



Historic England

# Annual Report & Accounts

2022–23





Historic England

## Annual Report and Accounts 2022–23

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

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# FOREWORD

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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 Culture, Media and Sport (DCMS).

For financial reporting purposes, we are in a group that includes English Heritage and a number of subsidiaries; therefore, the financial statements within this report reflect the ‘Historic England Group’ accounts and ‘Historic England’ only accounts. Note 1 to the financial statements explains this more fully. The commentaries in the Performance Report and Accountability Report reflect Historic England’s activity during 2022–23. Although there are references to English Heritage, it produces its own Annual Report and Accounts, which covers its activities and performance during the year in more detail.



The newly renovated Moot Hall, Appleby. Work was carried out as part of Appleby Heritage Action Zone

# CHAIRMAN'S INTRODUCTION

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2022–23 has been my final full year as Chairman. It has certainly been a busy ten years since I was appointed in 2013, including the launch of Historic England under its new brand name in 2015 and the establishment of the English Heritage Trust in the same year to take over management of the National Heritage Collection.

During my time as Chairman there has also been a change of mindset, from one focused on heritage as solely about visitor attractions, to one that recognises its dynamic role as a catalyst for the regeneration of places and a source of identity and pride that can facilitate the revival of communities.

At Historic England, we are passionate about using the power and potential of our country's rich historic environment to bring communities together and energise and equip people to be more involved in supporting the places they care about. We remain very much focused on the future and on our core purpose of improving lives by championing and protecting our heritage. In the year ahead, we will:

- continue to work with the Government to help address its priorities such as planning reform, and global challenges including climate change.
- use heritage as a lever for regeneration and pride in place, and work in partnership with others in the cultural and heritage sectors to help get the best possible outcomes from levelling up investment.
- continue to work closely with the English Heritage Trust to ensure the conservation and maintenance of the National Heritage Collection and to support it on its trajectory towards financial self-sufficiency.
- remain at the forefront in the development, with DCMS and other partners, of the Culture and Heritage Capital framework in order to establish a common sector wide standard for the measurement of cultural and heritage impact, which carries similar status to that accorded to Natural Capital in the environment sector.
- find innovative ways to reach more communities and help connect people with their heritage, making best use of technology.

- build on our learning and evaluation to target our resources, including grants, where they will have maximum public benefit and where our expertise can have the greatest impact.
- help deliver the Heritage Sector Resilience Plan and develop actions to address sector skills, particularly in crafts.
- inspire and support the next generation of heritage experts and craftspeople through focused placement and apprenticeship programmes.

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This work will only be possible with the dedication and expertise of Historic England's people, and I would like to thank them all for their sheer hard work, commitment and passion, during both the year in review and my term as Chairman. It has been truly inspiring and humbling to have had the privilege of working with them.

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Looking back on 2022–23, it was another busy and rewarding year for Historic England, with some significant achievements:

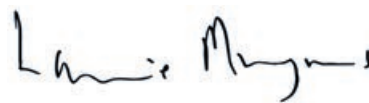
- Projects from the final round of the Government's Culture Recovery Fund (CRF), which included a second round of our Heritage Stimulus Fund (HSF), were delivered successfully. HSF Round 2 distributed a further £37.6 million to 186 projects, bringing the total number of the country's top heritage assets repaired under the HSF scheme to nearly 1,000.

- The formal evaluation of the CRF programme, published by the DCMS in April 2023, is very positive. It shows that the CRF met its overall objectives, was efficiently administered, demonstrated value for money and strengthened the financial health of the cultural and heritage sector. We know through our regional teams and our own evaluation that the emergency funding protected institutions from collapse, sustained and saved countless jobs (including heritage craft roles), saved many historic assets and has helped put the sector in a strong position for the future.
- Some 225 years after its foundation, Shrewsbury Flaxmill Maltings opened to the public following extensive fundraising and redevelopment. Four of the site's listed buildings have been fully restored, including the internationally important Grade I listed Main Mill, which is now an inspiring visitor destination, and office space has been let. We were delighted to be joined at the formal opening celebration event in November 2022 by stakeholders, supporters and the Heritage Minister, Lord Parkinson.
- Described by some as 'the Stonehenge of the North', part of the spectacular Thornborough Henges near Ripon, North Yorkshire, transferred into our legal ownership in February 2023, having been donated by the landowners, Tarmac. Thornborough Henges and the surrounding landscape is one of the most important ancient sites in Britain, and it is heartening that the future of the central and southern henges is now secure, and they will be free to visit under the stewardship of the English Heritage Trust as part of the National Heritage Collection.

- In March 2023 we opened a major new outdoor photography exhibition, Picturing High Streets, as part of our High Streets Heritage Action Zone (HAZ) programme. Launched at the Photographers' Gallery in Soho, London, the travelling exhibition is a contemporary portrait of England's much-loved high streets, showing photographs that have been crowdsourced through a public campaign alongside works by resident artists. The exhibition will tour High Street HAZ locations throughout 2023, and a selection of the public submissions will become part of the Historic England Archive.

I am most grateful to Professor Martin Daunton and Michael Morrison, whose Commission terms ended in 2022–23, for their considerable contributions. I know that they will continue to be good friends to Historic England.

I was delighted to welcome six new Commissioners in 2022–23: Nairita Chakraborty; Jane, Lady Gibson; Dame Julie Kenny; David Laing; Sir Jonathan Marsden; and Robert Sackville-West. They all bring extensive experience in areas of Historic England's work and join at an exciting time of challenge and opportunity. Alongside their fellow Commissioners, and with the support of Duncan Wilson and the Executive Team and our wonderful staff, I have no doubt that Historic England will continue to flourish under my successor.



**Sir Laurie Magnus CBE**  
Chairman, Historic England



SECTION 1

# PERFORMANCE REPORT



# 1. PERFORMANCE REPORT

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This section sets out Historic England’s corporate objectives and priorities and summarises how we have performed during the year. It comprises an overview of our work and key challenges and a summary and analysis of our performance against agreed measures. It concludes with a selection of our achievements during 2022–23.

## About Us

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We are the public body that helps people care for, enjoy and celebrate England’s spectacular historic environment. We protect, champion and save the places that define who we are and where we’ve come from as a nation. We care passionately about the stories they tell, the ideas they represent and the people who live, work and play among them. Working with communities and specialists we share our passion, knowledge and skills to inspire interest, care and conservation, so everyone can keep enjoying and looking after the history that surrounds us all.

**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 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.

### Three Pillars of our Strategy

Our ambition, set out in our Future Strategy, is a future full of Thriving Places with heritage at their heart, achieved through Active Participation and Connected Communities.

#### Thriving Places

We will collaborate with people and partners to secure vibrant and sustainable futures for historic places.

#### Connected Communities

We will bring communities together by discovering and celebrating local heritage, and by protecting the character of historic places.

#### Active Participation

We will inspire and equip people to take action in support of the places they care about.

## 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 of pounds 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 and develop skills, and we share our knowledge through training, guidance, policy and advice. We build relationships and networks, and we 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, and we want everyone to be able to experience the benefits from heritage. We work together to deliver national expertise locally, and we share our knowledge and passion through communications, 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 where our work has the most impact and the greatest public benefit. We have developed our fundraising capability and are 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 is managed on our behalf by the English Heritage Trust. We support English Heritage in its care and maintenance of the collection and in working towards financial self-sufficiency.

A high-level summary of how our organisation is structured internally (our six 'groups') is set out in the Accountability Report. Organograms of our group structures and information about our regional offices are available on our webpages. Note 1v to the financial statements explains how we segment our financial reporting.



Solar panels on the nave roof of Gloucester Cathedral, College Green, Gloucester

# Chief Executive's Overview of 2022–23

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It has been a productive and rewarding year for Historic England. We have made good progress across all our work programmes, delivering to budget and performing well against the priorities and performance measures that we have agreed with our sponsor department, the Department for Culture, Media and Sport.

As well as setting out our day-to-day activities and objectives, our Corporate Plan 2022–23 identified four priority areas that would be a particular focus across our work this year: Climate Change; Equality, Diversity and Inclusion; Levelling Up; and Wellbeing. Below are some of our key achievements in these areas.

## 2022–23 Priority: Climate Change

We continue to support owners and guardians, communities, the sector and Government to make sure heritage plays its part in addressing climate change.

- We have provided **support and advice to Government** including: the development of draft goals for the Third National Adaptation Programme; evidence on barriers and opportunities to adapting historic homes to improve energy efficiency; and advice on the development of building regulations and revisions to the National Planning Policy Framework, relating to climate change and energy efficiency.
- We have updated and improved the 'Your Home' section of our website to simplify **our advice and guidance** on building adaptation and energy efficiency. Our Historic England Advice Note on Heritage and Climate Change, due in 2023–24, will provide authoritative advice on balancing climate action with the protection of heritage significance for local planning authorities, owners and others.
- Working with public and private sector partners, we contributed to a **Heritage and Carbon research project**, looking at the range of social, environmental and economic opportunities afforded by improving the energy efficiency of historic properties. The report highlights the skills and training challenges that need to be overcome to ensure our historic buildings contribute to a net zero future as well as the significant opportunities for specialist skills and job creation, carbon reduction and reduced costs.

More detail about how we are delivering against our own carbon reduction ambitions is set out in the Sustainability Report, elsewhere in this Performance Report.

## 2022–23 Priority: Equality, Diversity and Inclusion

Our **Strategy for Diversity, Inclusion and Equality 2020–23**, sets out how Historic England, the sector and our work must better reflect and represent the full diversity of our communities.

- There were more than 500 applications to our 2022–23 **Everyday Heritage Grants programme**, which funds projects celebrating working class heritage, and £774,000 was distributed among 57 diverse projects. Led by people who might not normally engage with their local heritage, over 90 per cent of the successful applicants were new to working with Historic England. The projects will support them in telling their own stories about their heritage, in their own way, and connecting with others in their local communities. We also used the Everyday Heritage programme to test more inclusive and accessible grant application processes, and our evaluation of the Everyday Heritage programme is informing our ongoing Grants Review.
- Our **Placemaker pilot scheme** funded organisations working with young people in the North East to find new ways to commemorate significant places that are not listed. Projects include community-designed gardens, painted murals and immersive digital walking trails. The pilot programme is informing proposals for a potential national scheme and was a first stage of our work to explore ways of recognising heritage that is significant to communities beyond the formal designation process.



Steel Rigg, Hadrian's Wall, Northumberland. With a Heritage at Risk grant, soft capping was added to this section of wall to keep people from walking along the top of the wall causing damage and collapse

- Our **Heritage Schools programme** works with teachers and children in places where social mobility is traditionally low. It engages pupils in the art of discovery, helps them develop an understanding of their local heritage and encourages communities to become more involved in the life of the school. Now in its eleventh year, we consistently receive excellent feedback about the programme's impact on pupils. An impact study report, published in December 2022 to mark ten years of the programme, highlighted that 98 per cent of teachers agreed that learning about local heritage improved pupils' sense of place, and 96 per cent agreed the programme improved pupils' sense of pride.

### 2022–23 Priority: Levelling Up

The value of heritage in supporting successful and sustained regeneration, and civic pride is well-evidenced and reflected in the Government's Levelling Up and Regeneration Bill, the Levelling Up Fund and the UK Shared Prosperity Fund. Round 2 of the Levelling Up Fund allocated £594 million to capital projects focused on the conservation and regeneration of historic buildings and places.

- Our own Levelling Up strategic priority guides our work and investment. This includes the support we offer directly to people looking after historic places, our engagement in places receiving Government levelling up funding, and where we focus our own programmes. Our **2022–23 grant allocation** was informed by alignment with HE priorities, including levelling up. In 2022–23, £3.5 million in grants was allocated in Levelling Up Tier 1 areas.

- Building on our track record of delivering in partnership, the Department for Levelling Up, Housing and Communities (DLUHC) confirmed £2.5 million Levelling Up funding for a pioneering **collaboration between Historic England and cultural partners** (including Arts Council England (ACE), the British Film Institute, Visit England, The National Lottery Heritage Fund, Sport England and The National Lottery Community Fund) to help local places realise the potential of their heritage, cultural and sporting assets. New fixed-term roles, hosted by Historic England and ACE, will support local authorities in delivering cultural projects in Levelling Up areas during 2023–24 and 2024–25.
- Our **Historic Places Panel** provides a broad spectrum of independent expertise and advice to local authorities and others engaged in the regeneration and revitalisation of historic places. In 2022–23 it made two-day visits to Dewsbury, Accrington, Luton and Portsmouth, all places with Levelling Up funding and ambitious programmes of regeneration. The Panel's findings and recommendations are written up as a Review Paper, available on our webpages.

### 2022–23 Priority: Wellbeing

Engaging with heritage has a proven positive impact on people's quality of life. **Our Strategy for Wellbeing and Heritage 2022–2025**, published in May 2022, sets out our commitment to developing new partnerships and approaches to wellbeing, and we continue to collaborate with DCMS and sector partners to develop and grow the

Culture and Heritage Capital (CHC) programme, which aims to develop a holistic and standardised economic approach to capture the wellbeing and public value impacts of culture and heritage.

- Delivery of the strategy is well underway, including a training programme for staff, the development of case studies, guidance and toolkits, and **new wellbeing projects** on the ground. Projects include the *Heritage for Wellbeing for NHS staff pilot*, which aims to demonstrate how engagement with heritage will impact positively on the health and wellbeing of NHS staff.
- Building on learning from our *Operation Nightingale* programme, which uses archaeology as a tool to help injured service personnel, our **Rejuvenate pilot programme** is the first of its kind to test the ability of archaeology and heritage activities to promote the wellbeing of young people who are facing challenges such as engaging in school and reduced attendance. Through two different projects in Kent and Wiltshire, groups of young people are working with archaeologists and environmental specialists and learning how to bond with, and relate to, others. The aim is to roll the programme out nationally.
- We are committed to supporting good mental health and the wellbeing of our people. We are implementing our **Mental Health and Wellbeing Action Plan**, which includes a network of Mental Health First Aiders and Champions, weaving wellbeing into all that we do, and a programme of training and awareness-raising events. We were proud to be awarded a Gold Award in the Mind Workplace Wellbeing Index for the fifth year running, recognising our long-term investment in improving mental health and wellbeing at work.

## Looking Ahead

We have updated our **Corporate Plan for 2023–26** and have agreed six priority areas: Levelling Up; Equality, Diversity and Inclusion; Planning, Listing, Conservation Advice and Investment; Climate Action; Stewardship of the National Collections; and Developing Historic England.

Supported by the framework of the Corporate Plan, we will achieve a step change in each of these priority areas over

the next three years, and a leap forward on the journey towards our vision of a historic environment that everyone can connect with and learn from, and that we are proud to pass on to future generations. I look forward to updating you on our progress.

## Key Issues and Risks for Historic England

National and global events continue to affect the **deliverability of some key work programmes** to original plans and budgets. We are closely monitoring risks associated with delivery partner capacity, energy and construction costs, and supply chains across our key programmes, including the High Streets HAZ programme in its final year of delivery.

Historic buildings and landscapes can make an important contribution to responding to the impacts of **climate change**, through both the conservation of embodied energy in buildings and environmentally sustainable management of land and landscapes. Balancing and reconciling the issues of climate change adaptation and heritage conservation is a key challenge for local planning authorities, and we must ensure our advice is clear and applied consistently.

The **English Heritage Trust** cares for the National Heritage Collection under a licence from Historic England. We continue to work with the Trust to monitor agreed performance indicators and ensure it meets its target of financial self-sufficiency.

We are working closely with Government at policy level to ensure **heritage protection controls** – such as controls over inappropriate energy efficiency upgrades to historic buildings or damage to historic landscapes and archaeology – are not weakened or lost as a result of planning reforms.

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



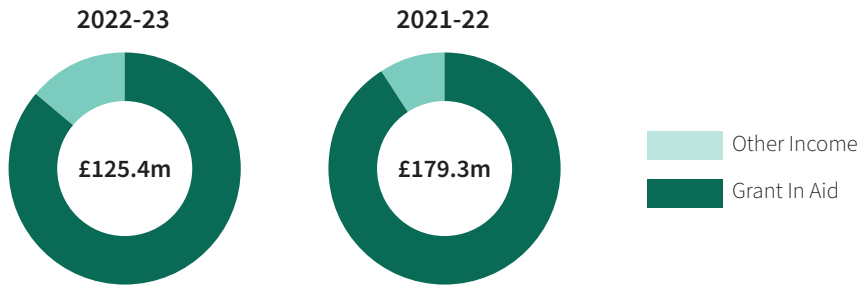
**Duncan Wilson CBE**

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.

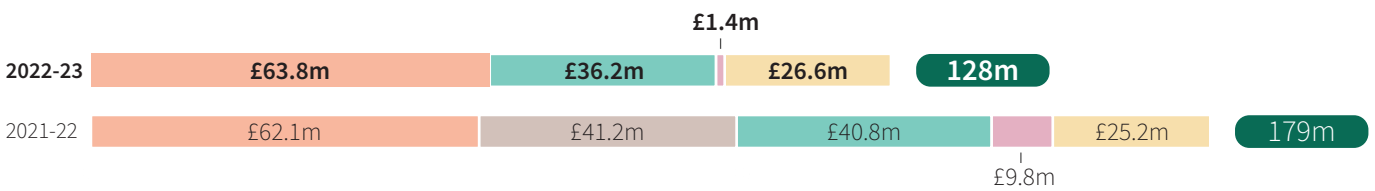
## Total Income



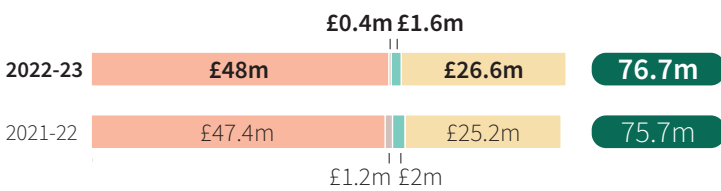
## Key Activities



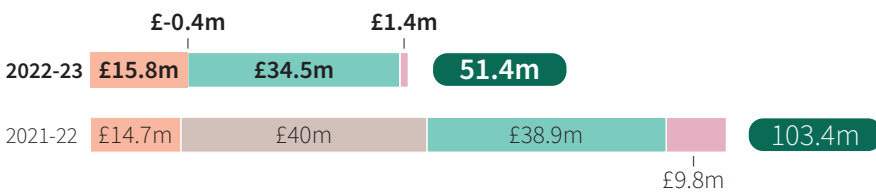
## Total Expenditure



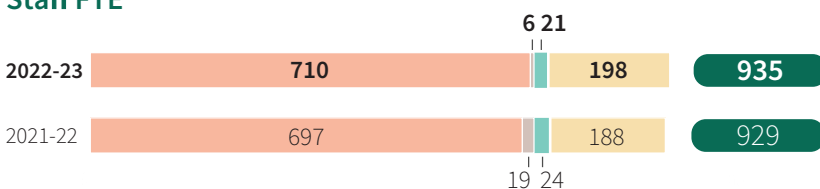
## Expenditure (excluding Grants & EHT Subsidy)



## Expenditure (of Grants & EHT Subsidy)



## Staff FTE



# Performance against Key Priorities and Performance Indicators

This section describes how we have performed against the priorities and key performance indicators agreed with our sponsor department, the Department for Culture, Media and Sport (DCMS). Our Framework Agreement with DCMS sets out the way our organisations work together and our agreed priority areas for delivery. The tables below summarise our progress against these priorities and performance measures.

Summary of performance against Framework Agreement priority KPIs			
Outcome	Priority KPIs	2021–22 result	2022–23 result
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	<b>Current strategic collaborative research funding partnerships that deliver Historic England Corporate Plan objectives</b>	28	<b>29</b> (+3.6%)
	<b>Strength of research partnerships (knowledge generation / knowledge sharing / skills and methods exchanged)</b>	Income: £218,000 Published outputs: 2 Guidance / policy docs: 2 Exhibitions / events: 58 Other interventions: 18 Academic involvement: 135	<b>Income: £1,324,000 Published outputs: 22 Guidance / policy docs: 4 Exhibitions / events: 78 Other interventions: 34 Academic involvement: 124</b>
	<b>Assets added to or modified within Warden (and thus ready for transmission to Local Authority Historic Environment Records)</b>	1,498	<b>1,358</b> (-9.3%)
	<b>Proportion of Historic England Local Plan policy amendments accepted by councils</b>	Not reported	<b>Not reported</b>
	<b>Ranking of Historic England digital offer based on Sitemorse survey</b>	7.4	<b>7.4</b> (level with last year)
	<b>Heritage at Risk (HAR) sites removed from the Register for positive reasons</b>	233	<b>233</b> (level with last year)
Prioritise contributions to the place and levelling up agendas, including heritage high streets	<b>Grant spend % per region</b>	East of England: 12.5% London and the South East: 24.9% Midlands: 22.4% North East and Yorkshire: 15.9% North West: 10.1% South West: 14.2%	<b>East of England: 12.8% London and the South East: 18.7% Midlands: 20.9% North East and Yorkshire: 17.7% North West: 8.3% South West: 21.6%</b>



## Summary of performance against Framework Agreement priority KPIs

Outcome	Priority KPIs	2021–22 result	2022–23 result
Develop an action plan for Historic England to reach carbon net zero before 2050 and help to drive net zero commitments from the heritage sector	<b>Greenhouse gas emissions in tonnes and by cost</b>	2,881.1 tCO <sub>2</sub> e £5.8 million	<b>3,397 tCO<sub>2</sub>e</b> <b>£5.1 million</b>
	<b>Waste volumes and disposal routes in tonnes and by cost</b>	62.86 tonnes / £27,000 total cost	<b>43.43 tonnes / £7,258 total cost</b>
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	<b>External training opportunities created</b>	4,209	<b>3,812</b> (-9.4%)
	<b>Training opportunities by content type</b>	Not available	<b>Historic Environment: 1,023</b> <b>Technical and Conservation: 2,789</b>
	<b>RepTrak survey score</b>	77.5	<b>78.3</b> (+0.8 points)
	<b>Attendances at teacher and trainee teacher training events through the Heritage Schools programme</b>	3,287	<b>3,147</b> (-4.3%)
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	<b>Formal Government consultations responded to</b>	11	<b>17</b> (+55%)
	<b>Consultation responses scoring one or more 'greens' under the traffic light assessment of degree to which final Government publication reflected HE comments</b>	0 (of two – both scored 'amber')	<b>No relevant assessments</b>
Support and monitor England Heritage Trust's financial sustainability and continue to monitor the conservation deficit of the National Heritage Collection	<b>Overall financial surplus/ deficit (gross and net of GIA support)</b>	Gross: £3.5 million surplus Net: £31.9 million deficit	<b>Gross: £2.7 million deficit</b> <b>Net: £3.9 million deficit</b>
	<b>Expenditure on regular maintenance and capital repair</b>	N/A	<b>Property Maintenance: £2.7 million</b> <b>Conservation Maintenance Programme: £3.9 million</b>
Provide statutory services to Government	<b>Changes to the National Heritage List for England (additions, amendments and deletions)</b>	6,738	<b>6,202</b> (-8%)
	<b>Recommendations on designation made to the Secretary of State</b>	885	<b>1,539</b> (+24.5%)
	<b>Planning casework advised on</b>	18,074	<b>17,772</b> (-352)
	<b>Pre-applications proposals advised on within agreed deadlines</b>	2,009 and 99.2% within the agreed deadline	<b>1,752 and 99.2% within the agreed deadline</b>

## 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

2022-23 Performance Measures	2022-23 Performance Summary
<ul style="list-style-type: none"> <li>Number of strategic collaborative research funding partnerships that deliver Historic England Corporate Plan objectives</li> <li>Strength of research partnerships (knowledge generation/knowledge sharing/skills and methods exchanged)</li> <li>Number of assets added to or modified within Warden (and thus ready for transmission to Local Authority Historic Environment Records)</li> <li>The proportion of Historic England recommended Local Plan policy amendments accepted by councils</li> <li>Ranking of Historic England digital offer based on the Sitemorse survey</li> </ul>	<p>We received nearly £1,324,000 in <b>external research funding</b> and produced over 100 events, exhibitions, publications and guidance documents based on our research (£218,000 and over 80 events in 2021-22). Our expanding portfolio of externally funded research includes a focus on climate change, community engagement, marine and industrial heritage, archaeological practice and heritage science.</p> <p>Grants from external research bodies are funding <b>29 strategic collaborative research funding partnerships</b> that support the delivery of our Corporate Plan objectives (28 in 2021-22).</p> <p>Through an Arts and Humanities Research Council funded Collaborative Doctoral Partnership programme, and in collaboration with UK universities, Historic England and the English Heritage Trust are supervising <b>18 PhD studentships</b> that respond to our research priorities (3 in 2021-22).</p> <p>We are the lead partner for the £2.9 million AHRC-funded project: <i>Unpath'd Waters: Marine and Maritime Collections in the UK</i>, which aims to increase interaction with the UK's maritime heritage by making it easier to research, and easier for the public to discover and share stories in new ways. The first project report was published November 2022.</p> <p>1,358 monument records were created and added to our research recording system (Warden) this year, for transfer to the network of <b>Historic Environment Records (HERs)</b> (1,498 in 2021-22). Records include new discoveries from aerial reconnaissance and investigation, mapping and other research projects. A further 2,430 records were added to HERs directly by local authorities, meaning a total of 3,788 new HERs in the year (3,903 new HERs in 2021-22).</p> <p>Since October 2021, we have been tracking <b>Local Plans</b> we are engaged with to help us evaluate how local planning authorities adopt our advice in relation to their Plans. As this is a new KPI area, and as Local Plan consultation processes can take more than 12 months, we do not expect to have robust evidence of our influence over plan-making until 2024-25.</p> <p>The independent <b>Sitemorse index</b> assesses digital capability across key areas including user experience, search engine optimisation, and governance, risk and compliance. The Historic England average score across six key categories was 7.4 of a possible 10 (also 7.4 in 2021-22).</p>

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

2022-23 Performance Measures	2022-23 Performance Summary
<ul style="list-style-type: none"> <li>Number of Heritage at Risk sites removed from the Register as a result of being brought back into positive economic or social use</li> <li>Grant spend % per region</li> </ul>	<p>We removed 233 sites from the <b>Heritage at Risk (HAR) Register</b> for positive reasons in 2022 (233 in 2021). The 233 historic places restored, rescued and brought back to life include: 71 buildings and structures; 65 places of worship; 87 archaeological sites; one park and garden; and nine conservation areas. 175 historic buildings and sites were added to the HAR Register because of their deteriorating condition.</p> <p>The regional distribution of the £9.43 million <b>grant spend</b> in 2022-23 (2021-22 £13.6 million) was:</p> <ul style="list-style-type: none"> <li>East of England – 12.8% (12.5% in 2021-22)</li> <li>London and the South East – 18.7% (24.9% in 2021-22)</li> <li>Midlands – 20.9% (22.4% in 2021-22)</li> <li>North East and Yorkshire – 17.7% (15.9% in 2021-22)</li> <li>North West – 8.3% (10.1% in 2021-22)</li> <li>South West – 21.6% (14.2% in 2021-22)</li> </ul> <p>£3.5 million was spent in Levelling Up Tier 1 areas, £2.8 million in Tier 2 areas and £2.8 million in Tier 3 areas. A <b>Grants Review</b> project is underway to develop and implement an effective and simplified grants programme that will ensure funding is awarded where it creates the most impact and public value.</p>

## 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.

2022–23 Performance Measures	2022–23 Performance Summary
<ul style="list-style-type: none"> <li>Greenhouse gas emissions in tonnes and by cost</li> <li>Waste volumes and disposal routes in tonnes and by cost</li> </ul>	<p>Historic England is committed to <b>achieving net zero by 2040</b>. We believe this is an ambitious, credible and achievable target.</p> <p>Our <b>Carbon Reduction Plan</b> established our baseline and sets out our approach to achieving net zero, including our near- and longer-term targets. We are now accounting for more carbon emission categories than were previously calculated, and we have significantly improved our collection methodology and accuracy of carbon data.</p> <p>2022–23 data:</p> <ul style="list-style-type: none"> <li>Greenhouse gas emissions – 3,397 tCO<sub>2</sub>e</li> <li>Greenhouse gas emissions by cost – £5.1 million</li> <li>Waste volume and disposal – 43.4 tonnes</li> <li>Waste volume and disposal by cost – £7,258</li> </ul> <p>More detail, including prior year trend data, 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

2022–23 Performance Measures	2022–23 Performance Summary
<ul style="list-style-type: none"> <li>Number of external training opportunities created</li> <li>Number of training opportunities taken up by content type</li> <li>RepTrak (benchmarking) survey score</li> <li>Attendance figures for the Heritage Schools teacher and trainee teacher training events</li> </ul>	<p>We are progressing our <b>Strategy for Diversity, Inclusion and Equality 2020–23</b>, which includes actions to help develop more diversity within our own workforce and support others across the sector to do the same.</p> <p>Our 2022–23 <b>training programme</b> was delivered through in-person, webinar and e-learning events, totalling 3,812 training opportunities (1,023 on the historic environment and 2,789 on technical conservation topics). Our webinar recordings continue to be popular, with an additional 5,475 viewings on top of those attending live events. The training opportunities delivered is slightly down compared to the 4,209 in 2021–22, but reflects in part the team’s focus this year on developing the infrastructure to enable more online delivery in future.</p> <p>Our latest <b>RepTrak</b> (reputation benchmarking) survey score of 78.3 represents an increase of 0.8 (2021–22 77.5) and is significantly higher than the UK public sector average (64.8). We have moved from seventh to fourth place of the organisations measured, our highest ever ranking since we started measuring in 2016.</p> <p>There were 3,147 attendees at <b>Heritage Schools</b> training events in 2022–23 (3,287 in 2021–22). The modest fall in attendance reflects the team’s focus on developing digital resources during the year, with the aim of reaching more teachers beyond those engaged directly with the programme and attending training.</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

### 2022-23 Performance Measures

- 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

### 2022-23 Performance Summary

We responded formally to 17 **Government consultations** (one each from DCMS, Ofgem, the Environment Agency, and the Department of Health and Social Care, two each from the Home Office and the Department for Business, Energy and Industrial Strategy (BEIS), three from DLUHC and six from the Department for Environment, Food and Rural Affairs (Defra)). This represents engagement with a broader range of Government departments than in previous years.

None of the consultations have yet been the subject of a formal Government response, so our contribution and impact can't be assessed.

Historic England continued to engage constructively with DLUHC and DCMS throughout 2022-23 on **planning reforms**, with the aim of ensuring that heritage remains a consideration in delivering Government priorities, including the levelling up agenda and energy efficiency.

Our contributions to the **Levelling Up and Regeneration Bill**, published in May 2022, yielded some significant strengthening of heritage protections in the planning system, including enhanced enforcement powers for listed building works, statutory underpinning for HERs and application of the duty to have special regard to the preservation or enhancement of heritage assets and their settings to a wider range of designated heritage assets.

## 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

### 2022-23 Performance Measures

- Overall financial surplus/deficit (gross and net of GIA support)
- Expenditure on regular maintenance and capital repair

### 2022-23 Performance Summary

Income continued to be affected by the Covid-19 pandemic. Whereas domestic visitors returned to pre-pandemic levels in 2022-23, inbound tourism has not yet fully recovered. Visitor numbers continued to recover, with 5.5 million visitors to pay-to-enter sites in 2022-23 (2021-22: 4.2 million). The overall 2022-23 financial position for the English Heritage Trust was:

- Gross – £2.7 million deficit (2021-22 – £3.5 million surplus)
- Net – £3.9 million deficit (2021-22 – £31.9 million deficit)

The Trust has finalised the use of the £52 million element of the New Model funding, which was designed to address the most urgent top three categories of conservation defects in the National Heritage Collection, as identified in the Charity's Asset Management Plan. The plan has now delivered 343 projects at 236 sites over the eight years of the New Model.

Expenditure on the Conservation Maintenance Programme was £7.4 million. Routine property maintenance spend was £13.4 million.

Further information on the Trust's performance is elsewhere in the Performance Report.

## DCMS Framework Agreement Priority: Provide statutory services to Government

### 2022-23 Performance Measures

- Changes to the National Heritage List for England (additions, amendments and deletions)
- Recommendations on designation made to the Secretary of State
- Planning casework advised on
- Pre-applications proposals advised on within agreed deadlines

### 2022-23 Performance Summary

There were 6,202 changes to the **National Heritage List for England** (the List) in 2022-23 (6,738 in 2021-22) including the addition of 249 historic places (223 new listed buildings, 21 new scheduled monuments, three new protected wrecks and two Parks and Gardens).

Alongside new additions, 301 full amendments to List entries were made (up significantly from 137 in 2021-22).

We made 1,102 **Listing recommendations** to DCMS, up by almost a quarter (24.5%) on last year's figure of 885. DCMS accepted 100% of our recommendations (100% in 2021-22), reflecting the confidence that the Department has in both the quality of our advice and the recommendations made.

We advised on 17,722 pieces of **planning casework** (18,074 in 2021-22), 99.2% of which were responded to within the agreed deadline (99.2% in 2021-22). In addition to this we also responded to 1,752 requests for advice at the pre-application stage (2,009 in 2021-22).

# Highlights of 2022–23

The following section reflects some of the diverse and important work we delivered in 2022–23 and highlights some of our achievements in pursuing our strategic objectives.

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

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The third year of our **High Streets Heritage Action Zone (HSHAZ)** programme delivered a wide range of capital projects across all the High Street schemes. We are now entering the final year of the programme and anticipate that by the conclusion of the formal programme in 2024 we will have improved 500,000m<sup>2</sup> of public realm (roughly equivalent to 70 football pitches), brought back to life 30,000m<sup>2</sup> of commercial floor space and reinstated 515 shop fronts.

Community engagement is at the heart of the accompanying **High Streets HAZ Cultural Programme**, one of the biggest ever community-led arts and heritage programmes across high streets in England. Projects cover a wide range of activities, including poetry, film, animation, music, performance and photography. The programme has already engaged more than 180,000 people at more than 2,340 public open days and events. Eighty-five per cent of public participants said they had a greater sense of pride in place after interacting with High Street HAZ cultural activities.

This year we worked with local partners and independent evaluators to celebrate and measure the success of the ten ‘pathfinder’ schemes that comprised Round 1 of our **Heritage Action Zone (HAZ)** programme. Outputs from the programme include the repair of more than 80 heritage buildings, nearly 10,000m<sup>2</sup> of commercial floor space brought back into use, over £70 million of additional public funding leveraged, and more than 35,000 people engaged with their local heritage. Round 2 schemes concluded in March 2023, and we look forward to celebrating similarly impressive results in the year ahead. Some highlights from across the HAZ and HSHAZ programmes follow.

- The £2 million **Oswestry HSHAZ** includes the development of vacant upper floors of town centre buildings for residential use, as well as the restoration of historic shopfronts to keep retail and activity on the high street buoyant. The scheme is complemented by a vibrant programme of cultural activity, including the annual ‘Love Oswestry’ event.
- Amongst the successes of the **Hull Old Town HAZ**, which was focused around Hull’s historic quarter, were the regeneration and repurposing of seven listed properties on Whitefriargate, the repair of the Grade I listed Guildhall Time Ball, and an archaeological investigation of the South Blockhouse, part of Henry VIII’s fortifications of the town and its port. This activity helped secure a further £1 million of project development funding from Highways England and, overall, a total of £3.8 million was invested in the HAZ.
- Fourteen projects across the **Swindon HAZ** are helping to revitalise Brunel’s ‘model’ village and railway works. These include the launch of the Blossom Circle in GWR Park in partnership with the National Trust, and the unveiling of new place branding, which was developed with local people, to help celebrate this part of Swindon. A key project has been the repurposing of the Grade II listed Carriageworks as a vibrant education, media and small business hub. A grant of £175,000 from Historic England helped with repairs to the street frontage and glazing upgrades to improve energy efficiency.
- A Grade II listed former grammar school is now home to the Gosport Museum and Art Gallery and the centrepiece of the **Gosport HSHAZ**. The building reopened in November 2022 after a £1.4 million refurbishment, with Historic England contributing £467,500. The project has reinstated access from the high street and provides a range of community and education rooms, as well as a café and shop with stock by local makers.

Our **Heritage at Risk (HAR)** programme identifies 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. 175 places were added to the Heritage at Risk Register in 2022, but we were also able to remove 233 places, many having been saved through the hard work and dedication of local community groups and volunteers.

Our **regional grants** help owners look after these important places. The grants vary in amount, and the projects can take anything from a few months to several years to complete. Our grants are often a catalyst for securing the future of a site, giving confidence to other funders and contributing to a community's sense of pride in their local place.

In 2022–23 we gave grants of £9.43 million to sites on the Heritage at Risk Register. Below are a few examples of the projects we were proud to support during 2022–23.

- The 14th-century **Grade I Coventry Charterhouse** finally reopened this year as a community facility and visitor attraction. Founded as a Carthusian monastery, the Charterhouse is a rare survival and contains stunning medieval wall paintings. It was given to the people of Coventry during the Second World War, but was added to the HAR Register in 2013 as the roof was in poor condition and the exceptional wall paintings were under threat. Historic England has worked extensively with the Historic Coventry Trust over many years to bring the building back into active use, providing expert advice and £830,000 of funding in multiple phases since 2013.
- The 16th-century **Grade II\* Appleby Moot Hall in Cumbria**, sits within the Appleby HAZ scheme and is one of the few surviving moot halls in England. Extensive work was needed to address damp issues and to enhance its resilience in the face of extreme weather. Repairs, including the replacement of render and the application of a natural limewash finish, were undertaken as part of a large-scale project that was jointly funded by Historic England, Eden District Council and Appleby Town Council. This resulted in the Moot Hall being removed from the HAR Register in 2022. Historic England provided £243,000 of the overall £395,000 funding package.



Cleveland Pools, Bath. Additional funding was provided to complete repairs to the Grade II\* listed building, Britain's oldest lido

- The **Grade II\* Cleveland Pools in Bath** are thought to be Britain's oldest lido. Following an 18-year campaign, led by the Cleveland Pools Trust, to restore the pools and the poolside buildings, the site was removed from the HAR Register in 2022, and the pools are once again open for the local community and visitors to enjoy. Upgrades include the installation of an innovative water-source heat pump, taking energy from the adjacent river to heat the pool, which will significantly reduce carbon emissions into the city's atmosphere each year. A grant of around £540,000 from Historic England contributed to the successful project.
- The **Grade I Bourn Mill in Cambridgeshire** is one of around only 50 trestle post windmills surviving in the UK and one of the oldest windmills in England, its main post being from a tree felled in the early 16th century. Added to the HAR Register in 2021, the mill was at risk of collapse due to rotting in its central supporting beams. In partnership with The National Lottery Heritage Fund and SPAB Mills, Historic England gave advice and granted £54,000 as part of the programme of work to save this historic mill. As a result, the mill has been removed from the Register and will be welcoming visitors at open days from Spring 2023.

We curate the **National Heritage List for England (the List)** on behalf of DCMS. The List is the official register of all nationally protected historic buildings and sites in England, recording our country's extraordinarily varied heritage.

This year we added 249 historic places to the List. New sites range from a miniature mausoleum built in the Arts and Crafts style in Stroud, Gloucestershire, to an 18th-century watermill in Keswick, Cumbria, and from a flamboyant three-tier Victorian fountain in the Grade II\* Ropner Park in Stockton-on-Tees to First World War training trenches in Docking, Norfolk. Each site that is added has its own unique, fascinating story.

- One of the most poignant listings was the former **Penlee Point Lifeboat House** at Mousehole, Cornwall, listed at Grade II in February 2023. It was opened in 1914 to serve the Mounts Bay area, and on 19 December 1981 the RNLB Solomon Browne launched to the aid of the Dutch coaster Union Star. In hurricane conditions, all eight of the RNLB crew and the eight crew of the coaster were lost. The building was closed following the disaster, leaving it as an evocative memorial and unaltered example of an early 20th-century lifeboat house.
- Other listings that captured the public's imagination included two iconic **London cabmen's shelters** at Pont Street, Kensington and Chelsea Embankment, both relics of the capital's 19th-century horse-drawn hansom cab trade. Built by the Cabmen's Shelter Fund to solve the problem of cabbies needing a place to get hot food or take a break without leaving their vehicles unattended, only 13 of the 61 shelters known to have been built between 1875 and 1950 survive.
- Listing entries also helped to mark key events and anniversaries during the year. In May 2022, to celebrate **Her Majesty Queen Elizabeth's Platinum Jubilee**, we announced six new listings, selected to highlight some of the significant social, technical and cultural changes that had taken place during Her Late Majesty's 70-year reign. These included two commemorative markers and plaques along the M62 motorway, which was officially opened by Queen Elizabeth in 1971, and a pioneering purpose-built archive building in Winchester, Hampshire, which Her Late Majesty opened in 1993.
- In June 2022, we announced protection for 11 **remarkable pubs** as part of a project to help save rare historic pub interiors. Put forward by the Campaign for Real Ale (CAMRA) Pub Heritage Group, as part of an ongoing collaboration between Historic England and CAMRA to protect historic pubs and their interiors, the pubs include the newly listed Grade II Blythe Hill Tavern in Lewisham, with its 1920s fittings, and the 19th-century Whitelock's Ale House in Leeds, which was upgraded to Grade II\*.
- In July 2022, we announced the designation of three exceptionally **rare shipwrecks** off the Dorset Coast and the Isle of Wight, including the 13th-century Mortar Wreck, discovered in Poole Bay with its cargo of gothic Purbeck stone gravestones. It is the oldest known protected wreck in English waters where hull remains can be seen. Prior to this discovery, there were no known wrecks of seagoing ships from the 11th to the 14th centuries in English waters.
- As part of **Black History Month** in October 2022, we announced listings including a portrait bust of Alan Fagon, actor, poet and one of the most notable Black British playwrights of the 1970s and 1980s. The bust, near his former home in Bristol, was erected in 1987 by his friends, family and colleagues to mark his achievements. We also listed the gravestone of Joseph Freeman, a formerly enslaved man from New Orleans who liberated himself from enslavement and sought refuge in England. He died in Chelmsford in 1875. It is of considerable national and international importance, providing evidence of formerly enslaved African American people in England.



Whitelock's Ale House. Leeds. Upgraded to Grade II\* in 2022 due to its

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

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We 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 around 20,000 casework applications and requests for **planning permission, listed building consent and pre-application advice** each year.

Proposals to mitigate or adapt to **climate change** are forming a growing part of our work. Historic buildings and landscapes have much to contribute to our response to the impacts of **climate change**, and determining how best to adapt buildings, especially to improve their energy efficiency, needs to be considered case by case.

High-profile proposals we advised on included the installation of **solar panels** on the roofs of King's College Chapel and York Minster. In both cases, we advised that the visibility of the proposed panels would, to some degree, detract from the architectural interest of the buildings. While causing modest harm to their significance, we advised decision-makers that, as two of England's greatest buildings, permission should be granted only if the public benefit outweighed that harm. In each case, it was determined that the public benefit of renewable energy generation did so.

Most cases involve less dramatic proposals, and we have dealt with several in which, for example, solar panels have been added discreetly to buildings, historic windows have been repaired to improve their performance, or more recent windows of little or no historical interest have been replaced with more energy-efficient options.

Our Development Advice teams have again provided expert advice on a number of **Nationally Significant Infrastructure Projects**, including power stations and major highways. Our advice helps address potential issues such as the impact on cultural and historic landscapes, the setting of heritage assets, the demolition of designated buildings, and implications for archaeological sites. Cases that we have been involved with include the proposed Lower Thames Crossing between Kent and Essex and the dualling of the A66 between Penrith and Scotch Corner.

We have also been engaged with extensive seabed development advice across five **offshore windfarm projects**, which contribute to the UK's target of increasing offshore wind electricity generation capacity fivefold by 2030. Seabed surveys have revealed previously unknown aspects of the historic environment, such as prehistoric landscapes that existed before flooding by the North Sea and archaeological discoveries, including an ancient Roman anchor found off the Suffolk coast.

We have been consulted on several proposals for **major developments in historic towns** and cities that are at odds with the character of the place. In a high-profile case, we advised developers that radical proposals to remodel Liverpool Street Station in London would cause a very high level of harm to the significance of both the listed station and hotel, and to the surrounding conservation area, and that we would object strongly to any submitted proposal based on their design.

With the English Heritage Trust, we are an Independent Research Organisation. This year we published our **National Research Framework** setting out our research priorities for the next five years, which link closely to our Future Strategy and support delivery of our Corporate Plan. We also produced a governance framework and suite of documents for our research work, including Principles of Research Integrity and a Statement of Good Research Conduct. We are establishing a Research Ethics Committee and an ethics approval procedure for roll-out in 2023–24.

A significant area of policy work this year has been engagement with the Government's **planning reform agenda**. We have worked closely with the heritage sector, offering briefings and discussions, and have presented clear and constructive advice to Government. The Levelling Up and Regeneration Bill, introduced in the House of Commons in May 2022, includes a number of welcome clauses concerning the protection of the historic environment, including a statutory footing for HERs and an extension of the statutory duty to have special regard to a wider range of designated heritage assets. We will continue to provide support to the Government and the sector once the Bill is enacted and moves towards implementation.

Working with partners in the Heritage Alliance, our **Sector Intelligence Desk** has focused on the impact of the rising





Historic England's High Street Heritage Action Zone programme is now entering its final year

cost of living on the heritage sector, and its evidence has helped inform decisions on sector support. As high energy users, heritage sites are now eligible for additional help, and manufacturers of high-energy materials used for heritage repairs (such as tiles, glass and specialised bricks) are also eligible for higher discounts.

2022–23 was another successful year for Historic England's partnership working with Arts Council England to provide specialist heritage support and grant-making expertise to the **Museum Estate and Development Fund (MEND)**, and the third round of the **Cultural Development Fund**. We supported MEND Round 2 by reviewing expressions of interest, providing bespoke advice to applicants, commenting on full applications and providing recommendations on awards. Successful applicants were announced in March 2023. The total investment so far is more than £40 million for 67 museums.

Following considerable engagement with Defra this year, we are pleased that the **Environmental Improvement Plan 2023** includes 'Beauty, Heritage and Engagement' as one of its ten thematic goals, which is critical to our sector. Other goals and commitments within the plan – such as climate change, levelling up, and green and blue space – are also relevant to heritage interests.

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

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We provide a broad range of **training, grants and support** 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.

A major focus in 2022–23 was developing our new **Learning Management System (LMS)**, creating content and revising our training policies and practice. We have also increased our online training, making 'bite-sized' learning available when it is needed. Our programme of webinars continues to run alongside courses on our LMS, with 2,634 participants this year. We have also been developing our Continuing Professional Development training offer for those working in the historic environment sector, including local planning authorities.

Our Heritage Protection Commission and National Capacity Building **grant programmes** funded a broad range of research, skills and capacity- and capability-building projects this year.

- We funded a number of projects addressing **climate change**, including programmes looking at hydro-electric power in the historic environment and heat pumps in historic buildings.
- Other projects were focused on **heritage crime**, including a course for law enforcement professionals on identifying heritage metals being passed into the recycling sector, and support for the Heritage and Cultural Crime Intelligence Desk.
- We provided grant support to a range of programmes supporting **traditional building and craft skills** and practitioners involved in historic building repairs.
- We also provided emergency grant aid to support exceptional **archaeological discoveries**, including an extremely rare Elizabethan wrecked ship, discovered 300 metres inland at Denge Quarry, Kent.

In partnership with the National Police Chiefs' Council, the Crown Prosecution Service and a range of partners, our **Heritage Crime Programme** is well respected and has made significant advancements in recent years. In March 2023, our Welsh counterpart, Cadw, signed up as a member of the Alliance to Reduce Crime against Heritage (ARCH), a joint initiative tackling heritage crime offences including architectural theft, criminal damage, unlawful metal detecting and anti-social behaviour.

The **Heritage Sector Resilience Plan** was published in June 2022 and sets out priority actions to promote the resilience of the sector around five main themes. We have been working with the Historic Environment Forum's Resilience Task Group to translate the plan into a programme of action, and current work is focused on practical approaches to measuring and evaluating the success of the plan.

The cross-sector **Historic Environment Skills Forum** is helping to prioritise common skills and career development challenges within the sector and identify approaches to tackle these. We are helping to develop a strategy to outline a range of collaborative activities over 2023–24, which will help inform a longer-term Historic Environment Skills and Careers Action Plan for England.

The **Hamish Ogston Foundation Heritage Building Skills Programme** is in its second year, with 26 apprentices and trainees having participated so far. The programme covers

heritage construction trades, including stonemasonry, joinery and carpentry, plastering, roofing, bricklaying, millwrighting, mosaic restoration and stained-glass restoration. A third phase of recruitment for up to six new trainees was launched in May 2023 for a September 2023 start date.

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

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We continue to grow and improve our use of **digital technology** to innovate how we engage with the sector, other organisations and audiences. The Government has confirmed £7.75 million toward our new Digital Strategy, which will further enable us to expand the digital availability of our assets and improve access, participation and user experience.

We made further improvements to **our webpages** to make them more user-friendly and to improve the discoverability of our content. A small but significant step this year was creating the first html version of one of our guidance publications. This makes a very lengthy document more findable and more accessible, and paves the way for future publications in this format. We also launched our Open Data Hub in October 2022, replacing our previous data download function that was no longer meeting customer expectations.

We are making more of our heritage data accessible to heritage professionals. A further 3,788 records were added to the network of **Historic Environment Records (HERs)**, which are a vital source of information for local planning purposes. Improved access to HERs is particularly timely given the provision in the Levelling Up and Regeneration Bill that gives HERs statutory status. This year, the Greater London Historic Environment Record (GLHER) moved to Arches, a new platform that enables partners to access the GLHER directly. The system will be made fully accessible by late 2023, allowing anyone interested in the heritage of London to view GLHER records online.

We continue to digitise more of the **Historic England Archive**, and are fortunate to have a cohort of dedicated volunteers who support us. The stunning Harold Wingham Collection comprises almost 2,000 aerial photographs of villages and towns from the early post-war period. Through a collaborative project with some of Harold's

friends and associates, we curated three thematic collections that are now available online, offering a unique insight into the landscape of our country during a time of considerable change.

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

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Through **active participation**, we are seeking to work together with more people, and a more diverse range of people, to take action in support of the historic environment. We want as many people as possible to add their perspectives, energy and ideas to shaping and championing our heritage, and we want more people to experience the benefits of it.

We have launched a bespoke **audience segmentation** tool, which is helping us understand how different audiences relate to heritage and how to best engage and reach new audiences. We are working with sector partners in advance of a public roll-out of the system in 2023–24.

We are engaging more and more with **digital audiences** and continue to grow our social media channels and online presence. We increased our followers across our channels to more than 556,000 this year, generating 1.7 million engagements and 63 million impressions. We also had 836,000 views of our blog, and our new video content has been watched 1.3 million times.

For our High Streets HAZ **Hi! Street Food Stories** campaign, we asked the public to nominate their favourite high street eatery and share the story behind it via our Instagram channel. We were delighted that the campaign reached 2.4 million people who had never interacted with Historic England online before, who helped us celebrate the unique foods of our high streets and the people, history and stories behind them.

We have been **engaging new audiences** through a number of other projects, including **Hadrian's Wall 1900**, where we partnered with the Vindolanda Trust to offer bursaries for young people to take part in its world-famous excavations. We also provided capacity-building to support Tyne and Wear Archives and Museums' coordination of both this and public programmes in Benwell exploring Hadrian's Wall.

**Landlocked and Looking Out**, a project to celebrate the 50th anniversary of the Protection of Wrecks Act, has been engaging communities in the East Midlands with protected wreck sites through pop-up events. This is a region where people often don't have the opportunity to visit the coast, but where there are strong but little-known links to maritime heritage. Elsewhere, the **Women and Protected Wrecks project** is investigating topics including the lack of engagement of women with protected wreck sites, and the dearth of stories related to women and wrecks.

In partnership with Historic Environment Scotland and funded by a grant from the Arts and Humanities Research Council, we helped to deliver the Outreach to Ownership cross-border research pilot programme, exploring innovative approaches to inclusive community engagement across culture sector organisations in Scotland and England. At the heart of the programme is the commitment to encouraging active community participation in all of the research projects, and ensuring the research activities and creative outputs are co-created with community participants. The pilot included work with nearly 80 community groups, some 440 workshop participants and more than 650 people who attended pop-up exhibitions and events.

**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. More information about our governance and how we are accountable is set out in the Accountability Report.

Our IMT, Estates, and Facilities Management teams helped to deliver technological and other improvements to support our business and our people. We continued to upgrade our core systems to respond to new statutory and business needs and meet **cyber essentials** requirements. Recent upgrades include the roll-out of multi-factor authentication across our online systems.

This year we carried out a comprehensive review of our **Finance function** and are implementing changes that will result in a more efficient and customer-focused service.

Improvements include the roll-out of a new end-to-end purchasing system across the whole organisation, which has streamlined the payment system and strengthened expenditure controls.

**Staff engagement** is a priority, and we are working on key areas for improvement in response to feedback from our people. Our 2022 Staff Engagement Survey showed an improvement of four percentage points from our 2020 results to 80 per cent for our headline engagement score. This compares favourably to external benchmarking data, with other organisations typically seeing a reduction of 3–4 per cent in engagement over the same period.

Following a trial period, the majority of our staff formally adopted a **hybrid model of working** from September 2022, with a mix of office-based, site-based and remote working. We offer hybrid working arrangements for most of our roles when recruiting: a flexible approach that is attractive to applicants.

We have launched a new **employer brand** and strategy to help us attract more diverse talent, voices and experiences, and to help ensure we are recruiting from the widest possible pool. We are also using a new behavioural science-based recruitment system, which helps improve diversity and de-bias selection.

Our commitment to providing an inclusive and welcoming work environment for people with disabilities was recognised by our progression to **Disability Confident Employer** (level 2), reflecting recent changes to our recruitment content and strategy, and the introduction of mandatory training for all recruiting managers.

We continued to provide **early careers opportunities** for young people and others who want to move into the heritage sector and have taken steps to ensure that these opportunities reach 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 13 people on our eight-week Emerging Talent Training Placement programme and provided bursaries to ensure nobody was prevented from participating because of their financial circumstances. We also provided three-day virtual work experience opportunities for 45 young people, helping them to make valuable connections and

encourage them to consider careers in the heritage sector. We also had 12 early careers apprentices working with us this year.

### **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 2022–23 with a strong focus on cash preservation. Visitor numbers continued to be affected throughout 2022–23, with total visitor numbers to pay-to-enter sites of 5.5 million, compared to a pre-pandemic peak of around 6.5 million in 2017–18 and 2018–19. Despite this, income recovered to £130 million (2021–22: £99.9 million, excluding the New Model subsidy and Covid-19 grants, total £116.6 million).

2021–22 was the last year that English Heritage received tapering subsidy as part of the New Model arrangement (£9.9 million) and last year it also benefited from £6.7 million of Covid-19 support measures and grants in 2021–22. There was no tapering subsidy or Covid-19 support income in 2022–23.



Two of the three Thornborough Henges were purchased and passed into the National Collection in February 2023, securing their preservation

Tight controls remained in place, with total expenditure of £141.2 million (2021–22: £125.7 million), including the remaining £7.4 million use of the £80 million New Model grant on conservation works (2021–22: £8.3 million). English Heritage made a net unrestricted deficit of £7.0 million for the year. Unrestricted cash at 31 March 2022 was £52.7 million (2020–21: £53.6 million). As a result of the pandemic, financial sustainability is expected to be delayed from March 2023, but there is no assumption that any further annual grant aid from the Government will be required.

The Trust's 2022–23 position was:

- Visitor numbers = 5.5 million (4.2 million in 2021–22)
- Membership recruitment = 373,000 (422,000 in 2021–22) and 806,000 membership renewals (in line with budget)
- Total income = £130 million (£116.6 million in 2021–22) none of which was from grants, Covid-19 support programme or the subsidy (£16.7 million in 2021–22)
- Trading surplus = £41.8 million (£31.2 million in 2021–22)
- Volunteer roles = 4,731 (4,232 in 2021–22)

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. HECC's membership comprises a number of Historic England Commissioners and independent experts, as well as English Heritage observers.

The Committee met twice in the year, receiving regular updates from the England Heritage Trust's Director of Estates on the Trust's Sustainable Conservation Strategy and Asset Management Plan (SCAMP), the Conservation Maintenance Programme, the Condition Survey Programme and the Trust's Collections Conservation Programme. It also received a presentation on the Trust's Climate Action Plan 2022–25. The programme of site visits to National Heritage Collection properties included Orford Castle, Saxtead Green Post Mill, Belsay Hall, Hardwick Old Hall, Lincoln Medieval Bishops' Palace, Rufford Abbey and Helmsley Castle.

The Committee spent some time this year reviewing its procedures and proposed changes to its Terms of Reference. A Members' Handbook has been produced, primarily for the benefit of new members, which provides context for the Committee's work. Michael Morrison's term as Commissioner and Chair of the Committee concluded on 31 May 2022. Since 1 June 2022, Katy Lithgow, an independent member, has been Committee Chair.

## 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 2022–23, 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. We continue to keep our objectives, performance indicators and corporate risks under review and, when necessary, update them to reflect changes to our operating environment.

## 2022-23 Sustainability Report

### **Historic England's Sustainability Report has been prepared in line with the requirements of the Greening Government Commitments.**

At Historic England, we strongly support urgent climate action and believe 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. For example, we know that repair and reuse of historic buildings is materially less carbon intensive than demolition and rebuild, or new build on open land. Existing heritage can also be adapted to improve energy efficiency and reduce overall carbon footprint while preserving historic significance.

Our Climate Change Strategy, published in March 2022, sets out our approach to addressing climate change in terms of our vision and aims, work and activities, and proposals for working with the heritage sector, stakeholders and Government to combat climate change. Our Carbon Reduction Plan sets out our baseline data (based on our 2019–20 emissions) and our near-term and longer-term targets.

Our aim is that we will achieve a 46 per cent reduction across Scopes 1–3 by 2030, and at least a 90 per cent reduction across Scopes 1–3 by 2040. The remaining approximately 10 per cent emissions will be neutralised through verified offsetting schemes within the UK.

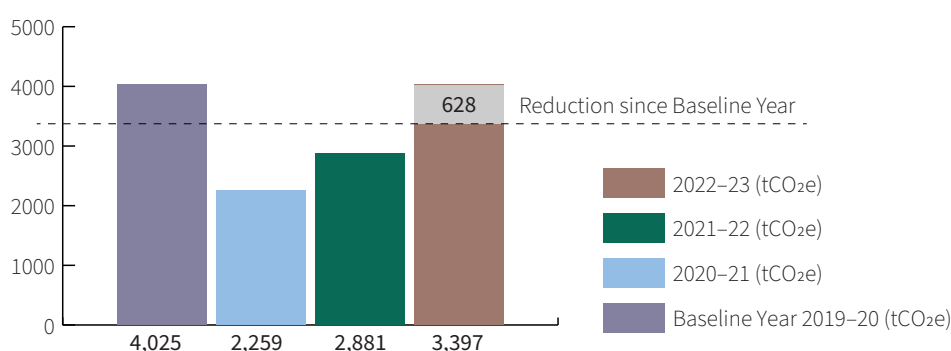
Our first major commitment of a reduction of 46 per cent by 2030 requires a 5.75 per cent – or 232 tCO<sub>2</sub>e – year-on-year reduction in emissions against the baseline of 4,025 tCO<sub>2</sub>e. To meet our 2030 target, we are prioritising the following areas of our operations:

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

While it appears that we have not achieved our year-on-year reduction target in 2022–23, we are now accounting for more carbon emission categories than were previously calculated and have significantly improved our collection methodology and accuracy of carbon data. It is also key to note that 2022–23 is the first full year of 'normal' operations, following Covid-19 restrictions.

## Historic England Total Emissions

**Scope 1, 2 and 3** (including all categories and category 5: Waste in Scope 3)



This includes looking at our procurement processes; sourcing more sustainable materials, products and services; embedding reuse schemes across our offices; improving waste-management procedures and targets (including food waste); reducing emissions through sustainable travel, hybrid working and the roll-out of our comprehensive digital and IT strategy.

## Performance against Greening Government Commitments

We continue to align and integrate our Carbon Reduction Plan and the Greening Government Commitments and have recently revised the governance framework for delivering the Plan to better integrate it with our property services. The new framework helps define reporting structures, assurance requirements, accountability and responsibilities, degrees of autonomy, authority limits, and decision-making roles and processes.

## Greenhouse Gas Emissions

Measures have been taken to ensure accurate and real data has been used to calculate greenhouse gas emissions. This report consists of data acquired from the period April 2022–March 2023. At the time of completion, not all data from the financial year was available and estimations based upon real data have been used where necessary.

### Greenhouse Gas Emissions

	2019-20	2020-21	2021-22	2022-23
<b>Non-Financial Indicators (tCO<sub>2</sub>e: tonnes of CO<sub>2</sub> equivalent)<sup>1</sup></b>				
Total gross emissions for Scopes 1 and 2	1,211	409	1,122	<b>939</b>
Total net emissions for Scopes 1 and 2	1,211	409	462	<b>939</b>
Gross emissions Scope 3 business travel	472	42	60	<b>171</b>
Other Scope 3 emissions measured	–	–	–	<b>2,286</b>
<b>Related Energy Consumption (kWh: kilowatt hour)</b>				
Electricity: non-renewable	3,199,985	46,842	20,733	–
Electricity: renewable	–	2,354,881	3,092,719	<b>2,772,143</b>
Gas	2,136,787	2,164,268	2,395,431	<b>1,78,915</b>
LPG	–	–	–	–
Other	–	–	–	<b>157,183</b>
<b>Financial Indicators</b>				
Expenditure on energy	£509k	£428k	£536k	<b>£706k</b>
CRC licence expenditure (2010 onwards)	–	–	–	–
CRC income from recycling payments	–	–	–	–
Expenditure on accredited offsets (e.g. GCOF)	–	–	–	–
Expenditure on official business travel	£1,181k	£81k	£162k	<b>£425k</b>

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

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

## Waste Minimisation and Management (including progress in meeting the Government commitment to remove single-use plastic)

We are working in line with the Greening Government Commitments to reduce waste. We aim to divert 100 per cent of our waste from landfill within the next few years and have undergone several initiatives across our office estate to reduce consumption of single-use plastics and encourage recycling. We are measuring office waste on the quantity produced, and from 2023–24 we aim to identify all waste streams and disposal resulting from our operations, including the separation of ICT waste through reuse and recycling. Food waste from our offices is not currently separated for composting at an organisational level and needs further analysis.

### Waste Minimisation and Management

		2019–20	2020–21	2021–22	2022–23
<b>Non-Financial Indicators (tonnes)</b>					
Total waste		301	53	62	<b>44</b>
Hazardous waste:	Total	–	0.5	–	–
Non-hazardous waste	Landfill	170	31	6	<b>4</b>
	Reused/recycled	131	22	22	<b>40</b>
	Incinerated / energy from waste	–	–	34	–
<b>Financial indicators</b>					
Total deposit cost		£27k	£27k	£16k	<b>£7.2k</b>
Hazardous waste – total deposit cost		–	£460	–	–
Non-hazardous waste	Landfill	£14k	£12k	£1k	<b>£0.7k</b>
	Reused/recycled	£13k	£14k	£10k	<b>£6.1k</b>
	Incinerated / energy from waste	–	–	£5k	<b>£0.4k</b>



## Finite Resource Consumption (including reducing water use)

Historic England continues to establish new approaches to help reduce water consumption across our estate while meeting the needs of staff health and welfare. Water consumption is measured for offices within our control and, where possible, other operations such as archaeological excavation. We are improving metering within our offices to obtain better data that will help us establish reduction targets and identify measures to reduce water consumption. This information will also enable us to better evaluate our ability to meet water use sub-targets.

In terms of paper usage, we have achieved a 93.05 per cent reduction in consumption of A3 paper and a 90.09 per cent reduction in A4 paper since we implemented monitoring (90.24 per cent and 83.15 per cent respectively against our own Carbon Reduction Plan baseline).

## Finite Resource Consumption – Water and Paper

		2019–20	2020–21	2021–22	2022–23
<b>Non-Financial Indicators (m<sup>3</sup>)</b>					
Water consumption	Supplied	9,428	5,044	2,445	<b>3,444</b>
	Abstracted	–	–	–	–
<b>Financial Indicators</b>					
Water supply costs		£18k	£10k	£2.2k	<b>£11k</b>
<b>Non-Financial Indicators (Reams)</b>					
A3 paper		297	3	35	<b>29</b>
A4 paper		4,375	219	593	<b>724</b>
<b>Financial Indicators</b>					
A3 and A4 paper combined		£11k	£821	£2,087	<b>£5.3k</b>

## Reducing Environmental Impacts from ICT and Digital

As part of our internal net zero board arrangements, we have created a specific workstream dedicated to reducing environment impacts from ICT and digital, including setting targets and defining actions. These range from increasing the awareness of the impact of ICT through staff training and education to implementing better reuse of IT and making better use of central Government services and fora.

## Sustainable Procurement

As a public body, Historic England is required to meet the relevant public procurement regulations to ensure we achieve value for public money in a transparent and fair manner. We recognise that as well as reflecting value for money, our procurement practices must also meet objectives for social responsibility and sustainability.

We have been considering more collaborative approaches with our suppliers, enabling us to determine the lifecycle of the products and services we use, including expanding our evaluation of procurement practices to consider the wider environmental impact of our purchased goods and services, beyond carbon emissions.

## Sustainable Travel

Sustainable procurement extends to our travel activities, as we seek to work with sustainable suppliers of vehicles and encourage methods of travel that are both cost effective and less harmful to the environment. Of the total vehicles owned, hired or leased in 2022–23 (1,339), 3 per cent were categorised as Ultra Low Emission Vehicles.

A recent survey of staff commuting patterns has allowed us to analyse the distance our employees travel to work. We are carrying out a further survey for our homeworking employees and will use the findings from both to inform ways of supporting sustainable travel options.

## Air Travel

	2019–20	2020–21	2021–22	2022–23
<b>International Air Travel – non-financial indicators</b>				
Number of international flights	66	9	8	<b>36</b>
Emissions (tCO <sub>2</sub> e)	24	0.3	5	<b>8</b>
Total Distance travelled (km)	162,400	1,893	27,802	<b>55,695</b>
Disaggregated by category:				
Long-haul flights	99,581	0	12,800	–
Short-haul flights	62,819	1,893	15,002	<b>55,695</b>
Disaggregated by class:				
First	–	–	–	–
Business	–	–	–	–
Premium Economy	–	–	–	–
Economy	162,400	1,893	27,802	<b>55,695</b>
<b>Domestic Air Travel – non-financial indicators</b>				
Number of domestic flights	85	0	17	<b>18</b>
Emissions (tCO <sub>2</sub> e)	10	0	3	<b>5</b>
Total distance travelled (km)	39,301	0	11,485	<b>21,795</b>

## Sustainable Construction

As we seek more sustainable means of procuring goods and services, we expect to gain a greater understanding of the environmental impact of any construction works we carry out. It is possible that the majority of construction works we see in our organisation is the result of grants awarded and so, in future, we plan to analyse our grant activity to determine the significance of its environmental impact.

## Nature Recovery and Biodiversity Action Planning

Due to a lack of resources, the development of our Nature Recovery and Biodiversity Action Plan has been delayed, though we are working to establish our baseline and are seeking to develop the action plan as soon as possible, following the recruitment of new landscape advisors.

## Climate Change Adaptation (Working towards Net Zero by 2050)

We recognise that, as well as understanding the implications of a changing climate, we will need to adapt our own estates and operations and help others who care for heritage to do the same. Historic England is currently in the risk assessment stage of understanding the level of the threats we may be facing as an organisation, which will help identify the necessary measures for mitigation.

We have set up an advisory panel for building climate change adaptation. We will use our expertise to estimate where and when those hazards driven by climate change will threaten vulnerable heritage.

## Long-Term Expenditure Trends

	Actuals					Budgeted	
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	£m	£m	£m	£m	£m	£m	£m
Grants	20.2	23.5	79.6	54.7	<b>15.4</b>	16.8	16
Regions	15	15.2	15.9	16.2	<b>17.3</b>	17.7	18.4
Policy and Evidence	12	12.3	12.4	13.4	<b>14.9</b>	14.9	15.2
Public Engagement	6.6	7.1	7.1	7.3	<b>7.7</b>	8.2	8.4
Business Improvement	2.4	2.9	3.4	4	<b>4.2</b>	4.3	4.8
Shrewsbury Flaxmill Maltings	4.5	6.2	2.2	1.6	<b>1.3</b>	0.8	0.4
High Streets Projects	–	0.6	1.7	40.8	<b>36.2</b>	17.6	0.3
Corporate/Support Services to HE	17.7	11.6	13.4	15.4	<b>14.2</b>	21.6	18.5
Depreciation, Amortisation and Impairment	6.2	7.7	13.2	6.6	<b>8.1</b>	9.3	7.7
<b>Expenditure Relating to Core HE Activities</b>	<b>84.6</b>	<b>87.1</b>	<b>148.9</b>	<b>161.5</b>	<b>119.3</b>	<b>111.2</b>	<b>89.7</b>
Corporate and Support Service to Third Parties	8.1	7.6	7.7	7.5	<b>8.2</b>	7.6	7.7
Subsidy to The English Heritage Trust	13.8	13.3	23.7	9.8	<b>1.4</b>	1.1	0.7
Expenditure Relating to Services Provided to Third Parties	21.9	20.9	31.4	17.3	<b>9.6</b>	8.7	8.4
<b>Totals</b>	<b>106.5</b>	<b>108m</b>	<b>180.3</b>	<b>177.3</b>	<b>128.9</b>	<b>119.9</b>	<b>98.1</b>

## Our Position at the Close of the Year

Historic England received £108.0 million (2021-22: £162.9 million) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £141.7 million (2021-22: £112.5 million), of which £116.9 million (2021-22: £93.3 million) was earned income from commercial activities. Net expenditure for the group was £123.2 million (2021-22: £174.7 million), while Historic England showed net expenditure of £128.0 (2021-22: £179.2 million). English Heritage made an unrestricted operating deficit in the year of £2.7 million (2021-22: £2.1 million deficit).

## Adoption of the Going Concern Basis

Historic England is principally reliant on funding from DCMS. We received confirmation of our baseline funding for the period up to 2024-25 in the 2021 Spending Review.

Covid-19 continued to have a small impact on the Historic England Group in 2022-23, particularly 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 Wilson CBE

Chief Executive and Accounting Officer

7 July 2023



SECTION 2

# ACCOUNTABILITY REPORT



Orford Castle in Suffolk saw significant renovations with new cladding added. Historic England provided advice and photography to English Heritage as part of our Shared Service Agreement

## 2. ACCOUNTABILITY REPORT

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

### Corporate Governance Report

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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, Historic England (Shrewsbury Flaxmill Maltings) Limited, 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 2022 and 31 March 2023 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/does](http://www.historicengland.org.uk/about/who-we-are/commission/does)

All Commissioners, committee members and members of the Executive Team are asked to review their Register of Interest entries twice a year, although members can

provide updates at any point. 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 2022–23. All losses, including immaterial amounts and failed attempts (for example phishing emails), were reported to the Department for Culture, Media and Sport (DCMS) in accordance with our Framework Agreement.

No significant losses of information occurred during 2022–23 and no data loss incidents met the threshold for the Information Commissioner’s Office to take regulatory action, reflecting our commitment to data protection and adherence to regulatory guidelines.

### 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, the Historic England Foundation from 16 January 2017, and Historic England (Shrewsbury Flaxmill Maltings) Limited since 14 March 2022. During the period covered by these accounts, The Iveagh Bequest, English Heritage Limited and Historic England Limited were 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, Statement of Financial Position, changes in taxpayers’ equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the DCMS Secretary of State, 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 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 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 DCMS sets out the framework and resources within which we operate.**

**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.**

**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’.**

### 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 for 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 Government the ongoing need for our functions, and show that we are accountable, efficient and effective in how we deliver our work. The Government’s Tailored Review of Historic England, which reported in 2020, was positive and gave a strong endorsement of the work we do. We are adopting all the recommendations identified in the review and report our progress to DCMS. Historic England will be subject to the Government’s Public Bodies Review programme, introduced in April 2022, and which replaces the Tailored Review programme.

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 dashboard 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 Priorities and performance indicators twice a year, and Commission receives an overview of performance at year-end.

Commission reviews its effectiveness each year. A summary of the findings is shared with DCMS. In line with best practice and Cabinet Office guidance, the 2022–23 review was led externally and will report in early 2023–24.

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. The Chair has an annual appraisal meeting with the DCMS Director of Arts, Heritage and Tourism. Feedback from Commission and the Executive Team inform this appraisal meeting.



**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.**

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.

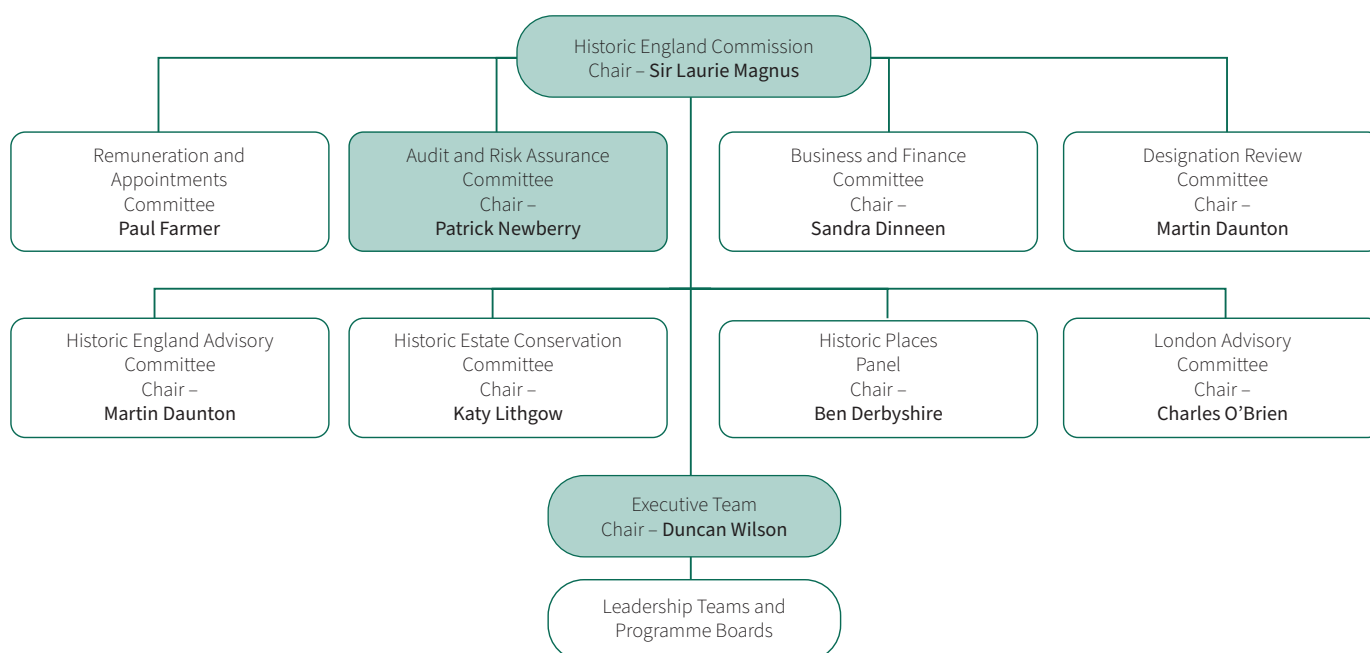
**Historic England is accountable to Government for the care and maintenance of the National Heritage Collection, which is managed on our behalf by the English Heritage Trust under an operating licence. Two Commissioners sit on the English Heritage Trust Board, and other Commissioners are members of the Trust's sub-committees.**

Commission's oversight of the Trust is supported by the work of the Historic Estate Conservation Committee, which includes Commissioner members and has two English Heritage Trust observers. During 2022-23, 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, and the Chairman and Chief Executive of each organisation has a standing invite to the other's board meetings.

Regular bilateral meetings between Historic England and the English Heritage Trust are held at Chairman, Chief Executive and officer level. Two Historic England Commissioners are also English Heritage Trustees. An Historic England Commissioner sits on the Trust's Remuneration and Appointments Committee, and the Chair of Historic England's Audit and Risk Assurance Committee meets regularly with his English Heritage Trust counterpart.

## Our Governance Structure during 2022-23



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 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. DCMS Finance team colleagues have a standing invite to observe Audit and Risk Assurance Committee meetings.
- 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.

- Other Commission sub-committees help manage our internal business, including the Business and Finance Committee, which oversees our financial strategy and the overall financial management of Historic England, and the Remuneration and Appointments Committee, which approves my remuneration, agrees my objectives as Chief Executive and monitors my performance against them.
- 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 2022–23 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 of 5		1 of 3	1 of 1
Nairita Chakraborty <sup>1</sup>	3 of 5			
Martin Daunton <sup>2</sup>	0 of 0			
Sandie Dawe	5 of 5	4 of 4	3 of 3	
Ben Derbyshire	3 of 5			
Sandra Dinneen	5 of 5	3 of 4	2 of 3	
Paul Farmer	4 of 5			1 of 1
Jane, Lady Gibson <sup>3</sup>	4 of 5	3 of 4	2 of 2	
Helena Hamerow	4 of 5			
Julie Kenny <sup>4</sup>	0 of 1			
David Laing <sup>5</sup>	4 of 5	1 of 3	0 of 2	
Jonathan Marsden <sup>6</sup>	5 of 5			
Michael Morrison <sup>7</sup>	0 of 0			
Patrick Newberry	5 of 5	4 of 4	3 of 3	1 of 1
Robert Sackville-West <sup>8</sup>	4 of 5			
Susie Thornberry	3 of 5			1 of 1
Richard Upton	3 of 5			
Sue Wilkinson	2 of 5			0 of 1
<b>Independent members of business committees</b>				
Shri Mukundagiri		4 of 4		
Peter Kane <sup>9</sup>		2 of 2		

In addition to the formal schedule of business meetings, non-contentious matters were considered by email circulation, outside of the meeting cycle.

Two-day regional Commission visits took place in Bath and Bristol in November 2022, and Hastings and Dover in March 2023. Commissioners also met informally with their English Heritage Trust counterparts in December 2022.

<sup>1</sup> Commission term commenced 1 July 2022

<sup>2</sup> Commission term ended 31 May 2022, there were no Commission meetings between 1 April and 31 May 2022

<sup>3</sup> Commission term commenced 1 July 2022; Audit and Risk Assurance Committee / Business and Finance Committee from 27 July 2022

<sup>4</sup> Commission term commenced 1 February 2023

<sup>5</sup> Commission term commenced 1 July 2022; Audit and Risk Assurance Committee / Business and Finance Committee from 27 July 2022

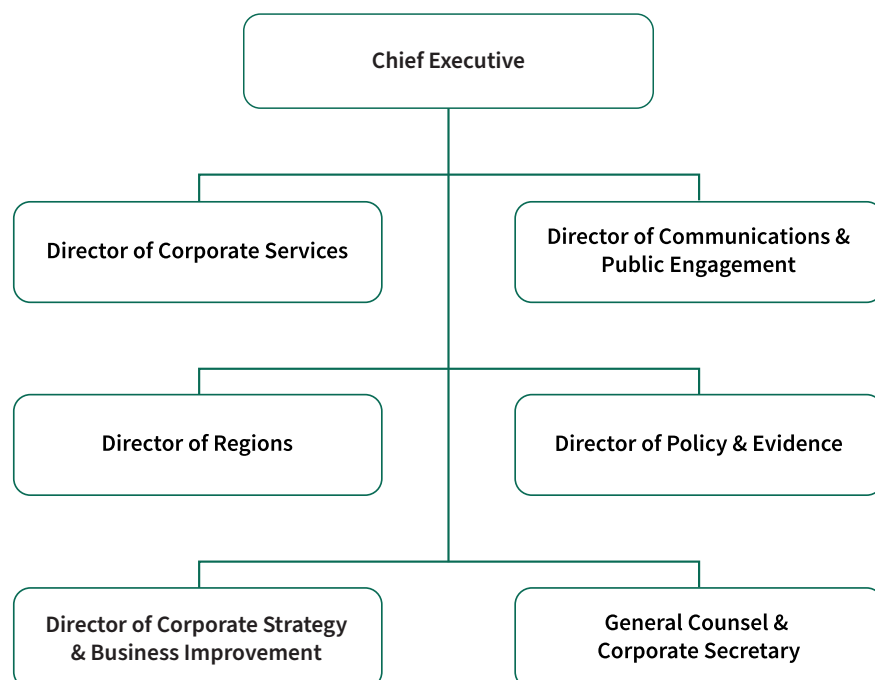
<sup>6</sup> Commission term commenced 1 July 2022

<sup>7</sup> Commission term ended 31 May 2022, there were no Commission meetings between 1 April and 31 May 2022

<sup>8</sup> Commission term from 1 July 2022

<sup>9</sup> Audit and Risk Assurance Committee ended 29 September 2022

## Executive Team in 2022–23



The Executive Team comprises the Chief Executive and those directors who report directly to me. Executive Team holds a formal business meeting each week as well as an additional catch-up call. When a group director is unavailable for a business meeting, a member of their leadership team usually attends in their place.

<b>Executive Team member during 2022–23</b>	<b>Term of membership</b>	<b>Meeting attendance</b>
Duncan Wilson, Chief Executive	1 April 2022 – 31 March 2023	31/42
Michael Bishop, Director of Corporate Strategy & Business Improvement	1 April 2022 – 31 March 2023	36/42
Liz Bushell, Director of Corporate Services	5 Dec 2022 – 31 March 2023	13/14
Meryl Hayward, Director of Corporate Services	1 April 2022 – 4 Dec 2022	23/28
Claudia Kenyatta, Director of Regions	1 April 2022 – 31 March 2023	28/42
Amy Pitts, Director of Communications & Public Engagement	1 April 2022 – 31 March 2023	34/42
Ian Morrison, Director of Policy & Evidence	1 April 2022 – 31 March 2023	33/42
Andrew Wiseman, General Counsel & Corporate Secretary	1 April 2022 – 31 March 2023	31/42

## The Audit and Risk Assurance Committee in 2022–23

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 and prepares an annual report to me as Accounting Officer and to Commission, summarising its activities and conclusions during the year.

The Audit and Risk Assurance Committee met on four occasions during 2022–23, its business covering a broad range of matters including the following:

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

- Regular reports and assurances from management and the Government Internal Audit Agency (GIAA) in relation to risk management, control and governance arrangements. In line with good practice, the Committee also held discussions with the GIAA without members of the Executive present.
- Standing items, including mid-year and year-end reporting on corporate performance against strategic aims and key performance indicators; the monitoring and mitigation of corporate risks and the 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: fraud activity and processes to prevent and minimise any impact; the Heritage Action Zone (HAZ) programme; and our Digital and IT Strategy.
- Routine reports on information assurance and compliance, including reports on the organisation's approach to cyber security, information management and compliance with Government standards.
- The Registers of Interests for Commissioners, Committee and Executive Team members, and summaries of hospitality given and received by the Chairman and Chief Executive.
- Reports on finance matters, including updates on accounting and auditing policies and the roll-out of the new procurement system, Purchase to Pay (P2P).
- Various discussions relating to the production and approval of the 2021–22 Annual Report and Accounts, preparation of the 2022–23 financial statements, and early drafts of the Performance and Accountability reports.

In line with good practice, the Committee also reviewed and approved its terms of reference during 2022–23. The Committee is due to undertake a review of its own effectiveness in 2023–24.

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 and within our appetite, 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 2022–23, which is set out below, assesses risk appetite across 11 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	Historic England will take opportunities that have an inherent high risk	
Moderate	Historic England is willing to accept higher well-judged and understood risks	<ul style="list-style-type: none"> <li>Promoting the value and enjoyment of the historic environment</li> <li>Commercial and fundraising activities</li> <li>Managing staff performance</li> <li>Administration</li> </ul>
Modest	Historic England is willing to accept some risks	<ul style="list-style-type: none"> <li>Providing expert advice and information</li> <li>Protecting the historic environment</li> <li>Shared service provision</li> <li>Procurement</li> </ul>
Low	Historic England is not willing to accept unnecessary risks in most circumstances	<ul style="list-style-type: none"> <li>Care of staff</li> <li>Care of information</li> <li>Financial management</li> </ul>
Zero	Historic England is not willing to accept risks under any circumstances	

## Risks in 2022–23

Our Risk Register is a living document, and the risk descriptions, mitigations and scores are monitored and adjusted as appropriate during the year to reflect changes in our operating environment. During 2022–23, the corporate risks that were considered to pose the greatest threat to the delivery of our objectives (based on post-mitigation likelihood and impact Risk Register scores) were:

- reduction in local authority resources (capacity and capability) deployed in protecting and managing heritage (external)
- loss of heritage protection controls as a result of measures introduced to reduce carbon emissions (external)
- damage to our corporate reputation, professional credibility and expertise (business)
- business processes and infrastructure (including IT) become unfit for purpose (business)
- cuts to Grant in Aid through Spending Review settlement and a requirement to find savings (business)

The ‘loss of heritage protection controls as a result of measures introduced to reduce carbon emissions (including risks to the conservation of historic assets and their significance, damage to historic buildings and damage to historic landscapes and archaeology)’ was a new risk added to the Register in 2022–23.

Other risk areas were explored and discussed in detail by the Executive Team and Audit and Risk Assurance Committee during the year. These included the continuing and increasing risk of external factors such as inflation and cost of living pressures on recruitment, retention and staff wellbeing, as well as on our operations, for example supply chains, labour and materials. Information security and the potential for information loss, and cyber-security including the risk of cyber-attacks, were also considered in detail.

Following Russia’s invasion of Ukraine in February 2022 and subsequent financial sanctions, we undertook an assessment to identify potential exposure. There are no concerns regarding the Russian sanctions affecting any of our suppliers.

My own view of the main risks and challenges that could impact on the achievement of our objectives are summarised in my Chief Executive's Overview within 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.

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. The Accounting Officer and Chair of the Committee signed the Charter on behalf of Historic England in August 2022.

The Internal Audit Plan for 2022–23 was adopted by the Audit and Risk Assurance Committee in March 2022, 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 2022–23 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 2022–23 Opinion: procurement controls; information security; shared services key controls; training and development; grants controls; arrangements for commissioning research; Heritage at Risk Register data integrity; and governance of the High Streets HAZ programme.

The majority of the reviews 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, including the *Unpath'd Waters* research project, hybrid working evaluation, and Historic England's involvement with the Levelling Up agenda. Overall, in each case, arrangements were found to be proportionate and effective.

## GIAA Focus: Grant-making

As a result of Historic England's role in delivering Covid-19 emergency funding, 2021–22 grants budgets were over £90 million and remained significant in 2022–23. GIAA focused its grants review on Repair Grants for Heritage at Risk, which have a combined annual budget across regions of approximately £8.5 million, out of a total regional grants budget of approximately £11 million. The purpose of the review was to provide independent assurance on compliance with controls within the processes, from the making of awards to the completion of agreed works, including payments. The review resulted in a moderate assurance opinion with four recommendations.

In 2021–22, GIAA validated Historic England's self-assessment against the Cabinet Office Government Grants Management Function Grants Standard (GovS 015) prior to submission to DCMS and 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).

## 2022–23 Internal Audit Opinion

On the basis of the reviews completed during the year, the Head of Internal Audit's opinion for 2022–23 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

Our whistleblowing policy 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. As part of our ongoing commitment to transparency and accountability, much of our information is available on our website. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 provide a general right of access to all types of recorded information held by public authorities. In 2022–23 we responded to 445 requests for information under this legislation (384 in 2021–22).

## 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 (GovS:007), Cyber Essentials and the Departmental Security Health Check-Lite).

We were successfully re-accredited for Cyber Essentials on 21 October 2022 for a further 12 months, and we continue to make improvements to our processes and systems to help ensure we can meet new standards. Standards being introduced in 2023–24 include mandatory use of two-factor authentication for critical systems, and the Government's GovAssure certification process, which will run alongside Cyber Essentials.

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.

## Monitoring the Effectiveness of Governance in 2022–23

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 2022–23 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 and 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 2022–23

A satisfactory system of governance was in place at Historic England for the financial year ending 31 March 2023 and up to the date of approval of the 2022–23 Annual Report and Accounts. It accorded with HM Treasury guidance, including the *Corporate Governance in Central Government Departments: 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 2022–23 and remains so. My fellow Executive Team members and Commission support this view.



### **Duncan Wilson CBE**

Chief Executive and Accounting Officer

7 July 2023

# Remuneration and Staff Report

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

## Remuneration Report

### Remuneration Policy

The remuneration of the Executive Team is established for each post by reference to the relevant external market data.

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

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

The Committee determines the frequency of its meetings in order to ensure that the remit of the Committee is fulfilled. 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 Appointments 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 Commissioner Paul Farmer. The Committee has met once during the reporting period 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 award arrangement is the Chief Executive. The Chief Executive's remuneration package has, since the date of his original appointment with effect from May 2015, been based on a 'salary at risk' model, whereby his basic salary was set at a level below the prevailing market rate with the ability to earn an annual performance-related award to supplement this. The award 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 assesses the Chief Executive's performance against his annual targets and objectives and determines the rate of his performance-related award.

The remaining Executive Team members are participants in the organisation's Performance Related Pay Scheme for Directors, 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 Executive Team members against their annual targets and objectives, and his recommendations are put forward to Human Resources.

## Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2021	Appointments ended since 1 April 2021	2022-23 £'000	2021-22 £'000
<b>The Chair of the Commission</b>				
Sir Laurie Magnus			35-40	35-40
<b>Current Commissioners</b>				
Nairita Chakraborty	1-Jul-22		0-5	-
Sandie Dawe			0-5	0-5
Benjamin Derbyshire			0-5	0-5
Sandra Dinneen			0-5	0-5
Paul Farmer			0-5	0-5
Jane, Lady Gibson	1-Jul-22		0-5	-
Professor Helena Hamerow			0-5	0-5
Dame Julie Kenny	1-Feb-23		0-5	-
David Laing	1-Jul-22		0-5	-
Sir Jonathan Marsden	1-Jul-22		0-5	-
Patrick Newberry			0-5	0-5
Robert Sackville-West	1-Jul-22		0-5	-
Susie Thornberry			0-5	0-5
Richard Upton			0-5	0-5
Susan Wilkinson			0-5	0-5
<b>Former Commissioners</b>				
Alex Balfour		31-May-21	-	0-5
Nicholas Boys Smith		31-Dec-21	-	0-5
Victoria Harley		31-May-21	-	0-5
Professor Martin Daunton		31-May-22	0-5	5-10
Michael Morrison		31-Mar-22	0-5	0-5

- Commissioners' emoluments wholly related to basic fees in respect of their duties as Commissioners and as Chairs of Advisory Committees. No Commissioner received any performance-related fees.
- All Commissioners' appointments are non-pensionable. Commissioners' emoluments are set by DCMS.
- Charles O'Brien, whose Commissioner term ended on 31 December 2020, continued to serve as chair of the London Advisory Committee. He receives an emolument of £0-£5,000 per annum for this role.
- Professor Martin Daunton, whose Commissioner term ended on 31 May 2022, continued to serve as chair of the Historic England Advisory Committee. He receives an emolument of £0-£5,000 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 <sup>1</sup>		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Executive Team as at 31 March 2023</b>								
Duncan Wilson CBE Chief Executive	130-135	125-130	15-20	15-20	(29)	17	115-120	160-165
Elizabeth Bushell <sup>2</sup> <i>Full year equivalent salary</i> Director of Corporate Services	35-40	-	-	-	15	-	50-55	-
	(115-120)							
Claudia Kenyatta Director of Regions	100-105	95-100	0-5	0-5	(12)	19	90-95	120-125
Ian Morrison Director of Policy and Evidence	100-105	95-100	0-5	0-5	(7)	20	95-100	120-125
Michael Bishop Director of Corporate Strategy & Business Improvement	80-85	75-80	0-5	0-5	32	31	115-120	110-115
Amy Pitts Director of Communications & Public Engagement	85-90	80-85	0-5	0-5	34	33	120-125	115-120
Andrew Wiseman General Counsel & Corporate Secretary	95-100	85-90	0-5	0-5	39	34	135-140	115-120
<b>Executive Team serving during 2022-23</b>								
Meryl Hayward <sup>3</sup> <i>Full year equivalent salary</i> Former Director of Corporate Services	70-75	100-105	0-5	0-5	(2)	22	75-80	130-135
	(100-105)							

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

<sup>2</sup> Director of Corporate Services from 5 December 2022.

<sup>3</sup> Former Director of Corporate Services until 4 December 2022.

'Salary' includes gross salary 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 2021-22 and comparative bonuses reported for 2021-22 relate to the performance in 2020-21.

## Pension Benefits for Executive Team

The following information has been subject to audit:

	Accrued pension at pension age <sup>1</sup>	Total lump sum at pension age <sup>1</sup>	Real annual increase in pension at pension age	Real annual increase in lump sum at pension age	CETV <sup>2</sup>		Real annual increase in CETV
					2023	2022	
					£'000	£'000	
<b>Executive Team as at 31 March 2023</b>							
Duncan Wilson CBE	85-90	-	-	-	1,507	1,455	(27)
Chief Executive							
Elizabeth Bushell <sup>3</sup>	0-5	-	0-2.5	-	10	-	8
Director of Corporate Services							
Claudia Kenyatta	45-50	-	0-2.5	-	693	631	(21)
Director of Regions							
Ian Morrison	40-45	80-85	0-2.5	-	770	703	(20)
Director of Policy & Evidence							
Michael Bishop	10-15	-	0-2.5	-	123	103	10
Director of Corporate Strategy & Business Improvement							
Amy Pitts	15-20	-	0-2.5	-	134	111	10
Director of Communications & Public Engagement							
Andrew Wiseman	15-20	-	0-2.5	-	287	239	27
General Counsel and Corporate Secretary							
<b>Executive Team serving during 2022-23</b>							
Meryl Hayward <sup>4</sup>	30-35	75-80	0-2.5	-	698	659	(12)
Former Director of Corporate Services							

All figures are provided by MyCSP, the pension scheme administrator. Amounts shown in ( ) indicate that, taking account of inflation, the CETV funded by the employer has decreased in real terms.

<sup>1</sup> Balances as at 31 March 2023.

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

<sup>3</sup> Director of Corporate Services from 5 December 2022.

<sup>4</sup> Former Director of Corporate Services until 4 December 2022.

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

## 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

## Real increase in CETV

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

## Emoluments

The following information has been subject to audit. Emoluments include gross salary, performance-related awards and any other allowance to the extent that they are subject to UK taxation. This report is based on payments made by Historic England and thus recorded in these accounts. No benefits-in-kind were paid during the year (2021-22: £nil).

## Fair Pay Disclosure

The following information has been subject to audit:

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

	2022-2023	2021-2022
Band of highest paid director's total remuneration	145-150	145-150
Median salary (£)	36,640	35,397
Median total remuneration (£)	37,002	36,397
Ratio	4.02	4.05
25th percentile salary (£)	29,342	28,911
25th percentile total remuneration (£)	29,704	29,911
Ratio	5.01	4.93
75th percentile salary (£)	43,000	41,708
75th percentile total remuneration (£)	43,362	42,708
Ratio	3.43	3.45

The banded remuneration of the highest-paid director in Historic England in the financial year 2022-23 was £145,000-£150,000 (2021-22: £145,000-£150,000). This was 4.02 times (2021-22: 4.05) the median remuneration of the workforce, which was £37,002 (2021-22: £36,397). In 2022-23, no employees received remuneration in excess of the highest paid director (2021-22: nil). Remuneration ranged from £15,000-£20,000 to £145,000-£150,000 (2021-22: £15,000-£20,000 to £145,000-£150,000).

The Chief Executive was the highest paid director. His total package (including salary and bonus) increased by 2.2%.

The base salary excluding bonus for the average employee (excluding the Chief Executive) increased by 3.4%. A pay award of average 3% was made following our annual pay review, providing eligible staff with increases of between 2.5% and 3.6% (with a minimum value of £750 to provide some additional support to our lower paid employees). In addition to this, the performance-related pay pot for staff was re-purposed to fund a £362 cost of living allowance for all staff except directors. This changed the distribution of staff salaries so that the increase in the median salary used to calculate pay multiples was 1.63%, since the cost of living adjustment was smaller than the typical bonus but was received by a much larger number of employees.

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

## Historic England Staff Report

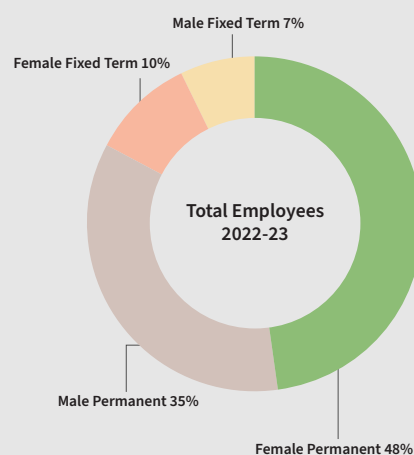
### Organisational Headcount and Demographic Profile as at 31 March 2023

Current employee headcount stands at 989 employees (2021-22: 987). Fixed Term Contracts account for 17.0% of the employees (2021-22: 17.7%) with the remaining 83.0% employed on a permanent basis. The gender split of the organisation remains more strongly represented by women at 59%. Our Executive Team is made up of three women and four men.

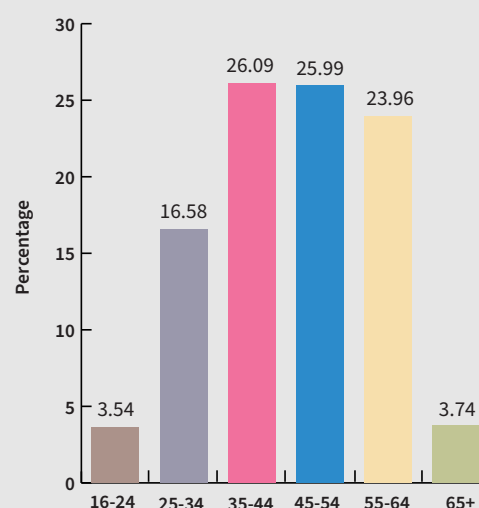
We have an ongoing action plan to reduce our Gender Pay Gap. This has led to our mean pay gap reducing from 13.4% in April 2017 to 7.3% in April 2022. More information about this is available on our website

[www.historicengland.org.uk](http://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 Strategy for Inclusion, Diversity and Equality, 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 6.3% of the population (63 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 improved from 5% last year. The long-term trend is upwards, and we are continuing to work on this through activities such as Emerging Talent Placements. This year we have increased the number of placements from 12 to 18 to attract people with Black, Asian and other minority ethnic heritage, amongst other under-represented groups at this level.
- **Age** – Employees under the age of 25 remain significantly under-represented at 3.64% of the population (2021-22: 2.53%), although our early careers team continue to work to address this. This year we have continued to grow our apprentices, with six new hires since September 2022 and an agreed central fund to support further hires across the organisation. We have partnered with Springpod, to launch a new virtual work experience programme targeted to reach a wider, younger and more diverse audience.
- **Gender** – We have a positive gender balance in our senior level roles, with balanced representation of women in roles from Band C 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, 7.8% (77 employees) have identified as Lesbian/Gay/Bisexual/Other (2021-22: 6.3%, 61 employees). This improvement reflects work that we have been doing to create a supportive and welcoming environment, working with our Pride staff network.

- **Disability** – 7.0% of the population (69 employees) have declared a disability (2021-22: 5.6%, 55 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 people with disabilities into the organisation, through activities like our Emerging Talent Programme, 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 Strategy for Inclusion, Diversity and Equality.

## Health and Safety

In 2022-23 there were 11 work-related accidents (2021-22: 13), none of which were reportable to the Health and Safety Executive (HSE) (2021-22: 0). The number and type of work-related accidents is consistent with previous years. 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 people with disabilities, and this is reflected in our Strategy for Inclusion, Diversity and Equality. Full and fair consideration is given to applications for employment from people with disabilities 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 5.6 for the financial year 2022-23, which is an increase on the previous year (2021-22: 5.48). 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.

## Staff Turnover

Our voluntary staff turnover for 2022-23, which includes resignations and retirements, was 10.8%. Our overall staff turnover, including fixed term contracts that concluded on their planned end date, was 15.6%.

## Career Management and Training

Historic England recognises the importance of developing our staff and managers to enable us to deliver our plan, fulfil our mission and 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 Institute of Learning and Management accredited course for senior managers up to executive level. Our Performance and Development Review 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

In this financial year, our work to improve and protect the mental health and wellbeing of our people has once

again been recognised with a Gold Award from the Mind Workplace Wellbeing Index, which we have participated in for the past seven years. We have grown our dedicated network of Mental Health First Aiders, as well as a network of Mental Health Champions, who campaign to raise awareness of mental health issues at a local level. We have continued to offer virtual meditation and yoga sessions, financial wellbeing sessions and webinars addressing issues related to menopause and women's health.

## Union Relationship

We have a constructive and long-standing working relationship with the Prospect trade union. There were 23 employees who were relevant union representatives during 2022-23 (FTE equivalent of 21.60).

Zero hours were spent on trade union activities by employees who were relevant union officials during the year 2022-23 (2021-22 zero hours).

Percentage of Time Spent on Facility Time	Number of Employees
0%	11
1% - 50%	12
51% - 99%	0
100%	0

Percentage of Pay Bill spent on Facility Time	
Total Cost of Facility Time	£24,496
Total Pay Bill	£48,970,277.29
Percentage of the Total Pay Bill Spent on Facility Time	0.05%

## 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:

	2022-2023					2021-2022	
	Historic England				Group Total	Historic England Total	Group Total
	Perm. Employed	Fixed Term Contracts	Agency Staff	Total			
Policy & Evidence	201	22	-	223	223	215	215
Public Engagement	116	11	-	127	127	128	128
Regions Group	283	32	1	316	316	320	320
Corporate Services	179	14	5	198	198	190	190
Business Improvement	52	14	-	66	66	74	74
Shrewsbury Flaxmill Maltings	4	1	-	5	5	4	4
The English Heritage Trust	-	-	-	-	1,358	-	1,165
<b>Total Employee Numbers</b>	<b>835</b>	<b>94</b>	<b>6</b>	<b>935</b>	<b>2,293</b>	<b>931</b>	<b>2,096</b>
<b>Total Costs (£'000)</b>	<b>45,210</b>	<b>3,406</b>	<b>322</b>	<b>48,938</b>	<b>103,371</b>	<b>47,579</b>	<b>95,631</b>
Employee numbers included in the above who have been engaged on capital projects	10	-	-	10	13	13	15

## Employee Costs

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

Group	2022-2023			2021-2022		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and Salaries	1,415	79,278	80,693	1,384	72,189	73,573
Social Security Costs	74	7,641	7,715	154	6,806	6,960
Pension Costs	140	13,607	13,747	227	13,270	13,497
Redundancy and Severance Costs	-	267	267	-	997	997
Agency Staff Costs	-	949	949	-	604	604
<b>Total Employee Costs</b>	<b>1,629</b>	<b>101,742</b>	<b>103,371</b>	<b>1,765</b>	<b>93,866</b>	<b>95,631</b>

In 2022-23 there were 4 outward secondments (2021-22: 3).

Historic England	2022-2023			2021-2022		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and Salaries	455	34,795	35,250	522	33,812	34,334
Social Security Costs	53	3,900	3,953	57	3,539	3,596
Pension Costs	123	9,223	9,346	140	8,906	9,046
Redundancy and Severance Costs	-	67	67	-	342	342
Agency Staff Costs	-	322	322	-	261	261
<b>Total Employee Costs</b>	<b>631</b>	<b>48,307</b>	<b>48,938</b>	<b>719</b>	<b>46,860</b>	<b>47,579</b>

In 2022-23 there were 5 outward secondments (2021-22: 3). During the year, 50 consultants were employed (2021-22: 55) to whom £318,215 was paid in the year (2021-22: £331,258).

## 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 2022–23 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 is in compliance with the recommendations in HM Treasury's 'Review of the Tax Findings of Public Sector Appointees'.

### Highly-paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

No. of existing engagements as of 31 March 2023	Of which, no. that existed:	less than one year	for between 1 and 2 years	for between 2 and 3 years	for between 3 and 4 years	for 4 or more years
1					1	

### All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

No. of off-payroll workers engaged during the year ended 31 March 2023	Of which:	Not subject to off-payroll legislation	Subject to off-payroll legislation and determined as in-scope of IR35	Subject to off-payroll legislation and determined as out-of-scope of IR35	No. of engagements reassessed for compliance or assurance purposes during the year	Of which: No. of engagements that saw a change to IR35 status following review
2			1	1	1	0

### For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	Total no. of individuals on payroll and off-payroll that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year. <b>This figure includes both on payroll and off-payroll engagements</b>	Details of the exceptional circumstances that led to each of these off-payroll engagements.	Details of the length of time each of these exceptional off-payroll engagements lasted.
0	7	N/A – No such arrangements	N/A – No such arrangements

## 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		Total Number of Exit Packages	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
£0 to £25,000	2	2	-	2	2	4
£25,001 to £50,000	-	2	4	2	4	4
£50,001 to £100,000	-	-	1	-	1	-
£100,001 to £150,000	-	-	-	-	-	-
Greater than £150,000	-	-	-	-	-	-
<b>Total Number of Exit Packages</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>8</b>
<b>Total Resource Cost (£'000)</b>	<b>21</b>	<b>72</b>	<b>202</b>	<b>113</b>	<b>223</b>	<b>185</b>

<sup>1</sup> No staff member left under Voluntary Exit terms in the 2022-23 financial year. Five staff members left under Voluntary Redundancy terms in the 2022-23 financial year. They received total compensation payments of £203,000.

<sup>2</sup> Two staff members left under compulsory redundancy terms in the 2022-23. They received total compensation payments of £21,000.

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. 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. 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 switched 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, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS, or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes).

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable

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

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](http://www.civilservicepensionscheme.org.uk)

For 2022-23, employers' contributions of £9,346,000 were payable to the Civil Service Pensions (CSP) (2021-22: £8,978,000) at one of four rates in the range 26.6% to 30.3% (2021-22: 26.6% to 30.3%) of pensionable pay, based on salary bands. Employer's contributions into the CSP in respect of the Executive Team totalled £216,000 (2021-22: £204,000). No persons (2021-22: no persons) retired early on ill-health grounds.

Employers' contributions of £90,000 (2021-22: £82,000) 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 the Accountability Report.

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

	2023						2022					
	Historic England			Group			Historic England			Group		
	Special		Total	Special		Total	Special		Total	Special		Total
	Losses	Payments		Losses	Payments		Losses	Payments		Losses	Payments	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amounts Accrued	18	3	21	96	46	142	47	6	53	115	14	129
Amounts Written Back	-	(1)	(1)	-	(1)	(1)	(1)	-	(1)	(1)	-	(1)
<b>Total Net Losses and Special Payments</b>	<b>18</b>	<b>2</b>	<b>20</b>	<b>96</b>	<b>45</b>	<b>141</b>	<b>46</b>	<b>6</b>	<b>52</b>	<b>114</b>	<b>14</b>	<b>128</b>

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

£841,000 has been raised in the year as a result of the Enhanced Advisory Service (2021-22: £784,000). Income is higher than last year, predominantly as a greater number of cases were advised upon. The target for the year was £745,000 (2021-22: £747,000).

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.

Income raised this year relates to 284 completed (invoiced) cases (2021-22: 234). Unit costs charged are per the invoice amount. Our average case price this year was £2,961 (2021-22: £3,352).

No other material income from fees and charges was received during the financial year (2021-22: £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 2022-23, we recognised no remote contingent liabilities (2021-22: £nil). This information has been subject to audit.



**Duncan Wilson CBE**

Chief Executive and Accounting Officer

7 July 2023

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

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## 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 2023 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 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- 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 2023 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 and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 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 twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Commissioners and 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 is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises the 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.

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; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements 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 Report and Accountability Report.

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

- Adequate accounting records have not been kept by the Historic Buildings and Monuments Commission for England and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; 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 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Historic Buildings and Monuments Commission for England and its Group from whom the auditor determines it necessary to obtain audit evidence;



- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the National Heritage Act 1983;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the National Heritage Act 1983; and
- 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 Commissioners and 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, I:

- considered 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.
- inquired of management, the Historic Buildings and Monuments Commission for England and its Group 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 on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - 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
- inquired of management, Historic Buildings and Monuments Commission for England's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with 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, bias in management estimates and grants. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Historic Buildings and Monuments Commission for England and its Group's framework of authority and other legal and regulatory frameworks in which the Historic Buildings and Monuments Commission for England and its Group operates. I focused 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 National Heritage Act 1983, Managing Public Money, employment law and pensions legislation and tax Legislation.

I also considered the inherent risk that grants awarded may not be spent in accordance with grant terms and conditions and the potential for fraud on the part of grant recipients.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Assurance Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed 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, I tested the appropriateness

of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and

- I tested a sample of grant expenditure to gain assurance that grants had been spent on the intended purposes.

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

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

[www.frc.org.uk/auditorsresponsibilities](http://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 expenditure and income 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.

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 I identify during my audit.

### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General  
11 July 2023

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

SECTION 3

# FINANCIAL STATEMENTS



Fountain, Ropner Park, Stockton-on-Tees. Listed 2022

## 3. FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2023

		2022-2023		2021-2022 RESTATED*	
	Note	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>					
Revenue from Contracts with Customers	3, 4	10,448	114,239	9,651	91,112
Earned Income	3, 5	457	2,617	159	2,168
Other Operating Income	3, 6	7,704	24,884	6,626	19,249
<b>Total Income</b>		<b>18,609</b>	<b>141,740</b>	<b>16,436</b>	<b>112,529</b>
<b>Expenditure</b>					
Grants	3, 7	(49,941)	(49,550)	(96,588)	(92,891)
Staff Costs	3, 13	(48,307)	(101,742)	(46,860)	(93,866)
Running Costs	3, 8	(16,251)	(69,114)	(16,253)	(64,878)
Commercial Activities' Costs	3, 9	(498)	(15,253)	(311)	(10,959)
Subsidy Expenditure	3f	(1,233)	-	(9,636)	-
Depreciation, Amortisation and Impairment	3, 15-18	(8,120)	(15,012)	(6,569)	(12,486)
Other Expenditure	3, 10	(3,360)	(12,723)	(3,105)	(10,598)
<b>Total Expenditure</b>		<b>(127,710)</b>	<b>(263,394)</b>	<b>(179,322)</b>	<b>(285,678)</b>
<b>Financing</b>					
Finance Income	3f	-	-	2	2
Finance Costs	3f	(1,286)	(1,532)	(1,263)	(1,519)
<b>Net Finance (Cost)</b>		<b>(1,286)</b>	<b>(1,532)</b>	<b>(1,261)</b>	<b>(1,517)</b>
<b>Net Expenditure for the Financial Year</b>		<b>(110,387)</b>	<b>(123,186)</b>	<b>(164,147)</b>	<b>(174,666)</b>
<b>Other Comprehensive Expenditure</b>					
Net Gain on Revaluation of Non-Current Assets	15-18	9,227	12,005	6,974	8,343
<b>Total Comprehensive Expenditure for the Financial Year</b>		<b>(101,160)</b>	<b>(111,181)</b>	<b>(157,173)</b>	<b>(166,323)</b>

**\*PRIOR PERIOD ADJUSTMENT**

Historic England has restated the heritage asset balance at 31 March 2022. The heritage asset balance has been reduced by a total of £48,740,000.

A corresponding adjustment has been made to the Revaluation Reserve.

This adjustment was made to reflect the change in accounting of the 'New Model' restricted grant. See Notes 2 and 18 for more information.

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

# Statement of Financial Position as at 31 March 2023

	Notes	2023		2022 RESTATED *		2021 RESTATED *	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Non-Current Assets</b>							
Property, Plant and Equipment	16	95,293	150,827	91,165	139,440	88,775	133,080
Heritage Assets	18	47,889	48,221	44,434	44,764	42,862	43,192
Right of Use Assets	17	24,782	36,889	19,823	32,632	20,167	33,751
Intangible Assets	15	4,088	11,355	4,311	7,737	3,303	5,739
Lease Receivables		-	-	-	-	25	25
Investments	20a	-	1,147	-	-	-	-
Investment in Subsidiary	32	64,715	-	75,929	-	85,617	-
<b>Total Non-Current Assets</b>		<b>236,767</b>	<b>248,439</b>	<b>235,662</b>	<b>224,573</b>	<b>240,749</b>	<b>215,787</b>
<b>Current Assets</b>							
Inventories	21	-	6,332	-	5,769	-	6,219
Trade and Other Receivables	22	8,970	15,100	13,355	16,819	12,404	15,820
Lease Receivables		-	-	25	25	98	98
Investments	20b	-	-	-	5,018	-	7,059
Cash and Cash Equivalents	23	13,289	74,195	4,312	75,728	421	85,312
<b>Total Current Assets</b>		<b>22,259</b>	<b>95,627</b>	<b>17,692</b>	<b>103,359</b>	<b>12,923</b>	<b>114,508</b>
<b>Total Assets</b>		<b>259,026</b>	<b>344,066</b>	<b>253,354</b>	<b>327,932</b>	<b>253,672</b>	<b>330,295</b>
<b>Current Liabilities</b>							
Trade and Other Payables	27	(21,097)	(61,361)	(18,049)	(49,046)	(13,118)	(46,864)
Provisions		-	(287)	-	(285)	-	(148)
Obligations Under Leases	26	(1,683)	(2,270)	(1,448)	(2,035)	(1,399)	(2,006)
<b>Total Current Liabilities</b>		<b>(22,780)</b>	<b>(63,918)</b>	<b>(19,497)</b>	<b>(51,366)</b>	<b>(14,517)</b>	<b>(49,018)</b>
<b>Total Assets Less Current Liabilities</b>		<b>236,246</b>	<b>280,148</b>	<b>233,857</b>	<b>276,566</b>	<b>239,155</b>	<b>281,277</b>
<b>Non-Current Liabilities</b>							
Trade and Other Payables	27	(171)	(2,333)	(219)	(2,776)	(217)	(2,151)
Obligations Under Leases	26	(27,896)	(39,188)	(24,312)	(36,154)	(25,602)	(38,012)
Other Borrowings	28	-	(24,348)	-	(23,400)	-	(23,400)
<b>Total Non-Current Liabilities</b>		<b>(28,067)</b>	<b>(65,869)</b>	<b>(24,531)</b>	<b>(62,330)</b>	<b>(25,819)</b>	<b>(63,563)</b>
<b>Total Assets Less Liabilities</b>		<b>208,179</b>	<b>214,279</b>	<b>209,326</b>	<b>214,236</b>	<b>213,336</b>	<b>217,714</b>
<b>Taxpayers' Equity</b>							
Financial Asset Reserve	32	64,715	-	75,929	-	85,617	-
Revaluation Reserve		88,301	98,470	79,341	86,735	75,113	81,138
General Reserve		54,994	113,966	53,872	125,643	52,422	134,848
Earmarked Funds		169	169	184	184	184	184
Endowment Funds		-	1,674	-	1,674	-	1,544
<b>Total Taxpayers' Equity</b>		<b>208,179</b>	<b>214,279</b>	<b>209,326</b>	<b>214,236</b>	<b>213,336</b>	<b>217,714</b>

#### \*PRIOR PERIOD ADJUSTMENT

Historic England has restated the heritage asset balance at 31 March 2022. The heritage asset balance has been reduced by a total of £48,740,000.

A corresponding adjustment has been made to the Revaluation Reserve.

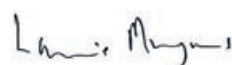
The balance sheet for 31 March 2022 and 31 March 2021 have been restated.. This adjustment was made to reflect the change in accounting of the 'New Model' restricted grant. See Notes 2 and 18 for more information.

Section 4 - Notes to Financial Statements 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 33, were approved by the Commissioners and signed on their behalf on 7 July 2023 by:



Duncan Wilson CBE  
Chief Executive



Sir Laurie Magnus CBE  
Chairman

## Statement of Cash Flows for the Year Ended 31 March 2023

	Notes	2023		2022 RECLASSIFIED*	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Cash Flows From Operating Activities</b>					
<b>Net Income/(Expenditure)</b>		<b>(110,387)</b>	<b>(123,186)</b>	<b>(164,147)</b>	<b>(174,666)</b>
Depreciation, Amortisation and Impairment Charges	15-18	8,120	15,012	6,569	12,486
(Profit)/Losses on Disposal of Non-Current Assets	15-18	30	(5)	5	3
(Increase)/Decrease in Inventories	21	-	(563)	-	450
(Increase)/Decrease in Trade and Other Receivables	22	4,385	1,719	(951)	(999)
Increase/(Decrease) in Trade and Other Payables	27	3,000	12,820	4,933	2,807
Increase/(Decrease) in Provisions		-	2	-	137
Donated Asset Addition	18-19	(1,230)	(1,230)	-	-
Investment Income		-	(905)	-	(53)
(Increase)/Decrease in Lease Receivables		25	25	98	98
Finance Costs		1,286	1,532	1,263	1,519
Interest Receivable for Lease Receivables		-	-	(2)	(2)
<b>Net Cash Outflow from Operating Activities</b>		<b>(94,771)</b>	<b>(94,779)</b>	<b>(152,232)</b>	<b>(158,220)</b>
<b>Cash Flows from Investing Activities</b>					
(Purchase)/Disposal of Investments		-	3,871	-	2,041
Investment Income	6	-	905	-	53
Purchase of Property, Plant and Equipment and Heritage Assets	16, 18	(3,196)	(13,268)	(5,803)	(12,950)
Purchase of Intangible Assets	15	(1,332)	(5,734)	(1,256)	(2,826)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	15, 16	-	31	-	( )
<b>Net Cash Outflow from Investing Activities</b>		<b>(4,528)</b>	<b>(14,195)</b>	<b>(7,059)</b>	<b>(13,682)</b>
<b>Cash Flows from Financing Activities</b>					
Government Grant In Aid		111,227	111,227	162,850	162,850
Capital Grant In Kind		-	-	3,000	3,000
Lease Payments		(2,951)	(3,786)	(2,670)	(3,533)
Interest Receivable for Lease Receivables		-	-	2	2
<b>Net Cash Inflow from Financing Activities</b>		<b>108,276</b>	<b>107,441</b>	<b>163,182</b>	<b>162,319</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>23</b>	<b>8,977</b>	<b>(1,533)</b>	<b>3,891</b>	<b>(9,583)</b>
Cash and Cash Equivalents at the Beginning of the Year	23	4,312	75,728	421	85,312
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>13,289</b>	<b>74,195</b>	<b>4,312</b>	<b>75,728</b>

**\*PRIOR PERIOD RECLASSIFICATION**

£1,241,000 for Historic England and £1,829,000 for group has been reclassified from operating activities to financing activities to reflect non-cash movements related to IFRS 16 leases.

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

## Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2023

	General Reserve £'000	Revaluation Reserve £'000	Earmarked Funds £'000	Endowment Fund £'000	Total Reserves £'000
<b>Balance at 31 March 2021 RESTATED</b>	<b>134,848</b>	<b>81,138</b>	<b>184</b>	<b>1,544</b>	<b>217,714</b>
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	-	8,343	-	-	8,343
Other Income/(Expenditure)	(5)	-	-	-	(5)
Transfer Between Reserves	2,746	(2,746)	-	-	-
<b>Balance at 31 March 2022 RESTATED</b>	<b>125,643</b>	<b>86,735</b>	<b>184</b>	<b>1,674</b>	<b>214,236</b>
Grant in Aid Received	111,227	-	-	-	111,227
Income/(Expenditure) for the Year	(123,171)	-	(15)	-	(123,186)
Net Gain on Revaluation of Non-Current Assets	-	12,005	-	-	12,005
Other Income/(Expenditure)	(4)	1	-	-	(3)
Transfer Between Reserves	271	(271)	-	-	-
<b>Balance at 31 March 2023</b>	<b>113,966</b>	<b>98,470</b>	<b>169</b>	<b>1,674</b>	<b>214,279</b>

### \*PRIOR PERIOD ADJUSTMENT

Historic England has restated the heritage asset balance at 31 March 2022. The heritage asset balance has been reduced by a total of £48,740,000. A corresponding adjustment has been made to the Revaluation Reserve.

This adjustment was made to reflect the change in accounting of the 'New Model' restricted grant. See Notes 2 and 18 for more information.

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

## Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2023

	General Reserve	Revaluation Reserve	Earmarked Funds	Financial Asset Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2021 RESTATED</b>	<b>52,422</b>	<b>75,113</b>	<b>184</b>	<b>85,617</b>	<b>213,336</b>
Grant in Aid Received	162,850	-	-	-	162,850
Income/(Expenditure) for the Year	(164,147)	-	-	-	(164,147)
Net Gain on Revaluation of Non-Current Assets	-	6,974	-	-	6,974
Other Income/(Expenditure)	1	-	-	(9,688)	(9,687)
Transfer Between Reserves	2,746	(2,746)	-	-	-
<b>Balance at 31 March 2022 RESTATED</b>	<b>53,872</b>	<b>79,341</b>	<b>184</b>	<b>75,929</b>	<b>209,326</b>
Grant in Aid Received	111,227	-	-	-	111,227
(Expenditure) for the Year	(110,372)	-	(15)	-	(110,387)
Net Gain on Revaluation of Non-Current Assets	-	9,227	-	-	9,227
Other Income	(1)	1	-	(11,214)	(11,214)
Transfer Between Reserves	268	(268)	-	-	-
<b>Balance at 31 March 2023</b>	<b>54,994</b>	<b>88,301</b>	<b>169</b>	<b>64,715</b>	<b>208,179</b>

### \*PRIOR PERIOD ADJUSTMENT

Historic England has restated the heritage asset balance at 31 March 2022. The heritage asset balance has been reduced by a total of £48,740,000.

A corresponding adjustment has been made to the Revaluation Reserve.

This adjustment was made to reflect the change in accounting of the 'New Model' restricted grant. See Notes 2 and 18 for more information.

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



SECTION 4

# NOTES TO FINANCIAL STATEMENTS



The restored Grade I listed Main Mill, Grade II listed Kiln and Jubilee Tower at Shrewsbury Flaxmill Maltings

# 4. NOTES TO FINANCIAL STATEMENTS

## 1. Statement of accounting policies

### a. Accounting Convention

Historic England is required to prepare a statement of accounts under the European Union (Withdrawal Agreement) Act 2020 (EUWAA), in the form and basis directed by the Secretary of State.

The financial statements have been prepared in accordance with the 2022-2023 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS), as adapted and interpreted for the public sector context.

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

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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.

### b. Group Structure

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 2023 and is also consolidated.

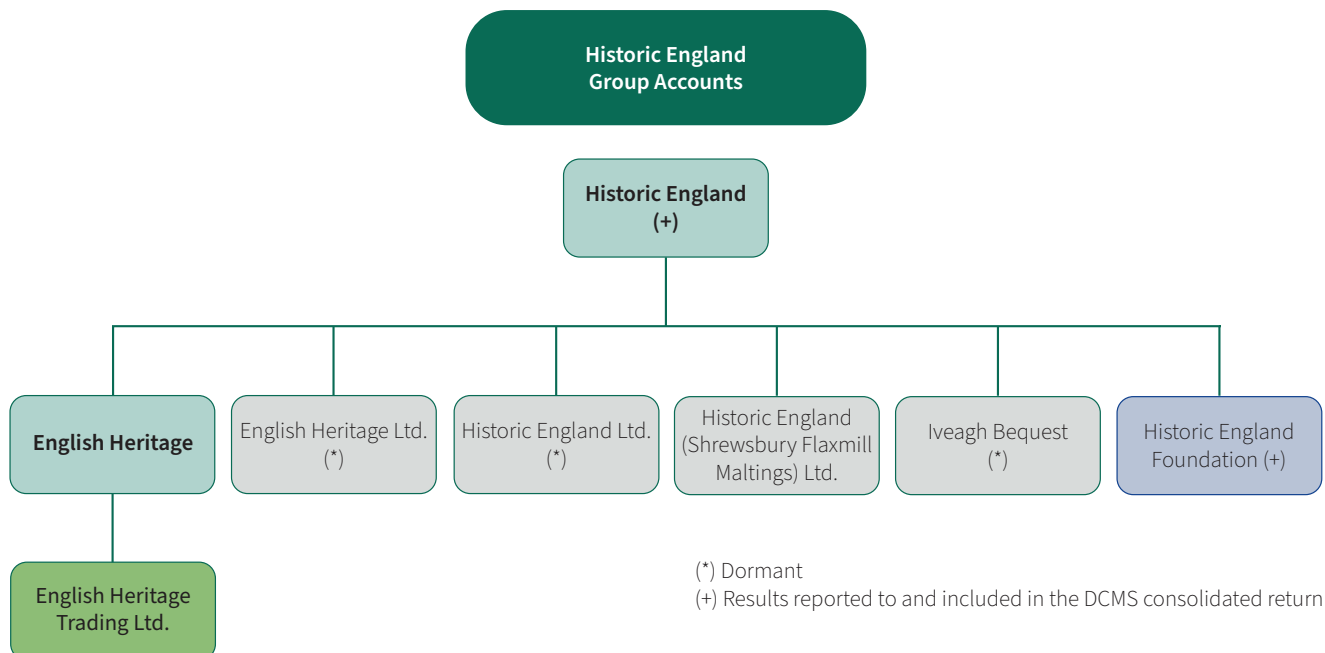
The Historic England Foundation was incorporated on 16th January 2017 and is a charitable subsidiary of Historic England.

Historic England (Shrewsbury Flaxmill Maltings) Limited was incorporated on 14th March 2022 and is a trading subsidiary of Historic England.

Historic England Limited is a dormant subsidiary of Historic England.

English Heritage Limited is a dormant subsidiary of English Heritage.

## Organisational Structure and Reporting Groups



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, Historic England (Shrewsbury Flaxmill Maltings) Ltd and The Historic England Foundation.

### c. Impact of New or Updated Financial Report Standards and Interpretations

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Historic England Group will apply IFRS 17 for the first time on 1 April 2025 in line with HM Treasury in the Government Financial Reporting Manual. This standards will bring changes to the accounting for insurance and reinsurance contracts is not expected to impact on the Historic England consolidated financial statements.

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

### d. Value Added Tax

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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, English Heritage Trading Limited and Historic England (Shrewsbury Flaxmill Maltings) Limited are 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.

### e. Revenue from Contracts with Customers

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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.

### f. Government Grant in Aid Receivable

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

Government Grant in Aid received from the DCMS is credited to the General Reserve within the Statement of Changes in Taxpayers' Equity upon receipt of funds. Historic England receives Grant in Aid funding from the DCMS periodically throughout the year and it is accounted for on a cash basis.

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.

### g. Other Grants Receivable

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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.

### h. Grants Payable

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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 a number of factors, including 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.

### i. Intangible Assets

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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.

### j. Property, Plant and Equipment

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#### *Operational Land and Buildings and Dwellings*

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

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

The policy on heritage assets is disclosed at note 11.

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.

The professional valuations obtained to support the 2020/21 quinquennial valuation were provided on different bases depending on asset type.

The valuation approaches include market value, income basis, Depreciated Replacement Cost and IFRS16 valuations. The valuations provided on a Depreciated Replacement Cost, a market comparable basis and the IFRS 16 valuations are not subject to 'material valuation uncertainty'.

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 selected property's fair value at the date of reporting.

The valuation approach is selected on an asset by asset basis, rather than by asset class. This approach is taken to ensure a reliable valuation is obtained.

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. Assets that are valued using the depreciated replacement cost approach includes 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, Historic England Group uses three de minimis thresholds:

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

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

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

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

### *Assets Under Construction*

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

## **k. Rights of Use Assets**

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

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

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

The fair value for right of use assets represents the full replacement cost of the right of use asset. The Royal Institution of Chartered Surveyors 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 of those of property, plant and equipment assets.

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

## **l. Heritage Assets**

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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 pure 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 or, in line with FReM, where valuation information cannot be obtained, held at cost. 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 1j.

### *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 18 and 19.

## **m. Donated Assets**

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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.

#### n. Depreciation and Amortisation

Depreciation is provided on property, plant and equipment (note 16) (excluding land and assets under construction), and amortisation is provided on intangible assets (note 15), 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	2-10 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

Operational heritage assets are professionally valued and held on the Statement of Financial Position within Heritage Assets. No material depreciation arises on operational heritage assets as the lives of the assets are considered to be so long and their residual values to be high enough to ensure that any annual depreciation is immaterial.

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.

#### o. Investments

Non-current financial assets are held at fair value. Any unrealised gain at the 31 March 2023 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.

#### p. Inventories

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

#### q. Leases

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); and
- leases with a lease term of 12 months or less.

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

The contract involves the use of an identified asset;

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

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

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

*As a Lessee*

#### *Right of Use Assets*

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

#### *Lease Liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury. The HM Treasury discount rates were 0.95% in the 2022 calendar year and 3.51% for the 2023 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.

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.

#### **r. Cash and Cash Equivalents**

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

#### **s. Financial Asset Reserve**

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The financial asset reserve represents the investment in subsidiaries and are stated at fair value in accordance with the FReM.

#### **t. Pension Costs**

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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. In accordance with the FReM, Historic England accounts for these as a defined contribution scheme. Historic England recognises contributions payable to defined contribution schemes as an expense in the year in which it is incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

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).

## u. Segmental Reporting

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

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

Historic England's reporting segments include:

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

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

- English Heritage Trust
- Historic England Foundation
- Historic England (Shrewsbury Flaxmill Maltings) Limited

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; to secure public support for, and investment in, Historic England and its mission.

Business Improvement enables Historic England to maximise its public value.

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

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

## v. Significant Accounting Estimates and Judgements

### *Critical accounting estimates and judgements*

The preparation of the Historic England group accounts requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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.

Operational heritage assets are not depreciated. Historic England estimates that the useful economic lives of operational heritage assets are significantly long to ensure that depreciation is immaterial.

### *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 is reviewed if there is a significant event or significant change of circumstances.



**w. Preparation of the Accounts on a Going Concern Basis**

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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. 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. Prior Year Adjustment

In preparing the 2022/23 financial statements, management has identified a prior period error related to the recognition of heritage assets associated with the New Model conservation expenditure.

In 2014-15 English Heritage entered into the New Model agreement, with DCMS providing £52m in capital grant funding to address conservation defects in the National Collection.

At inception the heritage properties being conserved through the programme were valued and brought onto the balance sheet.

The initial intention, over the lifetime of the project, was to capitalise the full £52m conservation costs as assets under construction (AUC), as this was seen to be a “fair proxy for upward revaluation of the property”. This upward revaluation was recognised as AUC in the prior years.

Management has revisited the accounting now that the agreement is coming to a close. The following issues have been identified:

- The underlying heritage asset valuations have been undertaken on a profit-based method. Management has reconsidered the appropriateness of an income-based valuation, given that heritage assets are held “principally for its contribution to knowledge and culture” and not for income generation.
- As a result of properties entering Historic England’s standard valuation programme during the 2020/21 quinquennial revaluation process, the heritage asset AUC balance has been double counted.

### Heritage asset valuations

Management has determined that the profit-based valuation basis is not appropriate for Heritage assets as a profit-based method does not capture the ‘heritage value’ to Historic England.

Alternative valuation methods were considered, however management do not consider that reliable cost or valuation information can be obtained for the vast majority of items held as pure 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 have determined that pure heritage assets cannot be reliably measured at a cost commensurate to the users of the accounts, and thus do not meet the asset recognition criteria.

This basis for heritage asset recognition is compliant with the FReM and is consistent with other bodies.

Therefore, Historic England has removed the heritage asset from the SOFP, so that all properties are held off balance sheet.

### Heritage Assets Under Construction

The original New Model accounting believed the conservation spend to be a fair proxy for upward revaluation of the heritage assets. Therefore, the conservation spend was capitalised as heritage assets under construction.

During the 2020/21 quinquennial valuation, the heritage assets were revalued. The valuations took the previously incurred and expected restoration conservation costs of each heritage asset into consideration.

The assets under construction have therefore been double counted within the underlying asset valuation and the asset under construction.

Given that the previously incurred conservation spend did not materially increase heritage asset valuations obtained during the 20/21 quinquennial valuation, this is a strong indicator that the conservation spend is not a fair proxy for upward revaluation.

Management has determined that in capitalising the conservation spend, Historic England is not disclosing a fair valuation of heritage assets.

Therefore, Historic England has removed the heritage asset under construction from the SOFP.

This adjustment has been recognised in accordance with IAS 8 ‘Accounting policies, changes in accounting estimates and errors’ and the Government Financial Reporting Manual with the financial statements restated accordingly.

The impact of the prior period adjustment on the affected primary statement line items is shown in the tables below.

## Statement of Comprehensive Net Expenditure

### Historic England

	2021-2022 as previously reported	Prior Year Adjustment	2021-22 RESTATED
	£'000	£'000	£'000
Net Gain on Revaluation of Non-Current Assets	15,616	(8,642)	6,974

### Group

	2021-2022 as previously reported	Prior Year Adjustment	2021-22 RESTATED
	£'000	£'000	£'000
Net Gain on Revaluation of Non-Current Assets	16,985	(8,642)	8,343

## Statement of Financial Position

### Historic England

	2022 as previously reported	Prior Year Adjustment	2022 RESTATED	2021 as previously reported	Prior Year Adjustment	2021 RESTATED
	£'000	£'000	£'000	£'000	£'000	£'000
Heritage Assets	93,173	(48,739)	44,434	82,959	(40,097)	42,862
<b>Total Non-Current Assets</b>	<b>284,401</b>	<b>(48,739)</b>	<b>235,662</b>	<b>280,846</b>	<b>(40,097)</b>	<b>240,749</b>
<b>Total Assets</b>	<b>302,093</b>	<b>(48,739)</b>	<b>253,354</b>	<b>293,769</b>	<b>(40,097)</b>	<b>253,672</b>
<b>Total Assets Less Current Liabilities</b>	<b>282,596</b>	<b>(48,739)</b>	<b>233,857</b>	<b>279,252</b>	<b>(40,097)</b>	<b>239,155</b>
<b>Total Assets Less Liabilities</b>	<b>258,065</b>	<b>(48,739)</b>	<b>209,326</b>	<b>253,433</b>	<b>(40,097)</b>	<b>213,336</b>
Revaluation Reserve	128,080	(48,739)	79,341	115,210	(40,097)	75,113
<b>Total Taxpayers' Equity</b>	<b>258,065</b>	<b>(48,739)</b>	<b>209,326</b>	<b>253,433</b>	<b>(40,097)</b>	<b>213,336</b>

### Group

	2022 as previously reported	Prior Year Adjustment	2022 RESTATED	2021 as previously reported	Prior Year Adjustment	2021 RESTATED
	£'000	£'000	£'000	£'000	£'000	£'000
Heritage Assets	93,503	(48,739)	44,764	83,289	(40,097)	43,192
<b>Total Non-Current Assets</b>	<b>273,312</b>	<b>(48,739)</b>	<b>224,573</b>	<b>255,884</b>	<b>(40,097)</b>	<b>215,787</b>
<b>Total Assets</b>	<b>376,671</b>	<b>(48,739)</b>	<b>327,932</b>	<b>370,392</b>	<b>(40,097)</b>	<b>330,295</b>
<b>Total Assets Less Current Liabilities</b>	<b>325,305</b>	<b>(48,739)</b>	<b>276,566</b>	<b>321,374</b>	<b>(40,097)</b>	<b>281,277</b>
<b>Total Assets Less Liabilities</b>	<b>262,975</b>	<b>(48,739)</b>	<b>214,236</b>	<b>257,811</b>	<b>(40,097)</b>	<b>217,714</b>
Revaluation Reserve	135,474	(48,739)	86,735	121,235	(40,097)	81,138
<b>Total Taxpayers' Equity</b>	<b>262,975</b>	<b>(48,739)</b>	<b>214,236</b>	<b>257,811</b>	<b>(40,097)</b>	<b>217,714</b>

## Historic England Statement of Changes in Taxpayers' Equity

	Revaluation Reserve as previously reported	Prior Year Adjustment	Revaluation Reserve RESTATED	Total Reserves as previously reported	Prior Year Adjustment	Total Reserves RESTATED
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2021</b>	<b>115,210</b>	<b>(40,097)</b>	<b>75,113</b>	<b>253,433</b>	<b>(40,097)</b>	<b>213,336</b>
Net Gain on Revaluation of Non-Current Assets	15,616	(8,642)	6,974	15,616	(8,642)	6,974
Transfer Between Reserves	(2,746)	-	(2,746)	-	-	-
<b>Balance at 31 March 2022</b>	<b>128,080</b>	<b>(48,739)</b>	<b>79,341</b>	<b>258,065</b>	<b>(48,739)</b>	<b>209,326</b>

## Consolidated Statement of Changes in Taxpayers' Equity

	Revaluation Reserve as previously reported	Prior Year Adjustment	Revaluation Reserve RESTATED	Total Reserves as previously reported	Prior Year Adjustment	Total Reserves RESTATED
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2021</b>	<b>121,235</b>	<b>(40,097)</b>	<b>81,138</b>	<b>257,811</b>	<b>(40,097)</b>	<b>217,714</b>
Net Gain on Revaluation of Non-Current Assets	16,985	(8,642)	8,343	16,985	(8,642)	8,343
Transfer Between Reserves	(2,746)	-	(2,746)	-	-	-
<b>Balance at 31 March 2022</b>	<b>135,474</b>	<b>(48,739)</b>	<b>86,735</b>	<b>262,975</b>	<b>(48,739)</b>	<b>214,236</b>

### 3. 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

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Revenue from Contracts with Customers	997	997	881	881
Other Operating Income	688	688	148	148
<b>Total Income</b>	<b>1,685</b>	<b>1,685</b>	<b>1,029</b>	<b>1,029</b>
<b>Expenditure</b>				
Grants	(40,309)	(40,309)	(45,123)	(45,123)
Staff Costs	(16,584)	(16,584)	(16,059)	(16,059)
Running Costs	(1,009)	(843)	(733)	(558)
Commercial Activities' Costs	(12)	(12)	(7)	(7)
Other Expenditure	(513)	(513)	(348)	(348)
<b>Total Expenditure</b>	<b>(58,427)</b>	<b>(58,261)</b>	<b>(62,270)</b>	<b>(62,095)</b>
<b>Regions Group Net Expenditure</b>	<b>(56,742)</b>	<b>(56,576)</b>	<b>(61,241)</b>	<b>(61,066)</b>

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.

During 2021-22 the High Street Heritage Action Zone grant scheme was administered by Historic England. The scheme has wound down during 2022-23, grant expenditure has decreased as a result.

#### b) Policy & Evidence

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Revenue from Contracts with Customers	1,153	308	1,145	174
Other Operating Income	1,989	1,895	1,052	1,052
<b>Total Income</b>	<b>3,142</b>	<b>2,203</b>	<b>2,197</b>	<b>1,226</b>
<b>Expenditure</b>				
Grants	(839)	(839)	(448)	(448)
Staff Costs	(11,971)	(11,971)	(10,952)	(10,952)
Running Costs	(1,797)	(1,797)	(1,901)	(1,901)
Commercial Activities' Costs	(194)	(194)	(160)	(160)
Depreciation, Amortisation and Impairment	(241)	(241)	(191)	(191)
Other Expenditure	(1,102)	(1,092)	(878)	(878)
<b>Total Expenditure</b>	<b>(16,144)</b>	<b>(16,134)</b>	<b>(14,530)</b>	<b>(14,530)</b>
<b>Policy &amp; Evidence Net Expenditure</b>	<b>(13,002)</b>	<b>(13,931)</b>	<b>(12,333)</b>	<b>(13,304)</b>

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

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
<b>Income</b>				
Revenue from Contracts with Customers	282	257	275	181
Other Operating Income	1,534	1,534	1,109	1,109
<b>Total Income</b>	<b>1,816</b>	<b>1,791</b>	<b>1,384</b>	<b>1,290</b>
<b>Expenditure</b>				
Grants	(2,549)	(2,549)	(2,501)	(2,501)
Staff Costs	(6,491)	(6,491)	(6,244)	(6,244)
Running Costs	(1,179)	(1,179)	(1,192)	(1,192)
Commercial Activities' Costs	(272)	(272)	(135)	(135)
Depreciation, Amortisation and Impairment	(292)	(292)	(285)	(285)
Other Expenditure	(346)	(345)	(276)	(276)
<b>Total Expenditure</b>	<b>(11,129)</b>	<b>(11,128)</b>	<b>(10,633)</b>	<b>(10,633)</b>
<b>Public Engagement Net Expenditure</b>	<b>(9,313)</b>	<b>(9,337)</b>	<b>(9,249)</b>	<b>(9,343)</b>

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

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
<b>Income</b>				
Revenue from Contracts with Customers	123	38	59	20
Other Operating Income	221	221	34	34
<b>Total Income</b>	<b>344</b>	<b>259</b>	<b>93</b>	<b>54</b>
<b>Expenditure</b>				
Grants	(5,684)	(5,576)	(45,436)	(41,668)
Staff Costs	(3,404)	(3,404)	(3,422)	(3,422)
Running Costs	(792)	(792)	(562)	(562)
Commercial Activities' Costs	(2)	(2)	(7)	(7)
Depreciation, Amortisation and Impairment	(28)	(28)	(215)	(215)
Other Expenditure	(224)	(224)	-	-
<b>Total Expenditure</b>	<b>(10,134)</b>	<b>(10,026)</b>	<b>(49,642)</b>	<b>(45,874)</b>
<b>Business Improvement Net Expenditure</b>	<b>(9,790)</b>	<b>(9,767)</b>	<b>(49,549)</b>	<b>(45,820)</b>

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 2021–22 the High Street Heritage Action Zone grant scheme was administered by Historic England. The scheme has wound down during 2022–23, grant expenditure has decreased as a result.

### e) Shrewsbury Flaxmill Maltings

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Revenue from Contracts with Customers	1	38	-	-
Other Operating Income	1,537	1,336	4,248	4,248
<b>Total Income</b>	<b>1,538</b>	<b>1,374</b>	<b>4,248</b>	<b>4,248</b>
<b>Expenditure</b>				
Grants	(55)	(41)	(80)	(80)
Staff Costs	(282)	(330)	(263)	(263)
Running Costs	(917)	(928)	(1,256)	(1,256)
Commercial Activities' Costs	(16)	(22)	(2)	(2)
Depreciation, Amortisation and Impairment	(950)	(950)	(50)	(50)
Other Expenditure	(49)	(80)	(30)	(30)
<b>Total Expenditure</b>	<b>(2,269)</b>	<b>(2,351)</b>	<b>(1,681)</b>	<b>(1,681)</b>
<b>Shrewsbury Flaxmill Maltings Net Income/(Expenditure)</b>	<b>(731)</b>	<b>(977)</b>	<b>2,567</b>	<b>2,567</b>

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 2022-23 the Shrewsbury Flaxmill Maltings assets under construction were transferred to live assets and started to depreciate, this has caused the significant increase in depreciation.

During 2022-23 Historic England (Shrewsbury Flaxmill Maltings) Limited opened to the public and began providing services to visitors to Shrewsbury Flaxmill Maltings. The trading results of the subsidiary are included in the 2022-23 group results.

### f) Corporate Services

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Revenue from Contracts with Customers	7,892	646	7,291	862
Earned Income	457	457	159	159
Other Operating Income	1,735	1,735	35	35
<b>Total Income</b>	<b>10,084</b>	<b>2,838</b>	<b>7,485</b>	<b>1,056</b>
<b>Expenditure</b>				
Grants	(505)	-	(3,000)	(3,000)
Staff Costs	(9,575)	(9,377)	(9,920)	(9,920)
Running Costs	(10,557)	(10,823)	(10,609)	(11,135)
Subsidy Expenditure	(1,233)	-	(9,636)	-
Commercial Activities' Costs	(2)	(2)	-	-
Depreciation, Amortisation and Impairment	(6,609)	(6,609)	(6,043)	(6,043)
Other Expenditure	(1,126)	(1,074)	(1,358)	(1,333)
<b>Total Expenditure</b>	<b>(29,607)</b>	<b>(27,885)</b>	<b>(40,566)</b>	<b>(31,431)</b>
<b>Financing</b>				
Finance Income	-	-	2	2
<b>Finance Costs</b>	<b>(1,286)</b>	<b>(1,286)</b>	<b>(1,263)</b>	<b>(1,263)</b>
<b>Net Finance Cost</b>	<b>(1,286)</b>	<b>(1,286)</b>	<b>(1,261)</b>	<b>(1,261)</b>
<b>Corporate Services Net Expenditure</b>	<b>(20,809)</b>	<b>(26,333)</b>	<b>(34,342)</b>	<b>(31,636)</b>

Revenue comprises Service Level Agreement income from the English Heritage Trust as well as provision of finance services to the DCMS and BDUK. 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 their objective of becoming financially self-sufficient.

During 2022–23 a £0.5m grant was received and paid to English Heritage alongside the Thornborough Henge heritage asset donation, to help manage the site.

### g) The English Heritage Trust

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Revenue from Contracts with Customers	-	111,955	-	88,994
Earned Income	-	2,160	-	2,009
Other Operating Income	-	15,979	-	12,181
<b>Total Income</b>	-	<b>130,094</b>	-	<b>103,184</b>
<b>Expenditure</b>				
Grants	-	(236)	-	(71)
Staff Costs	-	(53,585)	-	(47,006)
Running Costs	-	(52,752)	-	(48,274)
Commercial Activities' Costs	-	(14,749)	-	(10,648)
Depreciation, Amortisation and Impairment	-	(6,878)	-	(5,917)
Other Expenditure	-	(9,380)	-	(7,506)
<b>Total Expenditure</b>	-	<b>(137,580)</b>	-	<b>(119,422)</b>
<b>Financing</b>				
Finance Costs	-	(246)	-	(256)
Finance Income	-	-	-	-
<b>Net Finance Income/(Cost)</b>	-	<b>(246)</b>	-	<b>(256)</b>
<b>The English Heritage Trust Net Income/(Expenditure)</b>	-	<b>(7,732)</b>	-	<b>(16,494)</b>

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

### h) Historic England Foundation

	2022-2023		2021-2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>				
Other Operating Income	-	1,496	-	442
<b>Total Income</b>	-	<b>1,496</b>	-	<b>442</b>
<b>Expenditure</b>				
Depreciation, Amortisation and Impairment	-	(14)	-	(12)
Other Expenditure	-	(15)	-	-
<b>Total Expenditure</b>	-	<b>(29)</b>	-	<b>(12)</b>
<b>Historic England Foundation Net Income/(Expenditure)</b>	-	<b>1,467</b>	-	<b>430</b>

The balances included for The Historic England Foundation represent the values consolidated into the Group accounts. Note 32d provides the full financial results for the organisation for the year, prior to consolidation.

**i) Reconciliation between Operating Segments and SoCNE**

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Regions Group	(56,742)	(56,576)	(61,241)	(61,066)
Policy & Evidence	(13,002)	(13,931)	(12,333)	(13,304)
Public Engagement	(9,313)	(9,337)	(9,249)	(9,343)
Business Improvement	(9,790)	(9,767)	(49,549)	(45,820)
Shrewsbury Flaxmill Maltings	(731)	(977)	2,567	2,567
Corporate Services	(20,809)	(26,333)	(34,342)	(31,636)
The English Heritage Trust	-	(7,732)	-	(16,494)
Historic England Foundation	-	1,467	-	430
<b>Total Net Expenditure per the Statement of Comprehensive Net Expenditure</b>	<b>(110,387)</b>	<b>(123,186)</b>	<b>(164,147)</b>	<b>(174,666)</b>

**4. Revenue from Contracts with Customers**

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Shared Service Income	7,490	583	8,238	777
Admission Income	-	32,501	-	23,025
Advertising and Licencing	-	524	-	570
Archive and Lecture Fees	316	301	173	165
Commercial Sales Income	58	27,143	59	20,269
Enhanced Advisory Services	872	872	785	785
Hospitality and Events	1	2,738	-	2,750
Membership Income	-	48,527	-	41,737
Other Revenue	1,711	1,050	396	1,034
<b>Total Revenue from Contracts with Customers</b>	<b>10,448</b>	<b>114,239</b>	<b>9,651</b>	<b>91,112</b>

**5. Earned Income**

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Other Earned Income	-	39	-	37
Commission	-	680	-	623
Rents	457	1,898	159	1,508
<b>Total Earned Income</b>	<b>457</b>	<b>2,617</b>	<b>159</b>	<b>2,168</b>



## 6. Other Operating Income

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
<b>Grants Receivable</b>				
National Lottery Heritage Fund Grants	2,611	5,352	4,923	7,334
European Union Grants	-	448	-	178
Other Grants	3,863	7,447	1,668	6,864
<b>Total Grants Receivable</b>	<b>6,474</b>	<b>13,247</b>	<b>6,591</b>	<b>14,376</b>
Donations and Sponsorship	1,230	6,335	35	3,393
Other Operating Income	-	4,397	-	1,427
Interest Receivable	-	905	-	53
<b>Total Other Operating Income</b>	<b>7,704</b>	<b>24,884</b>	<b>6,626</b>	<b>19,249</b>

During 2022-23 The Thornborough Henges (£1,200,000) and land at Farleigh Hungerford (£30,000) was donated to Historic England's national collection.

## 7. Grants

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Buildings and Monuments	8,478	8,554	52,502	48,809
Capacity Building	2,505	2,505	2,805	2,805
Conservation Areas	31,493	31,589	32,405	32,405
Historic Environment	3,169	3,157	2,348	2,371
Management Agreements	180	180	183	183
Maritime	93	93	327	327
Other	504	76	418	418
Asset Transfer: Gift In Kind	-	-	3,000	3,000
Philanthropic	134	11	55	3
Government	2,444	2,444	2,436	2,461
Independent Research Organisation	941	941	110	110
<b>Total Grants</b>	<b>49,941</b>	<b>49,550</b>	<b>96,588</b>	<b>92,891</b>

During 2021-22 the Culture Recovery Fund and Heritage Stimulus Fund schemes were administered by Historic England. The schemes wound down during 2022-23 and grant expenditure has decreased as a result.

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 recognised a £3million capital grant in kind to offset the asset transfer in 'Grant Expenditure'.

## 8. Running Costs

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
IT Equipment and Services	6,123	8,863	6,494	8,655
Marketing and Branding	640	13,679	536	10,687
Monument Works and Maintenance	-	5,784	-	6,005
Office Rent and Charges	906	1,416	957	1,431
Lease Payments	230	1,283	238	888
Other Office Costs	478	361	497	355
Site Maintenance	1,526	22,585	2,184	22,232
Technical Advice	5,566	10,443	4,772	11,901
Utilities	782	4,700	575	2,724
<b>Total Running Costs</b>	<b>16,251</b>	<b>69,114</b>	<b>16,253</b>	<b>64,878</b>

## 9. Commercial Activities' Costs

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Cost of Sales	94	11,019	111	7,956
Event Production	404	4,201	200	2,656
Inventory Provision Expense	-	(185)	-	166
Inventory Write-Off	-	218	-	181
<b>Total Commercial Activities' Costs</b>	<b>498</b>	<b>15,253</b>	<b>311</b>	<b>10,959</b>

## 10. Other Expenditure

	2022-2023		2021-2022	
	Historic England	Group	Historic England	Group
	£'000	£'000	£'000	£'000
Administrative Costs	176	2,282	479	2,447
Audit Fee	85	191	77	174
Operational Costs	1,764	6,693	1,143	4,952
Other	407	1,481	591	1,227
(Gain)/Loss on Disposal on Non-Current Assets	31	17	3	3
Staff Related Costs	897	2,059	812	1,795
<b>Total Other Expenditure</b>	<b>3,360</b>	<b>12,723</b>	<b>3,105</b>	<b>10,598</b>

## 11. 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 2023 (2022: nil). English Heritage, as a registered charity, is entitled to certain tax exemptions on income and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives.

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

## 12. Auditor's Fees

	2022-2023	2021-2022
	Group	Group
	£'000	£'000
<b>Auditor's remuneration and expenses for statutory audit work:</b>		
Historic England	85	77
The English Heritage Trust	84	75
English Heritage Trading Limited	15	14
Historic England Foundation	7	8
<b>Total Auditor's Fees for the Financial Year</b>	<b>191</b>	<b>174</b>

During the year no member of the Historic England group purchased any non-audit services from its auditor, the National Audit Office (2021-2022: nil).

## 13. Staff Costs

	2022-2023			2021-2022		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Group</b>						
Wages and Salaries	1,415	79,278	80,693	1,384	72,189	73,573
Social Security Costs	74	7,641	7,715	154	6,806	6,960
Pension Costs	140	13,607	13,747	227	13,270	13,497
Redundancy and Severance Costs	-	267	267	-	997	997
Agency Staff Costs	-	949	949	-	604	604
<b>Total Employee Costs</b>	<b>1,629</b>	<b>101,742</b>	<b>103,371</b>	<b>1,765</b>	<b>93,866</b>	<b>95,631</b>

	2022-2023			2021-2022		
	Capital	Revenue	Total	Capital	Revenue	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Historic England</b>						
Wages and Salaries	455	34,795	35,250	522	33,812	34,334
Social Security Costs	53	3,900	3,953	57	3,539	3,596
Pension Costs	123	9,223	9,346	140	8,906	9,046
Redundancy and Severance Costs	-	67	67	-	342	342
Agency Staff Costs	-	322	322	-	261	261
<b>Total Employee Costs</b>	<b>631</b>	<b>48,307</b>	<b>48,938</b>	<b>719</b>	<b>46,860</b>	<b>47,579</b>

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

## 14. 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	National Heritage Memorial Fund	Tate Gallery
British Museum	National Maritime Museum	Visit Britain
Imperial War Museum	Science Museum Group	

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

Allerdale Borough Council	Essex County Council	North East Lincolnshire Council
Barnsley Metropolitan Borough Council	Forestry Commission	North Norfolk District Council
Barrow-in-Furness Borough Council	Fylde Borough Council	North Northamptonshire Council
Bath & North East Somerset Council	Gloucester City Council	North Somerset Council
Bournemouth, Christchurch and Poole Council	Gloucestershire County Council	North Tyneside Metropolitan Borough Council
Bedford Unitary Authority	Gosport Borough Council	Northumberland Unitary Authority
Birmingham City Council	Government Internal Audit Agency	Nottingham City Council
Blackpool Borough Council	Government Property Agency	Oldham Metropolitan Borough Council
Breckland District Council	Great Yarmouth Borough Council	Plymouth City Council
Brent London Borough Council	Hambleton District Council	Reading Borough Council
Bristol City Council	Haringey London Borough Council	Rochdale Borough Council
Bromley London Borough Council	Hartlepool Borough Council	Rossendale Borough Council
Burnley Borough Council	Herefordshire Council	Royal Borough of Greenwich
Cabinet Office	High Peak Borough Council	Sandwell Metropolitan Borough Council
Cabinet Office: Civil Superannuation	High Speed Two (HS2) Limited	Selby District Council
Calderdale Metropolitan Borough Council	Highways England	Shropshire Unitary Authority
Cambridge City Council	Hinckley and Bosworth Borough Council	Somerset Council
Canterbury City Council	Historic Environment Scotland	South Kesteven District Council
Cheshire West and Chester Unitary Authority	Home Office	Southwark London Borough Council
City of Lincoln Council	Isle of Wight Council	Stockport Metropolitan Borough Council
City of London	Kent County Council	Stoke-on-Trent City Council
City of York Council	Kettering Borough Council	Suffolk County Council
Cornwall Unitary Authority	Kingston upon Hull City Council	Sunderland City Metropolitan Borough Council
Council of the Isles of Scilly	Kirklees Metropolitan Council	Surrey County Council
Craven District Council	Lake District National Park Authority	Swindon Borough Council
Croydon London Borough Council	Lancaster City Council	Tameside Metropolitan Borough Council
Darlington Borough Council	Leeds City Council	Tewkesbury Borough Council
Dartmoor National Park Authority	Leicester City Council	Thanet District Council
Department for Environment, Food and Rural Affairs	Lincoln City Council	Tower Hamlets London Borough Council
Derby City Council	Lincolnshire County Council	Wakefield Metropolitan District Council
Devon County Council	Manchester City Council	Waltham Forest London Borough
Dorset Council	Medway Council	West Lancashire District Council
Dudley Metropolitan Borough Council	Mid Devon District Council	West Midlands Fire and Civil Defence Authority
Durham County Council	Middlesbrough Council	Wigan Metropolitan Borough Council
Ealing Council	Museum of London	Wiltshire Unitary Authority
East Suffolk Council	New Forest District Council	Worcestershire County Council
East Sussex County Council	Newark and Sherwood District Council	Wyre Borough Council
Eden District Council	Newcastle City Council	
	Norfolk County Council	
	North Devon Council	

## 14. 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 paid £4,043,000 of grant funding and £146,000 for rental of shared office space.
- Professor Helena Hamerow is a Director of Oxford Archaeology which paid £4,000 for reproduction fees and received £13,000 in grant funding and £17,000 for archaeological services.
- Mr Patrick Newberry is a trustee of the Georgian Group which received £42,000 in grant funding.
- Ms Sue Wilkinson is Deputy Chair of the Churches Conservation Trust which received £88,000 in grant funding.

#### Senior Staff

- The husband of Mrs Rebecca Barrett, Regional Director - South West, is a director of Burges Salmon which received £365,000 for legal services and had provided a further £4,000 of services that were not yet invoiced at the year end.
- Mr Duncan McCallum, formerly Strategy and Listing Director, is a trustee and, since January 2023, Chair of the Society for the Protection of Ancient Buildings which received £86,000 of grant funding.
- Mr Barney Sloane, National Specialist Services Director, is a member of the Policy Committee of the Society of Antiquaries of London which received £4,000 of grant funding.
- The stepfather of Mr Michael Bishop, Director of Corporate Strategy and Business Improvement, is Chancellor of the University of Gloucestershire which received £6,000 of grant funding and £4,000 for research. In addition, they had provided a further £4,000 of research that was not yet invoiced at the year end.

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.

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

## 15. Intangible Assets

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>				
<b>Cost or Valuation</b>				
At 1 April 2022	3,000	12,865	3,211	19,076
Additions	56	55	5,623	5,734
Disposals	(172)	(1,504)	-	(1,676)
Impairments	-	(267)	-	(267)
Reclassifications	-	581	(971)	(390)
Revaluations	102	129	-	231
<b>At 31 March 2023</b>	<b>2,986</b>	<b>11,859</b>	<b>7,863</b>	<b>22,708</b>
<b>Amortisation</b>				
At 1 April 2022	2,771	8,568	-	11,339
Charge in Year	208	1,332	-	1,540
Disposals	(172)	(1,505)	-	(1,677)
Revaluations	100	51	-	151
<b>At 31 March 2023</b>	<b>2,907</b>	<b>8,446</b>	<b>-</b>	<b>11,353</b>
Carrying Amount at 31 March 2022	229	4,297	3,211	7,737
<b>Carrying Amount at 31 March 2023</b>	<b>79</b>	<b>3,413</b>	<b>7,863</b>	<b>11,355</b>

All Intangible assets are owned outright (2022: all).

Systems development and intangible assets under construction are internally generated.

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>				
<b>Cost or Valuation</b>				
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)
<b>At 31 March 2022</b>	<b>3,000</b>	<b>12,865</b>	<b>3,211</b>	<b>19,076</b>
<b>Amortisation</b>				
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)
<b>At 31 March 2022</b>	<b>2,771</b>	<b>8,568</b>	<b>-</b>	<b>11,339</b>
Carrying Amount at 31 March 2021	219	4,220	1,300	5,739
<b>Carrying Amount at 31 March 2022</b>	<b>229</b>	<b>4,297</b>	<b>3,211</b>	<b>7,737</b>

## 15. Intangible Assets *continued*

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Historic England</b>				
<b>Cost or Valuation</b>				
At 1 April 2022	1,498	9,168	1,364	12,030
Additions	56	-	1,276	1,332
Disposals	(172)	(1,504)	-	(1,676)
Reclassifications	-	527	(917)	(390)
Revaluations	51	14	-	65
Impairments	-	(278)	-	(278)
<b>At 31 March 2023</b>	<b>1,433</b>	<b>7,927</b>	<b>1,723</b>	<b>11,083</b>
<b>Amortisation</b>				
At 1 April 2022	1,414	6,305	-	7,719
Charge in Year	85	856	-	941
Disposals	(172)	(1,504)	-	(1,676)
Revaluations	51	(40)	-	11
<b>At 31 March 2023</b>	<b>1,378</b>	<b>5,617</b>	<b>-</b>	<b>6,995</b>
Carrying Amount at 31 March 2022	84	2,863	1,364	4,311
<b>Carrying Amount at 31 March 2023</b>	<b>55</b>	<b>2,310</b>	<b>1,723</b>	<b>4,088</b>

All Intangible assets are owned outright (2022: all).

Systems development and intangible assets under construction are internally generated.

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Historic England</b>				
<b>Cost or Valuation</b>				
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)
<b>At 31 March 2022</b>	<b>1,498</b>	<b>9,168</b>	<b>1,364</b>	<b>12,030</b>
<b>Amortisation</b>				
At 1 April 2021	1,369	5,682	-	7,051
Charge in Year	124	828	-	952
Disposals	(54)	(97)	-	(151)
Revaluations	(25)	(108)	-	(133)
<b>At 31 March 2022</b>	<b>1,414</b>	<b>6,305</b>	<b>-</b>	<b>7,719</b>
Carrying Amount at 31 March 2021	2,894	13,874	637	17,405
<b>Carrying Amount at 31 March 2022</b>	<b>84</b>	<b>2,863</b>	<b>1,364</b>	<b>4,311</b>

## 16. Property, Plant and Equipment

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>							
<b>Cost or Valuation</b>							
At 1 April 2022	148,441	2,996	23,362	10,632	7,860	18,281	211,572
Additions	761	-	796	196	355	11,190	13,298
Disposals	(156)	(10)	(124)	(5,065)	-	-	(5,355)
Impairments	766	12	10	29	-	-	817
Reclassifications	20,163	-	1,231	390	227	(21,621)	390
Revaluations	12,360	246	2,744	334	422	-	16,106
<b>At 31 March 2023</b>	<b>182,335</b>	<b>3,244</b>	<b>28,019</b>	<b>6,516</b>	<b>8,864</b>	<b>7,850</b>	<b>236,828</b>
<b>Depreciation</b>							
At 1 April 2022	41,753	546	16,225	7,944	5,664	-	72,132
Charge in Year	8,631	143	1,879	1,096	408	-	12,157
Disposals	(125)	(10)	(124)	(5,065)	-	-	(5,324)
Reclassifications	(2)	-	-	-	2	-	-
Revaluations	4,227	54	2,132	301	322	-	7,036
<b>At 31 March 2023</b>	<b>54,484</b>	<b>733</b>	<b>20,112</b>	<b>4,276</b>	<b>6,396</b>	<b>-</b>	<b>86,001</b>
Carrying Amount at 31 March 2022	106,688	2,450	7,137	2,688	2,196	18,281	139,440
<b>Carrying Amount at 31 March 2023</b>	<b>127,851</b>	<b>2,511</b>	<b>7,907</b>	<b>2,240</b>	<b>2,468</b>	<b>7,850</b>	<b>150,827</b>

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>							
<b>Cost or Valuation</b>							
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	(3,042)	-	(605)	-	(521)	-	(4,168)
Impairments	657	9	104	(29)	5	-	746
Reclassifications	11,784	-	971	1,259	-	(14,785)	(771)
Revaluations	8,255	171	1,627	(139)	94	-	10,008
<b>At 31 March 2022</b>	<b>148,441</b>	<b>2,996</b>	<b>23,362</b>	<b>10,632</b>	<b>7,860</b>	<b>18,281</b>	<b>211,572</b>
<b>Depreciation</b>							
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)
Reclassifications	-	-	-	-	-	-	-
Revaluations	2,347	29	1,290	(136)	75	-	3,605
Impairments	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>41,753</b>	<b>546</b>	<b>16,225</b>	<b>7,944</b>	<b>5,664</b>	<b>-</b>	<b>72,132</b>
Carrying Amount at 31 March 2021	97,941	2,433	6,487	2,428	2,371	7,262	118,922
<b>Carrying Amount at 31 March 2022</b>	<b>106,688</b>	<b>2,450</b>	<b>7,137</b>	<b>2,688</b>	<b>2,196</b>	<b>18,281</b>	<b>139,440</b>



## 16. Property, Plant and Equipment *continued*

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Historic England</b>							
<b>Cost or Valuation</b>							
At 1 April 2022	105,613	2,846	15,456	8,450	5,400	12,165	149,930
Additions	402	-	270	-	-	2,554	3,226
Disposals	(156)	(10)	(124)	(5,065)	-	-	(5,355)
Impairments	320	-	4	12	-	-	336
Reclassifications	13,597	-	815	390	227	(14,639)	390
Revaluations	9,112	245	2,081	276	289	-	12,003
<b>At 31 March 2023</b>	<b>128,888</b>	<b>3,081</b>	<b>18,502</b>	<b>4,063</b>	<b>5,916</b>	<b>80</b>	<b>160,530</b>
<b>Depreciation</b>							
At 1 April 2022	34,849	532	12,148	6,779	4,457	-	58,765
Charge in Year	4,398	138	786	654	207	-	6,183
Disposals	(125)	(10)	(124)	(5,065)	-	-	(5,324)
Reclassifications	(2)	-	-	-	2	-	-
Revaluations	3,350	54	1,714	248	247	-	5,613
<b>At 31 March 2023</b>	<b>42,470</b>	<b>714</b>	<b>14,524</b>	<b>2,616</b>	<b>4,913</b>	<b>-</b>	<b>65,237</b>
Carrying Amount at 31 March 2022	70,764	2,314	3,308	1,671	943	12,165	91,165
<b>Carrying Amount at 31 March 2023</b>	<b>86,418</b>	<b>2,367</b>	<b>3,978</b>	<b>1,447</b>	<b>1,003</b>	<b>80</b>	<b>95,293</b>
<b>Historic England</b>							
<b>Cost or Valuation</b>							
At 1 April 2021	100,471	2,675	14,153	7,319	5,848	9,842	140,308
Transferred to Right of Use Asset on 1 April	-	-	-	-	-	-	-
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
<b>At 31 March 2022</b>	<b>105,613</b>	<b>2,846</b>	<b>15,456</b>	<b>8,450</b>	<b>5,400</b>	<b>12,165</b>	<b>149,930</b>
<b>Depreciation</b>							
At 1 April 2021	29,304	372	10,792	6,336	4,729	-	51,533
Transferred to Right of Use Asset on 1 April	-	-	-	-	-	-	-
Charge in Year	3,580	131	583	558	187	-	5,039
Disposals	(41)	-	(230)	-	(520)	-	(791)
Reclassifications	-	-	-	-	-	-	-
Revaluations	2,006	29	1,003	(115)	61	-	2,984
Impairments	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>34,849</b>	<b>532</b>	<b>12,148</b>	<b>6,779</b>	<b>4,457</b>	<b>-</b>	<b>58,765</b>
Carrying Amount at 31 March 2021	71,167	2,303	3,361	983	1,119	9,842	88,775
<b>Carrying Amount at 31 March 2022</b>	<b>70,764</b>	<b>2,314</b>	<b>3,308</b>	<b>1,671</b>	<b>943</b>	<b>12,165</b>	<b>91,165</b>

## 16. Property, Plant and Equipment *continued*

Capital expenditure contracted for as at 31 March 2023 but not provided for in the financial statements amounted to £404,000 for Historic England (2022: £2,737,000) and £3,782,000 for the group (2022: £9,062,000). Those commitments relating to tangible non-current assets amounted to £403,000 for Historic England (2022: £2,715,000) and £2,980,000 for the group (2022: £8,227,000) and those relating to intangible non-current assets amounted to £1,000 for Historic England (2022: £22,000) and £802,000 for the group (2022: £835,000). Total Non-Current Asset acquisitions in the year were funded, to their fair value, by:

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Government Grant	3,918	3,830	5,898	2,419	1,043
Non-government Grant	-	-	1,273	138	126
Donations	1,230	-	-	13	-
Lottery Funding	506	2,904	3,548	1,187	-
Asset Sale Proceeds	-	-	-	-	-
IFRS16 Right Of Use Assets funded by government grant	5,485	166	14	6,687	-
Other	104	325	427	-	-
<b>Total Non-Current Acquisitions</b>	<b>11,243</b>	<b>7,225</b>	<b>11,160</b>	<b>10,444</b>	<b>1,169</b>

Historic England's obligations under leases are disclosed in note 26, note 17 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 (2021-22: 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 Shrewsbury Flaxmill Maltings building refurbishment.

## 17. Right of Use Assets

	Operational Land & Buildings	Plant & Machinery	Total
	£'000	£'000	£'000
<b>Group</b>			
<b>Cost or Valuation</b>			
<b>At 1 April 2022</b>	37,319	262	37,581
Additions	5,496	28	5,524
Disposals	-	(44)	(44)
Impairments	699	-	699
Revaluations	883	-	883
<b>At 31 March 2023</b>	<b>44,397</b>	<b>246</b>	<b>44,643</b>
<b>Depreciation</b>			
<b>At 1 April 2022</b>	4,697	252	4,949
Charge in Year	2,641	20	2,661
Disposals	-	(44)	(44)
Revaluations	188	-	188
<b>At 31 March 2023</b>	<b>7,526</b>	<b>228</b>	<b>7,754</b>
Carrying Amount at 31 March 2022	32,622	10	32,632
<b>Carrying Amount at 31 March 2023</b>	<b>36,871</b>	<b>18</b>	<b>36,889</b>

## 17. Right of Use Assets *continued*

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

	Operational Land & Buildings £'000	Plant & Machinery £'000	Total £'000
<b>Historic England</b>			
<b>Cost or Valuation</b>			
<b>At 1 April 2022</b>	22,178	59	22,237
Additions	5,485	-	5,485
Disposals	-	(11)	(11)
Impairments	699	-	699
Revaluations	813	-	813
<b>At 31 March 2023</b>	<b>29,175</b>	<b>48</b>	<b>29,223</b>
<b>Depreciation</b>			
<b>At 1 April 2022</b>	2,355	59	2,414
Charge in Year	1,850	-	1,850
Disposals	-	(11)	(11)
Revaluations	188	-	188
<b>At 31 March 2023</b>	<b>4,393</b>	<b>48</b>	<b>4,441</b>
Carrying Amount at 31 March 2022	19,823	-	19,823
<b>Carrying Amount at 31 March 2023</b>	<b>24,782</b>	<b>-</b>	<b>24,782</b>

## 17. Right of Use Assets *continued*

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

## 18. Heritage Assets

	Land & Buildings	Dwellings	Artefacts & Archives	Total
	£'000	£'000	£'000	£'000
<b>Group</b>				
<b>Cost or Valuation</b>				
<b>At 1 April 2022 RESTATED</b>	16,969	9,259	18,536	44,764
Additions	1,200	-	-	1,200
Impairments	88	9	-	97
Revaluations	1,372	788	-	2,160
<b>Carrying Amount at 31 March 2023</b>	<b>19,629</b>	<b>10,056</b>	<b>18,536</b>	<b>48,221</b>
<b>At 1 April 2021 RESTATED</b>	15,952	8,704	18,536	43,192
Additions	-	-	-	-
Impairments	98	6	-	104
Revaluations	919	549	-	1,468
<b>Carrying Amount at 31 March 2022 RESTATED</b>	<b>16,969</b>	<b>9,259</b>	<b>18,536</b>	<b>44,764</b>

## 18. Heritage Assets *continued*

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Total £'000
<b>Historic England</b>				
<b>Cost or Valuation</b>				
<b>At 1 April 2022 RESTATED</b>	16,970	9,259	18,205	44,434
Additions	1,200	-	-	1,200
Impairments	88	9	-	97
Revaluations	1,371	787	-	2,158
<b>Carrying Amount at 31 March 2023</b>	<b>19,629</b>	<b>10,055</b>	<b>18,205</b>	<b>47,889</b>
<b>At 1 April 2021 RESTATED</b>	15,953	8,704	18,205	42,862
Additions	-	-	-	-
Impairments	98	6	-	104
Revaluations	919	549	-	1,468
<b>Carrying Amount at 31 March 2022 RESTATED</b>	<b>16,970</b>	<b>9,259</b>	<b>18,205</b>	<b>44,434</b>

The accounting of the New Model agreement has been reconsidered for appropriateness. As a result the revaluation of heritage assets and heritage assets under construction balances have been restated for the prior year to reflect this adjustment. Further details of the prior year adjustment are disclosed in note 2. The restated table below provides a summary of transactions relating to heritage assets for the current and previous four accounting periods.

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
<b>RESTATED</b>					
Cost of Acquisition			-	-	-
Value Acquired by Donation	1,200		-	13	-
Revaluations/(Impairments) Recognised - RESTATED	2,255	1,572	3,208	781	10,491
Heritage Assets Charged to Expenditure in Year	8	35	59	14	10

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

During 2022-23 received a heritage asset donation. The £1.2m valuation represents the fair value of the land donated and not the 'heritage' value to Historic England.

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.

All artefacts and archives acquired since 2001 are recognised and held at cost or, where donated, at market value (note 1).

Heritage asset charged to the Statement of Comprehensive Net Expenditure amounted to £8,000 and was revenue in nature (2022: £35,000)

## 19. 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, Thornborough Henges (£1,200k) was donated to Historic England (2022: £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 (2022: £nil). There were no disposals of artefacts during the year, or in the previous year.

## 20a. Fixed Assets Investments

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
At 1 April	-	-	-	-
In Year Movement	-	1,147	-	-
<b>At 31 March</b>	-	<b>1,147</b>	-	-

In June 2022, English Heritage approved an Investment Policy Statement, setting out risk appetite, target financial returns, and the approach to environmental, social and governance criteria governing the investment portfolio. An investment manager was appointed to oversee the portfolio.

English Heritage will invest amounts which will not be required to meet liabilities over the following three years, with the objective of maintaining and growing the real value of the assets and generating stable, sustainable and distributable returns, sufficient to maintain the purchasing power of those distributions.

A total return approach (that is, maximising the opportunities for capital growth and income generation within the parameters of the investment policy) is adopted for the investment portfolio.

## 20b. Current Assets Investment

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
At 1 April	-	5,018	-	7,059
In Year Movement	-	(5,018)	-	(2,041)
<b>At 31 March</b>	-	-	-	<b>5,018</b>

In March 2023 following the largest bank failure in the United States since the global financial crisis, English Heritage chose to move funds to high street banks whilst management reviewed the strategy for short to medium term surplus funds.

## 21. Inventories

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Inventories</b>	-	6,332	-	5,769
Inventories are stated after the following:				
Inventory Provision Expense	-	(185)	-	166
Inventory Write-Off	-	218	-	181
<b>Total Inventory Adjustment for the Year</b>	-	<b>33</b>	-	<b>347</b>

## 22. Trade and Other Receivables

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Trade Receivables</b>	640	1,039	506	986
Value Added Tax	1,510	1,712	2,021	2,194
Prepayments and Accrued Income	3,769	10,975	4,913	11,956
Other Receivables	54	1,374	38	1,683
Amount owed by Subsidiary Undertaking	2,997	-	5,877	-
<b>Total Trade and Other Receivables</b>	<b>8,970</b>	<b>15,100</b>	<b>13,355</b>	<b>16,819</b>

## 23. Cash and Cash Equivalents

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Balance at 1 April</b>	4,312	75,728	421	85,312
Net Change in Cash and Cash Equivalents Balances	8,977	(1,533)	3,891	(9,584)
<b>Balance at 31 March</b>	<b>13,289</b>	<b>74,195</b>	<b>4,312</b>	<b>75,728</b>
The following balances at 31 March were held with:	-	-	-	-
<b>Cash</b>				
Government Banking Service	13,160	13,160	4,180	13,516
Commercial Banks	129	29,588	132	37,342
<b>Total Cash</b>	<b>13,289</b>	<b>42,748</b>	<b>4,312</b>	<b>50,858</b>
<b>Cash Equivalents</b>				
Commercial Banks	-	31,447	-	24,870
<b>Balance at 31 March</b>	<b>13,289</b>	<b>74,195</b>	<b>4,312</b>	<b>75,728</b>

## 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; and
- 3 £10million is for updating presentation and interpretation of small and medium sites that would not normally qualify for commercial investment.

There was no remaining balance of the £80million New Model grant held by English Heritage at 31 March 2023 (2022: £10,233,000), the cumulative expenditure since 1 April 2015 split is as follows:

	2023 £'000	2022 £'000
<b>Element of spend of £80million government grant</b>		
<b>1</b> £52million	52,000	44,588
<b>2</b> £18million	18,000	18,000
<b>3</b> £10million	10,000	7,179
<b>4</b> Unspent	-	10,233
<b>Total</b>	<b>80,000</b>	<b>80,000</b>

## 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 2023.

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.



## 25. Financial Instruments *continued*

In June 2022, English Heritage approved an Investment Policy Statement, setting out risk appetite, target financial returns, and the approach to environmental, social and governance criteria governing the investment portfolio. An investment manager was appointed to oversee the portfolio. English Heritage will invest amounts which will not be required to meet liabilities over the following three years, with the objective of maintaining and growing the real value of the assets and generating stable, sustainable and distributable returns, sufficient to maintain the purchasing power of those distributions. A total return approach (that is, maximising the opportunities for capital growth and income generation within the parameters of the investment policy) is adopted for the investment portfolio.

At 31 March 2023, English Heritage held short-term deposits with institutions with low risk credit ratings, amounting to £nil (2022: £5,018,000).

At 31 March 2023, English Heritage held long-term deposits with an investment manager, amounting to £1,147,000 (2022: £nil).

### 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, none of which are interest bearing and are mainly due within one year.

English Heritage's amended investment policy target financial returns and is invested in long term funds which are subject to investment rate risks. As at 31 March 2023 £nil investment movement has been recognised on the new investments (2022: £nil).

Other financial assets include 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:

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Finance Assets</b>				
Fixed Asset Investments	-	1,147	-	-
Trade and Other Receivable	3,691	2,413	6,421	2,669
Current Asset Investment	-	-	-	5,018
Cash and Cash Equivalents	13,289	74,195	4,312	75,728
	<b>16,980</b>	<b>77,755</b>	<b>10,733</b>	<b>83,415</b>
<b>Financial Liabilities</b>				
Trade and Other Payables	(1,220)	(3,811)	(6,720)	(3,426)
Bank Loans and Overdrafts	-	(24,348)	-	(23,400)
	<b>(1,220)</b>	<b>(28,159)</b>	<b>(6,720)</b>	<b>(26,826)</b>

## 26. Lease Liability

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

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Lease Liabilities for the following periods comprise:</b>				
<b>Land and Buildings</b>				
Not Later than One Year	1,679	2,248	1,443	2,006
Between One and Five Years	6,855	8,813	5,938	8,150
Later than Five Years	21,041	30,360	18,370	27,992
<b>Total Land and Buildings</b>	<b>29,575</b>	<b>41,421</b>	<b>25,751</b>	<b>38,148</b>
<b>Other</b>				
Not Later than One Year	4	22	5	29
Between One and Five Years	-	15	4	12
<b>Total Other</b>	<b>4</b>	<b>37</b>	<b>9</b>	<b>41</b>
<b>Present Value of Lease Liabilities</b>	<b>29,579</b>	<b>41,458</b>	<b>25,760</b>	<b>38,189</b>

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 Payables

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Trade and Other Payables for the following periods comprise:</b>				
<b>Current Trade and Other Payables</b>				
Trade Payables	544	3,472	247	3,044
Accruals	18,447	34,561	8,998	20,986
Deferred Income	493	20,688	482	21,561
Income Tax and Social Security	910	1,758	904	1,658
Pensions	27	543	945	1,413
Other Payables	13	339	13	383
Amount Owed to Subsidiary Undertaking	663	-	6,460	-
<b>Total Current Trade and Other Payables</b>	<b>21,097</b>	<b>61,361</b>	<b>18,049</b>	<b>49,046</b>
<b>Non-Current Trade and Other Payables</b>				
Pensions	171	171	219	219
Deferred Income	-	2,162	-	2,086
Other Payables	-	-	-	3
Accrued Interest	-	-	-	468
<b>Total Non-Current Trade and Other Payables</b>	<b>171</b>	<b>2,333</b>	<b>219</b>	<b>2,776</b>

## 28. Other Non-Current Borrowings

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Bank Loans and Overdrafts	-	24,348	-	23,400
<b>Total Other Non-Current Borrowings</b>	<b>-</b>	<b>24,348</b>	<b>-</b>	<b>23,400</b>

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

## 29. Commitments

	2023		2022	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Capital Commitments</b>				
Not later than one year	404	3,782	2,737	8,725
Later than one year and not later than five years	-	-	-	337
	<b>404</b>	<b>3,782</b>	<b>2,737</b>	<b>9,062</b>
<b>Other Financial Commitments</b>				
Not later than one year	12,139	36,257	14,930	38,332
Later than one year and not later than five years	1,654	1,654	3,456	3,558
Later than five years	-	-	-	-
	<b>13,793</b>	<b>37,911</b>	<b>18,386</b>	<b>41,890</b>
<b>Total Capital and Other Financial Commitments</b>	<b>14,197</b>	<b>41,693</b>	<b>21,123</b>	<b>50,952</b>

Both cancellable and non-cancellable commitments are included.

## 30. Contingent Liabilities

Various outstanding claims existed at 31 March 2023. Provision has been made in the accounts for the year ended 31 March 2023 for those outstanding liabilities which will probably require settlement, and where the amount of the liability can be reliably estimated.

Under IAS 37, the Historic England group has identified £33,000 of contingent liabilities (2022: £40,000), of which £nil (2022: £nil) relate to Historic England.

## 31. 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.

## 32. 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 3g due to the elimination of inter-company transactions on consolidation.

	2023 £'000	2022 £'000
<b>Income and Expenditure Resources</b>		
Total Incoming Resources	130,040	116,044
Total Resources Expended	(141,178)	(125,651)
<b>Net Income for the Year</b>	<b>(11,138)</b>	<b>(9,607)</b>
<b>Reconciliation of Funds</b>		
Total Funds Brought Forward	75,578	85,185
<b>Total Funds Carried Forward</b>	<b>64,440</b>	<b>75,578</b>
	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Net Assets as at 31 March</b>		
Non-Current Assets	55,910	45,980
Current Assets	79,436	99,271
Creditors: Amounts Falling Due Within One Year	(44,109)	(43,433)
Creditors: Amounts Falling Due After More Than One Year	(26,797)	(26,240)
<b>Net Assets</b>	<b>64,440</b>	<b>75,578</b>
Restricted	8,730	17,122
Unrestricted	55,710	58,456
<b>Funds</b>	<b>64,440</b>	<b>75,578</b>

### 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.

## 32. 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:

	2023 £'000	2022 £'000
<b>Income and Expenditure Resources</b>		
Total Incoming Resources	1,604	494
Total Resources Expended	(1,728)	(575)
<b>Net Income for the Year</b>	<b>(124)</b>	<b>(81)</b>
<b>Reconciliation of Funds</b>		
Total Funds Brought Forward	351	432
<b>Total Funds Carried Forward</b>	<b>227</b>	<b>351</b>
	<b>2023 £'000</b>	<b>2020 £'000</b>
<b>Net Assets as at 31 March</b>		
Non-Current Assets	41	-
Current Assets	286	359
Current Liabilities	(100)	(8)
<b>Net Assets</b>	<b>227</b>	<b>351</b>
<b>Retained Funds</b>	<b>227</b>	<b>351</b>

### 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 opened to the public in September 2022 and provide services to visitors to Shrewsbury Flaxmill Maltings.

	2023 £'000	2022 £'000
<b>Statement of Comprehensive Income</b>		
Turnover	37	-
Cost of Sales	(5)	-
<b>Gross Profit</b>	<b>32</b>	-
Admin Expenses	(89)	-
<b>Profit/(Loss) for the year</b>	<b>(57)</b>	-
	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Net Assets as at 31 March</b>		
Current Assets	48	-
Current Liabilities	-	-
<b>Net Assets</b>	<b>48</b>	-
<b>Total Shareholder's Funds</b>	<b>48</b>	-

## 32. Subsidiary Undertakings *continued*

### f) The Iveagh Bequest

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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.

## 33. Events After the Reporting Period

There were no reportable events between 31 March 2023 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.

SECTION 5

# OUR SUPPORTERS



A shop owner in front of his premises during renovation works in The Burges High Street Heritage Action Zone, Coventry

## 5. OUR SUPPORTERS

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We are very grateful to those who have contributed to our activities during the year ended 31 March 2023.

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

The Alan and Karen Grieve Charitable Trust  
Dr Anthony Clarke  
Sir David Davies  
The Edward Vinson 1957 Charity Settlement  
The Hamish Ogston Foundation  
LG Harris Trust  
David and Christine Holmes  
The Kirby Laing Foundation  
David Laing  
The late Catherine Neaverson (Legacy)  
The Pilgrim Trust  
Pitchford Estate  
Dr Fabian Richter  
Will and Tania Stratton Morris  
Samuel Swire  
The Walker Trust

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







# Historic England

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

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