as a portfolio of visitor attractions. This has its dangers:

First, the business case is based on growth figures of 5% pa but, even if past rates have reached 7% pa, visitor figures are notoriously volatile as Foot and Mouth in 2001 and 9/11 showed. The charity may build up its reserves in time but before that, it would only take one or two significant events to de-rail this model, hence our concern for contingency planning.

Second, with the cost of handling visitors and attracting return visits rising not only with increased numbers but also with an increasingly discerning public, net - not gross - income is the critical figure.

Third, and most important, we would want to see all properties kept secure and in good condition with priority given to urgent works, not diverted to those with the most commercial or visitor potential. The entire Collection is a national resource.

R2. The focus on generating revenue should not create a two-tier level of care or access.

2.4. Conflict of interests

Para 2.6, third bullet refers to need to eliminate the risk of conflict between the Collection and HBMCE's statutory duties. Under the new structure, conflicts may increase not decrease if the charity's financial imperatives dictate inappropriate alteration or development to accommodate visitors or boost commercial revenue. The Charity Trustees appointed by the Commission (HBMCE) should declare an interest. How conflicts would be resolved and by whom must be addressed.

R3. To avoid conflicts of interest we would like to see the potentially divergent aims of the two bodies managed by a tightly worded contract.

2.5. Governance

The Charity Trustees and in particular the Chairman will need a very different range of skills and competencies than the Commissioners. Under the present proposals, some of the Trustees will be Commissioners but it is not clear how the Chairman will be appointed.

R4. The Chairman of the Charity should be independent and not a Commissioner.

Cross-referencing the charitable objectives with the terms of the Property Licence and Funding Agreement, it is still not clear how the charity is accountable to the Charity Commission, HBMCE, and to Parliament for the proper care of the properties in its care before and after 2023. If the new charity is in the public sector it will need an accounting officer, yet it appears that this function will be shared with the Chief Officer of the Commission, potentially leading to confusion. We question why the charity is not made an exempt charity, answerable to DCMS like the national museums, rather than the Charity Commission.

The Commission, however has considerable influence over the charity up to 2023 through the appointment of a minority of Trustees, and through the Funding Agreement and the Licence. After 2023, the Trustees will be appointed independently yet 3.26 and 3.27 indicate that the Commission will somehow exercise control over the charity.

R5. The 2019/20 review of future contractual arrangements between the Commission and the Charity should be a public consultation.

3. Are there any further benefits that could be delivered by this model?

There are some significant principles in this model that could be more widely applied.

- Inadequate repair and maintenance puts all our heritage and its benefits at risk. Whatever the ownership, neglect leads to damage and frequently inflates the remedial investment required. Other risks common to both public and private heritage assets are well described in 2.11.

R6. This Government's welcome investment in its own portfolio of heritage assets establishes the principle of responsible stewardship which should be implemented through all government policies.

- On the issue of end of year flexibility and access to historic reserves which seems to be the key drivers for this proposal, the national museums have already got these greater commercial freedoms without major restructuring. Be that as it may, with the importance given to this point throughout the consultation document, it seems fair that the Chancellor should extend the same freedoms to heritage bodies such as the Churches Conservation Trust.

4. Are there any other key opportunities for the charity to increase earned income in addition to those outlined in the consultation? (please tick the appropriate box)

- Yes
- No
- Don't know

5. If yes what are they?

The heritage sector is constantly innovating and has been hugely successful in seeking new opportunities to engage and fund itself. Our members' achievements - in an increasingly challenging funding environment - amply demonstrate this.

It is not clear whether the charity or the Commission benefits to any great extent from assets in the EH/ NHC estate such as office premises generating rental or sales rather than visitor income, and whether this revenue stream can or should be maximised.

6. What aspects of the current service provided to the public by English Heritage in relation to the National Heritage Collection is it important that the charity maintain?

6.1. The National Heritage Collection should continue to act as owner of last resort, taking properties into guardianship or ownership as necessary. This is acknowledged under 3.24 under the 8 year Property Licence but not in the charitable objectives. Whose advice is paramount is not clear (4.12) nor how the Charity, DCMS or the Treasury might fund an urgent acquisition or work post-acquisition.

R7. The owner of last resort service needs to be maintained and potential emergency funds identified.

The Trustees, obliged by the Charity Commission to act in the best interests of the charity, may not wish to take on properties without adequate capital endowment. The Trustees, being more independent after 2023, could even alter their own objectives. This and the other terms of the Property Licence (3.23) including the obligation to provide free educational visits, are only coterminous with the Funding Agreement to 2023.

R8. How the Charity's initial obligations are secured after 2023 needs clarification, and as in 2.5 should be subject to public consultation.

6.2. The education potential of the National Heritage Collection is immense. The National Heritage Collection is a national resource as a source of knowledge, inspiration and mostly free enjoyment, not only as revenue-earning visitor attractions.

R9. The charity should invest in all its sites for public benefit not only in those generating revenue.

7. What are the opportunities to further enhance the services that will be offered by the charity?

A full online list of all the properties in the National Heritage Collection is long overdue. The EH handbook is not yet online; the list on p31 does not name the properties; while the Portico website <http://www.english-heritage.org.uk/professional/archives-and-collections/portico/> refers only to 44 detailed entries and 200 summaries.

The National Heritage Collection is described as an 'outdoor museum of national history', p7:

'These physical remains of our nation's history are a rich resource. They enable those who live here to appreciate the physical connections with England's story and give overseas visitors a tangible sense of the variety and significance of the buildings and monuments which define England and its heritage.'

To do so, the National Heritage Collection should evolve with the acquisition of further sites that help tell England's many stories, yet the draft charitable objectives describe a static collection.

R10. As in Q6 and 8, it is essential that an acquisition function should be added to the Charity's objectives, and an acquisitions policy drawn up. We would be concerned too if acquisition depended on visitor potential. The evident reluctance to take on underwater sites (DCMS open meeting 8 1 14) already reveals a possible conflict here between adding to the nation's stories and visitor potential.

8. Do you agree that the suggested charitable objectives are broadly the right ones? (please tick the appropriate box)

Para 3.19

The stewardship of the National Heritage Collection for the public benefit will include:

1. *Securing the conservation of the National Heritage Collection.*
2. *Advancing the public's knowledge and enjoyment of the National Heritage Collection.*
3. *Providing educational facilities and services, instruction and information to the public in relation to the National Heritage Collection.*

- Yes
- No
- Don't know

9. If no, what changes to them do you think should be made?

They cover the obvious areas but:

No 3 does not cover the knowledge-sharing potential. The well-researched EH sites are an academic and professional resource which might be made more explicit than 'the public'. Secondly, it is not clear how 'instruction' differs from 'educational services'.

Add no 4. An additional one (4) to allow the charity to acquire sites either as owner of the last resort and/or which help tell England's stories. Telling England's stories would give the education services a big, unifying theme.

10. Are the proposed success criteria to measure the performance of the charity and to ensure that the benefits are realised the right ones? (please tick the relevant box)

Para 3.29

- *Removal of the need for taxpayer subsidy of the management of the Collection after 2022/23 because of growth in income.*

- *Added value to the National Heritage Collection by reversing the decline in its condition and investing in new projects, measured by the Asset Management Plan.*
- *Increased visitor numbers, including from overseas, and increased visitor satisfaction as a result of the improved state and presentation of the Collection.*
- Yes
- No
- Don't know

11. If not what else should be included in the success criteria?

These cover the obvious areas. It is difficult to say given the limited information on the content and conditions in the Licence Agreement, the Funding Agreement and their relationship with these draft charitable objectives.

CHAPTER 4: HISTORIC ENGLAND

12. We are interested in the views of respondents to the proposed future opportunities and priorities for Historic England. Are these the right priorities and opportunities? Is there anything missing?

The National Heritage Collection at 420 sites amounts to 0.05% of the number of scheduled ancient monuments, listed buildings, registered parks and gardens, and conservation areas in England. What happens to the other 99.95% of our formally designated heritage - and, not least, the swathes of undesignated heritage that provide continuity and context - is the responsibility of Historic England and the Government.

The future profile and resourcing of heritage protection in England is The Heritage Alliance's main concern.

As the principal representative body for the independent heritage sector, The Heritage Alliance welcomes many of the statements regarding 'Historic England'.

- we welcome the aspiration to champion the importance of heritage protection services in delivering public benefit, that these would be 'delivered by a distinct organisation with a clear dedicated purpose, able to strengthen its expert advice and an even better service'.
- we welcome to ambition to publicly 'champion and celebrate all of England's historic environment and the many people who look after it', and the stronger public facing role. We particularly welcome in 4.8 that 'Historic England will work in partnership with others to deepen people's desire and ability to care for England's heritage'.
- under 'Looking to the long term' 4.13, we welcome the proposed review of the landscape for heritage services to develop recommendations to make the best possible use of the resources available.

However, on the basis of the concerns raised at the Members' discussion in December, we have reservations on the proposals for Historic England as set out in press releases and the consultation document.

12.1. Business as usual

The landscape has changed so dramatically in the last few years: English Heritage has lost nearly half its grant in aid (45%) 2010-2015/6. Local authorities have lost £700 million a year.

After a century of state intervention which was markedly celebrated in 2013, this consultation could have, given sufficient time and resource, redefined the purpose of government investment in our heritage in this very different era.

Putting out a 'business as usual' message does not reflect the widespread wish for a radical rethink.

12.2. Further consultation

We are concerned to find (DCMS open meeting 8 1 14) that the review noted in 4.13 and 6.5 is not a standalone consultation but will be managed through the NHPP process. 'Further consultation with businesses and organisations potentially affected by these proposals' (4.5) is crucial but the inadequate detail on the consultation mechanisms has led to a widespread misunderstanding here - that this implied a public consultation on the corporate objectives of Historic England

12.3. What is Historic England

It is difficult to envisage the refocused Historic England from the consultation document. The existing powers and duties are 'to be delivered in a different way' (4.4) but although new ideas are dotted around the document, they are never drawn together.

The Commission's duties and responsibilities from the 1983 Act are (2.2):

- *To secure the preservation of Ancient Monuments and Historic Buildings including marine heritage*
- *To promote preservation and enhancement of the character and appearance of Conservation Areas*
- *To promote the public's enjoyment of and advance the knowledge of ancient monuments and buildings.*

In Q13, we are asked to comment on success criteria but these are more appropriate to an annual programme. What is missing is how the Commission's duties will be (re-)interpreted through the corporate strategy/business plan for the refocused Historic England. The lack of any corporate objectives for Historic England is a major omission.

12.4. Minimising risk

Historic England's future depends on future funding settlements and the proportion of grant in aid required by the new charity, neither of which are known past 2016, but the direction of travel is ominous.

This means that all ambitions to improve the way heritage protection services are managed and delivered and any enhancement of the public facing role are simply on a wish list and indeed, there is far greater risk that future cuts to grant in aid will fall on Historic England alone.

R11 Historic England's finances must be insulated against business risks of the new charity as well as the pressure to build up its reserves.

12.5. Profile

We suggest that greater emphasis is given in public to the role Historic England plays in securing our heritage for all, notably through the planning system.

If the charity has its own Chair and Board of Trustees, then the Commission Chair and Trustees and the Chief Executive of Historic England will be the leading public figures to champion the value of heritage protection and the benefits it brings to Government. While the Heritage Alliance and its members play their part as advocates and ambassadors, a strong leadership team on the inside track is even more important than ever to promote an understanding of the value of heritage inside and outside Government and to argue the case for all the aspects that make up Historic England.

For evidence of economic and social value, HLF has recently published its updated *Summary of the Values and Benefits of Heritage* <http://www.hlf.org.uk/aboutus/howwework/Pages/ValuesBenefitsHeritage2012.aspx> A timely piece of research might show what England would look like today without a robust heritage protection regime over the past 100 years - no Stonehenge, no St Pancras, no Covent Garden.

R12. We suggest that the renamed Historic England is a huge positive PR opportunity to promote the public benefits of a strong and properly resourced heritage protection service.

12.6. Historic England's end-users

Our heritage is a national asset to inspire and to be enjoyed by us all who live and work here as well as by visitors. The emphasis throughout is on services for 'owners, developers and infrastructure providers' with little reference even to local authorities or to the vigorous heritage movement that the Heritage Alliance represents.

Putting owners, developers and infrastructure providers as the primary end-users is a radical repositioning of English Heritage, a body set up to serve public interest. If the constraints imposed by the Accountability for Regulator Impact Guidance (4.5) require resources to be focused on greatest need, we suggest that support to local authorities is underrepresented. Only mentioned twice in the main document, they should at least be acknowledged as development agents.

It is important that English Heritage's successful work in partnership with the heritage sector on policy and practice is carried forward into Historic England. So too is its support to the voluntary sector which delivers much of the work to 'deepen people's desire and ability to care for England's heritage' (4.8).

R13. We strongly recommend that the frequent reiteration of 'owners, developers and infrastructure providers' is amended in favour of advocating partnerships with a much wider range of associations, protecting the historic environment in the best interests of the public.

12.7 Historic England's Grant Aid

English Heritage's current grant giving function though much reduced is still highly valued by the sector not only for its own sake but because such endorsement levers in other funding. Heritage Counts 2013 shows that while EH's own grant in aid was reduced by 20%, it cut onward grants by 40% 2012/13. Grants generate partnerships, they take advantage of existing and sometimes more appropriate delivery mechanisms than EH itself can afford. The existing range of grants appears in Table 3 but only building at risk grants appears in 2.3 (current services), so when Chapter 4.4 says there will be no direct changes to the services 2.3 (b)-(f), we really must remonstrate here.

R14. Capacity building and support to Local Authorities are a highly valued functions that must be made explicit in Historic England's future grant making function.

13. Are the proposed success criteria to measure the performance of Historic England the right ones? (please tick the appropriate box)

Para 4.15

Given that these are the benefits the refocusing of Historic England is intended to achieve, the proposed success criteria against which the impact of the changes will be judged are below. These will be reflected as appropriate in the Management Agreement between DCMS and the Commission.

- 1. Improved perception of the services provided by Historic England as measured by customer satisfaction surveys.*
- 2. More up front work with developers, greater use of Heritage Partnership Agreements and more proactive designation to encourage sustainable development.*
- 3. Increased numbers of NHPP Action Plans produced by organisations with heritage responsibilities.*
- 4. Heritage assets continue to be removed from the at risk register for positive reasons.*
- 5. Public access to the resources and expertise of Historic England, and an increase in resources and expertise.*

- Yes
- **No**
- Don't know

14. If not what else should be included in the success criteria?

1: depends on subjective feedback from specific groups of end users, notably developers, major owners and infrastructure providers. The key success criterion is surely the protection of our historic environment.

2: 'More upfront work with developers' might be construed as favouring one interest group whereas Historic England should bring an impartial, informed and expert voice to all its stakeholders.

3: any number of NHPP Action Plans would not necessarily reflect all that is going on in the sector, nor capture all successful partnership working see Q15.

5: The last one, 5, should be placed first.

All the success criteria would need a baseline against which to measure improvements.

15. Should the National Heritage Protection Plan form the basis of the business plan for Historic England? (please tick the appropriate box)

- Yes
- **No**
- Don't know

16. If no – why not?

The consultation on the NHPP 2015-20 is far from being the basis for the business plan for Historic England. We should be clear about action plans, business plans, corporate plans etc.

The Alliance's Chief Executive and two Trustees sit on the NHPP Advisory Board. The Heritage Alliance also provides the secretariat to the Board. With this experience, we suggest that this question overrates the level of understanding of the NHPP and how it works. Public engagement is low with only 75 responses received in the NHPP winter consultation 2012-13.

The National Heritage Protection Plan has long since moved on from being a plan for English Heritage 2011-15, to being a framework within which the EH Action Plan is one of several Action Plans. The second NHPP 2015-20, on which work is just starting, should be the overarching framework rather than the basis for Historic England's business plan.

R15. We suggest that using the NHPP consultation to determine the aims and objectives of Historic England would be too restrictive since the Action Plan is a component of its wider work.

Second, the suggestion that the NHPP should be 'a means of supporting the work of other organisations' (4.7) should not be the only means. Although NHPP2 may well be different, aligning all partnership working with the NHPP would be premature and possibly restrictive.

17. Are there any further points you would like to add in relation to the consultation

17.1. The consultation.

Throughout this consultation, our recommendations fall into two categories:

- Minimising risk to both bodies
- Preserving public benefit

The Alliance is concerned that government action promotes the long term care of our heritage for public benefit, not for short term commercial benefit. The historic environment is a vital part of England's infrastructure. We agree that we need a new model for the 21st century but we seek one that properly reflects the place of heritage in government policy, not only through DCMS but also CLG and DEFRA. .

R16. It is time we plan for all of our heritage, not just the 400 or so sites in the National Heritage Collection, with as much care as the Government devotes to major infrastructure projects.

17.2. The role of Government

By passing the management of its own heritage sites to a charity, Government should in no way think it is shedding its responsibility for our national heritage. By far the greatest proportion of heritage investment and activity takes place outside government but government nevertheless creates the legislative and policy framework within which the public, private and commercial sector operate in the national interest.

Government also leads by example. Government funding levers in other sources, so reducing reliance on state funding should not signal any lack of support to potential funders. That would be disastrous.

R17. We suggest that Government demonstrates its confidence in our heritage with more public statements as well as policy measures to attract investment, philanthropy and volunteer effort.

17.3. Future Spending Reviews

We note that para 3.16 indicates that success is dependent on maintaining Grant in Aid throughout the plan period. We will be seeking commitments from the next administration at the first available opportunity to ensure:

- successful implementation of these proposals
- better heritage protection
- the £80m is wisely spent.

About you section

18. Are you responding as an individual or on behalf of an organisation? (please tick the appropriate box)

- Individual
- **Part of an organisation**

19. If you are responding on behalf of an organisation what best describes the type of organisation? (please tick the appropriate box)

- Organisation representing visitor attractions/tourism
- Organisation representing owners of historic assets
- **Organisation representing heritage professionals or other heritage groups**
- Organisation involved in regulatory and statutory work related to the historic environment
- Organisation which provides grants to the historic environment sector
- Organisation which represents volunteers/communities
- Owner of heritage assets Visitor attraction – heritage
- Visitor attraction – other
- University or other research organisation
- Local Authority
- Developer
- Civic society
- Other (please specify) Umbrella body representing 93 non-government heritage organisations in England.

20. If you are responding as an individual are you an existing English Heritage member and/or volunteer?

- Yes
- No
- Don't know

21. Are you an owner of a listed building?

- Yes
- **No**
- Don't know

Name Kate Pugh on behalf of the Board of Trustees

Job title (if applicable) Chief Executive

Organisation (if applicable) The Heritage Alliance

Telephone number: 020 7233 0800

Email address: kate.pugh@theheritagealliance.org.uk

Postal address: The Heritage Alliance, 10 Storey's Gate, Westminster, London SW1P 3AE

Please tick this box if you **DO NOT** want your responses to be made publicly available.

I would like to be kept in contact on the English Heritage new model programme.

Communication will be through either DCMS or English Heritage. Your data will not be used for any further purposes. (please tick the appropriate box)

- **Yes**
- No